

1 REPUBLIC OF THE PHILIPPINES)
2 CITY OF CAGAYAN DE ORO) S.S.

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A F F I D A V I T

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6 I, CARLITO L. HEMBRADOR, of legal age, Filipino, married and a resident of
7 Cagayan de Oro City, a regular employee of Cagayan Electric Power and Light Co., Inc.
8 (CEPALCO for brevity), with office address located at CEPALCO Bldg, 44 Toribio
9 Chaves Street, Cagayan de Oro City, after having been duly sworn in accordance with
10 law, do hereby depose and declare as follows:

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12 1. How long have you been employed with CEPALCO? I will be 12 years with the
13 company this coming October 2006.

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15 2. What is your current position in the company? I am the Project Coordinator- a
16 supervisory position under the Customer Services Department (CSD)

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18 3. As the Supervisor of Customer Services Department, what are your functions? I
19 process service applications for line extension of commercial and industrial
20 buildings, commercial subdivisions and rural electrification requests including
21 requests for the transfer of poles and guy wires.

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23 4. How long have you been working in this job? I am now 10 years in my current
24 position.

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26 5. Aside from your position as the Project Coordinator, what other functions do
27 you hold? I am the alternate Key Accounts Officer and also the alternate Service
28 Application Section (SAS) Head.

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30 6. What is your involvement in the application? I gathered and evaluated the
31 historical service data used as the basis in determining the threshold level under
32 CEPALCO's Guaranteed Service Level 4 (GSL4) or the guaranteed service
33 time to connect a new customer. In setting GSL4, we used the historical service
34 data of the Section from November 2003 to March 2006.

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36 7. You mentioned of GSL4 threshold levels, what is this about? The Guaranteed
37 Service Level 4 (GSL4) threshold level is the maximum number of working
38 days CEPALCO will provide a service connection to a customer. CEPALCO

1 will be penalized if it is unable to meet the threshold level and the penalty will
2 be paid to the customer.

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4 8. In Paragraph 19, Table 13 of your Application, there is a table showing
5 threshold levels for GSL 4, how did you arrive at these figures? I used the
6 Service Application Section's (SAS) historical service connection data from
7 November 2003 up to March 2006. We used a sample size of about 50
8 customers per month (or approximately 10%) of the Section's monthly average
9 service connections. The average value of the historical data was used in setting
10 the threshold level.

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12 9. The penalty level figures stated in the same table, how were these obtained?

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14 The penalty level for GSL4 was based on this formula:

$$\begin{aligned} & \text{PENALTY ALLOCATION} \\ \text{PENALTY LEVEL (Peso)} &= \frac{\text{PENALTY ALLOCATION}}{\text{EST. NO. OF CUSTOMER LIKELY}} \\ & \text{TO BE COMPENSATED} \end{aligned}$$

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20 Where:

$$\begin{aligned} \text{Penalty Allocation} &= (\% \text{Allocation}) \times (\text{Estimated No. of customers} \\ & \text{likely to be compensated}) \end{aligned}$$

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25 The estimated no. of customers that most likely to be compensated in a year was
26 based on average number of customers served beyond standard response time
27 during the sample period January to April 2006, as the most recent data.

$$\begin{aligned} \text{AVERAGE NO. OF CUST. / YR.} &= (\text{Average No. of customers for latest 4-} \\ & \text{months period}) \times (\text{No. of months per Year}) \end{aligned}$$

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32 10. What other supporting documents do you have to support your calculations?

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34 The supporting documents are found in Schedule J.1.3.2 (Historical Data
35 of Average Time to Process and Time to Connect Meter) , Schedule J.2.3
36 (Proposed Penalty Levels for GSL Scheme), of the Application. The data were
37 extracted from our company records particularly from the Customer Information
38 Management System.

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IN WITNESS WHEREOF, I have hereunto affixed my signature this 23rd day of September 2006, in Cagayan de Oro City.

CARLITO L. HEMBRADOR
Affiant

SUBSCRIBED AND SWORN TO before me this 23rd day of September 2006, in Cagayan de Oro City.

Isidro O. Baculio Jr.
Notary Public
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At Cagayan de Oro City
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