

EU member nations at odds over how to tackle energy crisis

BRUSSELS — Croatia and Lithuania want a wholesale gas cap, Germany prefers other solutions, while Finland and Slovakia disagree on direct subsidies, the countries said on Tuesday as the European Union (EU) grapples with an energy crunch.

Germany — the bloc's biggest economy and the main opponent of capping gas prices — said joint purchases, reducing consumption and boosting supply were the way to go instead.

Officials from those countries expressed their views on arriving for talks between EU affairs ministers in Luxembourg to prepare the ground for a summit of their national leaders on Thursday and Friday, with the energy crisis dominating the agenda.

Ahead of the summit, the EU's executive European Commission will propose separately on Tuesday another set of measures to curb high energy prices. They would not, however, include an immediate cap on gas prices, something that has split the bloc.

The Croat and Lithuanian ministers backed a wholesale gas price cap, with Croatia also highlighting the need for joint gas purchases among the 27 EU member states.

Their Slovak colleague, Andrej Stancik, asked for a longer-term market reform to

decouple the price of electricity produced from gas from that generated from different resources, as well as asking for direct EU subsidies for consumers and businesses.

"We need very fast and effective solutions to subsidise prices for citizens and companies, including from unused cohesion funds," he told journalists on arriving at the meeting in Luxembourg.

Tytti Tuppurainen, EU affairs minister of Finland — a country generally sceptical of market interventions — said Helsinki was now ready for a "temporary" price cap on gas. But she was against handouts for consumers.

"Instead of subsidizing individual households, we should rather boost investment in green energy," she said, adding that would also limit Europe's reliance on energy suppliers such as Russia.

German EU affairs minister Anna Luehrmann stressed the need for joint gas purchases, as well as cutting consumption and diversifying supply structure by adding more renewable sources and different suppliers.

"It's important that national and European measures work hand-in-hand," said Ms. Luehrmann, without mentioning a cap at all. — Reuters



Saudi crown prince rolls out National Industrial Strategy

CAIRO — Saudi Crown Prince Mohammed bin Salman on Tuesday launched the National Industrial Strategy, which aims to increase the industrial exports value to 557 billion riyals by 2030 (\$148.34 billion), the country's state news agency, SPA, reported.

The strategy is a plan to promote industry and attract investment in the kingdom's economy, leading to economic diversification and growth of non-oil exports and gross domestic product.

The strategy will also increase the total additional investments in the sector to 1.3 trillion riyals (\$346.21 billion), the agency added.

"Through the National Industrial Strategy and in partnership with the private sector, the kingdom will become a leading industrial powerhouse that contributes to securing global supply chains and exports high tech products to the world," the agency quoted Prince Mohammed as saying.

The strategy also aims to increase factories in the kingdom from 10,640 at present to 36,000 by 2035, SPA said. — Reuters

S.Korean chat app Kakao's co-CEO Whon resigns after widespread outage

SEOUL — Kakao Corp.'s co-Chief Executive Officer (CEO) Namkoong Whon has stepped down, the company said on Wednesday, after an outage that shut down South Korea's largest mobile chat app and other services, triggering widespread backlash from authorities and the public.

The resignation, effective Wednesday, leaves co-CEO Hong Euntaek as sole CEO.

The company apologized for the outage that started on Saturday due to a fire at a data center run by SK C&C near Seoul.

Most of its systems were restored by Wednesday, but miscellaneous functions remain shaky and disruptions to a wide range of services from payments to taxis and restaurant bookings have raised questions about public reliance on the app.

KakaoTalk, launched in 2010, has more than 47 million active accounts in South Korea, making it one of the most ubiquitous apps in the country of 51.6 million.

Hong, who is also leading the company's response to the outage, said Kakao would look into why service recovery work was slow, prepare compensation for users and businesses affected by service disruptions and build its own data centres.

The company plans to invest 460 billion won (\$325 million) to start operating its own data center from next year, and another one will be completed in the following year, it said.

More than 500 small businesses complained about lost sales due to the Kakao outage, lobby group Korea Federation of Micro Enterprises said. — Reuters

UK's rail union to stage three days of strikes next month

LONDON — British railway workers union RMT set out plans on Tuesday for three days of strikes in early November, saying the action was in response to employer Network Rail trying to "impose" changes to working practices.

