

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



**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE
PROPOSED THREE (3)
YEARS CAPITAL
EXPENDITURE PROJECTS
FOR THE YEARS 2019 –
2021 WITH APPLICATION
FOR AUTHORITY TO
SECURE LOAN FROM THE
NATIONAL
ELECTRIFICATION
ADMINISTRATION (NEA)
AND/OR PRIVATE
FINANCIAL INSTITUTION**

ERC CASE NO. 2018-093 RC

**CEBU I ELECTRIC
COOPERATIVE, INC.
(CEBECO I),
Applicant.**

Promulgated:
 MAR 18 2019

X-----X

ORDER

On 14 September 2018, Cebu I Electric Cooperative, Inc. (CEBECO I) filed an *Application* dated 06 September 2018 for the approval of its Proposed Three (3) Years Capital Expenditure (CAPEX) Projects for the Years 2019 to 2021, with application for authority to secure loan from the National Electrification Administration (NEA) and/or from Private Financial Institutions.

In the said *Application*, CEBECO I alleged the following, among others:

THE APPLICANT

1. Applicant CEBECO I is an Electric Cooperative created and existing pursuant to the provisions of Presidential Decree No. 269, as amended, with principal office located at Biton, Dumanjug, Cebu, Philippines, represented herein by its General Manager, Engr. Getulio Z. Crodua, duly authorized

by virtue of Resolution No. 48, Series of 2018 dated April 14, 2018 of the Board of Directors, copy of which is attached hereto as Annex "A" and made an integral part hereof;

The filing of the Application is likewise authorized under the aforementioned Resolution.

2. Applicant has been granted by the National Electrification Administration (NEA) an authority to operate and distribute electric light and power within the coverage area comprising the City of Carcar and the Municipalities of Barili, Dumanjug, Ronda, Alcantara, Moalboal, Badian, Alegria, Malabuyoc, Ginatilan, Samboan, Santander, Sibonga, Argao, Dalaguete, Alcoy, Boljo-on, and Oslob, all in the Province of Cebu;

THE APPLICATION AND ITS PURPOSE

3. The Application was filed in compliance with the Commission's Resolution No. 26, Series of 2009 (A Resolution Amending the Rules for Approval of Regulated Entities' Capital Expenditure Projects) adopted pursuant to the mandate of Section 43 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) and its Implementing Rules and Regulations, which categorically provides that all capital expenditure projects (CAPEX) shall be submitted to and for the approval of the Commission prior to its implementation, in relation to ERC Resolution No. 20, Series of 2011 which sets the timelines for the filing of the instant application;
4. The aforecited amended rules were issued by the Commission to ensure that the projects are timely, appropriate, necessary and cost efficient; to ensure that the proposed capital projects are consistent with the Distribution Development Plan (DDP), the Philippine Grid Code (PGC), the Philippines Distribution Code (PDC), and other relevant government issuances; and to ensure that the procurement of equipment, materials and services are transparent, competitive and compliant with the applicable laws and regulations;
5. In accordance with the Amended CAPEX Rules, consistent with the Distribution Development Plan (DDP) and the PDC, CEBECO I shall acquire, construct and implement the following three (3) year capital expenditure projects for the years 2019-2021, with a total approximate cost of Four Hundred Sixty Million Two Hundred Eighty-Three Thousand Eight Hundred Twenty One and 12/100 Pesos (PhP460,283,821.12);

THE PROPOSED CAPITAL EXPENDITURE PROJECTS

5.a. Description of the Projects:

5.a.1 Network CAPEX Projects

Capacity Capital Projects

Project Title	Project Justification	Project Cost (PhP'000)
Upgrading of 5 MVA to 10 MVA Power Transformer at Argao Substation and Installation of 69kV Line Protection Equipment	The project is intended to address the capacity problem of the previously approved 5MVA power transformer of the Argao Substation due to the rapid development in the Municipality of Argao, which includes the proposed construction of hotels and malls in the next three (3) years.	18,016
Upgrading of 5 MVA to 10 MVA Power Transformer at Cogon Substation and Installation of additional feeder associated accessories	The project is intended to augment the capacity of the existing 5MVA Power Transformer located in Cogon, Carcar City Substation in order to address the increase of housing projects and commercial establishments served by the Cogon Substation.	19,404
Total Cost (PhP'000)		37,420

