

REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
SAN MIGUEL AVENUE, PASIG CITY

IN THE MATTER OF THE APPLICATION
FOR AUTHORITY TO PROVIDE
PREPAID RETAIL ELECTRIC SERVICE
USING A PREPAID RETAIL ELECTRIC
METERING SYSTEM, WITH PRAYER
FOR PROVISIONAL AUTHORITY,

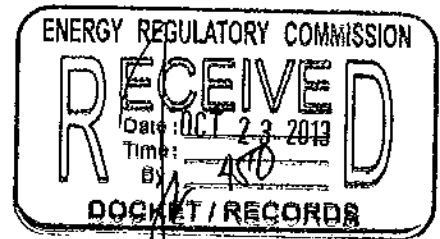
2013-001

ERC CASE No. _____ PRES

BOHOL I ELECTRIC COOPERATIVE,
INC. AND XEN ENERGY SYSTEMS,
INC.,

APPLICANTS.

X-----X



APPLICATION

Applicants Bohol I Electric Cooperative, Inc. and Xen Energy Systems, Inc. respectfully state:

THE APPLICANTS

1. Bohol I Electric Cooperative, Inc. ("BOHECO I") is a non-stock, non-profit electric cooperative organized and existing under and by virtue of Presidential Decree No. 269, as amended, with office address at Cabulijan, Tubigon, Bohol. It has a franchise to distribute electricity in the Municipalities of Alburquerque, Antequa, Baclayon, Balilihan, Batuan, Bilar, Calape, Carmen, Catigbian, Clarin, Corella, Cortes, Dausi, Dimiao, Inaganga, Loay, Lila, Loboc, Loon, Maribojoc, Panglao, Sagbayan, San Isidro, Sevilla, Sikatuna, Tubigon, all in the Province of Bohol.

2. Applicant Xen Energy Systems, Inc. ("XESI") is a corporation duly organized under the laws of the Republic of the Philippines, with principal office at Suite 412, Cityland Pasong Tamo Tower, 2210 Don Chino Roces Ave., Pio Del Pilar, Makati City.

2.1. XESI is a pioneering machine-to-machine and machine-to-mobile technology enabler and provider in the Asia Pacific Region, providing applications and platforms which support various industry segments in partnership with telecommunications operators, system integrators, hardware and software vendors and related application developers.

3. Applicants may be served orders and other processes through the undersigned.

NATURE OF THE APPLICATION

4. The instant Application is filed pursuant to Section 3 of Rule 5 of the Rules of Practice and Procedure approved by this Honorable Commission in Resolution No. 38, Series of 2006, in relation to the "*Rules for Prepaid Retail Electric Service Using a Prepaid Metering System, as Amended*" (the "Prepaid Metering Rules") approved by this Honorable Commission in ERC Resolution No. 17, Series of 2012.

5. The present Application does not require a new rate schedule, as the electricity rate to be applied is BOHECO I's retail rate as already approved by this Honorable Commission. Hence, the present Application need not comply with the regulatory filing requirements for a rate case.¹

STATEMENT OF FACTS

6. The Prepaid Metering Rules were issued by this Honorable Commission to provide customers a choice for their energy management strategies, enhance the operational efficiency of distribution utilities, and promote demand side management.²

7. The implementation of a prepaid metering system will provide BOHECO I's residential customers with an effective means of managing their electricity consumption.

7.1. As opposed to postpaid customers who will only know the extent of their electricity consumption through their bill at the end of every billing month, prepaid customers will be able to monitor their electricity costs on a real-time basis. Consequently, prepaid customers can manage and budget their electricity consumption more effectively.

7.2. In addition, prepaid customers may purchase electricity credits in reasonably small amounts that are better

¹ Section 5.1, Prepaid Metering Rules.

² Section 1.1, Prepaid Metering Rules.

suited for household budgeting, in view of the limited disposable income of the common Filipino household.

7.3. Indeed, goods and services in reasonably small quantities available for reasonably small costs have proven to be best suited to the needs and financial resources of the common Filipino household. This Honorable Commission may take judicial notice of the prevalence of the purchase of household products in sachets or in small amounts, not to mention the popularity and ubiquity of prepaid mobile phone credits.

8. Thus, each prepaid customer can actively and conscientiously monitor and manage his electricity consumption to lower his power costs and to ensure that such costs are at a level he can afford.

9. Moreover, the implementation of a prepaid metering system enhances the operational efficiency of BOHECO I by obviating costs in relation to meter reading, billings and collections, connection and disconnection, uncollectible accounts, and pilferage, among others. The system also improves its revenue management system.