The union, which has more than 83,000 members from the transport industry, said walkouts were planned for Nov. 3, 5 and 7. In response, company chief negotiator Tim Shoveller said its pay deal was on the table, adding that his team were available for "serious talks."

There has been growing discontent among labourers across sectors this year, as a cost-of-living crisis has pushed workers to step out and demand pay hikes that are on par with inflation, which at one point ran in double digits.

Railway strikes over the summer saw 10s of thousands of workers walk out in the country's biggest strike in 30 years.

RMT said that in separate disputes on London Underground and Overground networks, its members will take strike action on Nov. 3. — Reuters

Netflix reverses subscribers fall, shares soar 14%

LOS ANGELES — Netflix, Inc. reversed customer losses that had hammered its stock this year and projected more growth ahead, reassuring Wall Street as it prepares to offer a new streaming option with advertising.

Shares of Netflix jumped 14% in after-hours trading, boosted in part by the streaming giant's forecast that it would pick up 4.5 million customers in the fourth quarter. The company's stock, an investor favorite during its years of rapid growth, had fallen nearly 60% this year before the earnings report.

From July through September, Netflix attracted 2.4 million new subscribers worldwide, more than double what Wall Street expected.

During the quarter, Netflix released the final episodes of season four of sci-fi hit *Stranger Things*, plus serial-killer series *Dahmer - Monster: The Jeffrey Dahmer Story*, which became one of Netflix's most-watched series of all time.

The streaming giant is working to kick-start membership growth after a sudden decline in the first half of the year, when the company's subscriber base shrank by 1.2 million amid a rocky global economy and growing competition for online video viewers. Netflix now has a total of 223.1 million subscribers around the world.

Most established services have stopped growing in the United States, where the market has reached maturity. Newer entrants, such as Paramount Global's Paramount+, are picking up market share thanks to live sports programming.

In its quarterly letter to shareholders, Netflix noted that other media companies are losing money from streaming.

Netflix estimated that competitors would end 2022 with combined operating losses of "well over \$10 billion," compared with Netflix's annual operating profit of \$5 billion to \$6 billion.

Rivals such as Walt Disney Co DIS.N run multiple businesses including TV networks and theme parks that offset streaming losses.

For the third quarter, Netflix topped analyst projections with revenue of \$7.9 billion, up 6% from a year earlier. Earnings were \$3.10 per share.

The company's forecast of 4.5 million customer pickups by the year's end came in slightly ahead of Wall Street estimates, which had averaged 4.2 million. For the fourth quarter, Netflix projected revenue of \$7.8 billion, a sequential decline it blamed on the strong value of the US dollar. — Reuters

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE FORCE MAJEURE EVENT CAPITAL EXPENDITURE PROJECT NAMED: REPAIR AND REHABILITATION OF DISTRIBUTION LINE AND OTHER FACILITIES AFFECTED BY THE ONSLAUGHT OF TYPHOON ODETTE AND AUTHORITY TO SECURE LOANS

ERC CASE NO. 2022-062 RC

BOHOL II ELECTRIC COOPERATIVE, INC. (BOHECO II), Applicant.
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Promulgated: September 16, 2022

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 05 September 2022, Bohol II Electric Cooperative, Inc. (BOHECO II) filed an Application dated 28 June 2022, seeking the Commission's approval of its Force Majeure Event Capital Expenditure Project, namely: repair and rehabilitation of distribution line and other facilities affected by the onslaught of Typhoon Odette, and authority to secure loans.

The pertinent allegations of the Application are hereunder quoted as follows:

- BOHECO II is an electric cooperative duly organized and existing under Philippine law, with a principal office address at Cantagay, Jagna, Bohol; franchised to construct, own, operate, and maintain an Electric Distribution system in the municipalities of Alicia, Anda, Bien Unido, Buenavista, Candjay, Carlos P. Garcia Island, Dagohoy, Danao, Duero, Garcia Hernandez, Getafe, Gundulman, Jagna, Mabini, Pilar, San Miguel, Sierra Bullones, Talibon, Trinidad, Ubay and Valencia, all in the Province of Bohol; represented herein by its General Manager is Engr. Eugenio R. Tan Sr.;
- Pursuant to Section 3.3 of ERC Resolution 26, Series of 2009 which provides that if a Force Majeure or Fortuitous Event, as the case may be, occurs, the regulated entity shall seek the ERC's confirmation of the implementation of capital expenditure projects arising from such event, as well as other laws and rules, BOHECO II seeks confirmation and approval from this Honorable Commission of its implementation of Force Majeure Event Capital Expenditure (CAPEX) Project subject of the instant application.

