

# CEPALCO EXPERIENCE on ASSET VALUATION

by  
Chit C. Capili

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**CEPALCO**

Cagayan Electric Power  
& Light Co., Inc.



# OUTLINE

1. Preparations
2. Difficulties
3. Challenges
4. Lessons Learned



# PREPARATIONS

- Complete Fixed Asset Register (FAR)
- Ensure all existing assets are included
- Provide sufficient details i.e. acquisition cost, date acquired, technical details, etc.
  - CEPALCO's FAR is in Excel file that satisfies financial/accounting requirements only
  - AM/FM contains technical and limited physical details developed for system operations and management use



# DIFFICULTIES

- Incompleteness
- Data inconsistencies: Accounting vs Eng'g details on asset database
- Justifications for optimization adjustments i.e. under-utilized assets, etc.
- Simultaneous review of the Asset Valuation Guidelines
  - Asset Lives,
  - asset utilization





# CHALLENGES

- Need to develop Complete and Integrated Asset Database
- Need for sufficient understanding on valuation principles for system planning and design



# LESSONS LEARNED

- Prepare the FAR way ahead
- If 100% inventory is impossible, conduct random consistency and integrity check
  - Acctg vs Eng'g details
  - Check number of kWh meters against number of Connections/Customer Accounts