Safety Capital Projects

Project Title	Project Justification	Project Cost (PhP'000)
Replacement of 2/0 bare conductor to 4/0 insulated conductor – Backbone Line from Bito-on, Dumanjug to Sta. Ana, Barili	The projects are intended to prevent untoward incidents, which may include electrocution, due to the exposed conductors. Further, it will also minimize the cause of outages due to growing vegetation, birds, rats, snakes, lizards and other foreign object which may come in contact with the bare conductors. Lastly, it will also address the reliability of the system and capacity of the phase conductors as demand increases over time.	16,618
Replacement of 2/0 bare conductor to 4/0 insulated conductor – backbone line from Tapon, Dalaguete to Casay, Argao		10,710
Replacement of 1/0 bare conductor to 2/0 insulated conductors –Lateral Lines		3,737
Total Cost (PhP'000)		31,066

Power Quality and Reliability Capital Projects

Project Title	Project Justification	Project Cost (PhP'000)
Installation of Line AVR's And Conversion of lines along the feeder1	The proposed project is intended to improve the power quality standards as required in the PDC.	9,449
Installation of Line AVR's along the feeder 6	The proposed project is intended to improve the power quality and reduce technical losses in the areas that are served by Feeder 6 of Dalaguete Substation (Dal F6).	4,554
Installation of Line AVR's along the feeder18	Feeder18 contributes high system loss in the distribution system because of the length of the feeder with a span of 48.59km and is serving three (3) municipalities. The proposed project is intended to improve the power quality and reduce technical losses.	9,108
Installation of Line AVR's along the feeder19	Feeder19 contributes high system loss in the distribution system because of the length of the feeder with a span of 33.746km and is serving four (4) municipalities. The proposed project is intended to improve the power quality and reduce technical losses.	4,554
Line Conversion from Single Phase to Three Phase from Liburon to Can-asujan, Carcar	The line conversion project is intended to address the capacity issues in Barangays Liburon and Can-asujan of Carcar City because of the existing on-going subdivision developments in the area, which is set to be energized beginning in 2019.	7,080
Line Conversion from Single Phase to Three Phase from Simala to Lindogon, Sibonga	The line conversion project is intended to address the capacity issues in Barangays Lindogon and Simala of the municipality of Sibonga because of the increasing number of establishments catering to devotees and tourists, and the on-going expansion of the Marian Shrine also referred to as the Simala Shrine - Monastery of the Holy Eucharist.	4,732
Construction of new 69 kV Line Tapping point	The project is intended to connect to NGCP's DC to AC Converter Station for the Mindanao Visayas Interconnection Project (MVIP) which is set to be completed by year 2020 in the Municipality of Dumanjug and create an N-1 Configuration for Power Supply considering that CEBECO I is presently tapped at Naga Substation spanning several kilometers outside CEBECO I's franchise area.	21,965
Installation of protection equipment	The project is intended to address the reliability issues suffered by CEBECO I's existing and outdated 69kV Sub-transmission line because of the absence of protection equipment, which could isolate the fault, especially at midrange that	18,191

	affected the whole system.	
Total Cost (PhP'000)		79,633

5.a.2 Other Network CAPEX Projects

Distribution Transformers

Project Title	Project Justification	Project Cost (PhP'000)
15 Kva Distribution Transformers	To accommodate the increasing customers, additional load and installed capacity in the secondary network.	8,808
25 Kva Distribution Transformers		13,909
37.5 Kva Distribution Transformers		3,448
50 Kva Distribution Transformers		3,677
Total Cost (PhP'000)		29,843

Low Voltage Distribution Lines

Project Title	Project Justification	Project Cost (PhP'000)
Open Secondary Low Voltage Distribution Lines	The expansion of the secondary network is intended to accommodate new customers.	33,617
Under Build Low Voltage Distribution Lines		3,260
Total Cost (PhP'000)		36,877

