

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



IN THE MATTER OF THE  
APPLICATION FOR  
CONFIRMATION AND  
APPROVAL OF FORCE  
MAJEURE EVENT CAPITAL  
EXPENDITURE PROJECT, RE:  
REPAIR, RESTORATION,  
REPLACEMENT AND/OR  
REHABILITATION OF  
DISTRIBUTION SYSTEM,  
FACILITIES AND ACCESSORIES,  
AND BUILDING STRUCTURES  
DAMAGED BY TYPHOON  
GLENDA AND AUTHORITY TO  
SECURE LOAN FROM THE  
NATIONAL ELECTRIFICATION  
ADMINISTRATION (NEA)

**ERC CASE NO. 2014-168 RC**

BATANGAS I ELECTRIC  
COOPERATIVE, INC. (BATELEC  
I),

Applicant.

X- - - - - X

**DOCKETED**  
Date: FEB 16 2015  
W

**NOTICE OF PUBLIC HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on November 12, 2014, the Batangas I Electric Cooperative, Inc. (BATELEC I) filed an application for confirmation and approval of Force Majeure Event Capital Expenditure Project, re: repair, restoration, replacement and/or rehabilitation of distribution system, facilities and accessories, and building structures damaged by Typhoon Glenda and authority to secure loan from the National Electrification Administration (NEA).

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

1. It is a non-stock, non-profit electric cooperative (EC), duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Kilometer 116 National Highway, Calaca, Batangas;
2. It holds an exclusive franchise from the National Electrification Commission to operate an electric light and power distribution service in twelve (12) Municipalities, namely: Agoncillo, Balayan, Calaca, Calatagan, Lemery, Lian, Nasugbu, San Luis, San Nicolas, Sta. Teresita, Taal and Tuy, all in the Province of Batangas;
3. On July 16, 2014, Typhoon Glenda, hit the province of Batangas and other parts of Luzon. The typhoon was said to have set the province under signal number three (3). The storm has force winds of 101 to 185 kph and 100 mm rain. These resulted to destruction of properties including its buildings, offices, distribution lines, poles, distribution transformers, hardware, protection equipment and accessories;
4. As provided under Section 3.3 of the Commission's Resolution No. 26 Series of 2009, if a Force Majeure or Fortuitous Event, as the case may be, occurs, the regulated entity shall seek the Commission's confirmation of the implementation of capital expenditure projects arising from such event. Likewise, Section 3.2.1.15 of the said Resolution allows the filing of the approval of the authority to secure loan sourced from NEA together with the CAPEX Application;
5. Pursuant to the abovementioned resolution, it filed before the Commission a Notice of Force Majeure Event (Typhoon Glenda) on October 13, 2014, or within three (3) months from the occurrence of the typhoon. Pursuant further to said resolution, it is filing the application within thirty (30) days or until November 12, 2014 from submission of the Force Majeure Event Notice;

6. The force majeure event capital expenditure project consists of the repair, restoration, replacement and/or rehabilitation of its buildings, offices, distribution lines, poles, distribution transformers, hardware, protection equipment and accessories damaged by Typhoon Glenda;
7. The estimated total costs of repair, restoration, replacement and/or rehabilitation of the damaged properties is Nine Million Six Hundred Eighty-Three Thousand Seven Hundred Seven Pesos and Thirty Three Centavos (PhP9,683,707.33);
8. Repair and restoration works were immediately undertaken after the typhoon left the country and still on-going up to this time;
9. The project will ensure the power restoration of its entire coverage area and in turn, more reliable and efficient power supply to satisfy the necessities of its member consumers. The repair of the damaged offices and buildings will be beneficial and convenient for the day-to-day transactions and dealings with its consumers including the security and safety of its equipment;
10. The total estimated project cost of Nine Million Six Hundred Eighty-Three Thousand Seven Hundred Seven Pesos and Thirty Three Centavos (PhP9,683,707.33) will be sourced through a calamity loan from the NEA, to be converted into a subsidy in the event the National Government grants it subsidy after it was ravaged by Typhoon Glenda;
11. In the event that the funding for the restoration and rehabilitation of the damaged properties, which is presently being sourced through a calamity loan from NEA is not converted into a subsidy from the national government, the loan shall have a rate impact to BATELEC l's consumers, which is derived from the total project cost against the forecasted kWh sales for five (5) years of implementation, as follows:

	2015 (PhP)	2016 (PhP)	2017 (PhP)	2018 (PhP)	2019 (PhP)
Principal	1,719,911	1,776,494	1,834,936	1,895,303	2,457,054
Interest	293,901	237,318	178,876	118,509	60,215
Total Amortization	2,013,812	2,013,812	2,013,812	2,013,812	2,517,269
Forecasted Sales (kWh)	278,345,000	288,472,000	298,399,000	308,105,000	317,571,000
<b>Indicative Rate Impact (PhP/kWh)</b>	<b>0.0072</b>	<b>0.0070</b>	<b>0.0067</b>	<b>0.0065</b>	<b>0.0079</b>

12. In the event that the funding being sourced from NEA is finally treated as a calamity loan, it will file an application with the Commission for authority to secure said loan and to recover the cost thereof from its consumers;
13. Finally, in support of the application, it submits the following documents which are being made integral parts of the application, as follows:

Annex	Nature of Document
A	BATELEC I's Board Resolution authorizing the filing of the instant application
B	Notice of Force Majeure Event
C	Executive Summary of the Project
C-1	Amended Executive Summary of the Project
D	Supporting documents for the application for authority to secure loan from NEA
E to E-1	Proof of furnishing copies of the Application to the Sangguniang Bayan of Calaca and the Sangguniang Panlalawigan of Batangas
F to F-2	Publication of the Application in a newspaper of general circulation within BATELEC I's franchise area or where it principally operates, with Affidavit of Publication.

14. It prays that after due notice and hearing, the repair, restoration, replacement and/or rehabilitation works undertaken on its distribution lines, facilities and accessories, equipment, and buildings damaged by Typhoon Glenda, as well as the corresponding application for authority to secure loans from the NEA to finance its force majeure event capital expenditures projects be confirmed and approved.

The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **March 13, 2015 (Friday) at ten o'clock in the morning (10:00 A.M.), at the BATELEC I's Principal Office, Kilometer 116 National Highway, Calaca, Batangas.**

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 amended 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 9<sup>th</sup> day of February 2015 at Pasig City.

  
**ATTY. FRANCIS SATURNINO C. JUAN**  
Executive Director III