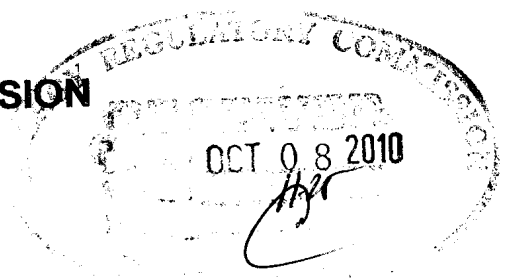


Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF THE
PROPOSED APPLICATION OF
CAPITAL EXPENDITURE
PROJECTS FOR THE YEAR
2010 TO 2012 WITH PRAYER
FOR PROVISIONAL
AUTHORITY

Cash P1,414..

PAID
CHECK NO. 3998266 / 7079152
GATE 10-8-12

2010-122
ERC CASE NO. _____ -RC

BENGUET ELECTRIC
COOPERATIVE, Inc. (BENECO)
Applicant.

x-----x

APPLICATION

COMES NOW, applicant Benguet Electric Cooperative, Inc. (BENECO for brevity), through the undersigned counsel, and unto this Honorable Commission, most respectfully states:

1. BENECO is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Alapang, La Trinidad, Benguet, where it may be served with summons and other legal processes, represented in this instance by virtue of BENECO BOD Resolution No. 37-2010, hereto attached as **Annex "A"** to form an integral part hereof, by its General Manager, **MR. GERARDO P. VERZOSA**, of legal age, Filipino and with office address also at the BENECO Office;
2. Herein applicant is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power

services in the cities/municipalities of the province of Benguet, namely: Baguio City, Atok, Bakun, Bokod, Buguias, Kabayan, Kapangan, Kibungan, Itogon, La Trinidad, Mankayan, Sablan, Tuba and Tublay;

3. As part of its Distribution Development Plan, herein Applicant BENEKO hereto intends to apply for approval of the following electric distribution capital projects for 2010 TO 2012 pursuant to ERC Resolution No. 26, series of 2009, "Resolution Amending the Rules for Approval of Regulated Entities' Capital Expenditure Projects.

Table 1 ANNUAL CAPITAL EXPENDITURE REQUIREMENT (2010-2012)				
Project Description	YEAR OF IMPLEMENTATION			
	2010	2011	2012	
Substation and Subtransmission Development Project	Installation of 69KV Circuit Breakers at Atok S/s and Mankayan S/s Connection Points	P4,803,880.12		
	Installation of HV and LV substation protection equipment, 69KV revenue metering assembly and substation bus works for the energization of existing 5MVA power transformer	P5,493,028.88		
	Installation of HV and LV substation protective devices and substation bus works for the uprating of existing 10MVA Lamut S/s	P5,174,884.80		
	Purchase of 2,500 sqm Substation Lot along South Drive, Baguio City	P37,500,000.00		
	Installation of 2-50MVA substation at South Drive, Baguio City		P36,555,912.36	P37,652,589.73
	Construction of 5km of 2-#500 ACSR, 3-Ø 69kV subtransmission line from Lamut S/s towards the proposed new South Drive substation		P24,182,895.12	
	Sub-total =	P52,971,793.80	P60,738,807.48	P37,652,589.73
Primary Distribution Development Project	Primary Line Expansion	P2,147,619.70	P2,285,648.23	P2,430,025.61
	Rural Electrification Program	P413,256.38		
	Installation of switches and fuse cutouts	P4,617,304.09	P3,729,569.92	
	Installation of Grounding Assemblies and Continuous Neutral Conductor at Dalicno Feeder	P1,742,508.38	P1,794,783.63	P1,848,627.14
	Extension of Primary Lines to Correct Power Quality Problems at the Secondary Distribution System	P2,996,027.15	P3,085,907.96	
	Uprating of the Lamut Substation Main Trunks	P6,061,782.87	P6,243,636.35	
	Conversion from 1-Phase to V-Phase of the Kapangan & Sagubo Laterals	P527,735.71		
	MV Revenue Meter	P1,441,339.15		
	Uprating of the North Sanitary Camp Substation Main Trunks		P9,154,787.04	
	Installation of Grounding Transformers, Grounding Assemblies and Continuous Neutral Conductor at Bakun Feeder			P674,483.10
	Installation of Grounding Transformers, Grounding Assemblies and Continuous Neutral Conductor at Bineng Feeder			P565,034.24
	Sub-total =	P19,947,573.43	P26,294,333.14	P5,518,170.10

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	Conversion of 3-wire ungrounded secondary distribution to 2-wire grounded thru replacement of 3-wire kWh revenue meters to 2-wire kWh meters	P11,715,842.14	P12,067,317.40	P12,429,336.92
	Secondary Line Expansion	P7,751,006.47	P8,157,318.45	P8,581,032.15
	Distribution Transformer	P13,423,468.86	P11,538,925.47	P11,520,324.26
	Service Drop Conductor	P3,134,397.34	P3,103,063.96	P3,067,029.61
	Revenue Meter	P4,602,379.24	P4,534,455.41	P4,509,153.79
	Conductor Uprating for Correction of Secondary Power Quality Problems	P7,307,837.40	P7,527,072.52	
	Rural Electrification Program	P42,635.15		
	Sub-total =	P47,977,566.60	P46,928,153.21	P40,106,876.73
Non-network Assets	Distribution System Automation	P2,713,020.00	P2,794,410.60	P2,878,242.92
	BENECO General Headquarter Building Construction		P26,522,500.00	P27,318,175.00
	BENECO General Headquarter Lot Purchase	P147,500,000.00		
	Acquisition of Equipment for Meter Testing Shop		P2,359,441.60	
	Acquisition of Hotline Tools		P8,858,392.11	
	Acquisition of Insulated Boomtruck		P15,913,500.00	
	Meter reading/billing hardwares	P180,118.91	P123,681.65	P127,392.10
	Acquisition of Radio Repeater Site		P317,739.55	
	Sub-total =	P150,393,138.91	P56,889,665.51	P30,323,810.02
ANNUAL CAPITAL EXPEDITURE REQUIREMENT		P271,290,072.74	P190,850,959.33	P113,601,446.58
TOTAL CAPITAL EXPEDITURE REQUIREMENT		P575,742,478.64		

