### Republic of the Philippines ENERGY REGULATORY COMMISSION Pasig City

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF CAPITAL EXPENDITURE PLAN FOR YEARS 2015 TO 2026

#### ERC CASE NO. 2024-162RC

Promulgated: January 06, 2025

### **NOTICE OF VIRTUAL HEARING**

### TO ALL INTERESTED PARTIES:

Notice is hereby given that on 04 December 2024, the Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV) filed, through the Energy Virtual One-Stop Shop (EVOSS) portal, an *Application* dated 22 October 2024, seeking the Commission's approval of its Capital Expenditure (CAPEX) Plan for the years 2015 to 2026.

The pertinent allegations in the said *Application* are hereunder quoted, as follows:

#### THE APPLICANT

1. CASURECO IV is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Brgy. Tolojongon, Camarines Sur;

2. It holds a franchise from the National Electrification Commission to operate an electric light and power distribution service in nine (9) municipalities of Camarines Sur, namely: Ocampo, Tigaon, Sagnay, Goa, San Jose, Lagonoy, Presentacion, Caramoan and Garchitorena.

### **LEGAL BASES FOR THE APPLICATION**

3. CASURECO IV is filing the instant application to seek approval and authority from the Honorable Commission to implement its Capital Expenditure (CAPEX) Plan for Years 2015 to 2026 pursuant to Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 or EPIRA, ERC Resolution No. 26, Series of 2009, and other laws and rules, and in line with its legal mandate to provide safe, quality, efficient and reliable electric service to the consumers in its franchise area.

### THE CAPITAL EXPENDITURE PROJECTS

4. The projects under CASURECO IV's CAPEX Plan for Years 2015 to 2026 are summarized hereunder, as follows:

Project Category	Project Title	Project Costs (PhP)			
Network	Construction and Installation of New 5 MVA Presentacion Substation and Extension of 26.3km 69kV Transmission Line	143,447,971.38			
Network	Uprating and Upgrading of 10MVA Tigaon Substation from 2x5MVA to 1x5MVA and 1x10MVA	42,996,720.00			
Network	Construction of New 10MVA Ocampo Substation	47,338,800.00			
Network	Conversion of 1-phase to 3-phase Distribution Line from Gubat to Coyaoyao, Tigaon	6,240,477.14			
Network	kWh Meter New Connection for Residential and Low Voltage Customers	70,689,281.98			
Network	kWh Meter New Connection for High Voltage Customers with PT and CT	13,511,934.62			
Network	Additional and Replacement of Distribution Transformers	45,938,623.00			
Network	Rehabilitation of Power Distribution Line from Brgy. IV, Garchitorena to Sipaco, Lagonoy	49,992,818.24			
Network	Rehabilitation of Power Distribution Line from Abucayan, Goa to Brgy. Bocogan, Lagonoy	50,314,015.37			
Network	Conversion of Single-Phase Line to Three- Phase Line from Brgy. Guijalo, Caramoan to Colongcogong, Caramoan (20.64kms)	32,898,972.34			
Network	Construction of Double Circuit Express Feeder from Tigaon Substation to Brgy. Panagan, Tigaon (4.7 kms)	8,400,000.00			
Network	Construction of Express Feeder from Lagonoy Substation to Goa Proper	5,329,809.00			
Network	Installation of Recloser Unit at Midstream Protection of Feeders	4,600,000.00			
Network	Acquisition of SCADA Connectivity Midstream of Distribution Feeders	11,357,836.00			
Network	Pole Insertion along Tigaon Substation Feeder 2, Hibago, Ocampo to Pensumil, Pili. (VRA Compliance)	5,000,000.00			
Network	Rehabilitation of Tigaon Feeder Take-off (underground)	2,927,990.00			
Network	Rehabilitation with Pole Metering	7,932,062.50			
Network	Replacement of Dilapidated and Defective kWh Meters	59,694,844.46			

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Non- Network	Acquisition of LED Wall	1,871,000.00			
Network Non- Network	Collection and Service Offices Construction/Rehabilitation/Expansion of Structures and Buildings	29,000,000.00			
Network Non-	Land Acquisition and Construction of	13,687,500.00			
Non- Network Non-	Modernization of Meter Shop, Transformer Shop and Special Equipment Facilities Procurement of Vehicles	7,770,000.00			
Non- Network	Purchase of Tools, Equipment and Maintenance Vehicles	48,058,408.21			

#### THE CAPITAL EXPENDITURE PLAN

5. The proposed projects are discussed in detail in CASURECO IV's Capital Expenditure Plan for Years 2015 to 2026 with technical and financial analysis and supporting data presented in ERC-prescribed templates.