Replacement Projects

Project Title	Project Justification	Project Cost (PhP'000)
Replacement of 60Amp rated kWh Meters	The kWh meters will be utilized in the massive change meter program as part of CEBECO I's goal to reduce losses caused by inaccurate meter registers, especially those kWh meters which were previously installed and used for more than ten (10) years.	8,098
Replacement of 100Amp rated kWh Meters		119
Replacement of 3-Phase kWh Meters with Load Profiling features		1,316
Replacement of Distribution	The proposed project will replace existing assets (e.g. transformer, poles, hardware, etc.) that are	18,225

Transformer	dilapidated/broken/rotten/damaged/defective in order to avoid accident and maintain a safe, efficient and reliable distribution system.	
Replacement of aging poles with Concrete poles within the distribution system of the Cooperative.		4,395
Replacement of aging poles with steel poles on selected mountainous areas		31,960
Total Cost (PhP'000)		64,113

**Customer Service Drops
And Metering Equipment (Add-ons)**

Project Title	Project Justification	Project Cost (PhP'000)
Customer Service Drops and Metering Equipment	In compliance with the Magna Carta for Electricity Consumers	29,792
Total Cost (PhP'000)		29,792

5.a.3 Non - Network CAPEX Projects

Project Title	Project Justification	Project Cost (PhP'000)
Communication System Equipment (VHF Radio & Repeater System)	The project will improve the existing communication facilities of CEBECO I within its franchise area, especially in the far flung areas, and provide faster response to outages, complaints and emergencies.	1,864
Centralized Supervisory Control and Data Acquisition	The project is intended to enhance and improve the existing data monitoring and control of the whole system of CEBECO I by utilizing a more technology advanced system providing a more reliable and accurate data acquisition and simulations.	14,232
Line Monitoring & Testing Equipment's	The project is essential in order to improve the performance of CEBECO I in terms of efficiency and reliability while maintaining a safe distribution system.	11,989
Line Tools		16,904
Consumer Services Equipment		2,536

Engineering Software	The acquisition of a credible engineering software is necessary in order to solve complex problems in the distribution system and provide better simulations for distribution system planning.	1,500
Vehicles	The acquisition of additional vehicles is intended to meet the growing demand and number of customers of CEBECO I, and replace the existing and depreciated utility vehicles used in the operations improving mobility, response time in power restoration and maintenance works and other related field service assignments and commitments.	32,055
Meter Reading, Billing & Collection Requirements	To provide a more accurate and efficient meter reading, billing and collection system.	3,839
Computers & Other Equipment		1,630
Buildings & Lots	The construction of additional area offices in the Municipalities of Alegria and Barili will further improve customer service and efficiency by bringing the services of CEBECO I closer to its customers.	21,500
Total Cost (PhP'000)		108,049

5.a.4 Sitio Electrification Projects:

5.a.4.1. The Sitio Electrification Projects shall be financed through a government subsidy, thus costing thereof is not included therein.

YEAR	Length of Lines (kM)		
	1 PHASE	Under Build Sec.	Open Sec.
2019	13.153	10.713	14.658
2020	16.724	13.928	18.716
2021	12.852	11.721	19.437

SUMMARY OF PROJECTS

ITEM	PROJECT	AMOUNT PER YEAR ('000)			TOTAL AMOUNT (PhP'000)
		2019	2020	2021	
5.1.1	NETWORK PROJECTS				
	Capacity Capital Projects	18,016	19,404		37,420
	Safety Projects	16,618	10,710	3,737	31,065
	Power Quality & Reliability Projects	48,041	26,860	4,732	79,633
	Sub-Total	82,676	56,974	8,469	148,118
5.1.2	OTHER NETWORK PROJECTS				
	Distribution Transformers	9,651	9,995	10,197	29,843

	Low Voltage Distribution Lines	11,926	12,351	12,600	36,877
	Service Drops and kWh Meters	10,507	9,838	9,447	29,792
	Replacement Projects	20,553	21,359	22,201	64,113
	Rural Electrification Projects	13,362	16,296	13,833	43,491
	Sub-total	66,000	69,839	68,278	204,116
5.1.3	NON-NETWORK PROJECTS	29,737	42,641	35,672	108,049
	GRAND TOTAL (PhP'000)	178,412	169,453	112,419	460,284

