

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



**IN THE MATTER OF THE
APPLICATION FOR APPROVAL OF
CAPITAL EXPENDITURE PROJECTS
FOR CALENDAR YEAR 2015**

ERC CASE NO. 2015-149 RC

**VISAYAN ELECTRIC COMPANY,
INC. (VECO),**

Applicant.

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DOCKETED
Date: **AUG 25 2015**
By: _____

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on August 4, 2015, the Visayan Electric Company, Inc. (VECO) filed with the Commission an application for the approval of its capital expenditure projects for calendar year 2015.

In the said application, VECO alleged, among others, that:

1. It is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at J. Panis Street, Banilad, Cebu City. It is a duly authorized distribution utility of the electric light and power distribution service in the Municipalities of San Fernando, Minglanilla, Consolacion and Lilo-an and the Cities of Naga, Talisay, Cebu and Mandaue, all in the Province of Cebu, pursuant to its franchise under Republic Act No. 9339. It may be served with the orders, notices and processes of the Commission through its counsel at the address indicated;
2. In accordance with Resolution No. 26, Series of 2009 of the Commission, otherwise known as the "Amended Rules for

the Approval of Regulated Entities' Capital Expenditure Projects", it hereby applies for the authority of the Commission to implement the construction, ownership and operation of the following Capital Expenditure Projects which will be implemented for Calendar Year 2015, summarized and enumerated as follows:

Project Name	Project Cost (PhP)
Mandaue to Consolacion 69 kV Line	16,187,630.27
Quiot to Ayala 69 kV Line	37,732,610.44
Camputhaw Transformer 2	48,308,880.16
Mabolo Transformer 2	36,500,808.74
Quiot Transformer 2	88,199,832.72
Customer Applications	216,332,576.72
Line Maintenance	98,902,140.54
Loss Reduction Program	89,205,492.18
Overhead Devices	20,358,886.37
Substation Maintenance	17,098,232.80
Testing Equipment	8,800,000.00
Residual	347,864,760.73
Meter Data Management	19,160,391.00
Mobile Applications	213,888.00
Project Aguila	4,302,397.00
Project Hyperion	8,880,000.00
Single Sign On	3,840,000.00
WAM Phase 2 Consultancy	337,920.00
TOTAL	1,062,226,447.67

3. The justifications for its CAPEX for Calendar Year 2015 are discussed in detail in Annex "A", including sub-annexes, in support of its application and containing the following:
 - a. Major Project Description and Justification;
 - b. Project Cost Estimates;
 - c. Technical Analysis;
 - d. Economic Analysis;
 - e. Project Schedule; and
 - f. VECO Distribution Development Plan;

4. The total cost of the proposed CAPEX for CY 2015 is estimated at PhP1,062,226,447.67 to be funded from long term loans to be secured by it;

5. The construction, ownership and operation of the above CAPEX CY 2015 has been approved by its Board of Directors as evidenced by the Secretary's Certificate attached to its application as Annex "B" thereof;
6. The foregoing CAPEX for Calendar Year 2015 are indispensable for the systematic and economic expansion and rehabilitation of its distribution facilities and ensuring compliance with safety, performance and regulatory requirements. It will ultimately benefit customers in terms of continuous, reliable and efficient power supply; and
7. It prays that the Commission:
 1. Approve the Capital Expenditure Projects for Calendar Year 2015 listed in paragraph 2 of its Application; and
 2. Grant it the authority to implement, construct, own and operate said Capital Expenditure Projects.

The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **September 23, 2015 (Wednesday) at eleven o'clock in the morning (11:00 A.M.) at the ERC Visayas Field Office, St. Mary's Drive, Banilad, Cebu City.**

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 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 17th day of August, 2015 at Pasig City.


ATTY. FRANCIS SATURNINO C. JUAN
Executive Director III