

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

IN THE MATTER OF THE APPLICATION FOR
REVIEW, EVALUATION AND APPROVAL FOR
THE CONSTRUCTION OF THE 69kV
SUBTRANSMISSION LINE FROM NGCP
LUNZARAN TO THE CITY LOAD CENTER AT
CAMANCHILE DRIVE, ZAMBOANGA CITY

ERC CASE NO. 2010-110RC

ZAMBOANGA CITY ELECTRIC COOPERATIVE,
INC. (ZAMCELCO),

Applicant.

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APPLICATION

Applicant, through counsel and unto this Honorable Commission, most respectfully avers:

That -

1. Applicant, the Zamboanga City Electric Cooperative, Inc., (ZAMCELCO for brevity), is an electric cooperative organized and existing by virtue of the laws of the Republic of the Philippines, with principal office located at the Maria Clara L. Lobregat Highway, Putik, Zamboanga City, Philippines; where it may be served with notices, summons and other legal processes. That Reinerio R. Ramos, General Manager is applicant's authorized representative, whose authority is contained in Board's Resolution No. 88-10 dated June 5, 2010; copy of which is hereto attached as Annex " A ", to for as integral part hereof.

2. In accordance with ERC RESOLUTION NO. 26, Series of 2009 adopted pursuant to the mandate of Section 43(f) of Republic Act No.9136 otherwise known as the Electric Power Industry Reform Act of 2001, applicant is submitting this application for review, evaluation and approval by the Honorable Commission of the construction of the 69kV sub-transmission line in compliance with the ORDER dated April 19, 2010; docketed on May 11, 2010 and received on May 28, 2010.

3. The construction of the 69kV sub-transmission line is among the capital expenditure projects for the year 2008 in ERC CASE NO. 2008-025 approved by the Honorable Commission in its DECISION dated June 30,2008; with the cost of Twenty Four Million Three Hundred Ninety Six One Hundred Fifty Six & 37/100 Pesos (P24,396,156.37). That due to the increased in costs of materials and labor coupled with the change in the height of electric concrete poles from 45 ft to 75 ft, the cost had increased to Forty Million Six Hundred Eight Thousand Seven Hundred Forty Two & 18/100 Pesos (P40,608,742.37). Due to the increased in the project cost and in accordance with ERC RESOLUTION NO. 13, Series of 2006, ZAMCELCO submitted on December 5, 2008, a written COMPLIANCE (JUSTIFICATION/EXPLANATION FOR VARIATION IN THE PROJECT COSTS PREVIOUSLY ESTIMATED); copy of which COMPLIANCE is hereto attached and marked as Annex " F " for ready reference.

4. In relation to applicant's written compliance, the Honorable Commission in its ORDER dated April 19, 2010, directed petitioner to file a new application for reason that there is significant changes in the project specification and a mere explanation would not suffice, hence this application.

5. In compliance with said Order and with ERC RESOLUTION No. 26, Series of 2009, applicant is submitting the ANNEX TEMPLATE marked as Annex " C ", (with sub-markings) for the:

- (a) Description of the Project;
- (b) Type of Project;
- (c) Justification and impact or benefits of the project on the system;
- (d) Option/alternatives;
- (e) Projected financial & economic cost analysis;
- (f) Technical analysis;
- (g) Conceptual engineering design and drawings;
- (h) Project cost estimates;
- (i) Project financing plan;
- (j) Gantt Chart Schedule; and
- (k) Distribution Development Plan; and
- (l) Single Line Diagram (from tapping point at NGCP, Lunzuran to City Load Center substation at Camanchile Drive, Zamboanga City)

6. The urgent implementation of the project at its revised cost is to enable the energization of the 41MVA Power Transformer of the City Load Center. The project is funded through the loan proceeds obtained from the Rural Electrification Financing Corporation (REFC) in the sum of Thirty Million Pesos to be paid out of the Members' Capital Contribution (MCC). The excess of project cost over the loan proceeds shall be taken from the General Fund. The Promissory Note, Contract of Loan, and Notice of Release for the loan obtained from REFC are hereto attached as Annexes " H ", " I ", and " J "; while the Contract for the Construction of the 69kV Transmission Line is hereto attached as Annex " K "; all to form as integral part hereof.

