

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



IN THE MATTER OF THE APPLICATION FOR APPROVAL OF FORCE MAJEURE CAPITAL EXPENDITURE PROJECTS: (1) RESTORATION AND REHABILITATION OF DISTRIBUTION LINES AND LINE ACCESSORIES AND KILOWATTHOUR METERS DAMAGED BY TYPHOON GLENDA COSTING A TOTAL OF PHP65,239,833.00; AND TO SECURE LOAN FROM NEA, WITH PRAYER FOR PROVISIONAL AUTHORITY

ERC CASE NO. 2015-127 RC

NORTHERN SAMAR ELECTRIC COOPERATIVE, INC. (NORSAMELCO),

Applicant.

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DOCKETED
Date: **OCT 19 2015**
By: *[Signature]*

NOTICE OF PUBLIC HEARING


TO ALL INTERESTED PARTIES:

Notice is hereby given that on July 7, 2015, the Northern Samar Electric Cooperative, Inc. (NORSAMELCO) filed an application for approval of its capital expenditure projects due to force majeure event (Typhoon Glenda): 1) restoration and rehabilitation of distribution lines and line accessories and replacement of kilowatt-hour meters amounting to PhP65,239,833.00; and 2) authority to secure loan from the National Electrification Administration (NEA), with prayer for provisional authority.

[Signature]

In the said application, NORSAMELCO alleged, among others, the following:

1. It is an electric cooperative existing pursuant to Presidential Decree No. 269 (P.D. 269), as amended by P.D. 1645 located at Brgy. Magsaysay, Bobon Norther Samar;
2. It holds a 50-year franchise issued by the National Electrification Commission (NEC) to operate an electric light and power distribution service in certain municipalities in the Province of Northern Samar, namely: San Isidro, Victoria, Allen, Lavezares, Rosario, San Jose, Bobon, Lope de Vega, Mondragon, Catarman, San Vicente, Capul, San Antonio, Biri, San Roque, Pambujan, Silvino Lobos, Laoang, Catubig, Las Navas, Palapag, Mapanas, Gamay and Lapinig;
3. Pursuant to Section 3.3, Article III of the Commission's Resolution No. 26, Series of 2009, and other pertinent rules and regulations, the application was filed for the approval of the following force majeure capital project: (1) restoration and rehabilitation of distribution lines and line accessories, and replacement of kilowatthour meters damaged by Typhoon Glenda on July 15, 2014 amounting to PhP65,239,833.00; and (2) authority to secure loans from NEA;
4. After the typhoon, it immediately commenced the restoration of the damaged distribution lines and line accessories including the kilowatthour meters;
5. The following information were submitted in support of the application:
 - I. Restoration and Rehabilitation of Distribution Lines and Line accessories and replacement of kilowatthour meters damaged by Typhoon Glenda amounting to PhP65,239,833.00
 - a) Project Title - Restoration and Rehabilitation of Distribution Lines and line accessories and replacement of damaged kilowatthour meters;
 - b) Project Description – Recovery of expenses for the restoration and rehabilitation of distribution lines, line



accessories and the replacement of damaged kilowatt-hour meters;


- c) Schedule and Cost Estimates - PhP65,239,833.00;
 - d) Technical Evaluation of Alternative Solutions; and
 - e) Difficulties and problems met.
- II. Authority to secure loan from NEA – Releases of all loans for the two (2) projects: the restoration and rehabilitation of lines and replacement of kilowatt-hour meters and repairs of the substations.
- a) Typhoon Glenda Amortization Schedule for ten (10) years from September 2015 to September 2025;
6. It requested NEA to release the funds to purchase the materials and equipment for the restoration and rehabilitation of the damaged distribution lines;
7. The estimated total cost of the project is Sixty-Five Million Two Hundred Thirty-Nine Thousand Eight Hundred Thirty-Three Pesos (PhP65,239,833.00);
8. It also submitted the following documents in support of the application:
- a) Budget request to NEA;
 - b) Assembly Unit;
 - c) Bill of Materials and cost estimate;
 - d) Typhoon damage report;
 - e) Photographs of damaged lines;
 - f) NEA disbursement voucher amounting to PhP29,168,450.10;
 - g) NEA disbursement voucher amounting to PhP23,334,763.08;
 - h) NEA schedule of amortization amounting to PhP36,888,995.00; and
 - i) NEA schedule of amortization amounting to PhP28,350,838.00;



9. The total calamity loan of PhP65,239,833.00 shall have an indicative rate impact to its consumers derived from the total project cost;
10. The implementation of the project will ensure power restoration in its entire coverage area and delivery of more reliable and efficient service to its consumers. It is also intended to restore the safety and protection of its entire distribution system;
11. The approval of the capital expenditure projects due to force majeure (Typhoon Glenda) is needed to maintain efficient, reliable and safety delivery of power to its existing and future consumers, and will redound to the benefit of the consuming public; and
12. It prays that the Commission:
 - a. Issue, immediately upon filing of the application, a provisional authority for the approval of the following force majeure capital projects:
 - 1) Restoration and rehabilitation of distribution lines and line accessories and replacement kilowatthour meters damaged by Typhoon Glenda amounting to PhP65,239,833.00; and
 - 2) Approval of the loan amortization secured from NEA for the expenses incurred in the two (2) force majeure capital projects; and
 - b. Approve and allow the recovery of the costs of the project.

The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **November 26, 2015 (Thursday) at two o'clock in the afternoon (2:00 P.M.) at the NORSAMELCO's Main Office, Barangay Magsaysay, Bobon, Northern Samar.**

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 Chairman, **JOSE VICENTE B. SALAZAR**, and the Honorable Commissioners, **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, **JOSEFINA PATRICIA A. MAGPALE-ASIRIT**, and **GERONIMO D. STA. ANA**, Energy Regulatory Commission, this 6th day of October, 2015 at Pasig City.


ATTY. DEBORA ANASTACIA T. LAYUGAN
Director III