4. The aforecited projects are to be implemented on a staggered basis starting 2010 to 2012 and the financing of the said projects will be funded from loans from financial institutions. The debt servicing of the loans will be charged against BENECO's Members' Contribution for Capital Expenditures.

The proposed projects will be financed by availing loans from the National Electrification Administration (NEA), Banco de Oro (BDO), Metrobank and from internally generated revenues from the Member's Contribution for Capital Expenditures (MCC). However, other lending institutions may be preferred when BENECO will be offered more competitive interest rates for a certain lending periods compared to those listed at the Table below.

Based on available interest rate for a given period of time as shown in the Table below, the highlighted are the desired lending institutions to obtain loans to finance the projects.

Project Description	FINANCING PLAN				
Installation of Grounding Assemblies and Continuous Neutral Conductor at Dalicno Feeder	P 264,880.31	P 537,707.03	P 818,718.55	10	NEA
Installation of Grounding Transformers, Grounding Assemblies and Continuous Neutral Conductor at Bakun Feeder	P 0.00	P 0.00	P 168,013.92	5	NEA
Installation of Grounding Transformers, Grounding Assemblies and Continuous Neutral Conductor at Bineng Feeder	P 0.00	P 0.00	P 70,375.09	5	NEA
Uprating of the Lamut Substation Main Trunks	P 921,457.24	P 1,870,558.20	P 1,870,558.20	10	NEA
Primary Line Expansion	P 331,663.49	P 673,276.89	P 1,025,138.69	5	NEA
MV Revenue Meter	P 336,557.25	P 336,557.25	P 336,557.25	5	BDO
Installation of switches and fuse cutouts	P 626,151.70	P 1,271,087.96	P 1,271,087.96	10	NEA
Extension of Primary Lines to Correct Power Quality Problems at the Secondary Distribution System	P 746,311.15	P 1,515,011.63	P 1,515,011.63	5	NEA
Uprating of the North Sanitary Camp Substation Main Trunks	P 0.00	P 2,280,459.86	P 2,280,459.86	5	NEA
Conversion from 1-Phase to V-Phase of the Kapangan & Sagubo Laterals	P 80,221.60	P 80,221.60	P 80,221.60	10	NEA
Rural Electrification Program (DOE to provide about P10M)	P 102,942.27	P 102,942.27	P 102,942.27	5	NEA
Sub-total =	P 3,410,185.02	P 8,667,822.69	P 9,539,085.02		
Conversion of 3-wire ungrounded secondary distribution to 2-wire grounded thru replacement of 3-wire kWh revenue meters to 2-wire kWh meters	P 1,780,936.04	P 3,615,300.16	P 5,504,695.21	10	NEA
Secondary Line Expansion	P 1,178,230.49	P 2,418,224.36	P 3,722,627.00	10	NEA
Distribution Transformer	P 2,040,513.97	P 3,794,556.74	P 5,545,771.93	10	NEA
Service Drop Conductor	P 381,493.74	P 759,173.83	P 1,132,468.24	15	NEA
Revenue Meter	P 998,029.67	P 1,961,583.86	P 2,925,138.04	5	BDO
Conductor Uprating for Correction of Secondary Power Quality Problems	P 1,110,871.15	P 2,255,068.43	P 2,255,068.43	10	NEA
Rural Electrification Program (DOE to provide about P10M)	P 6,481.01	P 6,481.01	P 6,481.01	10	NEA
Sub-total =	P 7,496,556.07	P 14,810,388.39	P 21,092,249.86		
Distribution System Automation	P 412,408.69	P 837,189.64	P 1,274,714.02	10	NEA
BENECO General Headquarter Building Construction	P 0.00	P 6,606,761.72	P 13,411,726.29	5	NEA
BENECO General Headquarter Lot Purchase	P 6,328,468.81	P 6,328,468.81	P 6,328,468.81	20	METRO BANK
Acquisition of Equipment for Meter Testing Shop	P 0.00	P 587,737.52	P 587,737.52	5	NEA
Acquisition of Hotline Tools	P 0.00	P 2,206,627.80	P 2,206,627.80	5	NEA
Acquisition of Insulated Boomtruck	P 0.00	P 1,936,863.75	P 1,936,863.75	15	NEA
Meter reading/billing hardwares	P 43,025.78	P 72,570.15	P 103,000.85	10	NEA
IT and communication infrastructure	P 0.00	P 79,149.01	P 79,149.01	5	NEA
Sub-total=	51,367,559.72	44,583,731.44	25,928,363.05		
ANNUAL AMORTIZATION COST ON LOANS	22,062,250.19	55,738,147.83	75,887,796.40		

5. BENECO believes that the implementation of the proposed capital expenditure projects would be to the best interest of its consumers as it

would ensure viability of the electric cooperatives. It would ensure compliance with BENEKO's obligations and performance standards at the least cost. It will result to positive net benefits to improve reliability and reduction of system loss. It will likewise meet feasibility requirements of financing institutions by having a financing plan identifying the funding sources, amount and repayment terms, and to determine the impact of the proposed projects on BENEKO's existing rates.

