

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**IN THE MATTER OF THE  
APPLICATION FOR THE  
APPROVAL OF THE  
PROPOSED CAPITAL  
EXPENDITURE PROJECTS  
FOR THE YEARS 2022 – 2024  
WITH APPLICATION FOR  
AUTHORITY TO SECURE  
LOAN FROM THE NATIONAL  
ELECTRIFICATION  
ADMINISTRATION (NEA)  
AND/OR PRIVATE  
FINANCIAL INSTITUTION**

**ERC CASE NO. 2022-002 RC**

**CEBU I ELECTRIC  
COOPERATIVE, INC.  
(CEBECO I),  
Applicant.**

**Promulgated:  
June 09, 2022**

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**O R D E R**

On 20 January 2022, Cebu I Electric Cooperative, Inc. (CEBECO I), filed an *Application* dated 28 October 2021 seeking the Commission's approval of the proposed capital expenditure projects for the years 2022 – 2024 with application for authority to secure loan from the National Electrification Administration (NEA) and/or private financial institution.

Consequently, the Commission issued an *Order* and *Notice of Virtual Hearing*, both dated 8 March 2022, setting the hearings for the determination of compliance with the jurisdictional requirements and expository presentation, Pre-trial Conference and presentation of evidence for the instant *Application* through virtual hearings on 6 April 2022 and 13 April 2022, respectively.

However, on 1 April 2022, Cebu I Electric Cooperative, Inc. (CEBECO I), filed an *Urgent Motion for Resetting*. CEBECO I alleged

that compliance with the publication requirement cannot be possibly done due to lack of time to process the payment of the publication and that most of its manpower are focused on the rehabilitation and repair of the damaged distribution lines and facilities due to Typhoon Odette.

During the hearing held on 6 April 2022, the Commission called the case and addressed the *Motion*<sup>1</sup> filed by CEBECO I.

Finding the said *Motion* meritorious, the Commission hereby **GRANTS** the Applicant's prayer to **CANCEL and RESET** the scheduled hearings and issues anew, this *Order and Notice of Virtual Hearing*.

The pertinent allegations of the *Application* are hereunder quoted as follows:

#### **THE APPLICANT**

1. Applicant CEBECO I is an Electric Cooperative created and existing pursuant to the provisions of Presidential Decree No. 269 as amended, with principal office located at Bito-on, Dumanjug, Cebu, Philippines, represented herein by its General Manager, **Engr. Getulio Z. Crodua**, duly authorized by virtue of Resolution No. 32-A, Series of 2021 dated March 13, 2021 of the Board of Directors, copy of which is attached hereto as **Annex "A"** and made an integral part hereof.

The filing of the instant Application is likewise authorized under the afore-mentioned Resolution;

2. Applicant has been granted by the National Electrification Administration (NEA) an authority to operate and distribute electric light and power within the coverage area comprising the City of Carcar and the Municipalities of Barili, Dumanjug, Ronda, Alcantara, Moalboal, Badian, Alegria, Malabuyoc, Ginatilan, Samboan, Santander, Sibonga, Argao, Dalaguete, Alcoy, Boljo-on, and Oslob, all in the Province of Cebu.

#### **THE APPLICATION AND ITS PURPOSE**

3. This Application is filed in compliance with ERC Resolution No. 26, Series of 2009 (A Resolution Amending the Rules for Approval of Regulated Entities' Capital Expenditure Projects)" adopted pursuant to the mandate of Section 43 of Republic Act No. 9136 otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) and its implementing Rules and Regulations, which categorically provides that all capital expenditure projects (CAPEX) shall be submitted to and for the approval of the Commission prior to its

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<sup>1</sup> *Urgent Motion for Resetting* dated 01 April 2022 filed by Applicant CEBECO I.

implementation, in relation to ERC Resolution No. 20, Series of 2011 which sets the timelines for the filing of the instant application;

