

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



**IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE CAPITAL EXPENDITURE PROJECTS FOR THE YEARS 2013 TO 2016 AND FOR AUTHORITY TO SECURE LOAN WITH PRAYER FOR PROVISIONAL AUTHORITY,**

**ERC CASE NO. 2016-200 RC**

**BENGUET ELECTRIC COOPERATIVE, INC. (BENECO), Applicant.**

**DOCKETED**  
Date: MAY 31 2017  
By: [Signature]

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**ORDER**

On 16 December 2016, the applicant Benguet Electric Cooperative, Inc. (BENECO) filed an *Application* for approval of the capital expenditure projects for the years 2013 to 2016 and for authority to secure loan, with prayer for provisional authority.

In the said Application, BENECO alleged the following:

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 BENECO, Barangay Alapang, La Trinidad, Benguet.
2. The Applicant has an exclusive franchise issued by the National Electrification Administration (NEA) to operate an electric light and power services in Baguio City and the 13 municipalities of Benguet -- 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 intends to apply for the approval of its distribution capital expenditure (CAPEX) projects for 2013 to 2016 pursuant to ERC Resolution No. 26, series of 2009, Resolution No. 20, series of 2011

and other pertinent laws and regulations. The following table provides the pertinent information about the CAPEX projects.

**TABLE 1. ANNUAL CAPITAL EXPENDITURE REQUIREMENTS  
(2013-2016)**

<b>Network Projects</b>			
<b>Item</b>	<b>Project Title</b>	<b>Project Costs</b>	<b>Implementation Year</b>
1	Installation of 10MVA, 23KV Power Transformer at the Sinipsip Substation	2,855,600.00	2016
2	Replacement of Insulators of Circuit 1, 2 & 3 at Atok Substation	5,885,110.80	2014-2016
3	Replacement of Insulators of Circuit 4 & 5 at Mankayan Substation	2,818,141.28	2016
4	Replacement of LA/FCO of Circuit 1, 2 & 3 at AtokSubstation	1,000,000.00	2016
5	Replacement of LA/FCO of Circuit 4& 5 at Mankayan Substation.	1,000,000.00	2016
6	Uprating of the 10MVA Power Transformer at the Irisan Substation to 20/25MVA Power Transformer	2,635,848.00	2016
7	Reconductoring of Backbone Line (main trunks) of Feeder 3 and Feeder 4 at Irisan Substation.	5,333,947.93	2013-2015
8	Additional One(1) Feeder at Irisan S/s to junction going to Sablan	1,198,934.45	2016
9	Installation of LV Protection at the Irisan Substation	5,980,000.00	2016
10	Uprating of the 20MVA Power Transformer at NSC Substation to 50 MVA Power Transformer	21,898,000.00	2014-2015
11	Reconductoring of Backbone Line (main trunks) of Feeder 9 and Feeder 10 at NSC Substation (Phase II).	7,432,615.87	2013-2014
12	Construction of Two (2) new Feeder of the new 50MVA Power Transformer.	6,155,102.49	2014-2016
13	Installation of LV Protection for the Two New Feeders at the NSC Substation	6,891,410.25	2016
14	Installation of 23kV Medium Voltage Main Secondary Circuit Breakers	1,500,000.00	2016
15	Installation of Single Metering at the NSC Substation	1,871,111.83	2014
16	Construction of Tie-Line at Bineng, La Trinidad, Benguet	2,903,984.97	2014
17	Construction of Tie-Line at Camp 1, Tuba, Benguet to Luelco Boundary	722,897.48	2014
18	Reconductoring of Backbone Line (main trunks) of Feeder 13 at Lamut Substation	342,722.90	2014