When borrowing is not considered, the rate impact will be Php0.65944 /kWh. The BENEKO MCC rate is Php0.2178/kWh which means that ideally, BENEKO shall apply for a Php0.44164/kWh of rate increase to be able to implement the projects. Likewise, when applying for a reasonable rate increase, a maximum of additional 10% of the MCC shall apply or an additional Php0.02178/kWh for a total of MCC rate of Php0.23958/kWh.

However, in implementing the proposed projects through short and long term borrowing, BENEKO was able to defer unnecessary rate increase during the CAPEX period 2010-2012.

RATE IMPACT ANALYSIS

PROJECT	2010	2011	2012
Subtransmission Development & Substation Projects	4,371,605.83	13,604,568.35	19,328,173.47
Primary Distribution Projects	3,410,185.02	8,667,822.69	9,539,085.02
Secondary Distribution Projects	7,496,556.07	14,810,388.39	21,092,249.86
Non-network Assets	6,783,903.28	18,655,368.40	25,928,288.05
ANNUAL CASH OUT FROM PROPOSED PROJECTS	22,062,250.19	55,738,147.83	75,887,796.40
CAPEX Training/Seminar	450,000.00		
ERC Capex Approval Fees	1,798,127.81	1,425,843.83	838,633.54
Existing Loans - Annual amortization	18,112,391.00	17,391,060.00	14,550,932.00
Annual Capex Plan (Revenue Requirement [RevReq])	42,422,769.01	74,555,051.66	91,277,361.93
Balance : Excess Revenue / (Additional Revenue Requirement)	24,306,572.65	(5,804,214.48)	(18,493,732.52)
Excess Revenue	(0.00000902)		

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As presented, there will be no impact of the capital expenditure projects on the rates.

6. For purposes and in connection with this Application for Approval, in compliance with its requirements, BENEKO attaches and submits the following in support of its application:

- BENEKO's Capital Expenditure Plan (2010 – 2012) and Five-Year Distribution Development Plan (2010 – 2014);
- Technical Analysis;
- Projected Financial & Economic Cost Analysis;
- Conceptual Engineering Design and Drawings
- Project Cost Estimates
- Project Financing Plan
- Gantt Chart Schedule of the Proposed Capital Expenditure Projects

7. The foregoing Proposed Capital Expenditure Projects were duly approved by the Honorable Members of the BENEKO Board in its Resolution No. 37-2010 (*Annex "A"*) entitled **"RESOLUTION APPROVING THE "FIVE-YEAR DISTRIBUTION DEVELOPMENT PLAN (2010-2014) AND CAPITAL EXPENDITURE REQUIREMENTS (2010-2012)" FOR SUBMISSION TO THE ENERGY REGULATORY COMMISSION (ERC) FOR APPROVAL;"**

8. BENEKO has duly complied with the pre-filing requirements by furnishing copies of the Application together with its supporting annexes and accompanying documents to the Local Government Units' legislative bodies within the franchise area.



A copy of the Affidavit of the Personnel who served the Application, together with the copies where it was stamped received is hereto attached as **Annex "B"** to form integral part hereof.

PRAYER

WHEREFORE, foregoing premises considered, it is most respectfully prayed of this Honorable Commission, after due notice and hearing, to approve the Capital Expenditure Projects for 2010 – 2012 for applicant **BENECO**, as follows:

Table 1 ANNUAL CAPITAL EXPENDITURE REQUIREMENT (2010-2012)				
		YEAR OF IMPLEMENTATION		
Project Description		2010	2011	2012
Substation and Subtransmission Development Project	Installation of 69KV Circuit Breakers at Atok S/s and Mankayan S/s Connection Points	P4,803,880.12		
	Installation of HV and LV substation protection equipment, 69KV revenue metering assembly and substation bus works for the energization of existing 5MVA power transformer	P5,493,028.88		
	Installation of HV and LV substation protective devices and substation bus works for the uprating of existing 10MVA Lamut S/s	P5,174,884.80		
	Purchase of 2,500 sqm Substation Lot along South Drive, Baguio City	P37,500,000.00		
	Installation of 2-50MVA substation at South Drive, Baguio City		P36,555,912.36	P37,652,589.73
	Construction of 5km of 2-#500 ACSR, 3-Ø 69kV subtransmission line from Lamut S/s towards the proposed new South Drive substation		P24,182,895.12	
	Sub-total =	P52,971,793.80	P60,738,807.48	P37,652,589.73
Primary Distribution Development Project	Primary Line Expansion	P2,147,619.70	P2,285,648.23	P2,430,025.61
	Rural Electrification Program	P413,256.38		
	Installation of switches and fuse cutouts	P4,617,304.09	P3,729,569.92	
	Installation of Grounding Assemblies and Continuous Neutral Conductor at Dalicno Feeder	P1,742,508.38	P1,794,783.63	P1,848,627.14
	Extension of Primary Lines to Correct Power Quality Problems at the Secondary Distribution System	P2,996,027.15	P3,085,907.96	
	Uprating of the Lamut Substation Main Trunks	P6,061,782.87	P6,243,636.35	
	Conversion from 1-Phase to V-Phase of the Kapangan & Sagubo Laterals	P527,735.71		
	MV Revenue Meter	P1,441,339.15		
	Uprating of the North Sanitary Camp Substation Main Trunks		P9,154,787.04	
	Installation of Grounding Transformers, Grounding Assemblies and Continuous Neutral Conductor at Bakun Feeder			P674,483.10
	Installation of Grounding Transformers, Grounding Assemblies and Continuous Neutral Conductor at Bineng Feeder			P565,034.24
Sub-total =	P19,947,573.43	P26,294,333.14	P5,518,170.10	