4. The aforesaid amended rules was issued by the Honorable Commission to ensure that the projects are timely, appropriate, necessary and cost efficient; to ensure that the proposed capital projects are consistent with the Distribution Development Plan (DDP), the Philippine Grid Code (PGC), the Philippines Distribution Code (PDC), and other relevant government issuances; and to ensure that the procurement of equipment, materials and services are transparent, competitive and compliant with the applicable laws and regulations.
5. In accordance with the Amended CAPEX Rules, consistent with the Distribution Development Plan and the Philippine Distribution Code, Applicant shall acquire, construct and implement the following capital expenditure projects for the years 2022-2024, with a total approximate cost of **Six Hundred Thirty-Seven Million Eight Hundred Seventeen Thousand Four Hundred Sixty-Four and 67/100 Pesos (PhP637,817,464.67)**.

**THE PROPOSED CAPITAL EXPENDITURE PROJECTS**

5.a. Description of the Projects:

5.a.1 Network CAPEX Projects

Capacity Capital Projects

<b>Project Title</b>	<b>Project Justification</b>	<b>Project Cost (Php)</b>
Installation of 10 MVA Oslob Substation and 69 kV line	The Municipality of Oslob, Cebu is one of the sought-after tourist destination in Cebu. Currently, it is being served by two substations located at Ginatilan and Dalaguete. The significant development in the area resulted to an increase of power demand, which will compromise power quality not only in the Municipality of Oslob but likewise in the nearby Municipalities of Ginatilan, Samboan, Santander, Boljoon, Alcoy and Dalaguete. Thus, the construction and installation of a new 10MVA substation and 69kV Line in Oslob, Cebu will resolve the capacity problem and will cater the increasing demand in the area while allowing the substations in Ginatilan and Dalaguete to serve the power demand in their respective areas.	149,823,636.80
Installation of 10 MVA Dumanjug Substation	This project shall provide adequate capacity for the increasing demand of large load customers in the area as forecasted and to ensure quality and reliable supply of electricity.	50,920,221.49

Construction of new 69 kV Line Tapping point for Cathay Steel Philippines	This project is necessary to connect Cathay Steel Philippines, a large load customer located at Bonbon, Ocaña, Carcar City, Cebu, with the distribution system of CEBECO I to supply their operational requirement.	11,742,029.82
Construction of new 69 kV Line Tapping point for Bayan Cement	This project is necessary to connect Bayan Cement, a large load customer located at Brgy. Sabang, Sibonga, Cebu, with the distribution system of CEBECO I to supply their operational requirement.	27,937,134.08
<b>Total Cost (Php)</b>		<b>240,423,022.19</b>

**5.a.2 Other Network CAPEX Projects**

<b>Project Title</b>	<b>Project Justification</b>	<b>Project Cost (Php)</b>
Replacement of Distribution Transformers	To replace the deteriorated and aging distribution transformers.	24,121,000.00
Replacement of aging poles with Concrete poles within the distribution system of the Cooperative.	Replacement of old and dilapidated wood poles with concrete poles are necessary in order not to compromise the safety of the employees of the cooperative and most importantly, the general public.	9,956,000.00
Replacement of aging poles with Steel poles within the distribution system of the Cooperative and selected mountainous areas	This project is necessary in order to replace the old and dilapidated wood poles in the mountain areas with steel poles which are the appropriate poles for the hauling and erection of electric poles considering the terrain in these areas.	38,451,200.00
<b>Total Cost (Php)</b>		<b>72,528,200.00</b>

**Capacity & Rural Electrification Capital Projects**

<b>Project Title</b>	<b>Project Justification</b>	<b>Project Cost (Php)</b>
Procurement of various Distribution Transformers (Rating: 15 kVA, 25 kVA, 37.5 kVA and 50 kVA)	Procurement of additional Distribution Transformers is necessary to provide the capacity requirement due to load growth and new consumers.	36,501,000.00