THE FORCE MAJEURE EVENT (TYPHOON ODETTE)

- The BOHECO II coverage area and its Member-Consumer-Owners had experienced the path of super typhoon Odette with the fifth landfall at Pres. Carlos P. Garcia, Bohol at 6:30 PM, sixth at Bien Unido, Bohol at 7:30 PM of December 16, 2021. The storm's aftermath had left severe damage to houses, properties, and to the coops' distribution systems and facilities causing areawide power interruption.
- The wake of super typhoon Odette left BOHECO II coverage area destroying more than 1,000 poles of the backbone lines and about 8000 poles in the lateral lines which will require replacement. The damage to our various distribution lines and facilities left this part of the region in total blackout, with more than 145,000 member-consumers-owner (MCO) affected.
- On the morning of December 17, 2021, BOHECO II personnel immediately conducted an aerial inspection of all the affected municipalities. Damage assessments were done to be able to plan for the immediate restoration of power and rehabilitation of lines. Around 60% of the total area covered by BOHECO II was damaged with disconnected/cut conductors, leaning, and toppled poles.

DESCRIPTION OF THE PROJECT

- The project involves the repair and rehabilitation of distribution lines, and other facilities and equipment damaged by the onslaught of Typhoon Odette.

ESTIMATED PROJECT COST

- The estimated cost of repair and rehabilitation of distribution lines, and other damaged facilities and equipment damaged by the onslaught of Typhoon Odette amounts to Five Hundred Sixty Six Million Two Hundred forty-two Thousand Thirty Six and 75/100 (PHP 566,242,036.75).

PROJECT SCHEDULE

- By December 17, 2021, Damage assessment was conducted and rehabilitation works started immediately with manpower from BOHECO II personnel. On December 24, 2021, task force kapatid from CASURECO IV first batch arrived to help with line rehabilitation. Followed by another batch of Electric Cooperatives such as CANORECO, CANORECO II, CASURECO I, CASURECO II, CASURECO III, CASURECO IV, SORECO I, SORECO II, TISELCO, MASELCO, FICELCO, FICELCO II, ESAMELCO, NEBECO II Areas, NEBECO II Areas2, PELCO I, PELCO II, PELCO III, CEBECO II, BANLICO and fifty-four personnel from One MERALCO Foundations.
- Buffer stock of poles, materials and hardware were utilized to start the line restoration. But due to severe damage to the coverage area, emergency purchases of other material also made while waiting for the arrival of additional necessary materials and equipment to be used to fast track the restoration and rehabilitation activities.
- BOHECO II Backbone lines were restored by March 30, 2022, with the help of the task force kapatid. And another Batch of task force arrived on March 6, 2022 to help for the remaining lateral line restoration. The restoration of the lateral lines is still on-going with a target completion date on April 30, 2022. For Household Restoration, the target completion date will be on August 30, 2022.

PROJECT FINANCING

- The on-going repair, restoration and rehabilitation activities of the damages brought by Typhoon Odette were funded thru calamity loan from the National Electrification Administration (NEA) amounting to PHP31,643,654.88 and PHP42,337,800.34 received on February 14, 2022 and March 30, 2022 respectively with an interest rate of 3.25% per annum payable in ten (10) years. Another Financing source is from a calamity grant from NEA amounting to PHP32,738,521.96 but was not yet release due to election ban. BOHECO II also filed a long term loan from REPC (Rural Electrification Financing Corporation) amounting to PHP20 million but still waiting for the release as of to date. For other payables that have no financing yet, BOHECO II opt to apply for a short term loan or a working capital loan from the following banks payable in a maximum of one (1) year with the corresponding amounts:

BANK	AMOUNT (PHP)
Development Bank of the Philippines	50,000,000.00
Land Bank of the Philippines	100,000,000.00

The interest and amortization of said loans will be funded from BOHECO II's General Fund taking into consideration that said application of Force Majeure CAPEX is still on going and will be converted into term loan or long term loan as soon as BOHECO II can secure approval from ERC for this application, thus the funding for its amortization payment will be drawn from the coop's RFSFC.