10. In addition, prepaid metering helps address other concerns such as customers who are unable to pay their bills or have been found guilty of illegal use of electricity, and the common lessor's risk of lessees absconding and leaving behind unpaid electricity bills.

11. Thus, recognizing the need to enhance both the customers' energy management and BOHECO I's operational efficiency, Applicants propose to implement a prepaid metering system for BOHECO I's customers.

THE PREPAID METERING SYSTEM

12. **XESI's Prepaid Metering System.** Applicants propose to utilize XESI's prepaid metering system to provide prepaid retail electricity service to BOHECO I's residential customers. Applicants respectfully submit that, as discussed extensively hereunder, XESI's prepaid metering system complies with the relevant requirements under the Prepaid Metering Rules.

12.1. As discussed below, XESI's prepaid metering system utilizes the internet and mobile phone platforms to effect

accurate real-time crediting and consumption of prepaid electricity credit, and provide easily accessible real-time prepaid credit information for the benefit of both the customers and the distribution utility.

12.2. In order to ensure accessibility, reliability and customer convenience in the distribution of prepaid electricity credit, XESI's system utilizes the same platform used in the distribution of prepaid mobile phone credit that reaches practically every *sari-sari* store level.

13. The internet and mobile phone platforms, along with the meters discussed below, have the capability of communicating to the customer all the required information allowing him to effectively manage his electricity consumption, such as the following: instantaneous energy consumption; the remaining balance in peso and kWh; the time and date; the customer's previous thirty (30) day-period consumption and the number of days into the current thirty (30) day-period, followed by the consumption in kWh; among others.³

14. XESI's prepaid metering system is also capable of warning the customer three (3) days before his remaining credit is exhausted based on his average monthly consumption, with a threshold of ten (10) kWh for every one hundred (100) kWh.⁴

15. In addition, while XESI's system is proprietary, it is capable of interoperating with different brands of meters, subject to the necessary reconfiguration.⁵

A copy of the technical specifications⁶ of XESI's prepaid metering system is attached hereto as **Annex "A."**

16. **The XESI Meters.** Applicants will utilize Libra Form 1S, Class 100, 240 V) and Libra Form 2S, 3W, Class 200, 30A, 240V, 60Hz meters ("XESI Meters"). The XESI Meters comply with all the relevant requirements of the Prepaid Metering Rules.

16.1. The XESI Meters are capable to display real time information on how the load is being consumed and to give a warning that the load is close to zero providing a positive buffer

³ In compliance with Section 2.3, Prepaid Metering Rules.

⁴ In compliance with Sections 1.3, 2.3 and 2.5, Prepaid Metering Rules.

⁵ In compliance with Section 2.3, Prepaid Metering Rules.

⁶ In compliance with Section 2.1.2, Prepaid Metering Rules.

before electricity is automatically disconnected.⁷ A copy of the technical specifications⁸ of the XESI Meters is attached hereto as **Annex "B."**

16.2. PRES Eligible Meters. The XESI Meters have been duly approved by this Honorable Commission and are eligible for use in Prepaid Retail Electric Service ("PRES") revenue metering.⁹ Copies of the relevant Certificates of Approval issued by this Honorable Commission are attached hereto as **Annexes "C" and "D."**

16.3. The XESI Meters comply with the standards of the American National Standards Institute ("ANSI"). Copies of the relevant ANSI meter test reports are attached hereto as **Annexes "E" and "F."**

16.4. The XESI Meters also comply with the minimum requirements specified in the Prepaid Metering Rules, having passed the accuracy tests conducted by the Metering Division of this Honorable Commission.¹⁰ Copies of the relevant test results issued by this Honorable Commission are attached hereto as **Annexes "G" to "G-2."**

17. Record of charges. XESI's prepaid metering system can store a record for each customer necessary to produce a summary of credit purchases and the corresponding charges, including the dates and amounts of payments made, for at least the preceding two (2) years.¹¹

18. Manner of purchase and crediting to customer's account.¹² Under the XESI prepaid metering system, the purchase of energy credit as well as the crediting of accounts are akin to that of the prepaid mobile telephone service.

19. Similar to the purchase of prepaid mobile phone credit, where the customer informs the retailer of his mobile phone number and makes payment to the retailer, all the PRES customer has to do is to give the retailer his meter number and pay for his prepaid credit.

⁷ In compliance with Section 1.3, Definition of "Prepaid Meter" and "Advance Meter," Prepaid Metering Rules.

⁸ In compliance with Section 2.1.2, Prepaid Metering Rules.