4

	Conversion of 3-wire ungrounded secondary distribution to 2-wire grounded thru replacement of 3-wire kWh revenue meters to 2-wire kWh meters	P11,715,842.14	P12,067,317.40	P12,429,336.92
	Secondary Line Expansion	P7,751,006.47	P8,157,318.45	P8,581,032.15
	Distribution Transformer	P13,423,468.86	P11,538,925.47	P11,520,324.26
	Service Drop Conductor	P3,134,397.34	P3,103,063.96	P3,067,029.61
	Revenue Meter	P4,602,379.24	P4,534,455.41	P4,509,153.79
	Conductor Uprating for Correction of Secondary Power Quality Problems	P7,307,837.40	P7,527,072.52	
	Rural Electrification Program	P42,635.15		
	Sub-total =	P47,977,566.60	P46,928,153.21	P40,106,876.73
Non-network Assets	Distribution System Automation	P2,713,020.00	P2,794,410.60	P2,878,242.92
	BENECO General Headquarter Building Construction		P26,522,500.00	P27,318,175.00
	BENECO General Headquarter Lot Purchase	P147,500,000.00		
	Acquisition of Equipment for Meter Testing Shop		P2,359,441.60	
	Acquisition of Hotline Tools		P8,858,392.11	
	Acquisition of Insulated Boomtruck		P15,913,500.00	
	Meter reading/billing hardwares	P180,118.91	P123,681.65	P127,392.10
	Acquisition of Radio Repeater Site		P317,739.55	
	Sub-total =	P150,393,138.91	P56,889,665.51	P30,323,810.02
ANNUAL CAPITAL EXPEDTURE REQUIREMENT		P271,290,072.74	P190,850,959.33	P113,601,446.58
TOTAL CAPITAL EXPEDTURE REQUIREMENT		P575,742,478.64		

It is further prayed, that applicant be provisionally authorized to implement the said capital expenditure projects pending hearing and final evaluation of the application by the Honorable Commission.

Alapang, La Trinidad, Benguet for Pasig City, 26th August 2010.

BENGUET ELECTRIC COOPERATIVE, INC.

Alapang, La Trinidad, Benguet

By:


ATTY. LUZ LAURETA-BALISONG

Counsel for BENECO

PTR No. 2656011; 1-6-10; BC

IBP No. 005979; 1-6-10; BC

Roll No. 47174

MCLE Compliance No. I-0015228

Copy furnished by personal delivery:

Sangguniang Bayan of La Trinidad
La Trinidad Municipal Hall

Sanggunang Panlalawigan
Capitol Bldg., Benguet

Sangguniang Bayan
La Trinidad, Benguet

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING


I, **MR. GERARDO P. VERZOSA**, of legal age, married, Filipino citizen and with office address at BENECO, Alapang, La Trinidad, Benguet, after taking an oath in accordance with law, depose and state:

1. That I am the General Manager and duly authorized representative of Benguet Electric Cooperative, Inc. (BENECO) by virtue of BENECO BOD Resolution No. 37-2010, herein Applicant in the above-entitled case;
2. That I am the Respondent in the afore-mentioned case;
3. That I caused the preparation of this Application for Approval of the **“FIVE-YEAR DISTRIBUTION DEVELOPMENT PLAN (2010-2014) AND CAPITAL EXPENDITURE REQUIREMENTS (2010-2012)”** with Provisional Authority;
4. That I have read it and its contents are true and correct of my own knowledge and belief based on authentic records; and,
5. That to the best of my knowledge, no other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals or any other tribunal or agency have been commenced;
6. That should I learn thereafter that there is a similar action or proceeding which is either pending or may have been terminated, or if I shall thereafter learn that a similar action has been filed or is pending before the Supreme Court, the Court of Appeals or any other tribunal or agency, I undertake to report the same to the Honorable Court within five (5) days.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of August 2010, at Baguio City, Philippines.


GERARDO P. VERZOSA
General Manager

SUBSCRIBED AND SWORN to before me this 25th day of August 2010, at Baguio City, Philippines. Affiant exhibited to me his Community Tax Certificate No. 17031808, issued on January 18, 2010 at La Trinidad, Benguet.


ATTY. LUZ LAURETA-BALISONG
Notary Public
PTR No. 2656011, 01/06/10, BC
IBP No. 805973, 01/06/10, BC
Roll No. 47174
MCLE Compliance No. I-0015228

DOC. NO. 220 ;
PAGE NO. 44 ;
BOOK NO. VIII ;
SERIES OF 2010.

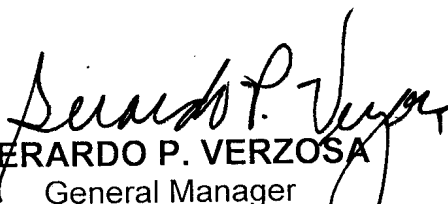
REPUBLIC OF THE PHILIPPINES)
City of Baguio.....) c.c.

