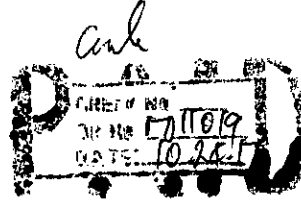
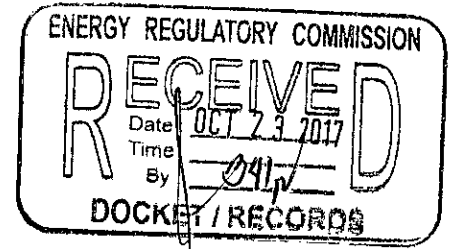


Republic of the Philippines  
ENERGY REGULATORY COMMISSION  
San Miguel Avenue, Pasig City

IN THE MATTER OF THE  
APPLICATION FOR  
APPROVAL OF A RATE  
ADJUSTMENT IN  
ACCORDANCE WITH THE  
RULES GOVERNING THE  
TARIFF GLIDE PATH  
PURSUANT TO ARTICLE  
VII OF THE RULES FOR  
SETTING THE ELECTRIC  
COOPERATIVES'  
WHEELING RATES (RSEC-  
WR), WITH PRAYER FOR  
PROVISIONAL  
AUTHORITY



A

ERC CASE NO. 2017 - 096 RC

BOHOL I ELECTRIC  
COOPERATIVE, INC.  
(BOHECO I)

Applicant.

X ----- X

APPLICATION

APPLICANT, BOHOL I ELECTRIC COOPERATIVE, INC. (BOHECO I), through counsel, unto this Honorable Commission, most respectfully alleges, that:

1. Applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Brgy. Cabulijan, Tubigon, Bohol, represented herein by its General Manager, Engr. Dino Nicolas T. Roxas, duly authorized by virtue of Resolution No. 81 - 2017, Series of 2017 dated June 24, 2017 of the Board of Directors, copy of which is hereto attached and marked as Annex "A" and made an integral part hereof; The filing of the instant application is likewise authorized under the aforementioned Board Resolution;

2. It is the holder of an exclusive franchise issued by the National Electrification Commission (NEC), to operate an electric light and power distribution service in the municipalities of Albuquerque, Antequera, Baclayon, Balilihan, Batuan, Bilar, Calape, Carmen, Catigbian, Clarin, Corella, Cortes, Dausi, Dimiao, Inabanga, Lila, Loay, Loboc, Loon,

Maribojoc, Panglao, Sagbayan, San Isidro, Sevilla, Sikatuna and Tubigon Province of Bohol;

**THE APPLICATION AND ITS PURPOSE**

3. This application is filed in compliance with ERC Resolution No. 8, Series of 2011, pursuant to Section VII of Resolution No. 20, Series of 2009;

4. On May 2, 2011, the Commission promulgated the TGP Rules pursuant to Article VII of the RSEC-WR whereby during the Regulatory Period, the rate of the electric cooperatives (ECs) per group shall be adjusted using the following formula:

**Tariff x [1+Index “I” – Efficiency Factor “X” + Performance Incentive “S”]**

wherein:

a. The Index “I” shall be an escalation factor to be used in adjusting the rates to reflect the combined impact of inflation and load growth;

b. There shall be an efficiency factor, “X”, to account for the operational efficiency of the ECs in setting their rates; and

c. There shall be a performance incentive, “S”, which shall reward or penalize the EC for above or below standard performance, respectively;

The TGP is intended as a cap and the EC may move up to the cap, if it is a positive adjustment. If the cap is lower than the current average tariff, a reduction may be implemented.

5. Based on the Rules on Tariff Glide Path promulgated by the Commission, Index “I” was computed by BOHECO I as follows:

Particulars	Average CPI	Δ CPI	Total KWh Sales	GR	difference	“I”
YEAR n-1 (2014)	134.9		120,664,461			
YEAR n (2015)	141.6	4.97%	126,072,887	4.48%	0.48%	0.48%
YEAR n+1 (2016)	144.2	1.84%	144,933,885	14.96%	-13.12%	0.00%
YEAR n+2 (2017)	147.9	2.57%	170,394,854	17.57%	-15.00%	0.00%



6. It calculated the Efficiency Factor "X" as follows:

YEAR: n-1 (2014)		"X"
Particulars	Total Man Hours	
Regular employees	731,992	
Contractual Employees	279,606	
TOTAL	1,011,598	
Full time equivalent man hours per year	2,080	
FTE	486	
Total number of billed connections (year end)	124,328	
CPE	256	-3.00%

YEAR: n (2015)		
Particulars	Total Man Hours	
Regular employees	745,074	
Contractual Employees	270,648	
TOTAL	1,015,722	
Full time equivalent man hours per year	2,080	
FTE	488	
Total number of billed connections (year end)	129,375	
CPE	265	2.55%

YEAR: n+1 (2016)		
Particulars	Total Man Hours	
Regular employees	790,271	
Contractual Employees	301,548	
TOTAL	1,091,819	
Full time equivalent man hours per year	2,080	
FTE	525	
Total number of billed connections (year end)	134,703	
CPE	257	-2.20%

YEAR: n+2 (2017)		
Particulars	Total Man Hours	
Regular employees	804,355	
Contractual Employees	290,378	
TOTAL	1,094,733	
Full time equivalent man hours per year	2,080	
FTE	526	
Total number of billed connections (year end)	139,269	
CPE	265	2.18%