Open Secondary and Under Build Low Voltage Distribution Lines	To address the capacity requirement due to load growth and new consumers.	70,206,413.91
Customer Service Drop and kWhr Meters for Customer Metering Equipment with the following classifications: 1 - Phase Meter (60 A and 100 A) & 3 - Phase Meter	To address the metering requirements for new customers.	28,851,039.59
Rural Electrification Project	To energize the remaining un-energized sitios/puroks and improve the level of energization at sitio level under the coverage area of CEBECO I towards total electrification.	84,068,583.58
<b>Total Cost (Php)</b>		<b>219,627,037.07</b>

System Efficiency Capital Projects

<b>Project Title</b>	<b>Project Justification</b>	<b>Project Cost (Php)</b>
Replacement of Metering Equipment in compliance with the Philippine Grid Code (PGC)	Replacement of Metering Equipment (Current Transformers and Voltage Transformers) in order to comply with the PGC, as amended.	15,252,374.00
Replacement of kWh Meters	One of the factors contributing to reduced system efficiency are the antiquated, inaccurate and defective kilowatt-hour meters. The replacement of these meters will greatly improve system efficiency by providing more accurate meter readings.	19,880,000.00
<b>Total Cost (Php)</b>		<b>35,132,374.00</b>

5.a.3 Non - Network CAPEX Projects

<b>Project Title</b>	<b>Project Justification</b>	<b>Project Cost (Php)</b>
Communication System Equipment (VHF Radio & Repeater System)	Procurement of additional portable, mobile radios and base radios with antenna for the proposed additional area offices and vehicles for quick response and actions of customer requests, complaints and power interruptions.	627,000.00

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Billing and Collection System	Procurement of additional Hi-Speed printer, LX-300 printers, desktop computers and UPS for billing and collection services.	1,352,000.00
Meter Reading Equipment	Upgrading of meter reading equipment for more accurate and efficient meter reading services	540,000.00
Line Monitoring & Testing Equipment's	Acquisition of additional Voltage Recorders for power quality monitoring of the feeder's load-end of the proposed additional capacity projects in Oslob and Dumanjug	390,000.00
Line Tools	Additional and supplemental line maintenance tools for line personnel to meet the consumers' growing demand.	9,674,831.40
Consumer Services Equipment	This project aims to further improve the customer service efficiency of CEBECO I through the procurement of media equipment and public address system for the cooperative's innovative information drive and the acquisition of additional office equipment or assets for institutional and financial services operations.	2,395,000.00
Licensed Software	Acquisition of various computer software to protect all data and information of CEBECO I.	378,000.00
Vehicles	The acquisition of additional vehicles are intended to meet the growing demand and number of customers of CEBECO I thereby improving mobility and response time of any consumer complaints, maintenance works and other related field service operations. This also includes the procurement of vehicles for administrative and institutional services of CEBECO I.	53,870,000.00
Computers & Other Equipment	The procurement of computers and other equipment are necessary in order to increase productivity of office personnel thereby further improving service efficiency to the benefit of the member-consumers.	880,000.00
<b>Total Cost (Php)</b>		<b>70,106,831.40</b>

**SUMMARY OF PROJECTS**

PROJECT	AMOUNT PER YEAR (Php)			TOTAL PROJECT COST (Php)
	2022	2023	2024	
<b>NETWORK PROJECTS</b>	161,565,666.63	50,920,221.49	27,937,134.08	240,423,022.19
<b>OTHER NETWORK PROJECTS</b>	106,725,234.23	107,791,060.36	112,771,316.48	327,287,611.07
<b>NON-NETWORK PROJECTS</b>	18,620,343.80	19,456,143.80	32,030,343.80	70,106,831.40
<b>GRAND TOTAL</b>	<b>286,911,244.66</b>	<b>178,167,425.65</b>	<b>172,738,794.36</b>	<b>637,817,464.67</b>

5.b Type of the capital expenditure projects in accordance with section 2.3 of Resolution No. 26, Series of 2009;

5.b.1 As described above in Section 5.a.1, the projects are categorized as Network CAPEX which will

address safety, capacity, power quality and reliability of the Applicant's distribution system;

5.b.2. The Other Network CAPEX projects as shown in 5.a.2 are necessary in terms of additional distribution transformers, meters and metering materials to meet annual customer growth as forecasted including replacement of defective and old facilities and equipment.