### FINANCIAL AND ECONOMIC EVALUATION

6. **Financing Plan**. CASURECO IV's CAPEX projects for the years 2015 to 2026 amounting to Seven Hundred Twenty Six Million Ninety One Thousand Four Hundred Ninety Eight Pesos and 38/100 (PhP726,091,498.38) were financed/will be financed as shown in the Table below, to wit:

Desired Financiers	Project Costs to be Financed (Php)
1 CASURECO IV's Reinvestment Fund for Sustainable CAPEX (RFSC)	202,691,679.88
2 National Electrification Administration (NEA)	186,617,194.32
3 Government Subsidy	207,060,918.96
4 To be borrowed from CASURECO IV's General Fund	129,721,705.22
Total Project Cost	726,091,498.38

7. **Indicative Rate Impact.** The CAPEX Plan was envisioned to bring the most value to CASURECO IV's member-consumerowners at the most reasonable and justifiable electricity rates, such that implementing the projects will have a very reasonable rate impact of PhP0.3140/kWh, as shown in the Table below, wit:

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Entire n- years
Actual/Projected Energy Sales, kWh	42,034, 908.91	49,965, 840.35	48,973, 006.17	57,785 222.71	62,390, 145.99	63,139, 587.45	71,681, 488.74	80,013, 735.23	85,893, 432.02	91,186, 313.40	96,638, 655.81	102, 141, 341.49	851,843, 678.27
Existing RFSC Rate, PhP/kWh	0.4004	0.4004	0.4004	0.4004	0.4004	0.4004	0.4004	0.4004	0.4004	0.4004	0.4004	0.4004	
Beginning balance, PhP, excess/ (shortfall)	21,780, 731.01	36,338, 486.42	31,761, 345.30	39,573, 080.80	25,994, 183.85	20,309, 465.44	19,872, 624.30	25,721, 566.14	21,442, 523.99	27,644, 500.97	(91,847, 688.85)	(235, 351, 839.80)	21,780, 731.01
FUND NFLOWS Actual/Projected													_
RFSC Collection, PhP	16,065, 775.63	19,061, 548.75	19,942, 136.06	22,980, 314.01	25,213, 876.50	24,814, 320.60	28,849, 984.73	31,785, 873.08	31,876, 701.44	36,145, 889.88	38,307, 176.61	40,488, 419.20	335,532, 016.50
Government aubsidy, PhP from pending CAPEX Application ERC Case No. 2011-144 RC	14,174, 567.72	1,692, 689.74	8,587, 586.96	2,352, 652.31									26,807, 496.73
Government subsidy, PhP from subject application	101, 223, 229.72	5,380, 905.53							44,993, 713.83	54,992, 119.78			206,589, 968.86
Borrowings from General Fund -from pending CAPEX Application ERC Case No. 2011-144 RC	2,850, 359.70	45,000. 00	1,837, 924.00	2,069, 508.00			298, 800.00						7,101, 591.70
Borrowings from General Fund -from subject application	4,106, 207.75	1,192, 344.00	2,942, 871.34	3,522, 713.95		1,777, 395.84							13,541, 532.88
Proposed Loan proceeds from financial institutions, PhP - from subject Application													-
Loan proceeds from NEA, PhP - from pending CAPEX Application ERC Case No.			27,728, 669.00										27,728 669.00
2011-144 RC Loan proceeds from financial institutions, PhP - from subject	14,288, 847.84	10,196, 623.47											24,485
Application Proposed Loan proceeds from financial institutions, PhP - from pending CAPEX Application ERC Case No. 2019-012 RC							25,000, 000.00						25,000 000.00
Total Fund Inflows, PhP	152, 708, 988,36	37,569, 111.49	61,039, 187.36	30,925, 188.27	25,213, 876.50	26,591, 716.44	54,148, 784.73	31,785, 873.08	76,870, 415.27	91,138, 009.66	38,307, 176.61	40,488, 419.20	666,786 746.9
Available fund for disbursement, PhP	174,489, 719.37	73,907, 597.91	92,800, 532.66	70,498, 269.07	51,208, 060.35	46,901, 181.88	74,021, 409.03	57,507, 439.22	98,312, 939.26	118,782, 510.64	(53,540, 512.24)	(194,86 3,420.6 0)	688,567 477.99
FUND OUTFLOWS													
Proposed CAPEX requirement, PhP - from subject Application Charged from/to RFSC Collection	1,615, 770.00	8,765, 029.64	4,224, 489.13	4,157, 866.50	16,634, 900.69	8,666, 936.29	10,171, 137.14	26,972, 574.78	25,797, 468.86	94,048, 970.93	92,355, 964.26	63,763, 075.26	357,174 183.48
Proposed CAPEX requirement, PhP - from subject Application Charged from/to Subsidy	93,536, 047.35	5,581, 777.75	7,957, 260.25						36,128, 795.53	63,857, 038.08			207,060 918.9
Proposed CAPEX requirement, PhP - from pending CAPEX Application ERC Case No. 2011-144 RC	14,174, 567.72	1,692, 689.74	8,587, 586.96	2,352, 652.31									26,807 496.7
Charged from Subsidy Proposed CAPEX requirement, PhP - from subject Application Charged from/to Loan	14,465, 918.83	10,614, 451.89								42,996, 720.00	80,237, 772.34		148,314 863 0
Proposed CAPEX requirement, PhP - from pending CAPEX	814, 750.00		8,606, 252.45	11,741, 181.50	1,053, 827.36								22,216 011.3

