

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

**IN THE MATTER OF THE  
APPLICATION FOR  
APPROVAL OF REGULATED  
ENTITIES' EMERGENCY  
CAPITAL EXPENDITURE  
PROJECTS**

**ERC CASE NO. 2022-024 RC**

**NUEVA ECIJA II ELECTRIC  
COOPERATIVE, INC. – AREA 1  
(NEECO II – AREA 1),**

*Applicant.*

**Promulgated:**

April 26, 2022

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**NOTICE OF VIRTUAL HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 04 April 2022, Nueva Ecija II Electric Cooperative, Inc. – Area 1 (NEECO II – AREA 1) filed an *Application* dated 23 February 2022, seeking for approval of its Emergency Capital Expenditure (CAPEX) projects.

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

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1. Applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines, with the principal office at Calipahan, Talavera, Nueva Ecija, where it may be served with summons and other legal processes, represented in this instance by its General Manager, ENGR. NELSON M. DELA CRUZ, of legal age, Filipino, and with office address also at NEECO II – AREA 1 main office;
2. NEECO II – AREA 1 is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in the following city and municipalities in the province of Nueva Ecija, namely: Science City of Muñoz, Talavera, Sto. Domingo, Quezon, Aliaga, Licab,

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Talugtug, Lupao, Guimba, and Carranglan. A copy of NEECO II –Area 1's Certificate of Franchise is attached as **Annex "A"**;

3. On October 24, 2021, the 10MVA Power Transformer at Lupao Substation was damaged brought about by the heavy rain accompanied by a strong wind that caused the 13.2kV insulator to detach on the steel pin and struck on the 69kV pole that resulted to Line – Ground Fault and tripping of the 69kV PCB/SF6 with a recorded maximum fault current of 4252.8 Amperes and became unserviceable on the same day;
4. As a Standard Operating Procedure, several testing were conducted and the results were unsatisfactory and unsafe to put the unit back to the distribution system;
5. A comprehensive evaluation showed that the cause of tripping of Feeder 72 MVSG simultaneous with the 69kV OCB/SF6 was the effect of an extremely high transient fault current magnitude along the line that bypassed the time delay settings of the MVSG that caused damage to the winding of the power transformer;
6. The herein applicant, in its desire to continuously provide electric services to the Municipalities of Lupao, Talugtug and some part of Science City of Muñoz, all in the Province of Nueva Ecija, which have been supplied by the damaged 10MVA Power Transformer has to be temporarily shifted to the adjacent Muñoz Substation;
7. To immediately restore the quality, reliable, safe power supply and permanently solve the capacity deficiency in areas supplied by the damaged 10 MVA power transformer located in the Municipality of Lupao, NEECO II – AREA 1 has accelerated the implementation of the planned uprating of power transformer from 10MVA to 20MVA due to the urgency of the project implementation resulted from the effect of the incident wherein the 10 MVA power transformer became unserviceable. A new 20MVA Power Transformer was acquired through emergency purchase due to the following reasons:
  - a. To restore the electric service and meet the future load requirements in the area;
  - b. To enhance the power quality, reliability, safe and efficient delivery of power service to the areas served by the Lupao Substation; and
  - c. To have a continuous electric distribution service and a substation that will provide reserve capacity margin for outage contingent (N-1) scenario in the event of substation failures and/or preventive maintenance at the adjacent substations in the NEECO II - AREA 1 coverage areas;

8. The existing 10MVA Power Transformer of Lupao Substation actual demand indicates that the same is already at a critical level of 79.04% loading. Upon implementation of the new project, the substation loading percentage will be at an ideal level of 39.52% in 2021;
9. The new 20MVA Power Transformer can accommodate the energy demand requirements of the adjacent substation, such as the 15MVA-Talavera, 10MVA-Guimba and 10MVA-Munoz Substations in instances of power transformer shutdown due to maintenance activities (N-1 contingency) and power interruptions. Hence, loss of revenue will be avoided;
10. The total cost of this emergency capital expenditure project is **Twenty Seven Million Two Hundred Sixty Two Thousand Eight Hundred Fifty Eight Pesos (P27,262,858.00)**, which will be funded initially by general fund through Reinvestment Fund for Sustainable CAPEX (RFSC).;
11. For purposes of and in connection with this application, NEECO II – AREA 1 hereby attached hereto the following documents, duly marked collectively as **Annex “B”**, in compliance with the requirements pertinent thereto, to wit:
  - a) Project Description;
  - b) Justifications or Benefits to be delivered;
  - c) Project Schedule
  - d) Estimated Project Costs;
  - e) Technical and Economic Analysis; and
  - f) Project Financing Plan;
12. That the above project is consistent with the Distribution Development Plan (DDP), the Philippine Grid Code (PGC), the Philippine Distribution Code (PDC), and other relevant government issuances; and in accordance with ERC Resolution No. 26, Series of 2009, “Resolution Amending the Rules for Approval of Regulated Entities’ Capital Expenditure Projects”;
13. That in compliance with the pre-filing requirements, NEECO II – AREA 1 is submitting the following:
  - a) Certification from the Sangguniang Bayan of Talavera, Nueva Ecija that a copy of the application, with all its annexes and accompanying documents, attesting to the fact that applicant has furnished the said legislative body of the aforesaid application, duly marked as **Annex “C”**;
  - b) Certification from the Sangguniang Panlalawigan of Nueva Ecija that it likewise has furnished the said pertinent documents, duly marked as **Annex “D”**;
  - c) Affidavit of Publication, marked as **Annex “E”**, and Newspaper issue, marked as **Annex “E-1**, containing

the published Application in its entirety in a newspaper of general circulation in the Province of Nueva Ecija;

- d) Certification from the Office of the Mayor of Talavera, Nueva Ecija, a copy of which is hereto attached and duly marked as **Annex “F”**, attesting to the fact that applicant has furnished the said office of the mayor of the subject application, with all its attachments; and
  - e) Certification from the Office of the Governor of Nueva Ecija attesting to the fact that applicant has furnished the said office of the governor of the instant application, with all its annexes and attachments, a copy of which is hereto attached and duly marked as **Annex “G”**; and
14. That the approval of this Emergency Capital Expenditure Project is needed to maintain efficient, reliable, and safety delivery of power to NEECO II – AREA 1’s existing and future consumers, and will redound to the benefits of the consuming public within its franchise area.

#### PRAYER

WHEREFORE, premises considered, applicant Nueva Ecija II Electric Cooperative, Inc. – Area 1 (NEECO II – AREA 1) respectfully prays to this Honorable Commission that, after due notice and hearing and consideration, this application be approved.

Other reliefs, just or equitable, are likewise prayed for.

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020,<sup>1</sup> dated 24 September 2020, and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):<sup>2</sup>

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

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

Date	Platform	Activity
<b>25 May 2022</b> (Wednesday) at two o'clock in the afternoon (2:00 P.M.)	<b>Microsoft Teams Application</b>	Determination of compliance with jurisdictional requirements and Expository Presentation
<b>01 June 2022</b> (Wednesday) at two o'clock in the afternoon (2:00 P.M.)		Pre-trial Conference and Presentation of Evidence

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 [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). 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 interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating 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.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure. No particular form of Opposition or Comment is

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required, but the document, letter, or writing should contain the following:

- 1) The name, mailing address, and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

Any of the persons mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at [www.erc.gov.ph](http://www.erc.gov.ph).

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, thru [legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph), with 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 hearings.

**WITNESS**, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 12<sup>th</sup> day of April 2022 in Pasig City.

  
**AGNES VST DEVANADERA**  
Chairperson and CEO

  
LS: ABQ/ARG/MCCG