5.b.3 And the Non-Network CAPEX projects of the cooperative as categorized and indicated in 5.a.3 will enhance its capability in responding to customer requests and concerns for better, safe and efficient electric service. Further, its facilities and equipment will be responsive to the quality service that the consumers deserve.

#### **JUSTIFICATION OF THE CAPITAL PROJECTS**

6. With the prevailing situation in the electric power industry vis-à-vis the consumers' demand, Applicant deems it appropriate to embark on asset development and expansion in order to meet the member-consumers' growing demands; and
7. The procurement of the aforementioned project is of great necessity in the schedules herein provided, otherwise service decline is eminent, to the prejudice of the consumers.
8. That the afore-enumerated capital projects will be implemented on staggered basis, and, if a Force Majeure or Fortuitous event, as the case may be occurs causing delay in the implementation, the Applicant shall inform the ERC of such condition and seek the latter's confirmation of the delayed implementation of the particular CAPEX;

#### **RELATED AND INDISPENSABLE DOCUMENTS**

9. Consistent with the requirement of the filing of applications for approval of capital projects, Applicant attached and made an integral part of this Application the detailed justifications, related and indispensable documents chronologically arranged and contained in **Annex "B"** hereof.

#### **BOARD APPROVAL OF THE PROPOSED PROJECTS**

10. Finding the proposed capital expenditure projects reasonable, appropriate, necessary, and ultimately redound to the benefit of the members-consumers by way of efficient, continuous and reliable service, the Board of Directors of the Applicant passed Board Resolution No. 32, Series of 2021 dated March 13, 2021 approving the proposed CAPEX, copy of which is attached hereto as **Annex "C"**;

11. In compliance with Resolution No. 26, Series of 2009, information on the proposed capital projects had been widely disseminated through posting in the conspicuous places of the City of Carcar and the Municipalities of Barili, Dumanjug, Ronda, Alcantara, Moalboal, Badian, Alegria, Malabuyoc, Ginatilan, Samboan, Santander, Sibonga, Argao, Dalaguete, Alcoy, Boljo-on and Oslob as evidenced by the Affidavit of Posting attached hereto as **Annex “D”**. The Notices posted specifically contained the following:

- a. the proposed projects;
- b. the reasons for proposing said projects;
- c. the source of fund for the said projects;
- d. indicative rate impact of the said projects;

**SOURCES OF FUNDS FOR THE PROJECTS**

12. CEBECO I’s Capital Expenditure Projects Plan is envisioned to have the least rate impact and that brings the most value to its consumers.
13. In the implementation of the proposed projects, the Applicant shall source the funds through a loan with the National Electrification Administration (NEA) and/or other Private Financing Institution that will provide the least interest rate to the benefit of the member-consumers. Thus, a parallel Application for the grant of authority to secure loan with the aforesaid government agency and/or other private financing institution is incorporated herein.

Financing Plan

Source of Funds	Project Costs to be Financed	Annual Projects Costs		
		Year 2022	Year 2023	Year 2024
National Electrification Administration - Subsidy	91,772,008.37	36,888,502.68	35,336,283.42	19,547,222.28
Banks and Other Financing Institutions	399,256,169.42	203,267,999.58	92,190,188.89	103,797,980.95
Reinvestment Fund for Sustainable CAPEX	206,624,962.70	61,100,304.63	68,903,114.48	76,621,543.59
<b>Total Costs</b>	<b>697,653,140.49</b>	<b>301,256,806.89</b>	<b>196,429,586.78</b>	<b>199,966,746.82</b>