⁹ In compliance with Section 2.2, Prepaid Metering Rules.

¹⁰ In compliance with Section 2.3, Prepaid Metering Rules, with reference to the accuracy requirements in Section 2.4, Prepaid Metering Rules

¹¹ In compliance with Sections 2.1.3, and 2.9, Prepaid Metering Rules.

¹² In compliance with Section 2.1.5, Prepaid Metering Rules.

Also, the retailer or *sari-sari* store attendant processes the transaction and credits the customer's account by way of Short messaging service ("SMS") using his mobile phone. A copy of XESI's manual illustrating its loading system is attached hereto as **Annex "H."**

19.1. Utilization of well-established and proven prepaid credit distribution channels. Prepaid electricity credit will be available to BOHECO I's customers through the same means and using the same retail channels as prepaid mobile phone credits.

19.2. The retail distribution and sales of prepaid mobile phone credits is already well established and widely used, and has proven to be a very effective means of distributing prepaid credit.

19.3. Thus, the utilization of the same retail channels ensures the effective distribution of prepaid electricity credit, and facilitates the promotion of the prepaid metering system as well as customer acceptance and convenience.

19.4. Accessibility and purchase of credit. After the end of a billing month, BOHECO I issues billings to *postpaid* electricity customers for the electricity consumed within that billing month. Such customers then pay their bills at BOHECO I's office or payment centers. In contrast, *prepaid* electricity customers purchase, either from the DU or the retailer (*e.g.*, *sari-sari* store), the electricity credits which are then "loaded" into their respective accounts, much in the same way as one purchases prepaid mobile phone load for his prepaid phone account.

19.5. *Accessibility of credit.* Convenience for the customers and accessibility of prepaid credit for purchase are critical to the successful implementation of PRES.

19.6. Thus, prepaid credit will be made available through retailers, such as *sari-sari* stores, as well as at BOHECO I's main office and payment centers.¹³ A prepaid electricity customer need only go to the neighborhood *sari-sari* store to purchase credits, in the same way as he would mobile phone credit. Unlike postpaid customers, he will not need to go to BOHECO I's office or payment centers to queue and pay his electricity bills, thereby saving time and transportation costs.

¹³ In compliance with Section 2.1.11, Prepaid Metering Rules.

19.7. *Purchase of credit.* The purchase of prepaid mobile phone credit is subject to a nominal fee to cover, among others, the costs of distribution of credit to retailers or *sari-sari* stores. Often, the fee varies from *sari-sari* store to *sari-sari* store, depending on the retailer. Similarly, prepaid electricity credit is subject to a nominal fee lower than the transaction fee of mobile phone providers. The credit shall be applied to the actual cost of electricity only. The nominal fee, on the other hand, covers the cost of retail distribution of credits, the management and operation of the prepaid metering system, among others.

19.8. *Application of credit.* Electricity credits are “loaded” into a customer’s account, much in the same way as prepaid mobile phone load is credited in one’s prepaid phone account. The credited load is then applied to his electricity consumption on a real-time basis, similar to the application of mobile phone credit when the customer makes phone calls or sends text messages.

19.9. **Confirmation of credit purchase¹⁴ and format of confirmation.¹⁵** Under the XESI’s system, the customer may, upon registration as a prepaid electricity consumer, register his mobile phone number for SMS notifications. Once registered, he shall receive confirmation of the purchase of credit by way of an SMS showing the following information:

- a) Name of distribution utility, e.g., BOHECO I;
- b) Receipt Number;
- c) Date and time of loading or activation of energy credit;
- d) Meter identification number (either the name of the registered customer, or meter and/or service identification number);
- e) Amount of electricity energy credit (in kWh and in pesos);
- f) Tariff charge; and
- g) Number of transactions in the same month; and
- h) Tariff charge.¹⁶

A print out of a sample SMS confirmation is attached hereto as **Annex “I.”**

¹⁴ In compliance with Section 2.8, Prepaid Metering Rules.

¹⁵ In compliance with Sections 2.1.10 and 2.3, Prepaid Metering Rules.

¹⁶ In compliance with Sections 2.1.10 and 2.8, Prepaid Metering Rules.

19.10. Also, upon registration as a prepaid electricity customer, the customer is given a username and password to access his account history online. Thus, the customer may access a virtual bill, transaction history and all other relevant details of his account, including his credit purchases over the internet at any time.¹⁷

Printouts of webpages showing sample customer account information accessible online are attached hereto as **Annexes "J" to "J-3."**

19.11. The customer may obtain at written confirmation of his credit purchases at BOHECO I's office in the form of copies of the said printouts.