19	Primary Metered consumers (Primary metering only)	4,988,815.77	2013-2016
20	Primary extension due to new connection(DT included)	69,532,991.95	2013-2016
21	Primary extension due to power quality at the secondary side (DT included)/Including subdivision	6,663,972.80	2013-2015
22	Secondary line uprating to correct low voltage.	19,238,555.54	2013-2016
23	Installation of reclosers	14,799,614.29	2014-2016
24	Installation of Load Break Switches	2,769,758.48	2014-2016
25	Installation of Grounding Assemblies and Continuous Neutral Conductor at Bokod Line and capsule grounding	3,372,712.30	2013-2014
26	Capsule Grounding for the identified locations of BENECON coverage	7,392,848.88	2013-2016
27	Secondary Line Expansion due to new connection	15,561,387.53	2013-2016
28	Replacement of old 3-wire ungrounded secondary distribution to 2-wire grounded thru replacement of 3-wire kWh revenue meters to 2-wire kWh meters	3,227,110.16	2013-2016
29	Rural Electrification Projects (SEP/BLEP Programs)	-	
<b>Sub-total =</b>		<b>225,973,195.95</b>	

**Other Network Projects**

1	Service drop conductor due to new connections	8,494,748.46	2013-2016
2	Revenue meters for new connection consumers	31,080,025.96	2013-2016
3	Smart Metering	3,000,000.00	2,016.00
<b>Sub-total =</b>		<b>42,574,774.42</b>	

**Non-Network Projects**

1	Installation of SCADA	11,646,350.00	2013-2016
2	Engineering Softwares	1,000,000.00	2,016.00
3	Database Softwares	3,000,000.00	2,016.00
4	Automatic Meter Reading (AMR) for big load consumers	3,618,025.21	2013-2016
5	Service Vehicles	74,539,516.07	2014-2015
6	BENECON General Headquarters Construction	46,943,382.81	2015-2016
7	Procurement of IT Communication System	11,000,000.00	2013-2016
8	Procurement of Equipment and Tools	9,864,760.30	2013-2016
<b>Sub-total =</b>		<b>161,612,034.39</b>	

Item	Distribution Projects	Cost
I.	Network Projects	225,973,195.95
II.	Other Network Projects	42,574,774.42
III.	Non-Network Projects	161,612,034.39
<b>Total Projects Costs =</b>		<b>430,160,004.76</b>

4. The projects are to be implemented on a staggered basis between 2013 until 2016 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 BENEKO's collection from the Members' Contribution for Capital Expenditures, now called Reinvestment Fund for Sustainable Capital Expenditures (RFSC). A portion of the CAPEX may also be funded by the Applicant's internally generated funds. However, other lending institutions may be preferred if they will offer BENEKO better competitive rates for a certain lending period compared to those listed below.

**TABLE 2. INTEREST RATES OF FINANCING INSTITUTIONS**

	YEARS		
	5	10	15
FINANCING INSTITUTION	5.50%	5.50%	5.50%

5. The CAPEX will be financed from loans based on an interest rate given for a period of time. The project costs and the desired source of loan to finance the projects will be implemented according to a cash flow as shown in the table below.

**TABLE 3. FINANCING PLAN**

NETWORK PROJECTS							
SUBTRANSMISSION DEVELOPMENT AND SUBSTATION PROJECTS							
	PROJECTS	2013	2014	2015	2016	RECOMMENDED FINANCING PERIOD	SOURCE OF FUND
	Inflation Rate	1	2	3	4		
1	Installation of 10MVA, 23KV Power Transformer at the Sinipsip S/s.				736,694.30	5	FINANCING INSTITUTION
2	Replacement of Insulators of Circuit 1, 2 & 3 at Atok Substation			163,100.91	1,386,689.71	5	FINANCING INSTITUTION
3	Replacement of Insulators of Circuit 4 & 5 at Mankayan Substation				727,030.61	5	FINANCING INSTITUTION
4	Replacement of LA/FCO of Circuit 1, 2 & 3 at Atok						

