

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



**IN THE MATTER OF
THE APPLICATION FOR THE
APPROVAL AND
CONFIRMATION OF THE LOAD
FACTOR-BASED PRICING
SCHEME ON A MONTHLY
RECONCILIATION OF THE
UNACCEPTED CONTRACT
QUANTITY OF THE
SUPPLEMENTAL AGREEMENT
BETWEEN KEPCO SPC POWER
CORPORATION (KSPC) AND
CENTRAL NEGROS ELECTRIC
COOPERATIVE, INC. (CENECO),
WITH MOTION FOR THE
ISSUANCE OF PROVISIONAL
AUTHORITY,**

ERC CASE NO. 2013-141 RC

**KEPCO SPC POWER
CORPORATION (KSPC) AND
CENTRAL NEGROS ELECTRIC
COOPERATIVE, INC. (CENECO),
Applicants.**

D O C K E T E D
Date: SEP 06 2017
By: [Signature]

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DECISION

Before this Commission for resolution is the joint Application filed by Central Negros Electric Cooperative, Inc. (CENECO) and KEPCO SPC Power Corporation (KSPC) on 03 July 2013 for the approval and confirmation of the Load Factor-Based Pricing Scheme on a Monthly Reconciliation of the Unaccepted Contract Quantity of their Supplemental Agreement (SA), with motion for the issuance of provisional authority.

THE PARTIES

CENECO is a non-stock, non-profit electric cooperative organized and existing under and by virtue of Republic Act No. 6038,

as amended, with office address at Mabini corner Gonzaga St., Bacolod City, Negros Occidental. CENECO has a franchise to distribute electricity in the Cities of Bacolod, Bago, Silay and Talisay and in the Municipalities of Murcia and Don Salvador Benedicto, all in the province of Negros Occidental (“Franchise Area”);

KSPC is a generation company duly authorized and existing under and by virtue of the laws of the Republic of the Philippines, with principal address at 7th Floor, Cebu Holdings Center, Cebu Business Park, Cebu City. KSPC was registered with the Philippine Securities and Exchange Commission (SEC) on 22 June 2005. It is 60% owned by KEPCO Philippines Holdings, Inc. (KPHI) and 40% owned by SPC Power Corporation (SPC). The ultimate parent Company is Korea Electric Power Corporation (KEPCO), a corporation organized in South Korea. KEPHILCO and SPC incorporated KSPC as the joint venture entity which shall undertake the construction, ownership, operation, management, and maintenance of the Cebu Power Plant.

THE FACTS

On 29 July 2011, CENECO and KSPC entered into a Supplemental Agreement (SA) to the Power Sales Contract (PSC)¹, as follows: 1) for an **additional baseload capacity** of 24,000 kW or an annual energy of 210,240,000 kWh with an option **to treat the additional quantity** as intermediate power supply; and 2) the load factor-based pricing (the reconciliation and charging for unaccepted contract quantities shall be on a monthly basis, instead of annually, as provided for in Article 6.2.2 (iii)(f) of the PSC).

In its letter to the Commission dated 13 September 2011, applicant KSPC requested confirmation on whether the increase in contracted capacity under Article 6.5, as well as the recovery of corresponding generation cost under Article 6.2.2 (iii)(f) both of the PSC, from yearly to monthly reconciliation would require the review and approval by the Commission.

The Commission, in its letter-reply dated 26 November 2011, stated that the stipulations on Article 6.5, it being part of the approved PSC, may be implemented by the parties without need for further review and approval by the Commission. However, Article 6.2.2 (iii)(f), relating to the reconciliation on a monthly basis under a

¹ Decision dated 16 February 2009 under ERC Case No. 2007-138 RC, In the Matter of the Application for Approval of the Power Sales Contract (PSC) between Central Negros Electric Cooperative, Inc. (CENECO) and KEPCO-Salcon Power Corporation (KSPC), Applicants.

load factor-based pricing scheme, was not part or included in the approval. Thus, parties should submit the same to the Commission for review and approval.