5.b. TYPE OF THE CAPITAL EXPENDITURE PROJECTS IN ACCORDANCE WITH SECTION 2.3 OF RESOLUTION NO. 26, SERIES OF 2009

5.b.1. As described above in Section a.1, the projects are categorized as Network CAPEX which will address safety, power quality and reliability of CEBECO I's distribution system;

5.b.2. The Other Network CAPEX projects as shown in a.2 are necessary in terms of additional distribution transformers, meters and metering materials to meet annual customer growth as forecasted including replacement; and

5.b.3. And the Non-Network CAPEX projects of the cooperative as categorized and indicated in a.3 will enhance its capability in responding to customer requests and concerns for better and efficient electric service. Further, its facilities and equipment will be responsive to the quality service that the consumers deserve.

JUSTIFICATION OF THE CAPITAL PROJECTS

6. With the prevailing situation in the electric power industry vis-à-vis the consumers' demand, Applicant deems it appropriate to embark on asset development and expansion in order to meet the member-consumers' growing demands;

7. The procurement of the aforementioned project is of great necessity in the schedules herein provided, otherwise service decline is eminent, to the prejudice of the consumers

8. That the afore-enumerated capital projects will be implemented on staggered basis, and, if a Force Majeure or Fortuitous event, as the case may be occurs causing delay in the implementation, CEBECO I shall inform the Commission of such condition and seek the latter's confirmation of the delayed implementation of the particular CAPEX;

RELATED AND INDISPENSABLE DOCUMENTS

9. Consistent with the requirement of the filing of applications for approval of capital projects, CEBECO I submitted, as part of its Application, the detailed justifications, related and indispensable documents chronologically arranged and contained in Annex "B" hereof.

BOARD APPROVAL
OF THE PROPOSED PROJECTS

10. Finding the proposed capital expenditure projects reasonable, appropriate, necessary, and ultimately redound to the benefit of the members-consumers by way of efficient, continuous and reliable service, the Board of Directors of CEBECO I passed Resolution No. 48, Series of 2018 dated April 14, 2018 approving the proposed CAPEX. A copy of the said Resolution is attached to the Application;
11. In compliance with Resolution No. 26, Series of 2009, information on the proposed capital projects had been widely disseminated through posting in the conspicuous places of the City of Carcar and the Municipalities of Barili, Dumanjug, Ronda, Alcantara, Moalboal, Badian, Alegria, Malabuyoc, Ginatilan, Samboan, Santander, Sibonga, Argao, Dalaguete, Alcoy, Boljo-on and Oslob as certified to by Webbe M. Villacarlos, an employee of the CEBECO I tasked to undertake such dissemination, copy of which is attached to the Application. The Notices posted in the areas aforementioned specifically contained the following:
- a) The proposed projects;
 - b) The reasons for proposing said projects;
 - c) The source of fund for the said projects; and
 - d) The indicative rate impact of the said projects.

SOURCES OF FUNDS FOR THE PROJECTS

12. In the implementation of the proposed projects, the Applicant shall source the funds through a loan with the National Electrification Administration (NEA) and/or other Private Financing Institution that will provide the least interest rate to the benefit of the member-consumers, thus, a parallel Application for the grant of the authority to secure loan with the aforesaid government agency and/or other private financing institution is incorporated herein.

Financing Plan

Fund Source	Year 2019	Year 2020	Year 2021	Total
National Electrification Administration - Subsidy	14,030,484	17,966,085	16,013,716	48,010,284
Banks and Other Financing Institutions	124,672,099	114,919,001	58,613,240	298,204,340

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Reinvestment Fund for Sustainable CAPEX	48,630,156	53,936,926	55,511,645	158,078,727
Total	187,332,739	186,822,012	130,138,601	504,293,352