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Rate Impact on RFSC, PhP/KWh,	0.8645	0.6357	0.8081	0.4498	0.3255	0.3147	0.3588	0.2680	0.3218	(1.0073)	(2.4354)	(2.6190)	(0.3140
Ending balance, PhP, excess/(shortfall)	36,338, 486.42	31,761, 345.30	39,573, 080.80	25,994, 183.85	20,309, 465.44	19,872, 624.30	25,721, 566.14	21,442, 523.99	27,644, 500.97	(91,847, 688.85)	(235,351, 839.80)	(267, 511, 067.02)	(267 511 067.02
Total Fund Outflows, PhP	138,151, 232.95	42,146, 252.61	53,227, 451.86	44,504, 085.22	30,898, 594.90	27,028, 557.58	48,299, 842.89	36,064, 915.23	70,668, 438.29	210,630, 199.49	181,811, 327.56	72,647, 646.42	956,578 545.0
Proposed ERC permit fees, PhP - from subject Application										1,101, 142.61	692,669. 73	478, 223.06	2,272 035.4
Other fees relative to CAPEX application, PhP										500,000 .00			500,00 .0
Proposed Annual Amortization, PhP from pending GAPEX Application ERC Case No. 2019-012 RC							851,366. 00	3,405, 464.00	3,405, 464.00	3,405, 464.00	3,405,4 64.00	3,405, 464.00	17,878 686.0
Proposed Annual Amortization, PhP - from pending CAPEX Application ERC Case No. 2011-144 RC	4,861, 607.78	4,336, 678.29	3,001, 909.00	7,639, 295.83	3,938, 861.37	1,146, 212.98	2,777, 828.00	3,006, 781.63	2,774, 452.00	2,774, 452.00	2,774,4 52.00	2,774, 452.00	41,806 982.8
Annual Amortization, PhP -from subject Application	319, 366.32	2,176, 649.08	3,269, 279.24	3,151, 460.53	3,033, 605.49	2,919, 050.79	2,797, 931.69	2,680, 094.82	2,562, 257.90	2,446, 411.87	2,345,0 05.22	2,226, 432.10	29,927 545.0
CAPEX Application ERC Case No. 2019-012 RC							950.00						950.00
Proposed CAPEX requirement, PhP - from pending							24,880.						24,880
requirement, PhP - from pending CAPEX Application/s ERC Case No. 2011-144 RC Charged from General Fund	2,850, 359.70	45,000. 00	1,837, 924.00	2,069, 508.00			298, 800.00						7,101, 591.70
Proposed CAPEX requirement, PhP -from pending CAPEX Application ERC Case No. 2011-144 RC Charged from <u>RFSC Collection</u> Proposed CAPEX	1,406, 637.50	7,741, 632.22	12,799, 879.49	9,869, 406.60	6,237, 400.00	12,518, 961.68	6,521, 830.06						57,095, 747.55
Proposed CAPEX requirement, PhP from subject Application Charged from General Fund	4,106, 207.75	1,192, 344.00	2,942, 871.34	3,522, 713.95		1,777, 395.84							13,541, 532.88
Application ERC Case No. 2011-144 RC Charged from Loan													