A F F I D A V I T

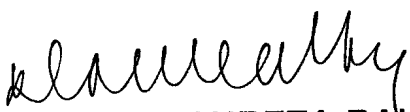
I, **MR. GERARDO P. VERZOSA**, married, of legal age, with office address at BENECO, Alapang, La Trinidad, Benguet, after having sworn to in accordance with law, hereby depose and state that:

1. I am the General Manager and duly authorized representative of Benguet Electric Cooperative, Inc. (BENECO), by virtue of BENECO BOD Resolution No. 37-2010 (Annex "A") **"APPROVING THE PROPOSED "FIVE-YEAR DISTRIBUTION DEVELOPMENT PLAN (2010-2014) AND CAPITAL EXPENDITURE REQUIREMENTS (2010-2012)" FOR SUBMISSION TO THE ENERGY REGULATORY COMMISSION FOR THEIR APPROVAL"**;
2. I caused the preparation of the Application for Approval of the Proposed Capital Expenditure Projects for the Year 2010 to 2012 with Prayer for Provisional Authority;
3. BENECO shall file an Application for Approval from the Concerned Agencies that may have interest in the proposed projects shall be filed and shall furnish the Honorable Commission a copy within five (5) days after filing;
4. I am executing this Affidavit to attest to the truth of the foregoing, in support of our filing for the approval of an adjustment in rates under the Rules for Setting Electric Cooperatives' Wheeling Rates (RSEC-WR) and for all legal intents and purposes.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of Sept. 2010, at Baguio City, Philippines.


GERARDO P. VERZOSA
 General Manager

SUBSCRIBED AND SWORN to before me this 20th day of Sept. 2010, at Baguio City, Philippines. Affiant exhibited to me his Community Tax Certificate No. 17031808, issued on January 18, 2010 at La Trinidad, Benguet.


ATTY. LUZ LAURETA-BALISONG
 Notary Public
 PTR No. 2656011, 01-06-10, BC
 IBP No. 805973, 1-06-10, BC
 Roll No. 47174
 MCLE Compliance No. I-0015228

DOC. NO. 247;
PAGE NO. 60;
BOOK NO. viii;
SERIES OF 2010.



BENGUET ELECTRIC COOPERATIVE, INC.

Office of the Board of Directors
ALAPANG, LA TRINIDAD, BENGUET

EXCERPTS FROM THE SPECIAL MEETING OF THE BENECO BOARD OF DIRECTORS 25 JUNE 2010, BENECO BUILDING, DPS, BAGUIO CITY

PRESENT: **FERDY K. BAYASEN**, *President (Presiding Officer)*
JOEY J. L. MARRERO, *Vice-President*,
EDWARD D. DOGUI-IS, *Treasurer*
PETER B. BUSAING, *Public Relations Officer*
BENNY O. BOMOGAO, *Member*
ANTERO BUSWILAN, *Member*
GEORGE D. MONTES, *Member*
VIRGILIO D. ORCA, JR., *Member*
GERARDO P. VERZOSA, *General Manager (Ex-Officio Member)*

ABSENT: **ROCKY M. ALIPING**, *Secretary*
GASPAR P. LEUNG, *Auditor*

RESOLUTION No. 37-2010

APPROVING THE PROPOSED "FIVE-YEAR DISTRIBUTION DEVELOPMENT PLAN (2010-2014) AND CAPITAL EXPENDITURE REQUIREMENTS (2010-2012)" FOR SUBMISSION TO THE ENERGY REGULATORY COMMISSION FOR THEIR APPROVAL

WHEREAS, the honorable directors were given the "Five-Year Distribution Development Plan (2010-2014) and the Capital Expenditure Requirements (2010-2012)" representing proposed improvements on the BENECO system in terms of safety, reliability and efficiency as well as compliance with the Philippine Electrical Code and the Philippine Grid Code Standards, ably explained and discussed by the presenter from the Engineering Department.

WHEREAS, after exhaustive discussions during a series of meetings, the Board Members arrived at a consensus that the said Development Plan and Capital Expenditure Requirements were prepared in order and that it is but proper for this document to be presented and filed for approval with the Energy Regulatory Commission.

NOW, THEREFORE on motion of Director Benny O. Bomogao duly seconded by Directors Peter B. Busaing and George D. Montes with no objections raised, **BE IT**

RESOLVED, AS IT IS HEREBY RESOLVED, that the Benguet Electric Cooperative Inc. Board of Directors approves the "Five-Year Distribution Development Plan (2010-2014) and the Capital Expenditure Requirements (2010-2012)" for presentation to the Energy Regulatory Commission Provided That suggested corrections during discussion be incorporated in the final document for filing with ERC.

RESOLVED, FURTHER, that copies of this resolution be furnished the ERC for their information and approval.

CARRIED.

CERTIFIED TRUE AND CORRECT:

BENNY O. BOMOGAO
Interim Board Secretary

ATTESTED:

FERDY K. BAYASEN
Board President and Presiding Officer

ANNEX "B"

REPUBLIC OF THE PHILIPPINES)
IN THE CITY OF BAGUIO) S.S.

AFFIDAVIT OF SERVICE

I, **MR. NELSON I. ICAO**, of legal age, married, Filipino citizen and with office address at **BENECO**, Alapang, La Trinidad, Benguet, after taking an oath in accordance with law, depose and state that:

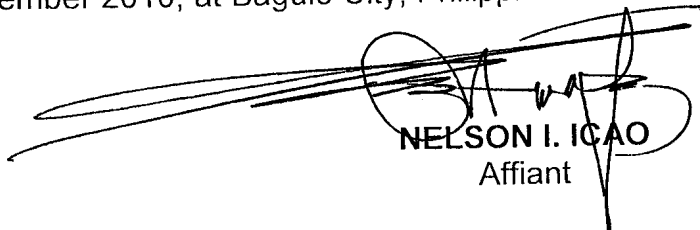
1. I am an employee of the Benguet Electric Cooperative, Inc. (**BENECO**) with office address at Alapang, La Trinidad, Benguet;
2. On August 27, 2010, I personally served a copy of the Application for Approval of the **"FIVE-YEAR DISTRIBUTION DEVELOPMENT PLAN (2010-2014) AND CAPITAL EXPENDITURE REQUIREMENTS (2010-2012)"** with Provisional Authority of the Benguet Electric Cooperative, Inc. to the Energy Regulatory Commission (ERC) to the following offices, to wit:
 - a. Sangguniang Panlalawigan of the Province of Benguet (**Annex "A"**);
 - b. Sangguniang Bayan of the Municipality of la Trinidad, Benguet (**Annex "B"**).