19.12. The customer may also view the details of his account on the Liquid Crystal Display ("LCD") screen on the XESI Meter itself.

20. **Terms and conditions of service.**¹⁸ A summary of the terms and conditions of service to customers is attached hereto as **Annex "K."**

21. **Recovery of costs.**¹⁹ Under the Prepaid Metering Rules, customers shall not be made to advance the cost of or purchase the prepaid meters. Prepaid meter deposits shall not be collected from the customers.²⁰

21.1. As the cost of prepaid meters constitutes capital cost on the part of BOHECO I, such cost be recovered in the same manner as other capital costs, subject to the filing of the appropriate application with this Honorable Commission.

22. **Application of the retail rate.**²¹ The rate to be applied shall be based on the applicable postpaid retail rate current at the particular month the credited load was consumed.²² Any remaining

¹⁷ In compliance with Sections 2.1.10 and 2.8, Prepaid Metering Rules.

¹⁸ In compliance with Section 2.1.6, Prepaid Metering Rules.

¹⁹ In compliance with Section 2.1.7, Prepaid Metering Rules.

²⁰ In compliance with Section 2.6, Prepaid Metering Rules.

²¹ In compliance with Section 2.1.8, Prepaid Metering Rules.

²² In compliance with Section 2.7, Prepaid Metering Rules.

credits from a previous month's consumption shall be adjusted based on the applicable postpaid retail rate in the succeeding month.²³

23. **Reasonable increments of credit.** Prepaid credit will be made available to customers at reasonably small increments of P100.²⁴

24. **Implementation of Lifeline Rate and required discounts.** The lifeline rate under Section 73 of Republic Act No. 9136 will be implemented for prepaid customers.²⁵ A prepaid customer who does not reach the relevant electricity consumption threshold at the end of a billing month will receive the appropriate rebate in his credit.

25. In addition, XESI's system is capable of implementing other mandated adjustments, such as the discount to senior citizens under Republic Act No. 9994.

26. **Notification of unbundled charges.** In order to inform prepaid customers of the unbundled components of BOHECO I's prevailing retail rate,²⁶ BOHECO I shall post a printed itemization at its main office and payment centers, and shall furnish a copy to a residential customer upon his request. In addition, the itemization shall be easily accessible by the prepaid customer online.

27. **Conversion procedure and bill deposit refund.**²⁷ The procedure that BOHECO I seeks to apply in the conversion of customers from post-paid to prepaid service, and vice-versa, including the refund and payment of the bill deposit is contained in **Annex "L"** hereof.²⁸

28. **Target date for implementation.**²⁹ BOHECO I intends to offer and provide PRES to its customers within a reasonable time from the issuance of the appropriate authority by this Honorable Commission.³⁰

²³ *Ibid.*

²⁴ In compliance with Section 2.7, Prepaid Metering Rules.

²⁵ In compliance with Sections 2.1.9 and 2.7, Prepaid Metering Rules.

²⁶ In compliance with Section 5.2, Prepaid Metering Rules.

²⁷ In compliance with Section 2.1.12, Prepaid Metering Rules.

²⁸ In compliance with Section 2.1.12 and in accordance with Section 2.10 and Article III, Prepaid Metering Rules.

²⁹ In compliance with Section 2.1.14, Prepaid Metering Rules.

³⁰ In compliance with Section 2.1.13, Prepaid Metering Rules.

28.1. Pilot Tests. In order to ensure that reliable implementation of the prepaid metering service, Applicants have successfully conducted pilot runs of the system ending on 7 September 2013.

29. Information campaign.³¹ In order to inform its customers of its offer to provide PRES such that they may make informed decisions on whether to subscribe to the said service, BOHECO I will, with the assistance of XESI, undertake a program to duly inform its customers of the various aspects of the PRES.³²

The details of the information campaign are contained in **Annex “M”** hereof.

30. Monitoring of Consumption and Low-Balance Warning.³³ XESI’s system allow the customers to monitor and manage the rate at which they consume energy as well as to receive warning when credit drops to the required threshold.³⁴

30.1. In particular, the XESI Meters enable customers monitor real-time information on an LCD screen. The LCD screen shows the following.³⁵

- a) the instantaneous energy consumption on a real-time basis;
- b) the remaining balance in pesos and kWh ;
- c) the time and date;
- d) the customer’s previous thirty (30) day-period consumption and the number of days into the current thirty (30) day-period;
- e) the consumption into the period in pesos and in kWhs.