7. In compliance with Rule 6 of the ERC Rules of Practice and Procedure, approved by the Honorable Commission on 22 June 2006 per Resolution No.38, Series of 2008, applicant has furnished copy of this application together with all the annexes thereto to the Sangguniang Panlungsod, City of Zamboanga who acknowledged receipt thereof in a certification hereto attached and marked as Annex " D ".

8. Likewise, applicant has caused the publication of this application in its entirety in the ZAMBOANGA TODAY, a newspaper of general circulation in Zamboanga City, applicant's franchise area and nearby municipalities, cities and provinces; as attested to by its Editor-in-Chief; copies of the Affidavit of Publication and said newspaper are attached hereto and marked as Annexes " E " and " E-1 " with sub-markings, respectively; to form as integral part hereof.

9. In compliance with paragraph 3.2.1.14, ERC RESOLUTION NO. 26, Series of 2009, Reinerio R. Ramos, General Manager, applicant's authorized representative has executed a Sworn Statement, copy of which is hereto attached and marked as Annex " B ".

10. In compliance with the Amended RULES FOR THE APPROVAL OF REGULATED ENTITIES' CAPITAL EXPENDITURE PROJECTS, Annex "A" to ERC RESOLUTION NO. 26, Series of 2009, approved and adopted on December 9, 2009, for the purpose of public information

dissemination of the construction of the 69kV sub-transmission line project, applicant has requested the posting at the bulletin boards of the Office of the City Mayor, Office of the Sangguniang Panlungsod, and Philippine Postal Corporation – Zamboanga City, of the NOTICE TO THE PUBLIC; of (1) the proposed project; (2) the reasons for proposing the project; (3) the source of fund for the said project; and (4) indicative rate impact of the said project on the distribution charge. As proofs of such notice and postings, applicant hereto attached Copy of the NOTICE as Annex "G", and CERTIFICATE OF POSTING issued by the Office of the City Mayor, Office of the Sangguniang Panlungsod, and Philippine Postal Corporation – Zamboanga City, as Annexes "G-1", "G-2" and "G-3", respectively; all are to form as integral parts hereof.

WHEREFORE, the foregoing premises considered, applicant most respectfully prays that the Honorable Commission shall find this application together with all the attached annexes to be sufficient in form and substance; and after due notice and hearing, this application be approved.

Other reliefs as are just and equitable are likewise prayed for.

City of Zamboanga for Pasig City, Philippines, September 1, 2010.

ATTY. ANTONIO G. ANGELES
Counsel for the Petitioner
P.T.R. No. 0209909, Jan. 12, 2010; Z.C.
IBP O.R. No. 755938; Jan. 05, 2010; Z.C.
ROLL No. 39970
MCLE COMPLIANCE No. III-0004472; Aug. 11, 2009
Ground Floor, LDM BLDG 2008
Pilar Street, Zamboanga City

VERIFICATION AND CERTIFICATION

I, Reinerio R. Ramos, both of legal age, after having duly sworn to an oath in accordance with law, hereby depose and state:

That I am the authorized representative of herein named applicant, authorized to file this application per Board RESOLUTION NO. 88-10, copy of which is hereto attached and marked as Annex " A ";

That as the authorized representative, I have caused the preparation of the foregoing application; that I have read and understood the contents thereof and hereby state that the same are true and correct of my own knowledge and based on authentic records.

That applicant, ZAMCELCO has not commenced any action or proceedings involving the same issues before the Supreme Court, the Court of Appeals, or any other tribunal or agency; that to the best of our knowledge, no such action or proceeding is pending before the Supreme Court, the Court of Appeals, or any other tribunal or agency; that should hereafter we learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or any other tribunal or agency; I shall undertake to report to the Honorable Commission of said fact within five (5) days from knowledge therefrom.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of August 2010, in the City of Zamboanga, Philippines.

REINERIO R. RAMOS
Affiant

SUBSCRIBED AND SWORN TO BEFORE ME this ____ day of September 2010, in the City of Zamboanga, Philippines, affiant having exhibited to me his Community Tax Certificate number 16335639 issued on January 22, 2010, at Zamboanga City.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2010 .