

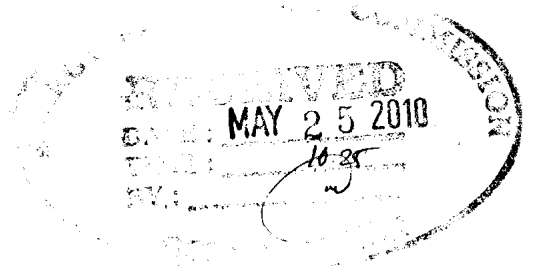
Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

IN THE MATTER OF THE
APPLICATION FOR APPROVAL
OF PROPOSED CAPITAL
EXPENDITURE PROJECTS FOR
THE YEAR 2011 to 2012 AND
AUTHORITY TO SECURE LOAN
FROM NEA.

ERC CASE NO. 2010-049-RC

AGUSAN DEL NORTE ELECTRIC
COOPERATIVE, INC. (ANECO),
Applicant.

x-----x



APPLICATION

COMES NOW applicant Agusan Del Norte Electric Cooperative, Inc. (hereinafter referred to as **ANECO** for brevity), through counsel, unto this Honorable Commission most respectfully states that:

I.

Applicant **Agusan del Norte Electric Cooperative, Inc. (ANECO)** is a duly organized non-stock, non-profit electric cooperative, established on February 12, 1977 by virtue of Presidential Decree No. 269¹ and existing pursuant to and in accordance with law. It is the franchise holder for the distribution/supply of electric power in Butuan City and the municipalities in the province of Agusan del Norte, with principal office address at J.C. Aquino, Avenue, Butuan City, Philippines, where it may be served with summons and other legal processes issued by the Honorable Energy Regulatory Commission in connection with the instant petition.

The applicant is represented herein by its **General Manager HORACIO T. SANTOS**, **Finance Manager RODOLFO L. RANOCO** and **Engineering Services Supervisor DARWIN T. DAYMIEL**, all married and of legal age and residents of Butuan City, duly authorized by the Board of Directors of ANECO pursuant to

¹ (Creating the National Electrification Administration as a Corporation, Prescribing its Powers and Activities, Appropriating the Necessary Funds Therefore and Declaring a National Policy Objective for the Total Electrification of the Philippines on an Area Coverage Service Basis, the Organization, Promotion and Development of Electric Cooperatives to Attain the said Objective, Prescribing Terms and Conditions for their Operations, the Repeal of Republic Act No. 6038, and for other purposes)

RESOLUTION NO. 049, Series of 2010, a copy of which is hereto attached and made integral part of this application.

II.

Applicant ANECO had earlier filed (on October 20, 2008) with this Honorable Energy Regulatory Commission its "Proposed Capital Expenditure Projects for 2008 to 2010", docketed as ERC CASE NO. 2008-092 MC, which was subsequently **APPROVED** by the Commission in its DECISION rendered on April 27, 2009.

III.

Pursuant to the Honorable Commission's RESOLUTION NO. 26, SERIES OF 2009 entitled "Amending the Rules for Approval of Regulated Entities' Capital Expenditure Projects", particularly the Transitory Provision thereof under Article VI of the said rules, applicant ANECO hereby respectfully files its Proposed Capital Expenditure Projects for the Year 2011 to 2012.

As part of its Distribution Development Plan, applicant ANECO seeks to apply for approval of the following Proposed Capital Expenditure Projects:

| Project Description | Project Cost (Php) | | |
|--|--------------------|-------------------|-------------------|
| | 2011 | 2012 | Total |
| Acquisition of CT Analyzer -logistics | 2,400,000 | | 2,400,000 |
| Procurement of Kwh Meters | 10,130,688 | 10,130,688 | 20,261,376 |
| Procurement of Distribution Transformers | 4,255,195 | 4,255,195 | 8,510,390 |
| Procurement of Current Transformers | 202,500 | 405,000 | 607,500 |
| Procurement of Steel Poles | 2,251,756 | 4,503,511 | 6,755,267 |
| Procurement of ACSR/Duplex Wires | 2,059,895 | 2,059,895 | 4,119,790 |
| Acquisition of Substation Reclosers | 3,300,000 | | 3,300,000 |
| Maintenance Utility Truck | 3,000,000 | 2,000,000 | 5,000,000 |
| Boom Truck | 2,400,000 | | 2,400,000 |
| TOTAL | 30,000,034 | 23,354,289 | 53,354,322 |

The aforestated proposed projects shall be implemented on a staggered basis starting from 2011 to year 2012, to be financed by or through loans from the National Electrification Administration (NEA) the amortizations for the payment of which will come from applicant ANECO's Members Contribution for Capital Expenditure Fund.

IV.

In addition to the foregoing, applicant ANECO hereby most respectfully asks of this Honorable Commission that it be granted the authority to obtain a loan from the

National Electrification Administration (NEA) in the amount of **Fifty Three Million Three hundred Fifty Four Thousand Three Hundred Twenty Two Pesos (Php 53,354,322)** to finance and implement the proposed projects as herein aforestated.

V.