30.2. In order to provide sufficient warning to the customer, the XESI Meters have a red Light Emitting Diode (“LED”) light that can be set to flash three (3) days before the customer’s remaining credit is exhausted, based on his average monthly consumption, with a threshold of ten (10) kWh for every one hundred (100) kWh.³⁶ The customer may also opt to

³¹ In compliance with Section 2.1.14, Prepaid Metering Rules.

³² In compliance with Section 2.1.14, Prepaid Metering Rules.

³³ In compliance with Section 2.5, Prepaid Metering Rules.

³⁴ In compliance with Section 2.5, Prepaid Metering Rules.

³⁵ In compliance with Sections 1.3, 2.3 and 2.5, Prepaid Metering Rules.

³⁶ In compliance with Sections 1.3, 2.3 and 2.5, Prepaid Metering Rules.

receive automatic low credit balance alerts via SMS once his credit drops below the said threshold.³⁷

30.3. In addition, and as discussed above, the customer may access his prepaid credit balance in pesos and kWh at any time through SMS.

30.4. To address the necessary costs of SMS services and, at the same time, ensure that the customers are not unduly burdened, the SMS services are subject to a per-SMS fee that is not greater than the fee imposed by mobile phone operators for similar value-added service. These SMS services include credit purchase confirmation, balance inquiries, and low balance alerts.

30.5. The customer may also access a virtual bill, transaction history and all other relevant details of his account over the internet at any time. Thus, the customer could monitor his consumption through the SMS notifications and online bill.

31. MONITORING AND COMPLIANCE WITH REPORTORIAL REQUIREMENTS.³⁸ XESI's system enables BOHECO I to easily and effectively monitor all prepaid metering transactions and electricity consumption, and maintain and access records of the same. XESI's system provides BOHECO I with real-time online interface for monitoring as well as record keeping over at least the preceding two (2) years.³⁹

31.1. XESI's system greatly facilitates BOHECO I's compliance with this Honorable Commission's record keeping⁴⁰ and reportorial requirements,⁴¹ as well as customer requests for account information and records.⁴² With XESI's system, the required information is readily available and may be easily extracted in a matter of seconds, thereby reducing administrative costs and enhancing operational efficiency.

32. Non-interruption of service during off-hours. Electricity service is interrupted when the customer runs out of credit despite low-balance warnings. However, service will not be

³⁷ In compliance with Sections 1.3, 2.3 and 2.5, Prepaid Metering Rules.

³⁸ In compliance with Article IV, Prepaid Metering Rules.

³⁹ In compliance with Section 2.1.3, Prepaid Metering Rules.

⁴⁰ In compliance with Section 2.9, Prepaid Metering Rules.

⁴¹ In compliance with Article IV, Prepaid Metering Rules.

⁴² In compliance with Section 2.9, Prepaid Metering Rules.

interrupted if the customer runs out of credit because there is no credit available for purchase.

32.1. XESI's system is programmed not to interrupt the electric service during hours when retailers and BOHECO I's office and payment centers are closed ("off-hours"), even if the customer runs out of prepaid credit.

32.2. The customer may still avail of electricity service until the time he can already purchase credit, or when the retailers or BOHECO I's office and payment centers are open. During off-hours, the customer may incur a negative balance in his credit, which will be netted out once he purchases credits.

33. Regulatory approval of identical PRES implementation. This Honorable Commission has previously approved the implementation of the PRES utilizing XESI's Prepaid Metering System in ERC Case No. 2011-001 and ERC Case No. 2011-002.

33.1. The present Application involves the implementation of the same system, with only minor modifications to ensure compliance with the recent amendments to the Prepaid Metering Rules.

34. Given the foregoing, the implementation of the prepaid metering system proposed herein clearly complies with all the relevant requirements of the Prepaid Metering Rules.

ALLEGATIONS IN SUPPORT OF THE PRAYER FOR PROVISIONAL AUTHORITY

35. Applicants seek to offer and provide the prepaid metering system at the earliest possible time in order to provide BOHECO I's customers with an effective, convenient and affordable means of managing their energy consumption.

36. Verily, the cost of electricity service represents a necessary monthly financial burden to every household, particularly those with limited spending capacity. Thus, it would greatly benefit the customers of BOHECO I to avail of, at the earliest possible time, a means by which to effectively monitor and control their power consumption, and pay for the same through means easily within their spending capacity.

37. In addition, the implementation of the Prepaid Metering System entails significant preliminary work to establish the system and retail network, as well as to conduct an information campaign to sufficiently apprise the customers of the Prepaid Metering Service.