7. Its Performance Incentive "S" was determined as follows:

YEAR 2015	SAIFI	SAIDI	SL	"S"
Standard	23.71	2,196.86		
1/2 Strd Dev	6.89	715.39		
SL CAP			13.00	
ACTUAL	7.270	716.460	5.29	
DIFFERENCE	16.44	1,480.40	7.71	
% impact	2.00%	2.00%	4.50%	

YEAR 2016	SAIFI	SAIDI	SL	"S"
Standard	23.71	2,196.86		
1/2 Strd Dev	6.89	715.39		
SL CAP			13.00	
ACTUAL	6.540	646.640	6.04	
DIFFERENCE	17.17	1,550.22	6.96	
% impact	2.00%	2.00%	4.50%	

YEAR 2017	SAIFI	SAIDI	SL	"S"
Standard	23.71	2,196.86		
1/2 Strd Dev	6.89	715.39		
SL CAP			13.00	
ACTUAL	7.430	817.550	6.07	
DIFFERENCE	16.28	1,379.31	6.93	
% impact	2.00%	1.00%	4.50%	

NOTE: Standards to be used in a particular year in this calculation shall be issued by the Commission periodically.

8. Summarizing Index "I", Efficiency Factor "X", and Performance Incentive "S", the resultant TGP is shown below:

	"I"	"X"	"S"	TGP B	TGP B (excluding S)
YEAR 2015	0.48%	2.55%	2.50%	0.44%	-2.06%
YEAR 2016	0.00%	0.00%	2.50%	2.50%	0.00%
YEAR 2017	0.00%	2.18%	2.10%	-0.08%	-2.18%
TOTAL				2.86%	-4.24%

9. Using the calculated TGP, the adjustment in rates resulted as follows:

Type of Consumer	Particulars	Unit	Rate @ end of the transition period (in PhP/kWh)	Rate @ end of the transition period excluding S (in PhP/kWh)	Rate @ 2nd tariff glide path adjustment (in PhP/kWh)	Rate @ 2nd tariff glide path adjustment excluding S (in PhP/kWh)	Revised Tariff Rate Caps @ RESET (in PhP/kWh)
Residential	Distribution	PhP/kWh	0.6600	0.6097	0.6789	0.5839	0.6000
	Supply	PhP/kWh	0.6850	0.6328	0.7046	0.6060	0.7500
	Metering	PhP/kWh	0.4938	0.4562	0.5079	0.4368	0.4000
	Metering	PhP/meter/mo	5.71	5.27	5.87	5.05	5.00
LOW VOLTAGE	Distribution	PhP/kWh	0.8670	0.8009	0.8918	0.7670	0.8500
	Supply	PhP/cust/mo	48.99	45.26	50.40	43.34	45.00
	Metering	PhP/meter/mo	41.03	37.90	42.20	36.29	42.00
HIGHER VOLTAGE	Distribution	PhP/kWh	250.77	231.66	257.94	221.84	220.00
	Supply	PhP/cust/mo	48.99	45.26	50.40	43.34	45.00
	Metering	PhP/meter/mo	41.03	37.90	42.20	36.29	42.00

10. The computations were based on the guidelines issued by the Commission, more specifically the TGP Rules pursuant to Article VII of the RSEC-WR;

11. BOHECO I is attaching in this application a detailed computation of its TGP, together with other supporting documents;

**PRAYER**

**WHEREFORE**, premises considered, it is respectfully prayed of this Honorable Commission that after due notice and hearing, a Decision be issued approving and authorizing BOHECO I to include in its bill the rate at its second (2<sup>nd</sup>) TGP adjustment in PhP/kWh, either including or excluding the Performance Incentive "S" as shown below:



Type of Consumer	Particulars	Unit	Rate @ end of the transition period (in PhP/kWh)	Rate @ end of the transition period excluding S (in PhP/kWh)	Rate @ 2nd tariff glide path adjustment (in PhP/kWh)	Rate @ 2nd tariff glide path adjustment excluding S (in PhP/kWh)	Revised Tariff Rate Caps @ RESET (in PhP/kWh)
Residential	Distribution	PhP/kWh	0.6600	0.6097	0.6789	0.5839	0.6000
	Supply	PhP/kWh	0.6850	0.6328	0.7046	0.6060	0.7500
	Metering	PhP/kWh	0.4938	0.4562	0.5079	0.4368	0.4000
	Metering	PhP/meter/mo	5.71	5.27	5.87	5.05	5.00
LOW VOLTAGE	Distribution	PhP/kWh	0.8670	0.8009	0.8918	0.7670	0.8500
	Supply	PhP/cust/mo	48.99	45.26	50.40	43.34	45.00
	Metering	PhP/meter/mo	41.03	37.90	42.20	36.29	42.00
HIGHER VOLTAGE	Distribution	PhP/kWh	250.77	231.66	257.94	221.84	220.00
	Supply	PhP/cust/mo	48.99	45.26	50.40	43.34	45.00
	Metering	PhP/meter/mo	41.03	37.90	42.20	36.29	42.00

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

Tubigon, Bohol for Pasig City, Metro Manila, 12 October 2017.



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 Counsel for Applicant BOHECO I  
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