14. The implementation of the proposed CAPEX shall bring forth an indicative rate impact as follows:

Particulars	Year 2022	Year 2023	Year 2024	Total
Projected kWh Sales	225,702,602	243,722,058	263,683,926	733,108,586
Existing RFSC (0.2904 + 0.0677)	0.3581	0.3581	0.3581	0.3581
Beginning Balance, Excess (Shortfall)	9,246,123.64	111,459,413.36	7,103,095.47	9,246,123.64
<b>CASH INFLOW</b>				
Revenue from Current RFSC @ 0.3581	80,824,101.95	87,276,869.01	94,425,213.74	262,526,184.70
50% Income from Lease Properties	1,356,158.50	1,356,158.50	1,356,158.50	4,068,475.50
Government Subsidy	36,888,502.68	35,336,283.42	19,547,222.28	91,772,008.37

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Loan Proceeds from this Application	203,267,999.58	92,190,188.89	103,797,980.95	399,256,169.42
Loan Proceeds from the Pending Application	298,204,340.00			298,204,340.00
<b>Total Cash Inflow</b>	<b>620,541,102.70</b>	<b>216,159,499.81</b>	<b>219,126,575.47</b>	<b>1,055,827,177.98</b>
<b>Available Cash for Disbursements</b>	<b>629,787,226.34</b>	<b>327,618,913.17</b>	<b>226,229,670.94</b>	<b>1,065,073,301.62</b>
<b>CASH OUTFLOWS</b>				
CAPEX Requirement	301,256,806.89	196,429,586.78	199,966,746.82	697,653,140.49
Loan Amortization for this Application	27,266,143.61	47,324,997.63	63,166,141.41	137,757,282.65
Loan Amortization for the Pending Application	51,889,211.93	49,470,443.39	47,101,375.58	148,461,030.91
Existing Loan Amortization from Approved CAPEX Projects	27,036,809.36	25,817,567.99	14,259,971.34	67,114,348.69
Previous CAPEX Requirements Reimbursable to the Coop	104,837,215.00			104,837,215.00
ERC Permit Fee from this Application	2,259,426.05	1,473,221.90	1,499,750.60	5,232,398.55
ERC Permit Fee from the Pending Application	3,782,200.14			3,782,200.14
<b>Total Cash Outflow</b>	<b>518,327,812.98</b>	<b>320,515,817.70</b>	<b>325,993,985.75</b>	<b>1,164,837,616.42</b>
<b>Cash Balance Ending, Excess (Shortfall)</b>	<b>111,459,413.36</b>	<b>7,103,095.47</b>	<b>(99,764,314.80)</b>	<b>(99,764,314.80)</b>
<b>Excess (Shortfall) on RFSC/kWh</b>	<b>0.4938</b>	<b>0.0291</b>	<b>(0.3783)</b>	<b>(0.1361)</b>

**APPLICATION FOR AUTHORITY TO SECURE LOAN WITH THE NATIONAL ELECTRIFICATION ADMINISTRATION (NEA) AND/OR OTHER PRIVATE FINANCING INSTITUTIONS**

15. Applicant reiterates and incorporate the foregoing allegations in support of its Application for Authority to Secure Loan with the National Electrification Administration (NEA) and/or other Private Financing Institutions, which will provide the least interest rate, and further allege:
16. That the need of immediate implementation of the foregoing proposed Capital Expenditure Projects is imperative to ensure safety, quality of service and compliance with the power industry's regulatory requirements;
17. Unfortunately, the current rate of the Reinvestment Fund for Sustainable CAPEX (RFSC) of CEBECO I is not enough to finance the proposed Capital Expenditure Projects. Thus, a setback in the implementation of the Projects is foreseen by Applicant due to insufficiency of funds, as can be shown below:

Rate Impact Calculation *without* availing any Loan

Particulars	Year 2022	Year 2023	Year 2024	TOTAL
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Historical/Forecasted Sales, KWH ('000)	225,702,602	243,722,058	263,683,926	733,108,586
Cash balance beginning, PHP, excess(shortfall)	9,246,123.64	(64,542,442.61)	(213,763,951.75)	9,246,123.64
<b>CASH INFLOWS</b>				
Current year Collection @ P.1518/kwh	80,824,101.95	87,276,869.01	94,425,213.74	262,526,184.70
50% Income from Lease Properties	1,356,158.50	1,356,158.50	1,356,158.50	4,068,475.50
Government Subsidy	36,888,502.68	35,336,283.42	19,547,222.28	91,772,008.37
Loan Proceeds from Pending Application	298,204,340.00	-	-	298,204,340.00
<b>Total Cash Inflows, PHP</b>	<b>417,273,103.12</b>	<b>123,969,310.92</b>	<b>115,328,594.52</b>	<b>656,571,008.57</b>
<b>Available cash for disbursement:</b>	<b>426,519,226.76</b>	<b>59,426,868.31</b>	<b>(98,435,357.23)</b>	<b>665,817,132.21</b>
<b>CASH OUTFLOWS</b>				
CAPEX requirement (2019-2021)	301,256,806.89	196,429,586.78	199,966,746.82	697,653,140.49
Old debt & Pending Application (amortization)	78,926,021.29	75,288,011.39	61,361,346.92	215,575,379.59
Previous CAPEX Requirements Reimbursable to the Coop	104,837,215.00			104,837,215.00
CAPEX Plan Approval Fee (Pending Application and this Application, PHP)	6,041,626.19	1,473,221.90	1,499,750.60	9,014,598.69
<b>Total Cash Outflows, PHP</b>	<b>491,061,669.37</b>	<b>273,190,820.07</b>	<b>262,827,844.34</b>	<b>1,027,080,333.78</b>
<b>Cash Balance ending, PHP, excess/(shortfall)</b>	<b>(64,542,442.61)</b>	<b>(213,763,951.75)</b>	<b>(361,263,201.57)</b>	<b>(361,263,201.57)</b>
<b>Excess/(shortfall) on RFSC, PhP/kWh</b>	<b>(0.2860)</b>	<b>(0.8771)</b>	<b>(1.3701)</b>	<b>(0.4928)</b>

18. While Applicant has internally generated funds, same is insufficient and needs to be augmented by a loan through NEA's lending program, designed to assist the electric cooperatives and/or other Private Financing Institution, which can offer the least interest rates to the benefit of the member-consumers; hence, to apply for an authority to secure loan from the Commission is deemed prudent, rational and necessary.
19. In support of its application for the grant of authority to secure a loan from NEA and/or other Private Financing Institution, which will provide the least interest rate, Applicant hereto attached the following documents:
  - 20.a. Copy of Audited Financial Statements including notes for test year 2020, 2019, 2018 and 2017 as Annexes "E", "E-1", "E-2" and "E-3"; [sic]

- 20.b. List of projects and their estimated cost as **Annex “F”**. [sic]
- 20.c. Bases of the reasonableness of the estimated cost as **Annex “G”**; [sic]
- 20.d. Detailed schedule of utilization (of Annual RFSC Utilization for the test year and the prior 2 years) as **Annex “H”**; [sic]
- 20.e. Computation of Financial ratios as **Annex “I”**. [sic]
- 20.f. Cost-Benefit Analysis and Justification in securing loans as **Annex “J”**; [sic]

**COMPLIANCE**  
**WITH PRE-FILING REQUIREMENTS**

- 20. In compliance with Section 2, Rule 6 of the ERC Rules of Practice and Procedure, copies of this Application together with all its annexes and accompanying documents had been furnished by Applicant the Office of the Mayor and the Legislative Body of the Municipality of Dumanjug, where Applicant principally operates and the Office of the Governor and the Legislative Body of the Province of Cebu. Likewise, the Application was published in a newspaper of general circulation within the franchise area of the Applicant.
- 21. As proof of compliance of the service of the copies of the Application together with all its annexes are the Certifications issued by the Authorized Representatives of the Local Government Units and/or the Affidavit of Service executed by an employee of the Applicant and the first page of the Application bearing the receiving stamp of the aforementioned Offices as **Annexes “K”, “L”, “M” and “N”**, respectively. Likewise attached hereto as **Annexes “O” and “P”** are the Affidavit of Publication and the newspaper issue containing the published Application;
- 22. Moreover, prior to the filing of this Application, a pre-filing conference with the concerned staff of the Commission was conducted pursuant to Section 4 of Rule 6, and for purposes of determining completeness of the supporting documents attached to the Application.