38. The issuance of a provisional approval by this Honorable Commission will greatly facilitate the conduct of such preliminary work and ensure the availability of the prepaid metering system to BOHECO I's customers at the soonest possible time.

PRAYER


WHEREFORE, the foregoing premises considered, it is respectfully prayed that this Honorable Commission:

a) immediately issue an Order granting provisional approval of the present Application, including the prayer for exception from certain provisions of the Prepaid Metering Rules, so that the Applicants can already implement the proposed Prepaid Metering System, and

b) after due hearing, render a Decision making such provisional approval permanent.


Applicants likewise pray for other reliefs as are just and equitable under the foregoing premises.


Pasig City, October 4, 2013.


DING NICOLAS T. ROXAS
GENERAL MANAGER/COUNSEL
Bohol I Electric Cooperative, Inc.

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VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, **Dino Nicolas T. Roxas**, of legal age and with office address at Bohol I Electric Cooperative, Inc., Cabulijan, Tubigon, Bohol, after having been sworn in accordance with law, hereby depose and state:

1. I am the duly authorized representative of Bohol I Electric Cooperative, Inc. ("BOHECO I"). Attached hereto as proof of such authority is the relevant Board Resolution.

2. Pursuant to and by virtue of such authority, I caused the preparation of the foregoing Application. I have read its contents and the allegations therein pertaining to BOHECO I are true and correct and of my personal knowledge, or based on authentic documents.


3. I hereby certify that BOHECO I has not commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of my knowledge, no such other action or claim is pending therein. Should I thereafter learn that the same or a similar action or claim has been filed or is pending, I shall report such fact to this Honorable Commission within five (5) days therefrom.

IN WITNESS WHEREOF, I have set my hand this 11th day of October 2013.


Dino Nicolas T. Roxas
General Manager
BOHECO I

SUBSCRIBED AND SWORN to before me this OCT 11 day of 2013 in the City of _____, affiant exhibiting to me his Government-issued identification _____, issued at _____, on _____.

SSS No. 06-1182069-5


ATTY. ELMER SALUS B. POZOK, R.E.L.
LAWYER (NOTARY PUBLIC)
UNTIL DECEMBER 31, 2013
RPN NO. 799813-12/11/12-BOHOL
PTR NO. 3986645-01/01/13-BOHOL
TIN NO. 232-373-597-000
NCS NO. 2012-024
TUBIGON, BOHOL

Doc. No. N;
Page No. 1;
Book No. 1;
Series of 2013.



Bohol 1 Electric Cooperative, Inc.
(BOHECO I)

EXCERPTS FROM THE MINUTES OF THE SPECIAL SESSION OF THE BOARD OF DIRECTORS, BOHOL 1 ELECTRIC COOPERATIVE, INC. HELD AT BOHECO I MAIN OFFICE, CABULIJAN, TUBIGON, BOHOL ON SEPTEMBER 28, 2013

- PRESENT :**
- MR. ROBERTO B. SALUGSUGAN - President
 - MR. EXEQUIEL H. AGUNOD - Vice President
 - MR. NOE S. CEMPRON - Secretary
 - MR. LENDYL M. GRADO - Treasurer
 - MR. EUFEMIO F. ZULUETA - Member
 - MR. ABUNDIO C. GALORPORT - Member
 - MR. MARIO L. GARCIA - Member
 - MR. MARCIAL P. DEGAMO - Member
 - MRS. LOURDES A. BOLO - Member
 - ENGR. DINO NICOLAS T. ROXAS - Ex-Officio Member/General Manager

ABSENT : NONE

RESOLUTION NO. 81 - 2013

A RESOLUTION APPROVING THE JOINT FILING OF THE APPLICATION WITH THE ENERGY REGULATORY COMMISSION FOR AUTHORITY TO PROVIDE PREPAID RETAIL ELECTRIC SERVICE USING THE PREPAID RETAIL ELECTRIC METERING SYSTEM OF XEN ENERGY SYSTEMS, INC. WITH THE CORRESPONDING APPLICATION FOR PROVISIONAL AUTHORITY

"WHEREAS, the Energy Regulatory Commission ("ERC") issued Resolution No. 17, Series of 2012, whereby it has approved the Rules for Prepaid Retail Electric Service Using a Prepaid Metering System, as Amended;

"WHEREAS, upon evaluation of the prepaid retail electric metering system of Xen Energy Systems, Inc. ("XESI"), the Board of Directors ("Board") of Bohol 1 Electric Cooperative, Inc. ("BOHECO I") has decided to offer prepaid retail electric service ("PRES") to BOHECO I's customers using the said system;

