



BILECO news LETTER

Vol. 14 No. 1

The Official Newsletter of the Biliran Electric Cooperative, Inc.
January - December 2014

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Frecor-8 ECs engage in power aggregation

by Maureen D. Nierra

The Biliran Electric Cooperative, Inc., in its continuing effort to provide a reliable and economical power to all of its member-consumers, joined in the Region 8 ECs Power Supply Aggregation.

BILECO and all members of the Federation of Rural Electric Cooperatives in Region 8 (FRECOR 8) have existing Power Supply Agreement (PSA) with the Power Sector Assets and Liabilities Management Corp. (PSALM) which will expire by the end of the year 2014. The need for a least cost immediate power supply replacement and the threat of power supply crisis in the coming years impelled the R8 ECs to jointly procure its power supply requirement under the transaction called Region 8 Joint Competitive Power Supply Procurement (R8 JCPSP).

Under the R8 JCPSP, the 11 electric cooperatives of Region 8 agreed, through a Memorandum of Agreement (MOA), to conduct joint procurement for their aggregated base load power supply for 2015-2018 through a competitive bidding process. This transaction was organized to meet the following objectives:

- a) To secure the supply of electricity for

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Typhoon Ruby batters Biliran; BILECO Task Force launched

by Allan Joseph S. Borrinaga

A little more than one year after super typhoon Yolanda ravaged and inflicted extensive damage in the Eastern Visayas on November 8, 2013, another typhoon locally codenamed Ruby slammed the region including the province of Biliran on December 6-7 this year.

As part of its all-out preparation, BILECO took all considerable measures to brace the coming typhoon. On December 3, the Task Force Ruby was launched and activated. Series of coordination meetings were undertaken to establish a standard procedure to

ensure harmonized actions among the personnel in its pre- and post-typhoon activities.

On December 8, the task force immediately commenced the clearing of lines, data gathering and documentation.

A total of 85 structures in the primary distribution line were damaged, 32 of which were in the badly hit district of Culaba. The Coop has incurred an estimated total loss of more than 6 million pesos worth of line hardware, special equipment, kilowatt-hour meters and timber/

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BILECO Task Force Ruby on their restoration activity.

Why power rate is changing?

by Ma. Leizyl Q. Garcia

Some of us might wonder why a distribution utility's power rate keeps on changing every month. To help us better understand this, here's a brief explanation of the components of our power bill and what drives the monthly power rate fluctuation.

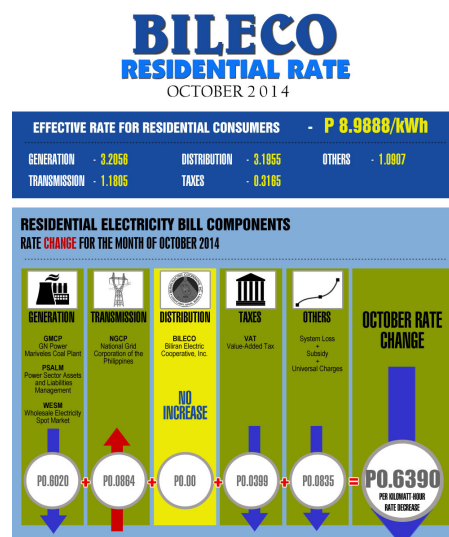
BILECO's rate is composed of nine components, the Generation Charge, Transmission Charge, System Loss Charge, Distribution Charge, Reinvestment Fund for Sustainable CAPEX, Universal Charge, Lifeline Rate (Discount)/Subsidy, Senior Citizen's (Discount)/Subsidy and the VAT charges.

Said components are further classified into three categories: the Pass through cost, Fix rate and the other cost.

Pass through costs are fees paid to other companies who operate and maintain the electricity network from generation down to transmission. As the name suggests, "any amount billed to the distribution utility shall be passed on to the member-consumers without any additions or reductions". Said costs primarily drove the fluctuating price of power every month. The two major components of these costs are the generation and transmission charges.

Generation charge covers the cost of power generated and sold to the distribution company by generation companies. This rate shall depend on the source of the power generated (i.e. hydroelectric power,

coal, geothermal, etc.). It covers roughly 45% of our monthly power rate which means that any increase or decrease would considerably contribute to the monthly fluctuations. Transmission charge is the cost for the delivery of electricity from generation companies to the electric distribution companies. At present, the operator of the transmission infrastructure is the National Grid Corporation of the Philippines (NGCP).