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	Substation							
5	Replacement of LA/FCO of Circuit 4 & 5 at Mankayan Substation .							
6	Uprating of the 10MVA Power Transformer at Irisan substation to 20/25MVA Power Transformer					680,002.17	5	FINANCING INSTITUTION
7	Reconductoring of Backbone Line (main trunks) of Feeder 3 and Feeder 4 at Irisan Substation.							
8	Additional One(1) Feeder at Irisan S/s to junction going to Sablan							
9	Installation of LV Protection at the Irisan Substation					1,542,734.25	5	FINANCING INSTITUTION
10	Uprating of the 20MVA Power Transformer at NSC Substation to 50 MVA Power Transformer							
11	Reconductoring of Backbone Line (main trunks) of Feeder 9 and Feeder 10 at NSC Substation (Phase II).							
12	Construction of Two (2) new Feeder of the new 50MVA Power Transformer.							
13	Installation of LV Protection for the Two New Feeders at the NSC S/s					1,777,861.97	5	FINANCING INSTITUTION
14	Installation of 23kV Medium Voltage Main Secondary Circuit Breakers							
15	Installation of 69kV Circuit Breaker at Manasok Line							

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16	Installation of Single Metering at the NSC Substation						
17	Construction of Tie-Line at Bineng, La Trinidad, Benguet						
18	Construction of Tie-Line at Camp 1, Tuba, Benguet to Luelco Boundary						
19	Reconductoring of Backbone Line (main trunks) of Feeder 13 at Lamut Substation (Phase II).						
20	Primary Metered consumers (Primary metering only)						
21	Primary extension due to new connection (DT included)			1,296,836.81	11,158,910.35	5	FINANCING INSTITUTION
22	Primary extension due to power quality at the secondary side (DT included)/ Including Subdivision						
23	Secondary line uprating to correct low voltage.			303,444.94	2,579,899.61	5	FINANCING INSTITUTION
24	Installation of Reclosers						
25	Installation of Load Break Switches						
26	Installation of Grounding Assemblies and Continuous Neutral Conductor at Bokod Line and capsule grounding						
27	Capsule Grounding for the identified locations of BENEKO COVERAGE						
28	Secondary Line Expansion due			229,213.95	2,077,776.20	5	FINANCING INSTITUTION

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	to new connection						
29	Replacement of old 3-wire ungrounded secondary distribution to 2-wire grounded thru replacement of 3-wire kWh revenue meters to 2-wire kWh meters			-	515,964.63	5	FINANCING INSTITUTION
30	Rural Electrification Projects (SEP/BLEP Programs)	UNDER SUBSIDY BY PRES. NINOY AQUINO					
	<b>SUB-TOTAL =</b>	-	-	<b>1,992,596.61</b>	<b>23,183,563.81</b>		

**OTHER NETWORK PROJECTS**

SECONDARY DISTRIBUTION DEVELOPMENT PROJECTS							
	PROJECTS	2013	2014	2015	2016	RECOMMENDED FINANCING PERIOD	SOURCE OF FUND
1	Service drop conductor due to new connections			-	655,073.96	5	FINANCING INSTITUTION
2	Revenue meters for new connection consumers			368,749.78	3,092,923.17	5	FINANCING INSTITUTION
3	Smart Metering			-	773,946.95	5	FINANCING INSTITUTION
	<b>SUB-TOTAL =</b>	-	-	<b>368,749.78</b>	<b>4,521,944.07</b>		

**NON-NETWORK PROJECTS**

	PROJECTS	2013	2014	2015	2016	RECOMMENDED FINANCING PERIOD	SOURCE OF FUND
1	Installation of SCADA				1,188,593.25	5	FINANCING INSTITUTION
2	Engineering Softwares						
3	Database Softwares				773,946.95	5	FINANCING INSTITUTION
4	Automatic Meter Reading (AMR) for big load consumers				773,946.95	5	FINANCING INSTITUTION
5	Service Vehicles			3,573,967.29	14,295,869.16	5	FINANCING INSTITUTION
6	BENECO General Headquarters Construction			1,265,384.50	10,758,343.59	5	FINANCING INSTITUTION

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7	Procurement of IT Communication System						
8	Procurement of Equipment and Tools						
	<b>TOTAL NON-NETWORK PROJECTS</b>	-	-	4,839,351.79	27,790,699.89		