BOHECO II is highly requesting the Honorable Commission to give BOHECO II an authority to secure loans from NEA and other Banks specifically Landbank of the Philippines (LBP) and Development Bank of the Philippines (DBP) seeing its lower interest rates from other banks so that the coop's General Fund will not be drained.

INDICATIVE RATE IMPACT

- Considering the impact of the damages caused by Typhoon Odette, BOHECO II foresees the downfall in its financial capability of its operation unless complete power restoration will be done. The coop's revenue in terms of KWH sales dropped down and cannot sustain even DSM expenses. The highpoint to restore the distribution lines as well as house connections can help the coop to recover from the downfall, thus, need to capitalize the restoration. Seeing that the existing RFSFC rate of the coop cannot sustain to cover up the payment of loan amortizations to this effect even considering a collection efficiency of 98%. As such, BOHECO II will apply for a rate increase of 0.0978 Php/kWh brought about by the implementation of the total rehabilitation and complete restoration of the damaged facilities, as shown in the Table below:

	2020 (ACTUAL)	2021 (ACTUAL)	2022	2023	TOTAL
RFSFC Rate	0.4998	0.4998	0.4998	0.4998	0.4998
Forecasted Energy Sales (KWh)	101,495,025.00	106,541,082.00	111,079,818.00	116,018,995.00	121,058,720.00
Actual Energy Sales (KWh)	100,847,461.00	112,141,021.04	107,447,211.58	112,700,187.50	118,088,281.12
Cash balance beginning (PHP)	18,493,448.00	1,761,981.27	8,868,975.20	12,204,388.54	12,665,493.01

FUND OUTLAYS

	2020 (ACTUAL)	2021 (ACTUAL)	2022	2023	TOTAL
Expended Current Year Collections (PHP)	37,039,734.99	43,794,644.92	47,966,423.77	50,229,320.45	179,030,124.13
Actual/ Virtual Year Collections (PHP)	33,975,448.97	32,638,125.23	49,648,965.54	60,229,774.29	156,482,314.03
Current Fund (PHP) (Interest in bank)	16,021.77	8,681.62	10,031.77	7,471.68	3,868.84
Proceedment from General Fund			1,328,284.41		
Income on loan/ properties (PHP)					
Loss proceeds from financial institutions, NEA (PHP)					
EXISTING FME Typhoon Odette (NEA Churny loan)			73,481,453.21		73,481,453.21

FME Typhoon Odette (DBP Short Term loan) 50,000,000.00 50,000,000.00

FME Typhoon Odette (LBP Short Term loan) 100,000,000.00 100,000,000.00

Loss proceeds from financial institutions, REPC (PHP) 20,028,226.20 20,028,226.20

EXISTING CAPEX PROJECT MAJURE FOR LOAN 287,033,291.45 287,033,291.45

FME Typhoon Odette (SIBSISTY) 22,728,021.91 22,728,021.91

Other Sources (PHP) 15,000,000.00 15,000,000.00

Total Cash Inflows, PAF 51,541,709.54 51,958,813.28 49,609,227.45 62,741,541.52 79,061,774.88 64,863,309.51 61,127,425.70 65,133,491.81

Available cash for disbursement 21,451,171.00 23,148,399.01 28,618,222.40 75,240,028.00 82,391,028.88 62,785,550.21 2,143,600.00 674,686,896.87