On the other hand, some of the power rate components are not varying every month otherwise known as "**Fix rate**". These rates will never change unless any approval from ERC shall be issued. An example of this rate is BILECO's

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FRECOR-8 ECs... from page 1

the captive customers (member-consumers) of ECs;

b) To achieve least-cost supply of power through joint power supply planning and competitive procurement process that can be justly and reasonably passed-on to the member-consumers of ECs;

c) To mitigate the risks of ECs in the electricity market through bilateral power supply contracts; and


d) To achieve a uniform generation price for the electricity consumers in R8.

The MOA of the ECs also include the creation of the R8 JCPSP Board represented by all general managers and board presidents of R8 ECs, a special Bids and Awards Committee (BAC) for the conduct of the competitive power supply procurement process represented by the respective BAC of each EC, and a support Technical Working Group (TWG) represented by engineers and finance officers of each EC.

The R8 JCPSP processes and transactions are guided by the Transaction Advisers from the USAID Compete. Prof. Rowaldo del Mundo from the University of the Philippines – Diliman is the head technical adviser with Prof. Bienvenido Malquesto as his member.

BILECO representatives to the R8 JCPSP are GM Marlon B. Roa and BOD President Cesar D. Cordeta as part of R8 JCPSP Board; Engr. Gerardo N. Oledan as part of the R8 TWG and the R8 BAC, Maureen D. Nierra, CPA and Laurence I. de la Pena as members of the R8 Core TWG.

Total demand of the whole Region for the year 2015 is 65 MW; 2016 – 78 MW; 2017 – 83 MW and 2019 – 93 MW. The Invitation to Bid for the R8 JCPSP was published in Philippine Daily Inquirer and Manila Bulletin on September 24 & 26, 2014 followed by two separate Pre-bid Conferences at the Marco Polo Plaza Hotel, Cebu City in the month of October 2014. Nine generation companies throughout the country participated in the R8 JCPSP Bidding. The opening of bids was successfully conducted on November 7, 2014 with the same venue as the Pre-bid Conferences. Five generation companies won in the competitive bidding process and were awarded with separate Power Supply Contracts for each year from 2015-2018.

The R8 JCPSP is now on its final stage of the process which is the contract signing and the filing of the PSAs to the Energy Regulatory Commission. It is BILECO's and the rest of the ECs of Region 8's hope to provide a uniform least-cost electricity to its member consumers to achieve the "One Region, One Rate" vision. 

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steel materials including the cost of labor.

The rehabilitation and restoration activities along the backbone line started on the succeeding days. All the seven districts were ready to receive power from the NGCP five days after the mobilization of the task force. NGCP was able to restore the power in BILECO's end on December 11 after rehabilitating its two damaged structures located between Leyte-Leyte - Biliran line section.

The 100% barangay restoration was achieved on December 18 excluding the two off-grid barangays Mabini and Libertad in Higtangan Island. 🌟

Why power rate... from page 2

Distribution charge, comprised of the distribution, supply and metering charges. This covers the cost of transporting electricity through the distribution network directly to the end-users. Said cost covers the ECs cost of building, operating and maintaining the distribution system and conveying of power to the customers. Also in the fix rate category is the Reinvestment Fund for Sustainable CAPEX. This cost shoulders the capital projects of the distribution company for the purpose of rehabilitation, upgrading, expansion and the requirement under the provision of Magna Carta for Residential Electricity Consumers.

Universal charge pertains to the cost imposed on all electricity end-users as determined, fixed and approved by the ERC, pursuant to Section 34 of the EPIRA. It is remitted to the Power Sector Assets and Liabilities Management Corporation (PSALM), a government-owned and controlled corporation created by RA 9136. This includes the missionary electrification, environmental charges and REDCI.

The last category of power charges is the other charges. The amount of these costs varies every month depending on the base amount like the Value Added Tax- Distribution, Systems Loss Charge, Lifeline (Discount)/Subsidy and the Senior Citizen's (Discount)/Subsidy.