PROJECTS	2013*	2014*	2015 (RFSC)	2015 (financing)	2016 (RFSC)	2016 (financing)
GENERATION DEVELOPMENT PROJECT (MAN-ASOK MINI HYDRO)	-	-	-	-	-	-
NETWORK PROJECTS	31,958,957.24	51,981,478.82	34,180,001.72	34,772,694.23	15,881,174.93	66,371,080.88
OTHER NETWORK PROJECTS	12,766,037.08	4,572,315.17	6,990,716.27	6,435,032.25	-	13,293,017.25
NON NETWORK ASSETS	20,344,996.02	9,837,097.51	13,148,144.30	84,451,262.59	1,284,331.74	36,792,232.29
	65,069,990.34	66,390,891.50	54,318,862.29	125,658,989.07	17,165,506.67	116,456,330.41

Lending Institution	2013*	2014*	2015 (RFSC)	2015 (financing)	2016 (RFSC)	2016 (financing)
FINANCING INSTITUTION	-	-	-	125,658,989.07	-	116,456,330.41
RFSC (outright payment from collection)	65,069,990.34	66,390,891.50	54,318,862.29	-	17,165,506.67	-
Total New Capex Project Project Cost requirement/ Amortization	65,069,990.34	66,390,891.50	54,318,862.29	125,658,989.07	17,165,506.67	116,456,330.41

Table 4. CAPEX PLAN ANNUAL CASH FLOW

	Year			
	2013	2014	2015	2016
Annual Revenue Cash Flow from RFSC Rate and Pole Rental	P 77,060,472.33	P 77,435,803.66	P 81,832,659.90	P 85,883,982.36
Add: Balance, beg.	P 3,331.37	P 551,180.43	P 0.00	P 1,072,031.54
Annual Inflow from Loans	P 0.00	P 0.00	P 125,658,989.07	P 116,456,330.41
<b>TOTAL INFLOW</b>	<b>P 77,063,803.70</b>	<b>P 77,986,984.09</b>	<b>P 207,491,648.97</b>	<b>P 203,412,344.31</b>
<b>CASH OUTFLOW</b>				
<b>CASH FOR CAPITAL EXPENDITURE</b>				
Network Projects	P 31,958,957.24	P 51,981,478.82	P 68,952,695.95	P 82,252,255.81
Other Network Projects	P 12,766,037.08	P 4,572,315.17	P 13,425,748.52	P 13,293,017.25
Non Network Projects	P 20,344,996.02	P 9,837,097.51	P 97,599,406.89	P 38,076,564.03
ERC Capex Approval Fees	P 488,024.93	P 497,931.69	P 1,349,833.89	P 1,002,163.78
Subtotal	P 65,558,015.27	P 66,888,823.19	P 181,327,685.25	P 134,624,000.86
<b>CASH FOR DEBT SERVICE</b>				
<b>NEW LOANS</b>				
Network Projects	P 0.00	P 0.00	P 1,992,596.61	P 23,183,563.81
Other Network Projects	P 0.00	P 0.00	P 368,749.78	P 4,521,944.07
Non Network Projects	P 0.00	P 0.00	P 4,839,351.79	P 27,790,699.89



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DEBT SERVICE FOR NEW LOANS	P 0.00	P 0.00	P 7,200,698.19	P 55,496,207.78
DEBT SERVICE FOR EXISTING LOANS	P 10,954,608.00	P 21,825,372.67	P 17,891,234.00	P 16,349,800.00
TOTAL DEBT SERVICE	P 10,954,608.00	P 21,825,372.67	P 25,091,932.19	P 71,846,007.78
TOTAL OUTFLOWS	P 76,512,623.27	P 88,714,195.85	P 206,419,617.43	P 206,470,008.64
IGF USED		P 10,727,211.76		P 3,057,664.33
BALANCE, END	P 551,180.43	P 0.00	P 1,072,031.54	P 0.00

6. The Applicant is filing this Application only this year because of the following reasons: (a) The ERC, through the Regulatory Operations Service (ROS), said this current Application must only be filed when the CAPEX Application for 2010 - 2012 shall have been approved. The Applicant filed before the ERC its Application for the approval of the 2010 - 2012 CAPEX on October 8, 2010. The Commission approved the said Application on March 16, 2015. A copy of the Decision of which was received by the Applicant sometime in June, 2015; (b) The ROS required the Applicant to amend its Application for the approval of the 2013-2016 CAPEX to reflect the CAPEX projects for the period that have been actually accomplished until the filing of this Application. The Applicant complied and hence, this Application which now reflects the accomplished projects as of date.
  