Hence, this instant Application.

On 09 September 2013, the Commission issued an Order provisionally authorizing Applicants to implement the Load Factor-Based Pricing Scheme on a Monthly Reconciliation of the Unaccepted Contract Quantity of their SA effective next billing cycle upon receipt of the said Order. However, resolution on the unpaid intermediate reserved quantity from 26 July 2011 to 25 February 2013 was deferred pending the submission of supporting documents and for re-computation of its actual monthly implementation thereto.

On 30 September 2013, the Commission issued an Order setting this case for jurisdictional hearing, expository presentation, pre-trial conference, and evidentiary hearing.

On 21 October 2013, the Commission received a *Motion for Intervention/Opposition* against the approval of herein Application filed by Mr. Romeo Lavilla, Sr. On even date, Applicants filed their joint *Pre-trial Brief*.

On 24 October 2013, this case was initially heard by the Commission. Present during the said hearing were Attys. Russel Alabado and Julius Christian Reyes, counsel for Applicants, Mr. Leonel Tambanillo, Chief of CENECO's Corporate Planning Division, Intervenor Mr. Lavilla, Sr., oppositors Ms. Eleonore Cabanilla and the Sangguniang Panlungsod (SP) of Bacolod City, represented by Atty. Vicente Petierre III. In the course of the hearing, Atty. Alabado offered documentary evidence as proof of compliance with the Commission's jurisdictional requirements and the same were marked accordingly as Exhibits "T" to "BB", inclusive. Atty. Petierre requested that he be given ample time to file a formal intervention. On the other hand, Ms. Cabanilla opted to act as an oppositor. Thereafter, the Commission ruled in favor of Applicants' motion for the declaration of general default against all interested parties to herein Application, except for Mr. Lavilla and the SP of Bacolod City.

On 28 February 2014, Social Action Center (SAC) of the Diocese of Bacolod City (hereinafter, "SAC") through Atty. Petierre, filed a *Motion to Dismiss*. In the said Motion, SAC alleged that CENECO's Board President was not clothed with authority by its Board of Directors to sign the verification and certification of non-forum

shopping, as required under Section 4, Rule 3 of the ERC's Rules of Practice and Procedures ("Rules").

Meanwhile, on 03 March 2014, both the SP of Bacolod City and SAC, through the same counsel, filed a *Petition for Intervention*. In the said Petition, Intervenors alleged among others that it has substantial and material interest to intervene on behalf of its constituents and member-consumers, respectively. On 05 March 2014, Intervenors filed a joint *Pre-trial Brief*.

On 27 May 2014, Applicants filed its *Comment/Opposition* to SAC's *Motion to Dismiss*. On 03 June 2014, SAC filed its *Opposition* thereto.

On 24 June 2014, Applicants filed *Motions*: (1) to admit Applicants' Formal Offer of Evidence (FOE), (2) to declare Intervenors to have waived their right to present evidence, and (3) to resolve this Application.

On 02 September 2014, the Commission issued an Order extending the provisional authority it granted to herein Applicants until revoked or made permanent by it.

On 01 December 2015, Mr. Lavilla filed his *Manifestation* adopting the argument raised in SAC's *Motion to Dismiss*. In addition, he questioned KSPC for not complying with the requirements set forth in Rule 20-A of the Rules and the pre-filing requirements set forth in Section 4(e), Rule 3 of the Implementing Rules and Regulations (IRR) of R.A. No. 9136 or the Electric Power Industry Reform Act of 2001 ("EPIRA").

In the Order of 10 May 2016, the Commission DENIED, for being unmeritorious, SAC and Mr. Lavilla's *Motion to Dismiss* and *Manifestation*, respectively. Likewise, it denied Applicants motion to declare Intervenors to have waived their right to present evidence, though the Commission admitted Applicants' documentary evidence contained in their FOE and marked as Exhibits "A" to "CC", inclusive, for being relevant and material in the evaluation of this case.