13. The implementation of the proposed CAPEX shall bring forth an indicative rate impact as follows:

Indicative Rate Impact

Item	2019	2020	2021	2022	2023	2024
Projected kWh Sales	209,662,061	228,555,878	247,591,763	266,623,185	285,551,927	304,312,061
Cash balance, Beginning (July 2018)	7,825,277					
CASH INFLOWS						
Revenue from Current RFSC @0.2904	60,885,863	66,372,627	71,900,648	77,427,373	82,924,280	88,372,222
Loan Proceeds from Banks and Other Financial Institutions	124,672,099	114,919,001	58,613,240	0	0	0
Government Subsidy	14,030,484	17,966,085	16,013,716	0	0	0
Available Cash for Disbursements	207,413,723	199,257,713	146,527,604	77,427,373	82,924,280	88,372,222
CASH OUTFLOWS						
CAPEX Requirement	187,332,739	186,822,012	130,138,601	0	0	0
Old Debt Amortization	34,140,633	34,140,633	34,140,633	34,140,633	34,140,633	34,140,633
New Debt Amortization	22,197,867	42,684,733	53,120,820	53,120,820	53,120,820	53,120,820
ERC Permit Fee	1,404,996	1,401,165	976,040	0	0	0
Total Cash Outflow	245,076,235	265,048,543	218,376,094	87,261,453	87,261,453	87,261,453
Cash Balance Ending, Excess (Shortfall)	(37,662,512)	(65,790,830)	(71,848,490)	(9,834,080)	(4,337,174)	1,110,769
Excess (Shortfall) on RFSC/kWh	(0.1796)	(0.2879)	(0.2902)	(0.0369)	(0.0152)	0.0037

Indicative Rate Impact

Item	2025	2026	2027	2028	Total
Projected kWh Sales	322,859,625	341,165,829	359,212,488	356,629,927	2,922,164,744
Cash balance, Beginning (July 2018)					7,825,277
CASH INFLOWS					
Revenue from Current RFSC @0.2904	93,758,435	99,074,557	104,315,307	103,565,331	848,596,642
Loan Proceeds from Banks and Other Financial Institutions	0	0	0	0	298,204,340
Government Subsidy	0	0	0	0	48,010,284
Available Cash for Disbursements	93,758,435	99,074,557	104,315,307	103,565,331	1,202,636,544
CASH OUTFLOWS					
CAPEX Requirement	0	0	0	0	504,293,352
Old Debt Amortization	34,140,633	34,140,633	34,140,633	34,140,633	341,406,328
New Debt Amortization	53,120,820	53,120,820	53,120,820	53,120,820	489,849,163
ERC Permit Fee	0	0	0	0	3,782,200
Total Cash Outflow	87,261,453	87,261,453	87,261,453	87,261,453	1,339,331,044
Cash Balance Ending, Excess (Shortfall)	6,496,982	11,813,103	17,053,853	16,303,878	(136,694,500)
Excess (Shortfall) on RFSC/kWh	0.0201	0.0346	0.0475	0.0457	(0.0468)

**APPLICATION FOR AUTHORITY TO SECURE LOAN WITH THE
NATIONAL ELECTRIFICATION ADMINISTRATION (NEA)
AND/OR OTHER PRIVATE FINANCING INSTITUTIONS**

14. That, Applicant reiterates and incorporate As regards its application for authority to secure loan with the National

Electrification Administration (NEA) and/or other Private Financial Institutions, which will provide the least interest rate, and further allege:

15. That the need of immediate implementation of the foregoing proposed Capital Expenditure Projects is imperative to ensure safety, quality of service and compliance with the power industry's regulatory requirements;
16. That, unfortunately however, a setback in the implementation of the Projects is foreseen by CEBECO I due to insufficiency of funds. While CEBECO I has internally generated funds, same is insufficient and needs to be augmented by a loan through NEA's lending program, designed to assist the electric cooperatives and/or other Private Financing Institution; hence, to apply for an authority to secure loan from the Commission is deemed prudent, rational and necessary;
17. In support of its application for the grant of authority to secure a loan from NEA and/or other Private Financing Institution, which will provide the least interest rate, CEBECO I attached the following documents in its Application:
 - 17.a. Copy of Audited Financial Statements including notes for test year 2017, 2016, 2015 and 2014 as Annexes "E", "E-1", "E-2" and "E-3";
 - 17.b. List of projects and/or items of equipment and their estimated cost as Annex "F";
 - 17.c. Bases of the reasonableness of the estimated cost as Annex "G";
 - 17.d. Detailed schedule of utilization (of Annual RFSC Utilization for the test year and the prior 2 years) as Annex "H";
 - 17.e. Computation of Financial ratios as Annex "I";
 - 17.f. Cost-Benefit Analysis and Justification in securing loans as Annex "J";