Copies of the letters are hereto attached as Annexes A and B to form integral parts hereof.

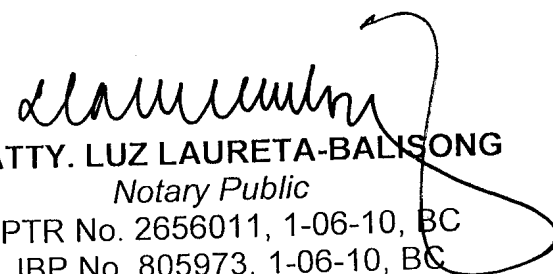
Copies of the Certifications issued by the Sangguniang Panlalawigan and Sangguniang Bayan are hereto attached as **Annex "C"** and **"D,"** respectively, to form integral parts hereof.

3. I am executing this Affidavit to attest to the truth of the foregoing, and for all legal intents and purposes.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of September 2010, at Baguio City, Philippines.


NELSON I. ICAO
Affiant

SUBSCRIBED AND SWORN to before me this 20th day of September 2010, at Baguio City, Philippines. Affiant exhibited to me his Community Tax Certificate No. _____, issued on _____ at _____, Benguet.


ATTY. LUZ LAURETA-BALISONG
Notary Public
PTR No. 2656011, 1-06-10, BC
IBP No. 805973, 1-06-10, BC
Roll No. 47174
MCLE Compliance No. I-0015228

DOC. NO. 244;
PAGE NO. 49;
BOOK NO. VIII;
SERIES OF 2010.



BENGUET ELECTRIC COOPERATIVE, INC.

Alapang, La Trinidad, Benguet, Philippines 2601

Telephone Nos.: (074) 422-2000 • (074) 422-2110 • (074) 422-5671 • (074) 422-5672 • (074) 422-5673

Fax Nos.: (074) 422-2848 • (074) 443-9601

e-mail: beneco_ph@yahoo.com

website: www.beneco.com.ph

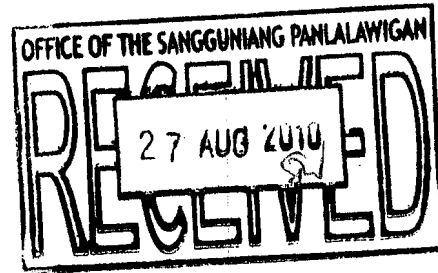
August 27, 2010

ATTY. FRENZEL A. AYONG

Secretary to the Sangguniang Panlalawigan

Provincial Capitol

Province of Benguet



SUBJECT: Benguet Electric Cooperative, Inc.'s (BENECO) Amended Application for Approval of Capital Expenditure Projects for the year 2010 to 2012.

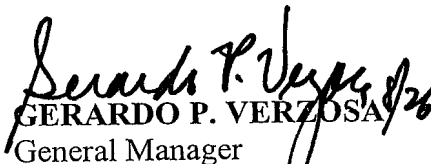
Madam:

Please be informed that the Benguet Electric Cooperative, Inc. (BENECO) will be filing its Amended Application for the Approval of Capital Expenditures for the year 2010 to 2012 in compliance with the Energy Regulatory Commission (ERC) **Resolution No. 26, Series of 2009: Resolution Amending the Rules for Approval of Regulated Entities Capital Expenditure Projects.**

May we furnish the Sangguniang Panlalawigan of the Province of Benguet a copy of our application and we are requesting that the copy of our application be posted at the Bulletin Board of the Provincial Capitol and thereafter, a Certification (kindly refer to attached format) bearing the dry seal of your office be issued as a proof of posting.

Thank you.

Very truly yours,


GERARDO P. VERZOSA
General Manager

cc: File

Republic of the Philippines
PROVINCE OF BENGUET
La Trinidad
Office of the Provincial General Services Officer

CERTIFICATION OF POSTING

This is to certify that the Benguet Electric Cooperative Inc.'s (BENECO) Amended Application for the Approval of its Capital Expenditures Projects for the year 2010 to 2012 in compliance with the Energy Regulatory Commission (ERC) Resolution No. 26, Series of 2009: Resolution Amending the Rules for Approval of Regulated Entities Capital Expenditure Projects was posted at the Bulletin Board of Provincial Capitol from August 27, 2010 to September 2, 2010.

Issued this 16th day of September, 2010 at La Trinidad, Benguet.

agustas
AGUSTA M. LUBOS
Provincial General Services Officer
ml

Republic of the Philippines
PROVINCE OF BENGUET
La Trinidad
Office of the Provincial General Services Officer

CERTIFICATION OF POSTING

This is to certify that the Benguet Electric Cooperative Inc.'s (BENECO) Amended Application for the Approval of its Capital Expenditures Projects for the year 2010 to 2012 in compliance with the Energy Regulatory Commission (ERC) Resolution No. 26, Series of 2009: Resolution Amending the Rules for Approval of Regulated Entities Capital Expenditure Projects was posted at the Bulletin Board of Provincial Capitol from August 27, 2010 to September 2, 2010.

