

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



**IN THE MATTER OF THE
APPLICATION FOR APPROVAL
OF REGULATED ENTITIES'
CAPITAL EXPENDITURE
PROJECT DUE TO FORCE
MAJEURE AND AUTHORITY TO
SECURE LOAN FROM THE
NATIONAL ELECTRIFICATION
ADMINISTRATION (NEA)**

ERC CASE NO. 2014-059 RC

**NUEVA ECIJA II ELECTRIC
COOPERATIVE, INC. AREA 1
(NEECO II AREA 1),**

Applicant.

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DOCKETED
Date: NOV 06 2014
w: _____

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on May 13, 2014, Nueva Ecija II Electric Cooperative, Inc. Area 1 (NEECO II AREA 1) filed an application for approval of regulated entities' capital expenditure due to force majeure and authority to secure loan from the National Electrification Administration (NEA).

In the said application, NEECO II AREA 1 alleged, among others, the following:

1. It is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Calipahan, Talavera, Nueva Ecija, where it may be served with summons and other legal processes, represented in this instance by its General Manager, Eulalia M. Castro, of legal age, Filipino, and with office address also at NEECO II AREA 1 Main Office;

2. It is the holder of an exclusive franchise issued by the NEA, to operate an electric light and power services in the Municipalities of the Province of Nueva Ecija, namely: Talavera, Lupao, Carranglan, Aliaga, Quezon, Licab, Sto. Domingo, Munoz, Guimba and Talugtog;
3. On October 11, 2013 at around eleven thirty in the evening (11:30 P.M.) until more or less one thirty in the morning (1:30 A.M.) of the following day (October 12, 2013), Typhoon Santi hit most part of Central Luzon, including its franchise area, which left widespread and significant damage to its Distribution System and related facilities and the aftermath of which is the total power black-out in its entire coverage area;
4. The said force majeure was reported to the Commission, through a letter dated November 7, 2013 and a copy of which is attached to the instant application and marked as Annex "A";
5. Based on the actual line materials and labor cost for the rehabilitation/reconstruction of the damaged/destroyed distribution lines and its related facilities, less the estimated scrap value, the capital expenditures project costs amounted to Eight Million Three Hundred Twelve Thousand One Hundred Thirty-Three Pesos and Eighty-Three Centavos **(PhP8,312,133.83)**;
6. The fund used for the said rehabilitation/reconstruction was advanced from the restricted fund of the Retirement Fund of the cooperative employees which will be loaned from the NEA through its calamity loan credit facility program;
7. The aforesaid rehabilitation/reconstruction project was started on October 12, 2013 and was completed on November 11, 2013;
8. In support of the instant application, it attached the following:
 - a. Project Description
 - b. Justification or benefits to be delivered;
 - c. Estimated project Costs;
 - d. Project Financing Plan; and
 - e. Project Schedule;

9. In compliance with the pre-filing requirements , it submitted the following documents:
 - a. Certification from the Sangguniang Bayan of Talavera, Nueva Ecija that a copy of the Application, with all its annexes and accompanying documents, attesting to the fact that it has furnished the said legislative body of the said Application;
 - b. Certification from the Sanggunian Panlalawigan of Nueva Ecija that it likewise furnished the said pertinent documents; and
 - c. Affidavit of Publication and a newspaper issue containing the published Application in its entirety in a newspaper of general circulation in the Province of Nueva Ecija;
10. The approval of the instant application is needed to maintain its efficient, reliable, and safety delivery of power to its existing and future consumers and will redound to the benefit of the consuming public; and
11. It prays that the Commission after due notice and hearing approve the instant application. It also prays for other just or equitable relief.

The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **December 5, 2014 (Friday) at nine-thirty in the morning (9:30 A.M.) at NEECO II AREA 1 Main Office, Calipahan, Talavera, Nueva Ecija.**

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 such 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 4th day of November, 2014 at Pasig City.


ATTY. NOEL J. SALVANERA
Director III