"WHEREAS, the Board has determined that by said offering of PRES, BOHECO I will provide its customers a choice to effectively manage their electricity consumption, enhance BOHECO I's operational efficiency and promote BOHECO I's demand side management;

"WHEREAS, in order to implement the said service, the Board approves the filing with the ERC of the appropriate application, jointly with XESI, for authority to provide PRES using XESI's system, with the corresponding application for provisional authority;

"NOW THEREFORE, on ^{pass} motion of Dir. _____, duly seconded by Dir. _____ thus:

"RESOLVED, that the Board approves and authorizes BOHECO I's offering of PRES to its customers using XESI's prepaid retail electric metering system;

"RESOLVED FURTHER, that BOHECO I be authorized, as it is hereby authorized, to file, jointly with XESI, the appropriate application for the ERC's grant of authority to provide PRES using XESI's prepaid retail electric metering system, with the corresponding application for provisional authority;



Noe S. Cempron
NOE S. CEMPRON
Secretary

Roberto B. Salugsugan
ROBERTO B. SALUGSUGAN
President



Bohol Electric Cooperative, Inc.
(BOHECO I)

Res. No. 81-2013
September 28, 2013
BOHECO 1, page 2

"RESOLVED FINALLY, that Engr. Dino Nicolas T. Roxas, General Manager, be appointed, as he is hereby appointed, attorney-in-fact of **BOHECO I** with authority:

- a. to represent **BOHECO I** in the filing of the said application with the ERC;
- b. to act as agent of and appear in behalf of **BOHECO I** in the pre-trial conference and all proceedings in relation to the said application, with full power to make commitments and take positions, and to consider (1) the possibility of an amicable settlement or a submission to arbitration, mediation or other modes of alternative dispute resolution; (2) the simplification of the issues; (3) the necessity or desirability of amendments to the pleadings; (4) the possibility of obtaining stipulations or admissions of facts and of documents totally or partially to avoid unnecessary proof; (5) the limitation of the number of witnesses or time allocated to particular witnesses and issues; (6) the advisability of a preliminary reference of issues to a commissioner; (7) the necessity or desirability of having an expository hearing or consumer forum; (8) procedures at the hearing and hearing schedule; (9) the submission of written testimony and exhibits to be offered and the marking thereof; (10) agreements regarding service of documents; and (11) such other matters as may aid in the prompt disposition of the proceedings;
- c. to execute, sign and obtain any document, including the verification and certification of non-forum shopping, that may be required in the filing and prosecution of the said application; and
- d. to do and perform on behalf of **BOHECO I** any act and deed relating to the case, which **BOHECO I** could legally do and perform, including the filing of any further necessary petitions or appeals."

I HEREBY CERTIFY to the correctness of the foregoing resolution.

"RESOLVED FINALLY, that copies of this resolution be furnished to all parties concerned for their information and guidance;

"UNANIMOUSLY APPROVED."

I HEREBY CERTIFY to the correctness of the foregoing resolution.


NOE S. CEMPRON
Secretary

ATTESTED:


ROBERTO B. SALUGSUGAN
Board President



REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI CITY) S.S.

**VERIFICATION AND
CERTIFICATION OF NON-FORUM SHOPPING**

I, **Ariel R. dela Cruz**, of legal age and with office address at Xen Energy Systems, Inc., Suite 412, Cityland Pasong Tamo Towe, 2210 Don Chino Roces Ave., Pio del Pilar, Makati City, after having been sworn in accordance with law, hereby depose and state:

1. I am the duly authorized representative of Xen Energy Systems, Inc., ("XESI"). Attached hereto is proof of such authority.

2. Pursuant to and by virtue of such authority, I caused the preparation of the foregoing Application. I have read its contents and the allegations therein pertaining to XESI are true and correct and of my personal knowledge, or based on authentic documents.

3. I hereby certify that XESI has not commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency, and, to the best of my knowledge, no such other action or claim is pending therein. Should I thereafter learn that the same or a similar action or claim has been filed or is pending, I shall report such fact to this Honorable Commission within five (5) days therefrom.

IN WITNESS WHEREOF, I have set my hand this OCT 10 2013 day of _____

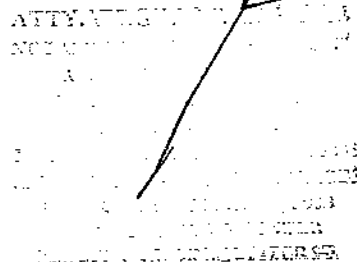


Ariel R. dela Cruz
President
Xen Energy Systems, Inc.

