

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

**CAMARINES SUR IV
ELECTRIC COOPERATIVE,
INC. (CASURECO IV),**
Applicant.

Promulgated:
January 06, 2025

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ORDER

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
Non-Network	Purchase of Tools, Equipment and Maintenance Vehicles	48,058,408.21
Non-Network	Modernization of Meter Shop, Transformer Shop and Special Equipment Facilities	7,770,000.00

Non-Network	Procurement of Vehicles	10,956,857.69
Non-Network	Land Acquisition and Construction of Collection and Service Offices	13,687,500.00
Non-Network	Construction/Rehabilitation/Expansion of Structures and Buildings	29,000,000.00
Non-Network	Acquisition of LED Wall	1,871,000.00
Non-Network	Optimization of Substations (Lagonoy, Tigaon and Presentacion)	4,210,156.45
Non-Network	Development of On-line Meter-Reading, Billing, and Collection (MRBC), Integration of New Connections to MRBC and Supply and Delivery of Hardware	1,925,420.00
Total Project Cost		726,091,498.38

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-consumer-owners 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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Application ERC Case No. 2011-144 RC Charged from Loan																				
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
Proposed CAPEX requirement, PhP - from pending CAPEX Application ERC Case No. 2011-144 RC Charged from RFSC Collection	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 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. 2019-012 RC																				24,880, 950.00
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	2,927, 545.05							
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, 982.88							
Proposed Annual Amortization, PhP - from pending CAPEX 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, 686.00						
Other fees relative to CAPEX application, PhP											500,000 .00									500,000 .00
Proposed ERC permit fees, PhP - from subject Application											1,101, 142.61	692,669. 73	478, 223.06	2,272, 035.41						
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, 545.01							
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)							
Rate Impact on RFSC, PhP/KWh, excess/(shortfall)	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)							

**SUBMISSION OF DOCUMENTARY AND PRE-FILING
REQUIREMENTS**

8. Finally, in compliance with the documentary as well as pre-filing 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
“A”	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

“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.

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Finding the said *Application* to be sufficient in form and with the required fees having been paid, the Commission hereby sets the same for hearing 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 2020¹ and Resolution No. 01, Series of 2021 (ERC Revised Rules of Practice and Procedure).²

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.

¹ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

² A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

RELATIVE THERETO, CASURECO IV is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* in two (2) in a newspaper 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 days apart, and the date of the last publication to be made not later than ten (10) calendar days before the date of the scheduled hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Offices of the Provincial Governor, the Mayors, and the Local Government Unit (LGU) legislative bodies within CASURECO IV's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within CASURECO IV's franchise area, by any other means available and appropriate, of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual 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 and attend 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.

No later than ten (10) calendar days prior to the date of initial virtual hearing, CASURECO IV must submit to the Commission through the EVOSS portal and via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, the scanned copies of its written compliance with the aforementioned jurisdictional requirements attaching the following methodically arranged and duly marked documents:

- 1) The evidence of publication of the attached *Notice of Virtual Hearing* consisting of affidavit of the Editors or Business Managers of the newspapers where the said

Notice of Virtual 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 Virtual 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 CASURECO IV to inform the consumers within CASURECO IV's franchise area of the filing of the *Application*, the reasons therefor, and of the scheduled hearing thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing* by the OSG, the 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.

Moreover, CASURECO IV is hereby required to post on its bulletin boards, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publications and certifications issued by the concerned Offices of the Provincial Governor, Mayors, and LGU legislative bodies, and to submit proof of posting thereof.

Applicant CASURECO IV and all interested parties are also required to submit via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** before the date of the scheduled virtual 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, which should also be attached to the Pre-Trial Brief; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-Trial Brief.

Applicant CASURECO IV must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission **at least five (5) calendar days** before the date of the scheduled virtual hearing and Pre-Trial Conference pursuant to the preceding paragraph.

Failure of CASURECO IV to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing.

Applicant CASURECO IV 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*. Relevant information and pertinent details substantiating the reasons and justifications for the *Application* must be cited in support thereof.

Applicant CASURECO IV is hereby directed to file a copy of its Expository Presentation via e-mail at doCKET@erc.ph, and copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** prior to the scheduled virtual hearing. CASURECO IV shall also be required, upon the request of any stakeholder, to provide an advance copy of its expository presentation, **at least five (5) calendar days** prior to the scheduled virtual hearing.

Applicant CASURECO IV is further directed to submit, through personal service, registered mail or ordinary mail/private courier, one (1) set of the original or certified true hard copies of its Jurisdictional Compliance, Expository Presentation, Pre-Trial Brief, and Judicial Affidavits of witnesses, **within five (5) working days** from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission.

Finally, CASURECO IV, including its authorized representatives and witnesses, are hereby directed to provide the Commission, through legal.virtualhearings@erc.ph, their e-mail addresses upon receipt of this *Order*. The Commission will send the access link to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

SO ORDERED.

Pasig City, 06 January 2025.

FOR AND BY AUTHORITY
OF THE COMMISSION:


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


LS: MND/ARG

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Copy Furnished:

1. Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV)
Applicant
Brgy. Tolojongon, Tigaon, Camarines Sur
2. Dechavez Lerios-Amboy and Evangelista Law Offices
Atty. Ditas A. Lerios-Amboy
Counsel for CASURECO IV
Unit 2008, Tycoon Centre
Pearl Drive, Ortigas Center, Pasig City
Email: powerlawfirm@gmail.com
3. Office of the Governor
Province of Camarines Sur
4. Office of the Sangguniang Panlalawigan
Province of Camarines Sur
5. Office of the Municipal Mayor
Caramoan, Camarines Sur
6. Office of the Sangguniang Bayan
Caramoan, Camarines Sur
7. Office of the Municipal Mayor
Garchitorena, Camarines Sur
8. Office of the Sangguniang Bayan
Garchitorena, Camarines Sur
9. Office of the Municipal Mayor
Goa, Camarines Sur
10. Office of the Sangguniang Bayan
Goa, Camarines Sur
11. Office of the Municipal Mayor
Lagonoy, Camarines Sur
12. Office of the Sangguniang Bayan
Lagonoy, Camarines Sur
13. Office of the Municipal Mayor
Ocampo, Camarines Sur
14. Office of the Sangguniang Bayan
Ocampo, Camarines Sur
15. Office of the Municipal Mayor
Presentacion, Camarines Sur
16. Office of the Sangguniang Bayan
Presentacion, Camarines Sur
17. Office of the Municipal Mayor
Sagnay, Camarines Sur
18. Office of the Sangguniang Bayan
Sagnay, Camarines Sur
19. Office of the Municipal Mayor
San Jose, Camarines Sur

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20. Office of the Sangguniang Bayan
San Jose, Camarines Sur
21. Office of the Municipal Mayor
Tigaon, Camarines Sur
22. Office of the Sangguniang Bayan
Tigaon, Camarines Sur
23. The Office of the Solicitor General (OSG)
Amorsolo St., Legaspi Village, Makati City
docket@osg.gov.ph
24. The Commission on Audit (COA)
Don Mariano Marcos Avenue, Diliman, Quezon City
citizensdesk@coa.gov.ph
25. The Senate Committee on Energy
Senate of the Philippine
GSIS Bldg., Roxas Blvd., Pasay City
senateenergycommittee@gmail.com
26. The House Committee on Energy
House of Representatives, Batasan Hills, Quezon City
Committee.energy@house.gov.ph
27. Regulatory Operations Service (ROS)
Exquadra Tower, Jade Drive, Ortigas Center, Pasig City
ros@erc.ph