7. The Applicant BENEKO 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. The CAPEX was also designed to allow the Applicant to meet the feasibility requirements of financing institutions through a financing plan that identifies the funding sources, amount and repayment terms, and amortization period. Included in the CAPEX is the impact of the proposed projects on BENEKO's existing rates.
  
8. When the Applicant will not resort to borrowing to finance its CAPEX, the rate impact will be P0.3540/kWh, meaning the RFSC rate to be collected from the member consumers will cost P0.3540/kWh. The current BENEKO RFSC (formerly MCC) rate is P0.2178/kWh which means that BENEKO will have to apply for a P0.1362/kWh of rate increase to be able to collect the RFSC cost of P0.3540/kWh and be able to implement the projects. When applying for a reasonable rate increase, only a maximum of additional 10% of the RFSC shall be allowed. Should this happen, an additional P0.02178/kWh will be needed and this will result to an RFSC or MCC rate of P0.23958/kWh.
  
9. The CAPEX Plan was envisioned to have the least rate impact based on a carefully studied plan that will bring the value to customers at the most reasonable and justifiable electricity rate or at least cost of service. The annual rate impact of the CAPEX on the Applicant's RFSC is as follows:

TABLE 5. RATE IMPACT ANALYSIS

ITEM	PROJECT ANNUAL AMORTIZATION	INVESTMENT COST	2013	2014	2015	2016
			SUMMARY OF PROJECTS FOR CAPEX PLAN (2013-2017)			
I.	GENERATION DEVT PROJECT AT MAN-ASOK		-	-	-	-
II.	NETWORK PROJECTS	Php225,973,195.96	31,958,957.24	51,981,478.82	36,172,598.34	39,064,738.74
III.	OTHER NETWORK PROJECTS	Php 42,574,774.42	12,766,037.08	4,572,315.17	7,359,466.05	4,521,944.07
IV.	NON NETWORK ASSETS	Php161,612,034.39	20,344,996.02	9,837,097.51	17,987,496.09	29,075,031.64
	TOTAL CAPEX PROJECTS =	Php430,160,004.77	Php65,102,990.34	Php66,390,891.50	Php61,519,560.48	Php72,661,714.45
				TOTAL (2014-2016) =		Php265,642,156.77

Total Cash Outflow for New Loans Amortization and Actual Cost of Project Implementation for 2013-2015	2013	2014	2015	2016
	Php65,069,990.34	Php66,390,891.50	Php61,519,560.48	Php72,661,714.45
ERC Capex Approval Fees	Php 488,024.93	Php 497,931.69	Php 1,349,833.89	Php 1,002,163.78
Existing Loans - Annual amortization	Php10,954,608.00	Php21,825,372.67	Php17,891,234.00	Php16,349,800.00

Annual CAPEX Plan Revenue Requirement	2013	2014	2015	2016
	76,512,623.27	88,714,195.85	80,760,628.37	90,013,678.23

Balance: Additional Revenue Requirement	2013	2014	2015	2016
	(547,849.06)	11,278,392.19	(1,072,031.54)	4,129,695.87

Capex Plan Cost Cash Flow Rate per kWh***	0.2308
Additional RevReq per kWh (RFSC RATE)	0.0130

TOTAL PROJECTED SALES (kWh)	341,990,987	356,110,594	372,277,764	385,667,597
RFSC Rate per kWh per ERC Provisional Authority*	0.2178	0.2178	0.2178	0.2178
Projected Revenue for RFSC @ 99% Collection efficiency	74,170,840.21	75,700,184.34	80,271,275.99	83,158,418.58
50% of Income from Pole Rental**	2,889,632.12	1,735,619.32	1,561,383.91	2,725,563.78
Projected Revenue	77,060,472.33	77,435,803.66	81,832,659.90	85,883,982.36

10. The table shows that the revenue requirement per kWhr to finance the CAPEX is Po.2308/kWhr or an additional revenue per kWh of Po.0130 of RFSC or MCC Rate since the current RFSC is Po.2178. The Applicant, however, will not apply for an increase in RFSC rate. It will continue to collect the RFSC rate of Po.2178. The supposed increase in RFSC rate will be sourced from other internally generated funds.