For purposes of and in support of the instant application, applicant ANECO hereby attaches and submits the following documents:

ANNEX "A" - Introduction

ANNEX "A-1" - Brief History of the Electric Cooperative

ANNEX "A-2" - Vision and Mission Statement

ANNEX "A-3" - EPIRA

ANNEX "B" - System Profile

ANNEX "B-1" - Coverage of Franchise Area

ANNEX "B-2" - Supply Overview

ANNEX "B-3" - Network Overview & Customer profile

ANNEX "C" - Capital Expenditure

ANNEX "C-1" - Introduction

ANNEX "D" - Overview of Capex Forecast

ANNEX "D-1" - Annual Capex

ANNEX "D-2" - Cost Estimate & Financing Plan

ANNEX "D-3" - Member Contribution for CAPEX

ANNEX "E" - Demand and Energy Forecast

ANNEX "E-1" - Forecasting Model

ANNEX "E-2" - Demand & Energy Forecast

ANNEX "E-3" - Fifteen Year Demand & Energy Forecast

ANNEX "F" - Performance Assessment

ANNEX "F-1" - Existing Load Analysis

ANNEX "F-2" - Distribution Impact Analysis

ANNEX "F-3" - Technical and Distribution System Profile

ANNEX "G" - Identification of Optimum Projects

ANNEX "G-1" - Technical Evaluation

ANNEX "G-2" - Summary of other Capex Requirement

ANNEX "H" - Economic & Financial Evaluation

ANNEX "H-1" - Economic Analysis

ANNEX "H-2" - Project Cash Flow

ANNEX "H-3" - Projected Income Statement

ANNEX "H-4" - Projected Balance Sheet

ANNEX "H-5" - Projected Cash Flow Statement

ANNEX "I" - Description of the Project, Justification & Impact Study

ANNEX "J" - Annexes**ANNEX "J-1" - Summary of Forecasting Model****ANNEX "J-2" - Long Term Load Forecasting****ANNEX "J-3" - Load Flow Simulation Result****ANNEX "K" – Distribution Development Plan****ANNEX "L" – Board Resolution No. 044, Series of 2010: "A Resolution Approving the Additional CAPEX for the Year 2011 to 2012 in the Amount of Php53,354,322.00"****P R A Y E R**

WHEREFORE, premises considered, it is most respectfully prayed of this Honorable Commission to give due course to the instant application and after due hearing hereof – to **APPROVE** the same with the authority for applicant ANECO to secure the loan from the National Electrification Administration (NEA) as herein applied for.

Applicant ANECO further prays for such other reliefs and remedies as may be deemed just and equitable in the premises.

MOST RESPECTFULLY SUBMITTED.

Butuan City (for Pasig City), Philippines, May 12, 2010.

RODOLFO B. ATO**RODNEY C. ATO**

Counsel for Applicant

Agusan del Norte Electric Cooperative, Inc. (ANECO)

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Telefax No. (085) 225-4241

By:



RODOLFO B. ATO

Attorney's Roll No. 16786 (02/22/62)

MCLE Compliance No. III – 0001989 (03/04/09)

IBP O.R. No. 771682 (01/04/10 – Butuan City)

PTR No. 2538017 (01/05/10 – Butuan City)

TIN – 104-485-380

VERIFICATION AND CERTIFICATION
ON NON-FORUM SHOPPING

We, **HORACIO T. SANTOS, RODOLFO L. RANOCO** and **DARWIN T. DAYMIEL**, all of legal age, married and Filipinos, with office address located at Km. 2 J.C. Aquino Avenue, Butuan City, Philippines, after being duly sworn in accordance with law hereby depose and state that: We are the General Manager, Finance Manager and Engineering Services Supervisor respectively of AGUSAN DEL NORTE ELECTRIC COOPERATIVE, INC. (ANECO) and duly authorized to represent the said electric cooperative in the filing of the application for the approval of Proposed Capital Expenditure Projects for the year 2011 to 2012 and Authority to Secure Loan from the National Electrification Administration; we have caused the preparation and filing of the said application on behalf of the Cooperative; we have read the contents thereof and that the matters alleged therein are true and correct of our personal knowledge and/or based on authentic records.

Furthermore, we hereby certify that we have not heretofore commenced any other action or proceeding involving the same matters in any Court, tribunal or agency; and if we should hereafter learn that a similar action or proceeding has been filed or is pending before the said Court or any other tribunal or agency, we hereby undertake to promptly report to/inform this Commission within five (5) days therefrom.

IN WITNESS WHEREOF, we have hereunto set our hands this day of MAY 14, 2010 at Butuan City, Philippines.



HORACIO T. SANTOS

Affiant


SSS I.D Card No. 03-3588978-9



RODOLFO L. RANOCO

Affiant

Non-Professional Driver's License
No. KO1-81-009552
(expires 2011-08-28)



DARWIN T. DAYMIEL

Affiant

SSS I.D Card No. 08-1071742-8

SUBSCRIBED AND SWORN to before me this day of MAY 14, 2010 at Butuan City, Philippines, affiants exhibiting to me their respective Community Tax Certificate No. 08829127 issued on January 29, 2010, No. 08829356 issued on January 30, 2010 and No. 08829128 issued on January 29, 2010, all issued at Butuan City and their Competent Evidences of Identity as indicated below their names.



RODNEY C. ATO
NOTARY PUBLIC

UNTIL DEC. 31, 2011

BCRB BLDG., A.D. CURATO ST., BUTUAN CITY

ROLL NO. 50443 / 05-03-05

IBP O.R. NO. 771683 (01-04-2010-B.C.)

PTR NO. 2538016 (01-05-2010-B.C.)

MCLE COMPLIANCE NO. III-0001988 (03-04-09)

TIN: 934-791-938

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Series of 2010.