Thus, in the same aforementioned Order, the Commission set another hearing on 05 July 2016 for the presentation of Intervenors' witnesses. Intervenors SP of Bacolod City, SAC, and Mr Lavilla were directed by the Commission to submit the judicial affidavit of their witnesses, copy furnish the Applicants, otherwise, the Commission

shall declare them to have waived their right to present evidence and this case shall be submitted for resolution. They were likewise directed to attend and ensure the presence of their witnesses on the aforementioned date of hearing, otherwise, they are considered to have abandoned their right to present the same.

At the 05 July 2016 hearing of this case for the presentation of Intervenors' witnesses, counsel for Applicants CENECO and KSPC, Intervenor Mr. Lavilla, Sr., a representative from the Power Watch Negros Advocates, Inc. (PWNAI) and a certain Atty. Roger Reyes appeared. Representatives from Intervenors SAC and the SP of Bacolod City failed to appear despite due notice.

Mr. Lavilla informed the Commission that he will not present any witness. According to him, he had already relayed this information to the Commission during the previous hearing of this case. Atty. Russel Alabado, a collaborating counsel for the Applicants, confirmed the information. The Commission noted Mr. Lavilla's manifestation and Atty. Alabado's confirmation. On the other hand, the Commission declared Intervenors SP of Bacolod City and SAC to have waived their right to present their respective evidence and the case was submitted for resolution.

The representative of PWNAI and Atty. Reyes (the latter appeared late) manifested that they were opposing herein Application. The PWNAI representative submitted a copy of its opposition. He was informed that the Commission has already declared, upon motion by the Applicants, general default against all other adverse parties to this Application. The said representative readily acknowledged and admitted the Commission's position. On the other hand, Atty. Reyes was advised by the Commission to submit his opposition within ten (10) days from the date of the said hearing, but failed to do so.

On several occasions, pursuant to the directive of the Commission, Applicants submitted additional documents necessary in evaluating this Application by way of a compliance with copies duly furnished to other parties.

On 02 May 2017, the Commission deliberated and decided the instant Application. However, due to a supervening event², the *Decision* could no longer be promulgated without undergoing

² The Chairman was placed on preventive suspension as per Order of the Office of the President (OP-DC Case No. 17-D-094) dated 02 May 2017 and received on 04 May 2017.

reconfirmation by the Commission *En Banc*. Thus, the Commission resolved to reconfirm the same on 27 June 2017.

ISSUES

1. Finality of the Load Factor-Based Pricing Scheme on a Monthly Reconciliation of the Unaccepted Contract Quantity; and
2. Recovery of the unpaid unaccepted contract quantity from 26 July 2011 to 25 November 2013.

DISCUSSION

The Commission approves herein Application.

1. Commission's Provisional Approval of CENECO and KSPC's Joint Application.

In the Commission's Order dated 09 September 2013, it discussed and provisionally approved the subject Application as follows:

***WHEREFORE**, the foregoing premise considered, the Commission hereby provisionally authorizes CENECO and KSPC to implement the Load Factor-based Pricing Scheme on a Monthly Reconciliation of the Unaccepted Contract Quantity of their Supplemental Agreement effective next billing cycle upon receipt hereof.*

Further, CENECO is directed to submit a report on its monthly payment to KSPC and collections from its consumers together with the requirements under the Automatic Generation Rate Adjustment (AGRA) Mechanism.

*The proposed recovery of the unpaid intermediate reserved quantity from July 26, 2011 to February 25, 2013, amounting to **PhP159,108,623.00** is hereby deferred pending the submission of supporting documents to substantiate the same.*

2. Summary of the Supplemental Agreement

Additional Contract Quantity. In reference to Article 6.1 and subject to the same terms of the PSC, KSPC shall deliver or cause the delivery to CENECO the additional

capacity of 24,000 kW. Since the power plant is base plant, the 24,000 kW technically translates to an annual energy of 210,240,000 kWh. The additional 24MW power supply shall be in addition to the 40MW existing contract with KSPC to CENECO.

