

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

IN THE MATTER OF THE
APPLICATION FOR APPROVAL OF
PROPOSED ELECTRIC CAPITAL
PROJECTS FOR THE YEAR 2010 TO
2013 AND AUTHORITY TO SECURE
LOAN FROM NEA, WITH PRAYER
FOR PROVISIONAL AUTHORITY.

NOV 26 2010
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2010-042

ERC CASE No. _____ RC

PAMPANGA RURAL ELECTRIC
SERVICE COOPERTIVE, INC.
(PRESCO)

Petitioner/Applicant,

X-----X

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CHECK NO
OR NO. 39989 76 / 7079197
DATE: 11-20-10
④

APPLICATION

COMES NOW, applicant PAMPANGA RURAL ELECTRIC SERVICE
COOPERTIVE, INC. (PRESCO), by and through the undersigned counsel, and unto
this Honorable Commission, most respectfully states:

1. That applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines, with the principal office at Anao, Mexico City, Pampanga where it may be served with summons and other legal processes, represented in this instance by its General Manager, **Efren M. Tongol** of legal age, Filipino, married and with office address also at Anao, Mexico City, Pampanga;
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 (4) municipalities, namely the municipalities of Arayat, Magalang, Mexico, Sta. Ana and all in the Province of Pampanga;
3. That the applicant PRESCO consumer profile showed that almost 15,464 of the consumers are residential 96.5%, commercial 2.42%, Public Building 1.080%, irrigation 0.013%;
4. That the applicant PRESCO's energy demand reached approximately 27.695 GWhr at the end of December 2009 and forecast estimates indicate that the applicant will have a steady energy demand growth rate of 11% every year until 2013. It is expected that the energy demand will reach as high as 39.544 GWhr at the end of four years;

5. That PRESCO gets the bulk of power for distribution to its coverage area through the transmission system facilities operated and maintained by the National Grid Corporation of the Philippines (NGCP) which derived its power from Masinloc Power Partners Company, Ltd (MPPCL);
6. That applicant has identified eight (8) projects, classified according to the projects that intend to address load growth, projects that intends to reduce losses in transformers and feeders. The following are the proposed projects for implementation upon economic and financial feasibility:
 - A. Construction of New Substation in Brgy. San Pedro, utilizing the 5MVA spare Power Transformer and, Construction of 5.8 km 69kv line – with the estimated cost of Php. 28,722,000.00:
 - B. Capacitor placement of 3-100 KVAR at Brgy. Sabanilla and Brgy. Balas, installation of 3 phase voltage regulator at Brgy. Sta. Cruz, transferring and re-phasing from 1ph to 3 ph of line section San Vicente to Sebitanan – with the estimated cost of Php. 2,675,570.96:
 - C. Replacement of Dilapidated Primary and Secondary Line – with the estimated cost of Php. 921,466.03:
 - D. Replacement of overload Distribution Transformer – with the estimated cost of Php. 10,329,167.25:
 - E. Rehab Upgrading Materials – with the estimated cost of Php. 18,252,387.40;
 - F. Logistics – with the estimated cost of Php. 15,116,386.05;
 - G. Add-Ons – with the estimated cost of Php. 8,187,956.58:
 - H. Low Voltage (UB and OS) – with the estimated cost of Php. 576,811.36;

TOTAL PROJECT COST: Php. 84,781,745.63

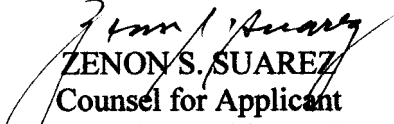
7. That as part of its Distribution Development Plan, applicant PRESCO intends to apply for approval of the following electric projects for 2010-2013:
8. That the above project will be implemented on a staggered basis starting 2010 to 2013 and financing of the said projects will be taken from NEA loan and the Applicant's Reinvestment Fund;
9. That the Applicant will request authority to secure a Php. 57,303,554.65 loan from National Electrification Administration (NEA);
10. That the proposed projects are consistent with the Distribution Development Plan (DDP), the Philippine Grid Code (PGC) and other relevant government issuances, and in accordance with ERC Resolution on capital projects;

11. For purposes of and in connection with this application, PRESCO hereby submit the following documents in compliance with the requirements pertinent hereto:
- a. Description of the Project; Justification and Impact study on the System and; Option/Alternatives considered in lieu of the proposed project;
 - b. Project Financing Plan
 - c. Five-Year Historical and Forecast planning Data consistent with DDP
 - d. Technical Analysis
 - e. Project Financial and Economic Cost Analysis
 - f. Project Cost Estimates
 - g. Proposed Gantt Chart Schedule
 - h. Single Line Diagram
 - i. Conceptual Engineering Design and Drawings
 - j. Board Resolution approving the proposed projects
 - k. Sworn Statement
 - l. Compliance with the pre-filing requirements:
 - i. Certification from the Presiding Officer or Secretary of the Legislative bodies of the Franchise Area and of the Sangguniang Panlalawigan of Pampanga, or their duly authorized representatives attesting to the fact that applicant has furnished the respective legislative bodies of the local government units within the Franchise Area and the Sangguniang Panlalawigan: and
 - ii. Affidavit of Publication and Newspaper issue containing the published Application in its entirety in a newspaper of general circulation in PRESCO's franchise area.
12. That the approval of the proposed capital expenditure projects is needed to maintain efficient, reliable, and safety delivery of power to PRESCO's existing and future consumers, and will redound to the benefit of the consuming public.

PRAYER

WHEREFORE, premises considered, it is respectfully prayed of this Honorable Commission that pending hearing, the herein submitted application for approval of proposed electric capital projects and authority to secure loan from the National Electrification Administration be provisionally approved ex parte; and the applicant is authorized to adopt and implement the same effective upon such approval and after due notice and hearing and consideration, the application be approved permanently.