11. As earlier stated, the proposed projects shall be financed through loans from financing institutions. In relation thereto, the Applicant then likewise applies before this Honorable Commission for an authority to secure the loans.

12. The Applicant finds the need to implement the projects and secure the necessary funding while the Application is still pending evaluation before the Honorable Commission. The Applicant prays that it be granted and issued a provisional authority to implement the projects which are deemed necessary and urgent for the delivery of a more secure, reliable and efficient electric service to its consumers.

13. The Applicant has duly complied with the pre-filing requirements by furnishing copies of the Application together with its supporting annexes and accompanying documents to the legislative bodies of the Local Government Units within BENECON's franchise area – Baguio City (the major place of operation), the province of Benguet (the town where the Applicant's principal office is located) and La Trinidad, Benguet (location of principal office). The Applicant has likewise published the Application in its entirety in a newspaper of general circulation in Baguio City and the Province of Benguet, which are made integral parts hereof.
14. Before the filing of the Application, the technical, financial and legal representatives of the Applicant conducted a pre-filing conference with the representatives of this Commission. In compliance with pre-filing requirements, BENECON hereby attaches and submits the following: (1) Affidavit of Publication by the Baguio Midland Courier – **Annex B**; (2) The published Application – **Annex C**; (3) The proof of service of the Application to the Sangguniang Panlungsod of Baguio City, Sangguniang Panlalawigan of Benguet and the Sangguniang Bayan of La Trinidad, Benguet – **Annexes D, E and F**, respectively; (5) The Certifications of Posting of the Application by the Sangguniang Panlungsod of Baguio City, Sangguniang Panlalawigan of Benguet and Sangguniang Bayan of La Trinidad, Benguet – **Annexes D-1, E-1 and F-1**, respectively.
15. Also submitted is the Applicant's Capital Expenditure Plan (2013 – 2016) – **Annex G** – which contains the following: (a) Technical Analysis; Projected Financial and Economic Cost Analysis; (b) Conceptual Engineering Design and Drawings; (c) Project Cost Estimates; (d) Project Financing Plan; and (e) Gantt Chart Schedule of the Proposed Capital Expenditure Projects.
16. In support for the prayer for a provisional authority to implement the CAPEX and the prayer for authority to secure loan, the Applicant has attached herewith the Judicial Affidavit of GM Gerardo Verzosa – **Annex H**. Verzosa, the General Manager, has been authorized by the Board of Directors (BOD) to file this Application and to represent the electric cooperative in the proceedings before the Commission. The authority is contained in Resolution No. 37-2010 which the BOD passed on May 17, 2013. The said Resolution (**Annex A**) also contained the BOD's approval of the CAPEX (2013-2016).

#### **PRAYER**

**WHEREFORE**, premises considered, it is most respectfully prayed before this Honorable Commission that after due notice and hearing, an Order be issued:

- a) Approving the Applicant's Capital Expenditure Projects for 2013 – 2016 including its financing plan; and
- b) Authorizing the Applicant to secure loans for the financial requirement of the projects.

Further, the Applicant prays that a provisional authority to implement the said capital expenditure projects be issued pending their final evaluation by the Honorable Commission.

Finding the said *Application* sufficient in substance with the required fees having been paid, the same is hereby set for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **07 September 2017 (Thursday) at nine o'clock in the morning (9:00 A.M.), at BENEKO's principal office at Barangay Alapang, La Trinidad, Benguet.**