OCT 10 2013

SUBSCRIBED AND SWORN to before me this ___ day of _____ in the City of MAKATI CITY affiant exhibiting to me his CTC 10673024, issued on JAN 24 2013 in MAKATI CITY.

Doc. No. 76 ;
Page No. 17 ;
Book No. 249 ;
Series of 2013.



ATTEST: _____
CITY ENGINEER
MAKATI CITY

Republic of the Philippines)

CITY OF MAKATI) S.S.

SECRETARY'S CERTIFICATE

I, Greg Joseph S.J. Tiongco, after having been duly sworn in accordance with law, hereby depose and state that:

1. I am a Filipino citizen, of legal age and with office address at 2104 Robinsons Equitable Tower, ADB Avenue, Ortigas, Pasig City. I am the Corporate Secretary of Xen Energy Systems, Inc. ("XESI"), a corporation duly organized and existing under and by virtue of the laws of the Philippines.

2. At the regular meeting of the Board of Directors (the "Board") of XESI held on 8 April 2013 at 1504 Tektite East Tower, PSE Exchange Road, Ortigas Center, Pasig City at, the following resolutions were unanimously passed and approved:

"RESOLVED, that the Board approves, ratifies and/or confirms XESI's authority to provide its prepaid retail electricity metering system ("System") to Bohol I Electric Cooperative, Inc. ("BOHECO I"), subject to the terms and conditions of XESI's agreement with BOHECO I, and for the purpose of BOHECO I's rendering of prepaid retail electric service to its customers using XESI's System;

RESOLVED FURTHER, that the Board authorizes XESI to file, jointly with BOHECO I, the appropriate application for the Energy Regulatory Commission's ("ERC's") grant of authority to provide PRES using XESI's System, with the corresponding application for provisional authority;

RESOLVED FURTHER, that Atty. Sundy Lorence C. Lachica or any other lawyer from Lachica & Associates Law Office be authorized to file the said application and to represent XESI and appear for and on its behalf in all proceedings, meetings, discussions before the ERC, to perform any and all acts and deeds and to submit and sign such documents and pleadings necessary to implement this authority;

RESOLVED FINALLY, that Mr. Ariel dela Cruz, President of XESI, be appointed, as he is hereby appointed, attorney-in-fact of XESI with authority:

- a. to represent XESI in the filing of the said application with the ERC;
- b. to act as agent of and appear in behalf of XESI in the pre-trial conference and all proceedings in relation to the said application, with full power to make commitments and take positions, and to consider (1) the possibility of an amicable settlement or a submission to arbitration, mediation or

other modes of alternative dispute resolution; (2) the simplification of the issues; (3) the necessity or desirability of amendments to the pleadings; (4) the possibility of obtaining stipulations or admissions of facts and of documents totally or partially to avoid unnecessary proof; (5) the limitation of the number of witnesses or time allocated to particular witnesses and issues; (6) the advisability of a preliminary reference of issues to a commissioner; (7) the necessity or desirability of having an expository hearing or consumer forum; (8) procedures at the hearing and hearing schedule; (9) the submission of written testimony and exhibits to be offered and the marking thereof; (10) agreements regarding service of documents; and (11) such other matters as may aid in the prompt disposition of the proceedings;

- c. to execute, sign and obtain any document, including the verification and certification of non-forum shopping, that may be required in the filing and prosecution of the said application; and
- d. to do and perform on behalf of XESI any act and deed relating to the case, which XESI could legally do and perform, including the filing of any further necessary petitions or appeals."

3. These board resolutions have not been revoked, amended or modified, and remain valid and binding on XESI.

IN WITNESS WHEREOF, I have hereunto affixed my signature on this 10th day of October 2013, in City of Pasig.

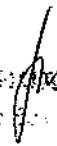


Greg Joseph S.J. Tiongco
Corporate Secretary

OCT 10 2013

SUBSCRIBED AND SWORN to before me this ___ day of _____ 2013 at CITY OF MAKATI City, Greg Joseph S.J. Tiongco personally appeared before me and exhibited to me his valid Passport as identification with number EB6563716 as proof of his identity.

Doc. No.: 78 ;
Page No.: 17 ;
Book No.: XIX ;
Series of 2013.


ATTY. JOSEPH P. LAPUZ
Notary Public for Makati City
R. No. 123456789
Used Jan 10, 2013
Roll No. 43730 / 10456789 / 104897
PFR No. 1418712 / 01-01-2013 / Manila
104 Urban Avenue, Pio del Pilar, Makati City