### SUBMISSION OF DOCUMENTARY AND PRE-FILING REQUIREMENTS

8. Finally, in compliance with the documentary as well as prefiling requirements for the instant application, CASURECO IV is submitting herewith the following documents, which are being made integral parts hereof as follows, to wit:

Annex Markings	Description of the Documents
" <b>A</b> "	CASURECO IV's Capital Expenditure Plan for Years 2015 to 2026
"B" "B-1"	Affidavit of Posting of Notice to the Consumers The Notice to the Consumers

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"C"	Affidavit of Undertaking that the corresponding application for approval of concerned agencies shall be filed, when required
"D" series	Proofs of furnishing of copies of the Application to the Offices of the Mayor and Sangguniang Bayan of Tigaon and Governor and Sangguniang Panlalawigan of Camarines Sur
"E" series	Proof of publication of the Application in a newspaper of general circulation in CASURECO IV's franchise area or where it principally operates.

#### **PRAYER**

**WHEREFORE**, premises considered, applicant Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV) respectfully prays of this Honorable Commission that after due notice and hearing, its Capital Expenditure Plan for Years 2015 to 2026 be approved accordingly.

Other reliefs, just and equitable under the premises are likewise prayed for.

XXX

The Commission hereby sets the instant *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-Trial Conference, and presentation of evidence on **13 February 2025 (Thursday), at two o'clock in the afternoon (2:00 P.M.),** through **MS Teams Application** as the online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>1</sup> and Resolution No. 01, Series of 2021 (ERC Revised Rules of Practice and Procedure).<sup>2</sup>

Accordingly, CASURECO IV is hereby directed to host the virtual hearing at **CASURECO IV's principal office located at Brgy. Tolojongon, Tigaon, Camarines Sur**, as the designated venue for the conduct thereof. Moreover, CASURECO IV shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

<sup>&</sup>lt;sup>1</sup> A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

<sup>&</sup>lt;sup>2</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

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Any interested stakeholder may submit its comments and/or clarifications **at least one (1) calendar day** prior to the scheduled virtual hearing, via electronic mail (e-mail) at <u>docket@erc.ph</u>, and copy furnish the Legal Service through <u>legal@erc.ph</u>. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, any person who has an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at <u>docket@erc.ph</u>, and copy furnishing the Legal Service through <u>legal@erc.ph</u>, a verified Petition to Intervene **at least five (5) calendar days** prior to the date of the initial virtual hearing. The verified Petition to Intervene must follow the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicate therein the docket number and title of the case, and state the following:

- 1) The petitioner's name, mailing address, and e-mail address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and;
- 3) A statement of the relief desired.

All interested parties filing their Petition to Intervene, Opposition or Comment are required to submit the hard copies thereof through personal service, registered mail or ordinary mail/private courier, **within five (5) working days** from the date that the same were electronically submitted, as reflected in the acknowledgement receipt e-mail sent by the Commission.

Any of the persons mentioned in the preceding paragraphs may access the copy of the *Joint Application* through the Commission's official website at <u>www.erc.gov.ph</u>.

Finally, all interested persons may be allowed to join the scheduled virtual hearing by providing the Commission, thru <u>legal.virtualhearings@erc.ph</u>, their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

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WITNESS, the Honorable Chairperson MONALISA C. DIMALANTA, and Honorable Commissioners ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL, and MARKO ROMEO L. FUENTES, Energy Regulatory Commission, this 06<sup>th</sup> day of January 2025 in Pasig City.

> FOR AND BY AUTHORITY OF THE COMMISSION:

11/1/

ATTY. KRISHA MARIE T. BUELA Director III, Legal Service

جم LS: MND/ARG