**PRAYER**

**WHEREFORE**, foregoing considered, Applicant respectfully prays that the Honorable Commission after due hearing and evaluation of the Application, an Order be issued:

- 1. Approving the proposed capital expenditures projects for the years 2022-2024 and declared just, reasonable, and equitable pursuant to the provisions of ERC

Resolution No. 26, Series of 2009, and other related laws, rules and regulations;

2. Approving the application for authority to secure a loan with the National Electrification Administration (NEA) and/or other Private Financing Institution that will provide the least interest rate to the benefit of the member-consumers;
3. Allowing Applicant, through a Provisional Authority, to Secure a Loan with the National Electrification Administration (NEA) and/or other Private Financing Institution that will provide the least interest rate to the benefit of the member-consumers pending resolution of the Application in order to allow Applicant to implement the proposed CAPEX as scheduled.
4. Allowing/authorizing the Applicant to recover from the members-consumers its expenditures/costs incurred in the implementation of the Capital Expenditure Projects herein applied for confirmation and approval.

Other reliefs just and equitable are likewise prayed for.

Finding the said *Application* to be sufficient in form with the required fees having been paid, the Commission hereby sets the hearing for the determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>2</sup> dated 24 September 2020 and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):<sup>3</sup>

<b>Date</b>	<b>Platform</b>	<b>Activity</b>
<b>02 August 2022</b> (Tuesday) at two o'clock in the afternoon (2:00 PM)	<b>Microsoft Teams</b>	Determination of compliance with the jurisdictional requirements and expository presentation
<b>09 August 2022</b> (Tuesday) at two o'clock in the afternoon (2:00 PM)	<b>Microsoft Teams</b>	Pre-trial Conference and presentation of evidence

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<sup>2</sup>Entitled: *A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission;*

<sup>3</sup> *A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.*

Accordingly, CEBECO I is hereby directed to host the virtual hearing at **CEBECO I's Principal office at Bito-on, Dumanjug, Cebu**, as the designated venue for the conduct thereof, and ensure that the same is open to the public and community quarantine guidelines are observed at all times. CEBECO I shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

**RELATIVE THERETO**, CEBECO I is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* in two (2) newspapers of nationwide circulation in the Philippines at its own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart, and the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial virtual hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* CEBECO I's Offices of the Provincial Governors, the City and Municipal Mayors, and their respective Local Government Unit (LGU) legislative bodies within the affected franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within the affected franchise area of the filing of the *Application*, its reasons therefor, and of the scheduled virtual hearings thereon, by any other means available and appropriate;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire, to send their duly authorized representatives at the scheduled hearing; and
- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to the resolution of the prayer for confidential treatment of information, if any, and reimbursement of reasonable photocopying costs.<sup>4</sup>

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<sup>4</sup> For the e-mail address of the applicant, please see page 17.

Within five (5) calendar days prior to the date of the virtual hearing, CEBECO I must submit to the Commission via electronic mail (e-mail) at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), the scanned copies of its written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached *Notice of Virtual Hearing* consisting of the affidavit of the Editor or Business Manager of the newspapers where the said *Notice of Virtual Hearing* was published, and the complete issues of the said newspaper;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Virtual Hearing* consisting of certifications issued to that effect, signed by the aforementioned Governors, City and Municipal Mayors, and their respective LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by CEBECO I to inform the consumers within the affected area of the filing of the *Application*, its reasons therefor, and of the scheduled hearings thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing* by the OSG, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments by all those making requests therefor, except those covered by any motion for confidential treatment of information, if any; and
- 6) Such other proof of compliance with the requirements of the Commission.