Issued this 16th day of September, 2010 at La Trinidad, Benguet.

agustas
AGUSTA M. LUBOS
Provincial General Services Officer
ml

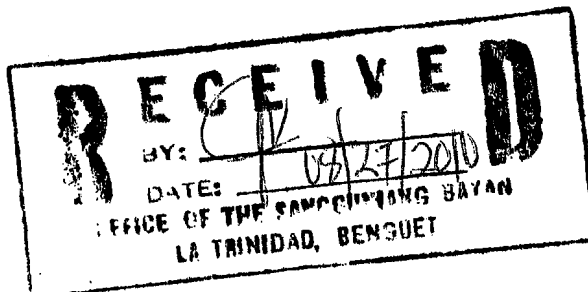


BENGUET ELECTRIC COOPERATIVE, INC.

Alapang, La Trinidad, Benguet, Philippines 2601
Telephone Nos.: (074) 422-2000 • (074) 422-2110 • (074) 422-5671 • (074) 422-5672 • (074) 422-5673
Fax Nos.: (074) 422-2848 • (074) 443-9601
e-mail: beneco_ph@yahoo.com
website: www.beneco.com.ph

August 27, 2010

MR. TEDDY C. WALANG
Secretary to the Sangguniang Bayan
Office of the Sangguniang Bayan
Municipality of La Trinidad
Province of Benguet



SUBJECT: Benguet Electric Cooperative, Inc.'s (BENECO) Amended Application for Approval of Capital Expenditure Projects for the year 2010 to 2012.

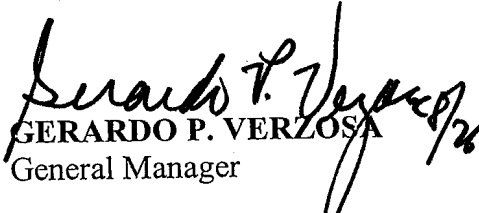
Sir:

Please be informed that the Benguet Electric Cooperative, Inc. (BENECO) will be filing its Amended Application for the Approval of Capital Expenditures for the year 2010 to 2012 in compliance with the Energy Regulatory Commission (ERC) **Resolution No. 26, Series of 2009: Resolution Amending the Rules for Approval of Regulated Entities Capital Expenditure Projects.**

May we furnish the Sangguniang Bayan of the Municipality of La Trinidad, Benguet a copy of our application and we are requesting that the copy of our application be posted at the Bulletin Board of the Municipal Hall and thereafter, a Certification (kindly refer to attached format) bearing the dry seal of your office be issued as a proof of posting.

Thank you.

Very truly yours,


GERARDO P. VERZOSA
General Manager

cc: File



Republic of the Philippines
Province of Benguet
MUNICIPALITY OF LA TRINIDAD
Office of the Secretary to the Sangguniang Bayan
Telefax No. 422-2736/Digital: 309-1002

CERTIFICATION

TO WHOM IT MAY CONCERN:

I hereby certify that herein applicant, Benguet Electric Cooperative Inc. (BENECO) , served a copy of its application for the approval of Capital Expenditures for the year 2010 to 2012 in compliance with the Energy Regulatory Commission (ERC) Resolution No. 26, series of 2009: Resolution Amending the Rules for Approval of Regulated Entities Capital Expenditures with all its annexes and accompanying documents to this office, Sangguniang Bayan of the Municipality of La Trinidad, Province of Benguet , on August 27, 2010.

I further certify that the said Application was posted at the Bulletin Board of this Municipality on August 30, 2010 as requested by herein Applicant.

Issued this 23rd day of September, 2010, for all legal intents and purposes it may serve.


TEDDY C. WALANG
Secretary to the Sangguniang Bayan

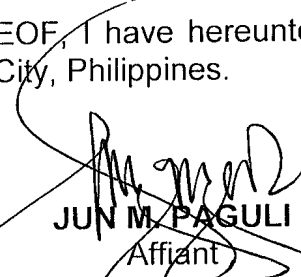
REPUBLIC OF THE PHILIPPINES)
IN THE CITY OF BAGUIO) S.S.

AFFIDAVIT OF SERVICE

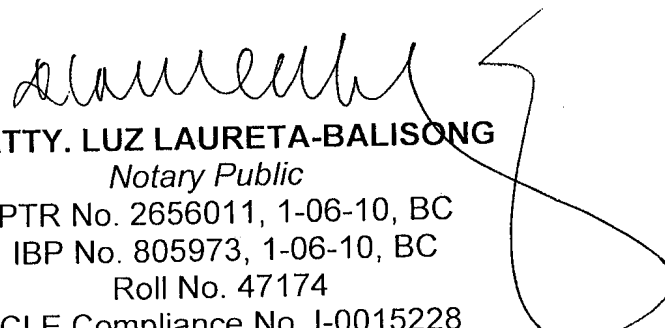
I, **MR. JUN M. PAGULI**, of legal age, married, Filipino citizen and with office address at **BENECO**, Alapang, La Trinidad, Benguet, after taking an oath in accordance with law, depose and state that:

1. I am an employee of the Benguet Electric Cooperative, Inc. (BENECO) with office address at Alapang, La Trinidad, Benguet;
2. On August 27, 2010, I personally served a copy of the Application for Approval of the **"FIVE-YEAR DISTRIBUTION DEVELOPMENT PLAN (2010-2014) AND CAPITAL EXPENDITURE REQUIREMENTS (2010-2012)"** with Provisional Authority of the Benguet Electric Cooperative, Inc. to the Energy Regulatory Commission (ERC) to the Office of the Sangguniang Panlungsod of the City of Baguio. Hereto attached is a copy of the letter as **Annex "A"** to form an integral part hereof;
3. I am executing this Affidavit to attest to the truth of the foregoing, and for all legal intents and purposes.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of September 2010, at Baguio City, Philippines.