FUND OUTLAYS

	2020 (ACTUAL)	2021 (ACTUAL)	2022	2023	TOTAL
Capital Expenditure Project	33,481,221.75	27,139,276.91	26,847,268.45	28,828,273.30	116,306,840.41
Replacement of General Fund (P&F)	1,928.12		300,200.00	54,600.00	356,728.12
Payment for FME CAPEX (NEA Churny loan)					356,728.12
Amortization (NEA) existing	10,028,858.50	11,452,988.58	12,448,073.41	13,701,723.32	58,631,643.81
FME amortization NEA Churny loan					8,771,654.00
Amortization (NEA) Emergency CAPEX (SIBSISTY)					21,241,039.34
Amortization (DBP) (P&F) Short Term Loan					14,273,683.50
Amortization (DBP) existing	4,827,020.82	4,863,282.51	4,443,024.10	10,000,000.00	24,133,327.43
Amortization (SIBSISTY) existing	1,274,341.50	1,211,775.50	1,099,473.20	1,099,473.20	5,685,063.40
Payment of amortization FME (REPC)					86,796.00
ERC Permit Fee					2,681,913.58
Total Cash Outflows (P&F)	50,425,771.13	44,139,224.52	45,114,015.61	71,431,821.02	70,937,970.37
Fund balance ending, PAF, excess (shortfall) on RFSFC, P&F/KWh	1,761,981.27	8,868,975.20	12,204,388.54	11,665,493.01	42,500,847.02

JUSTIFICATIONS OR BENEFITS TO BE DELIVERED BY THE PROJECT

- BOHECO II's instant project ensures power restoration in its entire coverage area and in turn, provides an adequate, safe, more reliable, and efficient power supply to satisfy the needs of its member consumers. This is the cooperative's justification for the project.

SUBMISSIONS

- Finally, in support of the instant application, BOHECO II is submitting herewith the following documents to form integral parts hereof as follows, to wit:

Annex Markings	Nature of Document
A	BOHECO II Board Resolution no. 68-A, series of 2022 FME Capex Application
B and Series	Notice of Force Majeure Event
C and Series	Executive Summary of the Force Majeure Event Capital Expenditure Project
D and series	Proof of furnishing of copies of the Application to the Sangguniang Bayan of Jagna and Sangguniang Panlalawigan of Bohol.
E and series	Proof of publication of the Application in a newspaper of general circulation within BOHECO II's franchise area or where it principally operates
F	Tropical Cyclone Bulletin no. 13 of Typhoon "Odette" Issued by PAGASA on December 16, 2021 at 8 PM.
G and series	Amortization Schedule
H	Progress Report on Reinvestment Fund 2018-2021
I	Restricted Funds from AFS 2016-2021
J	Approved CAPEX Project Status

PRAYER

WHEREFORE, premises considered, BOHECO II respectfully prays of this Honorable Commission that after due notice and hearing, the repair of distribution lines, massive replacement of damaged kWh meter, Distribution Transformers and other facilities, equipment and assets damaged by the onslaught of Typhoon Odette on December 16, 2022, be confirmed and approved accordingly, and the cost thereof be recovered from its consumers.

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

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 the following dates and online platform for the conduct thereof, pursuant to Resolution 09, Series of 2020 dated 24 September 2020, and Resolution No. 01, Series of 2021 dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):

Date	Platform	Activity
08 November 2022 (Tuesday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Determination of compliance with the jurisdictional requirements and expository presentation
15 November 2022 (Tuesday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Pre-trial Conference and presentation of evidence

The Commission has directed BOHECO II to host the virtual hearings at BOHECO II's principal office at Cantagay, Jagna, Bohol, as the designated venue for the conduct thereof, and ensure that the same is open to the public and the community quarantine guidelines are observed at all times. Moreover, BOHECO II shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

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, copy furnish the Legal Service through 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, all persons who have an interest in the subject matter of the instant case may file a party by filing with the Commission via e-mail at doCKET@erc.ph, copy furnish the Legal Service through 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:

- The petitioner's name, mailing address, and e-mail address;
- 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
- 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, copy furnish the Legal Service through 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 required, but the document, letter, or writing should contain the following:

- The name, mailing address, and e-mail address of such person;
- A concise statement of the Opposition or Comment; and
- 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.

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, through 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 Chairperson and CEO MONALISA C. DIMALANTA, and Commissioners ALEXIS M. LUMBANAN, CATHERINE P. MACEDA and MARKO ROMEO L. FUENTES, Energy Regulatory Commission, this 16th day of September 2022 in Pasig City.

FOR AND BY AUTHORITY OF THE COMMISSION:

FLORESINDA G. BALDO-DIGAL
Oversight Commissioner
For the Legal Service

* A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.
* A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.