**MOTION FOR THE ISSUANCE OF
PROVISIONAL AUTHORITY**

18. That, Applicant reiterates and incorporate the foregoing allegations in support of its application for issuance of provisional authority and further allege:
 - a. The present facilities and equipment of CEBECO I are found to be inadequate to meet the current increase in power demand and number of new customers, thus, operational decline is imminent which will result to power interruptions, and decline in power reliability and customer service efficiency. The need for immediate improvement by providing additional or new facilities is the only solution to prevent an imminent decline in CEBECO I's power service; and

such urgent need/remedy is imperative and should necessarily be implemented;

- b. Considering the length of time to resolve the instant Application, it being not the only application to be resolved by the Commission, it is only appropriate, justifiable and reasonable that a provisional authority to immediately implement the capital expenditure projects applied for approval and secure the needed financing be granted;
- c. The provisional authority that may be issued by the Commission will provide CEBECO I the opportunity to implement the Capital Expenditure Projects in accordance with the schedule of actual utilization and avoid the imminent escalation of prices. Thus, the reliability and quality of its service will not be unduly compromised; and
- d. That Applicant is aware that the Provisional Authority that may be granted is subject to the final evaluation of the Honorable Commission.

**COMPLIANCE
WITH PRE-FILING REQUIREMENTS**

19. In compliance with Section 2, Rule 6 of the ERC Rules of Practice and Procedure, copies of this Application together with all its annexes and accompanying documents had been furnished by CEBECO I the Legislative Body of the Municipality of Dumanjug, where CEBECO I principally operates and the Legislative Body of the Province of Cebu. Likewise, the Application was published in a newspaper of general circulation within the franchise area of Applicant;
20. As proof of compliance of the service of the copies of the Application together with all its annexes are the Certifications issued by the Authorized Representatives of the Local Government Units and/or the Affidavit of Service executed by an employee of CEBECO I and the first page of the Application bearing the receiving stamp of the aforementioned Offices as Annexes "K" and "L" respectively. Likewise attached hereto as Annexes "M" and "N" are the Affidavit of Publication and the newspaper issue containing the published Application are attached to the Application;
21. Moreover, prior to the filing of this Application, a pre-filing conference with the concerned staff of the Commission was conducted pursuant to Section 4 of Rule 6, and for purposes of determining completeness of the supporting documents attached to the Application.

PRAYER

WHEREFORE, foregoing premises considered, Applicant most respectfully prays:

1. That after due notice and hearing the proposed capital projects/expenditures subject of this application be APPROVED, declared just, reasonable, and equitable pursuant to the provisions of ERC Resolution No. 26, Series of 2009, and other related laws, rules and regulations.
2. That a Provisional Authority allowing Applicant to Secure Loan from the National Electrification Administration (NEA) and/or other Private Financing Institution, which will provide the least interest rate, be issued pending hearing and consideration of the Application in order to allow Applicant to implement the CAPEX Projects.
3. That Applicant be allowed/authorized to recover from the members-consumers its expenditures/costs incurred in the implementation of the Capital Expenditure Projects as may be approved and set by the Honorable Commission.

Other reliefs just and equitable are likewise prayed for.

Finding the said *Application* to be sufficient in form and in substance, the Commission issued an *Order and Notice of Public Hearing*, setting the case for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on 22 November 2018.

On 14 November 2018, CEBECO I filed an *Urgent Motion for Resetting* (Motion) because of the lack of material time to fully comply with the jurisdictional requirements as directed by the Commission.

Finding the *Motion* in order, the same is hereby GRANTED.

Accordingly, the instant *Application* is hereby set anew for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **23 May 2019 (Thursday) at nine o'clock in the morning (9:00 A.M.), at the CEBECO I's Principal Office at Bito-on, Dumanjug, Cebu.**

CEBECO I 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/or 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 of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon, the consumers within the affected franchise area, 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, CEBECO I 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 were 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 CEBECO I to inform of the filing of the *Application*, its reasons therefore, and of the scheduled hearing thereon, the consumers within the affected franchise area;
- 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.