Effect of Supplemental Agreement. Except as specifically modified in the Supplemental Agreement in the Power Supply Contract (SAPSC), all terms and provisions in the PSC as well as Amendment thereto shall remain in full force and effect.

In CENECO's letter dated 30 July 2011 addressed to KSPC, the former provided additional condition that the *additional 24MW contracted capacity should be treated either as base load or intermediate load, in whole or in part at the option of CENECO in accordance with a load pricing table for each billing month.* The pricing table shall be based on the Commission-approved 40 MW contract.

On even date, KSPC confirmed the above additional condition.

3. The intermediate contract quantity and the Application for the monthly reconciliation of the load factor pricing scheme

After the parties entered into an SA for the additional 24MW capacity, CENECO applied the additional capacity as either **baseload** or **intermediate** load at the option of CENECO. The parties also agreed to the payment for this intermediate load based on the adjusted KSPC base price and the actual load factor of CENECO for the month in accordance with the load-factor based pricing table.

In a letter dated 28 November 2011, the Commission confirmed that the increase in the contracted capacity as provided for in Article 6 of the PSC and the reconciliation and charging for the unconsumed contract quantities pursuant to Article 6.2.2 (iii) (f) thereof, as well as the recovery of the corresponding generation costs from CENECO's customers, may be implemented by the parties without the need for further review and approval by the Commission.

However, with respect to the monthly reconciliation of the recovery of the intermediate reserved quantity, the Commission held that the implementation of the load factor based pricing scheme or the implementation of Article 6.2.2 (iii) (f) on a monthly basis was not

previously included in the Commission’s review and approval in ERC Case No. 2007-138 RC. Thus, the same cannot validly be implemented without the Commission’s prior approval. Hence, the parties should submit the same to the Commission for review and approval.

Based from the above letter of the Commission, KSPC started negotiating with CENECO on the settlement of the intermediate reserved quantity on the 24 MW SAPSC. CENECO, however, refused to pay the intermediate reserved quantity based on KSPC’s annual reconciliation. Instead, CENECO’s Board issued a Resolution on 24 November 2012 for the filing of an “ERC application converting the 24 MW additional contract quantity from base load to intermediate load with a load-factor based pricing table for each billing month.”

Based on CENECO’s submitted documents dated 03 November 2015, its unaccepted contract quantity reached 59,710,493 kWh as shown on the table below:

Table 1: Summary of the Unaccepted Quantity

Summary of 24MW PSC-SA Unaccepted Quantity (kWh)			
Billing Period	Contract Quantity (A)	Actual Nomination (B)	Unnominated Quantity (C) = (A - B)
Jul 26 - Aug. 25, 2011	17,832,000.00	14,856,000.00	2,976,000.00
Aug. 26 - Sep. 25, 2011	17,856,000.00	14,880,000.00	2,976,000.00
Sep. 26 - Oct. 25, 2011	9,552,000.00	8,016,000.00	1,536,000.00
Oct. 26 - Nov. 25, 2011	11,739,000.00	9,819,000.00	1,920,000.00
Nov. 26 - Dec. 25, 2011	17,280,000.00	15,168,000.00	2,112,000.00
Dec. 26 - Jan. 25, 2012	17,856,000.00	15,483,000.00	2,373,000.00
Jan. 26 - Feb. 26, 2012	5,184,000.00	4,366,507.00	817,493.00
TOTAL	97,299,000.00	82,588,507.00	14,710,493.00
Total Unaccepted Quantity (D)		kWh	14,710,493.00