Other relief/s just and equitable in the premises are likewise prayed for.
Quezon City for Pasig City this 23rd day of November, 2010.


ZENON S. SUAREZ
Counsel for Applicant
Rm. 313 Web-Jet Bldg. 64 Quezon Ave.,
Cor. BMA St. Quezon City
PTR No. 3510066 1/11/10 Caloocan City
IBP LRN 01592 6/24/99 Pasig City
Attorney Roll No. 25041
MCLE COMPLIANCE No. III-0002187
Tel. No. (02) 412-01-07

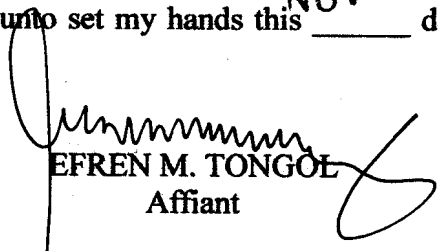
VERIFICATION/CERTIFICATION

REPUBLIC OF THE PHILIPPINES)
MUNICIPALITY OF MEXICO)SS
PROVINCE OF PAMPANGA)

I, MR. EFREN M. TONGOL of legal age, Filipino, married and with office address located at Brgy. Anao, Mexico, Pampanga, after having been duly sworn to, in accordance with law hereby depose and says:


1. That I am the General Manager of Pampanga Rural Electric Service Cooperative, Inc. (PRESCO) in the petition for the approval of PRESCO's 5-Year Capital Expenditures Projects for the year 2010-2013 in accordance with the provision of ERC Rule 26, s-2009;
2. That I have caused the preparation and filing of the said petition;
3. That I have read and know the contents thereof as true and correct to the best of my own knowledge;
4. That I hereby certify that I have not therefore commenced by any other action or proceeding involving the same in the Supreme Court, the Court of Appeals or any other tribunal or agency;
5. That to the best of my knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals or any other tribunal or agency;
6. That if there is such action or proceeding which is either pending or may have been terminated, we must state the status thereof;
7. That should I thereafter learn that similar action or proceedings has been filed or pending before the Supreme Court, the Court of Appeals or any other Tribunal or Agency, we will undertake to report that fact within Five (5) days there from to the court or agency wherein the original pleading has been filed.

IN WITNESS WHEREOF, I have hereunto set my hands this NOV 23 2010 day of _____, 2010.


EFREN M. TONGOL
Affiant

SUBSCRIBED AND SWORN to before me at Mexico, Pampanga this NOV 23 2010 day of _____, 2010 by _____ with SSS No. 01-0441368-7.

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Page No. 85
Book No. FC-C
Series of 2010


DULCISIMO G. HINANAY JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2011
ADM. MATR. NO. NP 096
PTR. NO. 217-0000000-2010 Q.L.
TIN 217-0000000-2059
ATTY.'S ROLL NO. 27386

REPUBLIC OF THE PHILIPPINES)
MUNICIPALITY OF MEXICO)SS
PROVINCE OF PAMPANGA)

JOINT SWORN STATEMENT

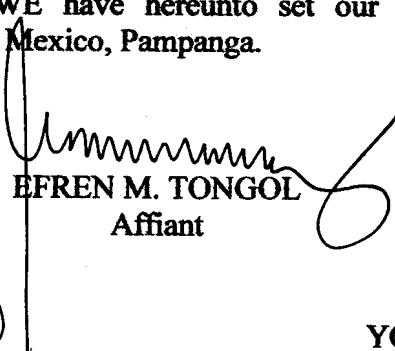
That WE, MR. EFREN M. TONGOL, ENGR. JAY L. RAZON, and YOLINDA M. FRANCO, of legal age, Filipinos, married and with office address located at Brgy. Anao, Mexico, Pampanga, after having been duly sworn to, in accordance with law hereby depose and says:

1. That WE are the General Manager/ Technical Manager/ Finance Manager respectively of Pampanga Rural Electric Service Cooperative, Inc. (PRESCO);
2. That WE are the duly authorized officers of the cooperative tasked to undertake the preparation and filing of the Application for the Approval of the 4-Year Capital Expenditures Projects for the year 2010-2013 and that all data are based on the records of the Cooperative;
3. That WE hereby attest to the veracity of then data stated in the said Application and that the said data are based on the records of the cooperative;
4. That WE have executed this Joint Statement to support the petition for the approval of PRESCO Four (4) Year Capital Expenditures Projects for the year 2010-2013;

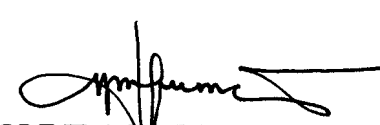
THE AFFIANT FURTHER SAYETH NAUGHT.

NOV 23 2010

IN WITNESS WHEREOF, WE have hereunto set our hands this ___ day of _____, 2010 in Mexico, Pampanga.

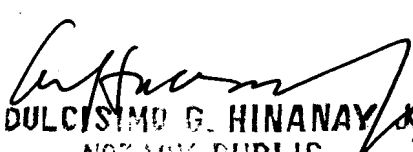

EFREN M. TONGOL
Affiant


ENGR. JAY L. RAZON
Affiant


YOLINDA M. FRANCO
Affiant

SUBSCRIBED AND SWORN to before me this NOV 23 2010 day of _____ 2010 at Mexico, Pampanga by Affiants exhibiting their SSS NO. 01-0441368-7, 02-1528260-0, and 02-0953022-9.

Doc No. 419
Page No. 85
Book No. H-c
Series of 2010


DULCISIMO G. HINANAY JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2011
ADM. M. NO. NP 093
PTR NO. 0176000.1-4-2010, Q.C.
TIN NO. 125582859
ATTY.'S ROLL NO. 27386