Accordingly, BENEKO is hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing in two (2) newspapers of nationwide circulation in the Philippines at its own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart, and the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this Order and the attached Notice of Public Hearing the Offices of the Provincial Governor, the City and Municipal Mayors, and the Local Government Unit (LGU) legislative bodies within the affected franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within the affected franchise area of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon, by any other means available and appropriate;
- 4) Furnish with copies of this Order and the attached Notice of Public Hearing the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire, to send their duly authorized representatives at the scheduled hearing; and
- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, Applicant must submit to the Commission its written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached Notice of Public Hearing consisting of affidavits of the Editors or Business Managers of the newspapers where the said Notice of Public Hearing was published, and the complete issues of the said newspapers;
- 2) The evidence of actual posting of this Order and the attached Notice of Public Hearing consisting of certifications issued to that effect, signed by the aforementioned Governor, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by Applicant to inform the consumers within the affected franchise area of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon;
- 4) The evidence of receipt of copies of this Order and the attached Notice of Public Hearing by the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

Applicant and all interested parties are also required to submit, at least five (5) days before the date of the initial hearing and Pre-Trial Conference, their respective Pre-Trial Briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;

- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefor; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

Failure of Applicant to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from the said date of cancellation.

BENECO must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the *Application* is all about and the reasons and justifications being cited in support thereof.

**SO ORDERED.**

Pasig City, 29 May 2017.

FOR AND BY AUTHORITY  
OF THE COMMISSION:



**ALFREDO J. NON**  
*Officer in Charge of ERC*

LS: JGM/ARG/PAR/APV

Copy furnished:

1. Atty. Delmar O. Cariño  
*Counsel for Applicant BENEKO*  
Barangay Alapang, La Trinidad, Benguet
2. Benguet Electric Cooperative, Inc. (BENEKO)  
Barangay Alapang, La Trinidad, Benguet
3. Office of the Solicitor General  
134 Amorsolo Street, Legaspi Village  
Makati City, Metro Manila
4. Commission on Audit  
Commonwealth Avenue  
Quezon City, Metro Manila
5. Senate Committee on Energy  
GSIS Building, Roxas Boulevard  
Pasay City, Metro Manila
6. House Committee on Energy  
Batasan Hills  
Quezon City, Metro Manila
7. President  
Philippine Chamber of Commerce and Industry (PCCI)  
McKinley Hill, Fort Bonifacio  
Taguig
8. Office of the Provincial Governor  
Province of Benguet
9. Office of the Local Government Legislative Body  
Province of Benguet
10. Office of the City Mayor  
Baguio City
11. Office of the Local Government Legislative Body  
Baguio City
12. Office of the Municipal Mayor  
Atok, Benguet
13. Office of the Local Government Legislative Body  
Atok, Benguet
14. Office of the Municipal Mayor  
Bakun, Benguet
15. Office of the Local Government Legislative Body  
Bakun, Benguet

16. Office of the Municipal Mayor  
Bokod, Benguet
17. Office of the Local Government Legislative Body  
Bokod, Benguet
18. Office of the Municipal Mayor  
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19. Office of the Local Government Legislative Body  
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20. Office of the Municipal Mayor  
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21. Office of the Local Government Legislative Body  
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22. Office of the Municipal Mayor  
Kapangan, Benguet
23. Office of the Local Government Legislative Body  
Kapangan, Benguet
24. Office of the Municipal Mayor  
Kibungan, Benguet
25. Office of the Local Government Legislative Body  
Kibungan, Benguet
26. Office of the Municipal Mayor  
Itogon, Benguet
27. Office of the Local Government Legislative Body  
Itogon, Benguet
28. Office of the Municipal Mayor  
La Trinidad, Benguet
29. Office of the Local Government Legislative Body  
La Trinidad, Benguet
30. Office of the Municipal Mayor  
Mankayan, Benguet
31. Office of the Local Government Legislative Body  
Mankayan, Benguet
32. Office of the Municipal Mayor  
Sablan, Benguet
33. Office of the Local Government Legislative Body  
Sablan, Benguet



34. Office of the Municipal Mayor  
Tuba, Benguet
35. Office of the Local Government Legislative Body  
Tuba, Benguet
36. Office of the Municipal Mayor  
Tublay, Benguet
37. Office of the Local Government Legislative Body  
Tublay, Benguet
38. Standards and Compliance Monitoring Division  
17<sup>th</sup> Flr, Energy Regulatory Commission, Pacific Center Bldg.,  
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