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Summary of 24MW PSC-SA Unaccepted Quantity (kWh)			
Billing Period	Contract Quantity (A)	Actual Nomination (B)	Unnominated Quantity (C) = (A - B)
Feb. 26 - Mar. 25, 2012	11,299,000.00	10,339,000.00	960,000.00
Mar. 26 - Apr. 25, 2012	17,748,000.00	14,772,000.00	2,976,000.00
Apr. 26 - May 25, 2012	17,136,000.00	14,280,000.00	2,856,000.00
May 26 - Jun. 25, 2012	15,840,000.00	13,128,000.00	2,712,000.00
Jun. 26 - Jul. 25, 2012	5,928,000.00	5,928,000.00	-
Jul. 26 - Aug. 25, 2012	16,992,000.00	13,632,000.00	3,360,000.00
Aug. 26 - Sep. 25, 2012	17,856,000.00	14,136,000.00	3,720,000.00
Sep. 26 - Oct. 25, 2012	16,704,000.00	13,344,000.00	3,360,000.00
Oct. 26 - Nov. 25, 2012	13,248,000.00	11,448,000.00	1,800,000.00
Nov. 26 - Dec. 25, 2012	11,808,000.00	11,352,000.00	456,000.00
Dec. 26 - Jan. 25, 2013	17,856,000.00	16,536,000.00	1,320,000.00
Jan. 26 - Feb. 26, 2013	17,856,000.00	14,880,000.00	2,976,000.00
TOTAL	180,271,000.00	153,775,000.00	26,496,000.00

Total Unaccepted Quantity (D) kWh **26,496,000.00**

Summary of 24MW PSC-SA Unaccepted Quantity (kWh)			
Billing Period	Contract Quantity (A)	Actual Nomination (B)	Unnominated Quantity (C) = (A - B)
Feb. 26 - Mar. 25, 2013	16,128,000.00	13,776,000.00	2,352,000.00
Mar. 26 - Apr. 25, 2013	13,536,000.00	12,192,000.00	1,344,000.00
Apr. 26 - May 25, 2013	14,976,000.00	13,128,000.00	1,848,000.00
May 26 - Jun. 25, 2013	17,856,000.00	15,252,000.00	2,604,000.00
Jun. 26 - Jul. 25, 2013	17,280,000.00	14,760,000.00	2,520,000.00
Jul. 26 - Aug. 25, 2013	16,658,400.00	14,006,400.00	2,652,000.00
Aug. 26 - Sep. 25, 2013	16,140,000.00	13,740,000.00	2,400,000.00
Sep. 26 - Oct. 25, 2013	9,216,000.00	9,024,000.00	192,000.00
Oct. 26 - Nov. 25, 2013	16,459,000.00	13,867,000.00	2,592,000.00
TOTAL	138,249,400.00	119,745,400.00	18,504,000.00

Total Unaccepted Quantity (D) kWh **18,504,000.00**

GRAND TOTAL **59,710,493.00**

KSPC was amenable to CENECO's suggestion to have this agreement approved by the ERC and should be billed for the unpaid intermediate reserved quantity based on the 75% load-factor based pricing scheme and the reconciliation of the same should be done on a monthly basis. Allegedly, CENECO is also in the best position to know how it will operate its business and, consequently, how it can pass on to its consumers the cost of power from KSPC.

4. Urgent Motion to Resolve and Allow Applicant to Collect the Unaccepted Contract Quantity

On several occasions³, KSPC filed an Urgent Motion to Resolve and Allow to Collect the Unaccepted Contract Quantity.