Once these rates are combined, it will turn into a Single Stand Rate commonly known as Effective Rate which varies every month. 🌟

BILECO energizes 24 sitios

by Ann-Marie B. Meracap

Twenty-four sitios in the entire area coverage were energized in 2014 as part of the Sitio Electrification Program funded by the National Electrification Administration. The said project was implemented in the year 2013 but was suspended due to the aftereffects of super typhoon Yolanda. By early 2014, the project was resumed where a total



Cong. Rogelio J. Espina and GM Marlon B. Roa posed with joy with the beneficiaries of Sitio Anislag, Brgy. Capiñahan during the ceremonial switch-on.

of 461 beneficiaries from different sitios in the entire province of Biliran were successfully installed with free housewiring materials and were duly energized.

Another 41 sitios for NEA-SEP 2014 are due to be funded and energized in 2015. Eight sitios were initially approved for funding with a total of P6,753,755.25 funding requirement and will commence implementation by early 2015. The remaining 33 sitios are still awaiting approval for funding from the National Electrification Administration (NEA) and will realize sometime in 2015 once approved.

A total of 244 households of the 8 sitios are estimated to benefit from the Sitio Electrification Program by the first quarter of 2015. 🌟

BILECO to implement IT projects in 2015, 2016

by Allan Joseph S. Borrinaga

As a key towards improving service delivery, the BILECO management was ardent on re-engineering its operations by way of exploiting and taking advantage of information technology available in the market today.

In the recently concluded e-ICPM workshop conducted by the National Electrification Administration (NEA) on November 24-28 at the Sabin Resort Hotel in Ormoc City, the Coop had mapped its 2015-2016 biennial plan giving priority not only on its proposed network projects but also on the key programs which are in line with its vision to become a solutions enabled electric distribution utility by 2017.

One of the proposed projects within the next two years is the office system automation which includes, among others, the electronic procurement, centralized storage system, enhanced mobile meter reading application, consumer kiosk and website enhancement by integrating electronic

payment, bill inquiry and bill calculator.

The Engineering Management Software was also proposed geared towards systematically enhancing the technical services including the supervision of the entire power distribution system. Likewise, utilizing



the capabilities of GPS would further advance the Coop's monitoring and management of facilities and equipment and keeping track of its vehicles.

In the infrastructure, BILECO planned to improve its office facilities by constructing the second storey of the new office building, establishing a consumer lounge, renovating its multi-purpose building and constructing a transformer storage facility. 🌟

Frequently Asked Questions

by Ann-Marie B. Meracap



Consumers frequently wonder why electricity payments vary from time to time. And often, when there is power fluctuation (an abrupt power outage followed by an immediate restoration in a short while) they usually anticipate that it can cause electricity consumption to rise and wonder why such occurrence happens. Was it really intentional?

With these series of mind-boggling questions, we aim to provide clarifications, explanations and answers to all of your curiosities, our dear consumers, with the aid of the frequently asked questions and its corresponding answers pointed out below:

1. Why does my electricity bill vary?

Answer: Your electricity bill varies due to the following reasons:

1. Addition of new appliance/s
2. Replacement of smaller appliances of one with bigger size or capacity
3. Additional or longer hours of appliance usage

4. Faulty and/or grounded wires and appliances
5. Meter reading problems
6. Meter registration
7. Increase/decrease in power rates

2. What causes power interruption?

Answer:

- **Scheduled Power Interruption** - Important maintenance or upgrading are to be conducted in an area. BILECO provides at least 2 to 3 days advance notice to the member-consumers affected through text assistant and other media prior to the actual interruption.

- **Unscheduled Power Interruption** - A power failure in a distribution line which may occur any time of the day for a range of reasons without due notice to consumers.

Causes:

1. toppled electric poles
2. fallen branches
3. lightning strikes which further provoke damage to the system
4. nocturnal animals contacting power lines (bats)
5. cars crashing in an electric pole
6. adverse weather (major storms and strong winds)

7. burning of poles
8. manual switching of equipment
9. other natural or human interventions

3. Is it true that power fluctuations or the sudden power outage followed by immediate restoration in a short while can cause my electric consumption to go up?

Answer: No. Power fluctuation does not increase the consumption of your electricity. Your consumption will depend on the bulbs lighted and/or other electrical devices/appliances used/turned on once the power resumes.

4. What should I do when power goes off?

Answer: When power goes off, the following should be done:

1. Check your circuit breaker to make sure it's not a problem within your own home or work place.
2. If the problem is within your home or work place, call an electrician to fix it.
3. If the problem is not within your house or work place, turn off as many lights and appliances as possible to avoid other system problems when the power is restored, then report the matter to BILECO immediately.

2014 Photo Highlights