JUN M. PAGULI
Affiant

SUBSCRIBED AND SWORN to before me this 20th day of September 2010, at Baguio City, Philippines. Affiant exhibited to me his Community Tax Certificate No. 223 41940, issued on Jan 11, 2010 at Baguio City, Benguet.


ATTY. LUZ LAURETA-BALISONG
Notary Public
PTR No. 2656011, 1-06-10, BC
IBP No. 805973, 1-06-10, BC
Roll No. 47174
MCLE Compliance No. I-0015228

DOC. NO. 243;
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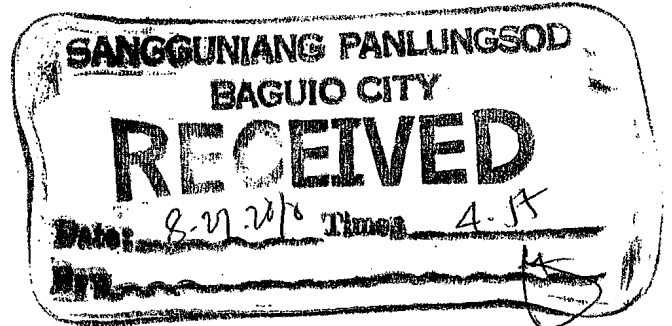


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e-mail: beneco_ph@yahoo.com
website: www.beneco.com.ph

August __ 2010

MR. PRUDENCIO PARNACIO
Secretary to the Sangguniang Panglungsod
City of Baguio



SUBJECT: Benguet Electric Cooperative, Inc.'s (BENECO) Amended Application for Approval of Capital Expenditure Projects for the year 2010 to 2012.

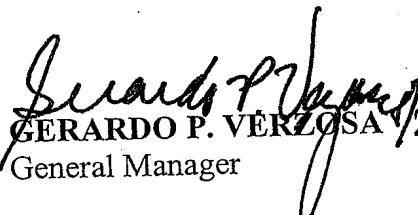
Sir:

Please be informed that the Benguet Electric Cooperative, Inc. (BENECO) will be filing its Amended Application for the Approval of Capital Expenditures for the year 2010 to 2012 in compliance with the Energy Regulatory Commission (ERC) **Resolution No. 26, Series of 2009: Resolution Amending the Rules for Approval of Regulated Entities Capital Expenditure Projects.**

May we furnish the Sangguniang Panglungsod of Baguio City a copy of our application and we are requesting that the copy of our application be posted at the Bulletin Board of the City and thereafter, a Certification (kindly refer to attached format) bearing the dry seal of your office be issued as a proof of posting.

Thank you.

Very truly yours,


GERARDO P. VERZOSA
General Manager

cc: File



PO BOX 50 • 16 KISAD ROAD
2600 BAGUIO CITY, PHILIPPINES
☎ 442-2444 • FAX 443-9485

REPUBLIC OF THE PHILIPPINES)
CITY OF BAGUIO) S.S.

AFFIDAVIT OF PUBLICATION


CHARLES M. HAMADA, MD, first being duly sworn, deposes and says that the public notice, titled

ENERGY REGULATORY COMMISSION, RE: IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE PROPOSED APPLICATION OF CAPITAL EXPENDITURE PROJECTS FOR THE YEAR 2010 TO 2012 WITH PRAYER FOR PROVISIONAL AUTHORITY, BENGUET ELECTRIC COOPERATIVE, Inc., (BENECO), Applicant. ERC CASE NO. ___-RC. (8 cols. x 16 ins.)

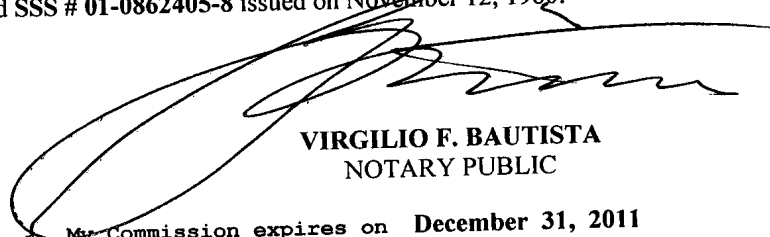
was published in the BAGUIO MIDLAND COURIER, as follows:

September 12, 2010

IN WITNESS WHEREOF, he has hereunto affixed his signature this 14th day of September, 2010 at Baguio City, Philippines.


CHARLES M. HAMADA, MD
PUBLISHER

SUBSCRIBED AND SWORN TO before me this 15th day of September, 2010 at Baguio City, Philippines, affiant exhibiting to me his Community Tax Certificate No. CCI2009 33896994 issued on March 09, 2010 at Baguio City, Philippines, and SSS # 01-0862405-8 issued on November 12, 1980.


VIRGILIO F. BAUTISTA
NOTARY PUBLIC

Doc. No.: 107
Page No.: 31
Book No.: XXVI
Series of 2010

My Commission expires on December 31, 2011
Notarial Application No. 21-NC-10-R
Professional Tax O.R. No. 2654301
Issued in Baguio City on January 4, 2010
2010 IBP O.R. No. 777445
Issued in Baguio City on December 08, 2009
Roll of Attorney's No. 20994
Office Address: 016 Camellia St., QM Subd. Baguio City