CEBECO I and all interested parties are also required to submit, at least five (5) days before the date of 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 therefore; 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 CEBECO I 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.


CEBECO I 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, the nature of the *Application*, with relevant information and pertinent details substantiating the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, 12 March 2019.

FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Commissioner


LS: MYM/LSP/GLO

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Copy Furnished:

1. Cebu Electric Cooperative, Inc. (CEBECO I)
Applicant
Bito-on, Dumanjug, Cebu City
2. Atty. Alan Bryne S. Gaviola
Counsel for CEBECO I
Rm. 203, 2/F Crown Port View Hotel
3rd Avenue, North Reclamation Area, Cebu City
3. Office of the City Mayor
Carcar City, Cebu
4. Local Government Unit (LGU) legislative body
Carcar City
5. Office of the Municipal Mayor
Barili, Cebu
6. Local Government Unit (LGU) legislative body
Barili, Cebu
7. Office of the Municipal Mayor
Dumanjug, Cebu
8. Local Government Unit (LGU) legislative body
Dumanjug, Cebu
9. Office of the Municipal Mayor
Ronda, Cebu
10. Local Government Unit (LGU) legislative body
Ronda, Cebu
11. Office of the Municipal Mayor
Alcantara, Cebu
12. Local Government Unit (LGU) legislative body
Alcantara, Cebu
13. Office of the Municipal Mayor
Moalboal, Cebu
14. Local Government Unit (LGU) legislative body
Moalboal, Cebu
15. Office of the Municipal Mayor
Badian, Cebu
16. Local Government Unit (LGU) legislative body
Badian, Cebu
17. Office of the Municipal Mayor
Alegria, Cebu
18. Local Government Unit (LGU) legislative body
Alegria, Cebu
19. Office of the Municipal Mayor
Malabuyoc, Cebu
20. Local Government Unit (LGU) legislative body
Malabuyoc, Cebu
21. Office of the Municipal Mayor
Ginatilan, Cebu
22. Local Government Unit (LGU) legislative body
Ginatilan, Cebu
23. Office of the Municipal Mayor

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24. Local Government Unit (LGU) legislative body
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 25. Office of the Municipal Mayor
Santander, Cebu
 26. Local Government Unit (LGU) legislative body
Santander, Cebu
 27. Office of the Municipal Mayor
Sibonga, Cebu
 28. Local Government Unit (LGU) legislative body
Sibonga, Cebu
 29. Office of the Municipal Mayor
Argao, Cebu
 30. Local Government Unit (LGU) legislative body
Argao, Cebu
 31. Office of the Municipal Mayor
Dalaguete, Cebu
 32. Local Government Unit (LGU) legislative body
Dalaguete, Cebu
 33. Office of the Municipal Mayor
Alcoy, Cebu
 34. Local Government Unit (LGU) legislative body
Alcoy, Cebu
 35. Office of the Municipal Mayor
Boljo-on, Cebu
 36. Local Government Unit (LGU) legislative body
Boljo-on, Cebu
 37. Office of the Municipal Mayor
Oslob, Cebu
 38. Local Government Unit (LGU) legislative body
Oslob, Cebu
 39. Office of the Provincial Governor
Province of Cebu
 40. Office of the LGU legislative body
Province of Cebu
 41. Office of the Solicitor General
134 Amorsolo Street, Legaspi Village, Makati City
 42. Commission on Audit
Commonwealth Avenue, Quezon City
 43. Senate Committee on Energy
GSIS Bldg. Roxas Blvd., Pasay City
 44. House Committee on Energy
Batasan Hills, Quezon City
 45. Philippine Chamber of Commerce and Industry (PCCI)
3rd Floor, Chamber and Industry Plaza (CIP), 1030 Campus Avenue corner Park Avenue, McKinley
Town Center, Fort Bonifacio, Taguig City
 46. Regulatory Operations Services (ROS)
17th Floor, Pacific Center, San Miguel Avenue, Pasig City