Moreover, CEBECO I is hereby required to post on its bulletin boards, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publication and certifications issued by the concerned Offices of the Governors, City and Municipal Mayors and their Local Legislative Bodies, and to submit proof of its posting thereof.



CEBECO I and all interested parties are also required to submit via e-mail at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), at least five (5) calendar days before the date of the scheduled virtual hearing and Pre-trial Conference, their respective Pre-Trial Briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefor, which should be attached to the Pre-trial Brief; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

CEBECO I must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission at least five (5) calendar days before the date of the scheduled initial virtual hearing and Pre-trial Conference pursuant to the preceding paragraph.

Failure of CEBECO I to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from the said date of cancellation.

CEBECO I must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, the nature of the *Application* with relevant information and pertinent details substantiating the reasons and justifications being cited in support thereof.

CEBECO I is directed to file a copy of its Expository Presentation via e-mail at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), at least five (5) calendar days prior to the scheduled virtual hearing. CEBECO I shall also be required, upon the request of any stakeholder, to provide an advance copy of its expository presentation, at least five (5) calendar days prior to the scheduled virtual hearing.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

CEBECO I is further directed to submit, either through personal service, registered or ordinary mail/private courier, one (1) set of the original or certified true hard/printed copy/ies of its Jurisdictional Compliance, Expository Presentation, Pre-trial Brief, and Judicial Affidavit/s of witness/es, within five (5) working days from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission. Similarly, all interested parties who filed their Petition for Intervention or Opposition are required to submit the hard/printed copy thereof within the same period through any of the available modes of service.

Finally, CEBECO I, including its authorized representative/s and witness/es, are hereby directed to provide the Commission, thru [legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph), with their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

**SO ORDERED.**

Pasig City, 07 June 2022.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**AGNES VST DEVANADERA**  
*Chairperson and CEO*

  
LS: EDR/CLB/MCCG



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**Copy Furnished:**

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4. Office of the Local Government Unit (LGU) Legislative Body  
City of Carcar
5. Office of the Municipal Mayor  
Municipality of Barili, Cebu
6. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Barili, Cebu
7. Office of the Municipal Mayor  
Municipality of Dumanjug, Cebu
8. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Dumanjug, Cebu
9. Office of the Municipal Mayor  
Municipality of Ronda, Cebu
10. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Ronda, Cebu
11. Office of the Municipal Mayor  
Municipality of Alcantara, Cebu
12. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Alcantara, Cebu
13. Office of the Municipal Mayor  
Municipality of Moalboal, Cebu
14. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Moalboal, Cebu
15. Office of the Municipal Mayor  
Municipality of Badian, Cebu
16. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Badian, Cebu
17. Office of the Municipal Mayor  
Municipality of Alegria, Cebu
18. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Alegria, Cebu
19. Office of the Municipal Mayor  
Municipality of Malabuyoc, Cebu
20. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Malabuyoc, Cebu
21. Office of the Municipal Mayor  
Municipality of Ginatilan, Cebu
22. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Ginatilan, Cebu

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23. Office of the Municipal Mayor  
Municipality of Samboan, Cebu
24. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Samboan, Cebu
25. Office of the Municipal Mayor  
Municipality of Santander, Cebu
26. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Santander, Cebu
27. Office of the Municipal Mayor  
Municipality of Sibonga, Cebu
28. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Sibonga, Cebu
29. Office of the Municipal Mayor  
Municipality of Argao, Cebu
30. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Argao, Cebu
31. Office of the Municipal Mayor  
Municipality of Dalaguete, Cebu
32. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Dalaguete, Cebu
33. Office of the Municipal Mayor  
Municipality of Alcoy, Cebu
34. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Alcoy, Cebu
35. Office of the Municipal Mayor  
Municipality of Boljo-on , Cebu
36. Office of the Local Government Unit (LGU) Legislative Body  
Municipality of Boljo-on , Cebu
37. Office of the Municipal Mayor  
Municipality of Oslob, Cebu
38. Office of the Local Government Unit (LGU) Legislative Body  
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46. Regulatory Operations Service  
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