

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



**IN THE MATTER OF THE
APPLICATION FOR APPROVAL
OF ITS EMERGENCY CAPITAL
EXPENDITURE PROJECT TO
INSTALL A 15 MVA POWER
TRANSFORMER AT SOLANA,
CAGAYAN**

ERC CASE NO. 2014-030 RC

**CAGAYAN I ELECTRIC
COOPERATIVE, INC.
(CAGELCO I),
Applicant.**

D O C K E T E D
Date: JUL 08 2014
By: h

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NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on April 1, 2014, the Cagayan I Electric Cooperative, Inc. (CAGELCO I) filed an application for approval of its emergency capital expenditure project to install a 15 MVA Power Transformer at Solana, Cagayan.

In the said application, CAGELCO I alleged, among others, that:

1. It is an electric cooperative duly organized and existing under Philippine law with principal office address at Maddarug, Solana, Cagayan. It is franchised to construct, own operate, and maintain an electric distribution network in the City of Tuguegarao, and in the Municipalities of Alcala, Amulung, Baggao, Enrile, Iguig, Peñablanca, Piat, Rizal, Solana, Sto. Niño, and Tuao, all in the Province of Cagayan. It is represented by its General Manager, Engr. Tito R. Lingan;

2. It seeks approval of its emergency capital project more particularly on the acquisition and installation of one (1) unit of 15 MVA 69/13.8 kV power transformer to replace the defective 15 MVA power transformer installed at Maddarulug, Solana, Cagayan;
3. On October 3, 2012, its 15 MVA power transformer installed at the Solana Substation bogged down, forcing it to schedule emergency load shifting to other substation to temporarily accommodate the loads of the transformer at Solana;
4. Due to power quality problems experienced during load shifting, such as under voltages and voltages sags, it commissioned on October 17, 2012 a temporary replacement transformer on a rental basis at the rate of PhP650,000.00 a month;
5. A cost-benefit analysis showed that it would be more economical to just buy a new 15 MVA transformer instead of renting one at PhP650,000.00 per month. Thus, its board passed a resolution authorizing the emergency purchase of a brand new 15 MVA power transformer to replace the defective transformer installed at the Solana Substation;
6. The cost incurred for this emergency capital project are as follows:

	TASK/ACTIVITIES	Cost (PhP)
1	Mobilization/de-mobilization, installation, testing and commissioning of the rented 25/20 MVA power transformer	950,000.00
2	Rent on transformer (October 2012 to July 2013)	6,144,000.00
3	Supply, delivery, installation, testing and commissioning of one (1) unit 15/18.75 MVA power transformer	13,300,000.00
TOTAL (PhP)		20,394000.00

7. The emergency project was funded from its General Fund (GF) and seeks to draw the amount from its Reinvestment Fund for Sustainable Capital Expenditures (RFSC);
8. The newly installed power transformer was commissioned on August 3, 2013;
9. It attached, in support of its application, the following:

Appendix	Supporting Documents
	Project profile
A	WESTCO Test Results
B	Additional Test Results
C	Significant Incident Reports
D	Bid Documents
E	Documentation on the purchase of one (1) Brand New Unit 15 MVA Transformer
F	Documentation on the installation of one (1) Brand New Unit 15 MVA Transformer
G	Cost-Benefit Analysis
H	Project Cost
I	Funding Source-RFSC
J	Project Schedule

10. It prays that its application be approved.

The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **August 14, 2014 (Thursday) at three o'clock in the afternoon (3:00 P.M.), at the CAGELCO I's Main Office, Maddarulug, Solana, Cagayan.**

All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission giving the docket number and title of the proceeding and stating: (1) the petitioner's name and address; (2) the nature of petitioner's interest in the subject matter of the proceeding, and the way and manner in which such interest is affected by the issues involved in the proceeding; and (3) a statement of the relief desired.

All other persons who may want their views known to the Commission with respect to the subject matter of the proceeding may file their opposition to the application or comment thereon at any stage of the proceeding before the applicant concludes the presentation of its evidence. No particular form of opposition or comment is required, but the document, letter or writing should contain the name and address of such person and a concise statement of the opposition or comment and the grounds relied upon.

All such persons who may wish to have a copy of the application may request the applicant, prior to the date of the initial hearing, that they be furnished with a copy of the application. The applicant is hereby directed to furnish all those making a request with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs. Likewise, any such person may examine the application and other pertinent records filed with the Commission during the usual office hours.

WITNESS, the Honorable Chairperson, **ZENAIDA G. CRUZ-DUCUT**, and the Honorable Commissioners, **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, and **JOSEFINA PATRICIA A. MAGPALE-ASIRIT**, Energy Regulatory Commission, this 30th day of June 2014 at Pasig City.


ATTY. FRANCIS SATURNINO C. JUAN
Executive Director III