In its Compliance filing dated 12 October 2015, KSPC gave an explanation on its action on the capacity pertaining to the un-accepted contract quantity, to wit:

- a. The 24MW Supplemental Contract of CENECO was made available and reserved by KSPC for CENECO alone. Applicant KSPC cannot sell or reserve this contract quantity to any other customer since the parties have a binding contract. When CENECO chose not to nominate the agreed upon contract quantity, applicant KSPC did not generate the un-nominated capacity and had no other option but to load-down its generation. Hence, the un-accepted capacity was not sold to any other distribution utilities;
- b. CENECO not nominating the capacity based on the 24 MW Supplemental Agreement, KSPC loads down its generation. [sic] KSPC failed to realize the revenue it has already taken into account for its return of investment as well as the computation of its rate already approved by this Honorable Commission;
- c. With CENECO's nomination strategy, KSPC cannot take advantage of trading the unaccepted capacity in the WESM because during off peak times [,] the prices are relatively low. KSPC however was constrained to generate any electricity intended for CENECO; and
- d. The 75% [sic] will account for the percentage that must be recovered to maintain the continued plant operation and to cover KSPC's obligations during the contract period. Even when CENECO lowered their load nominations, KSPC still maintains and incur expenses (e.g. operational cost, labor cost, maintenance cost, financing obligations and other similar costs).

In its Compliance filing dated 03 November 2015, KSPC submitted the following supporting documents:

- a. Schedule of Collectibles from CENECO unaccepted Contract Quantity for the billing periods of July 2011 to November 2013, with a five (5) year recovery schedule;

³ 04 December 2014; 09 June 2015, and 16 February 2016.

- b. Documents for the first contract year unaccepted contract quantity consisting of: 1. Letter of advice from KSPC to CENECO; 2. Credit memos; 3. Power bills; and 4. Energy graphs and schedules;
- c. Documents for the second contract year unaccepted contract quantity consisting of: 1. Letter of advice from KSPC to CENECO; 2. Credit memos; 3. Power bills; and 4. Energy graphs and schedules;
- d. Documents for the second contract year unaccepted contract quantity consisting of: 1. Letter of advice from KSPC to CENECO; 2. Credit memos; 3. Power bills; and 4. Energy graphs and schedules;
- e. KSPC Return of Investment; and
- f. KSPC Historical Heat Rate and Coal Consumption Rate.

KSPC alleged that the term of the PSC is only for ten (10) years starting from the date of its commercial operation on 28 February 2011 to 31 May 2021. Clearly, there is only a little over five years left before the expiration of the contract. It is for this reason that it would be for the best interest of both KSPC and CENECO that the collection on the unpaid unaccepted contract quantities be satisfied within the term of the PSC.

5. The Commission's Evaluation of the Application

A. Energy in Excess of the Contract Quantity

The provisions in the Applicants PSC, which was approved by the Commission on 16 February 2009, was the basis for the 24MW Supplemental Agreement at a base price of PhP4.2511/kWh, to wit:

Article 6.5 Energy in Excess of Contract Quantity. The Seller may, but not obliged to, make available to the Buyer energy in excess of the Contract Quantity, upon written request of the Buyer. If the Seller agrees to grant such request and makes available to the Buyer the energy requested in excess of the Contract Quantity, the Buyer shall pay thereof and amount computed in accordance with the provision of Article 7.2.

This was affirmed by the Commission in its letter dated 24 February 2009 that the parties may increase the contracted quantity without need for further approval:

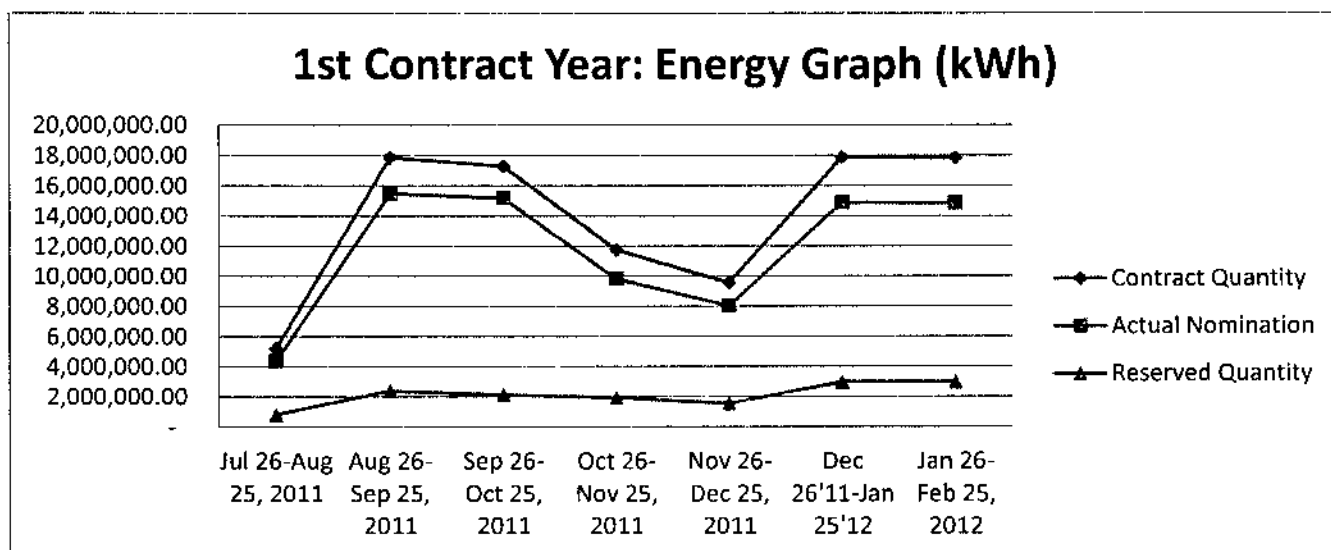
A thorough review of your PSC with the said distribution utilities (DUs), particularly Articles 6.5 and 7.2, disclosed that the parties thereto may agree to energy off-takes higher than the Contracted Quantity, subject to the payment of the price stipulated therein. *Such stipulations, being part of the PSC submitted to and approved by the Commission, are deemed part of the Commission's approval and thus would not require further approval of the Commission.* (Italics supplied)

The intention of the parties to negotiate for additional capacity was made prior to the SA, through exchange of side letters. On 25 July 2011, KSPC conveyed to CENECO that 24MW capacity of its plant is available upon written request by the latter. CENECO, through its Board Resolution No. 9516 dated 29 July 2011, approved to enter into a supplemental contract with KSPC for an additional 24MW, under the same terms and conditions with the Commission-approved 40MW contract. On even date, the parties executed and signed the SAPSC.

It can be inferred from Table 1, that KSPC started to deliver to CENECO its 40MW capacity in February 2011 and the latter started nominating for the additional 24MW in August of the same year.

On its first contract year from August 2011 to February 2012, CENECO's average energy nomination on the additional capacity was at an average of 11,798,358 kWh, as shown in the graph hereunder:

Graph 1: 1st Contract Year



B. KSPC's proposal to revise Article 6.2.2 (iii) (f) of the original PSC

KSPC recognizes CENECO's concern to take in all the 24MW as base load, which the former offers that the energy that cannot be accommodated as baseload shall be dispatched as intermediate load, in accordance with a load factor based pricing table *for each billing month*. CENECO accepted KSPC's proposal and made it an integral part of its Board Resolution No. 9516 dated 29 July 2011 under item no. 2, viz:

As initially agreed with your Company, the 24MW shall be treated either as base load or intermediate load, in whole or in part at the option of CENECO in accordance with a load factor based pricing table for each billing month which you earlier provided us. Subject pricing table shall be based on ERC approved 40MW contract as amended...

The sample of the said pricing table was provided by KSPC to CENECO for the billing month of June 2011 as shown in Annex "A" hereof.

Meanwhile, Article 6.2.2 (iii) (f) of the original PSC, states that:

*The Parties shall within twenty (20) days from the end of the preceding Contract Year, **reconcile the total Final HCQs for the preceding Contract Year with the Contract Quantity for that Contract Year.***

*If, for reasons other than Force Majeure, the total of the Final HCQs for the preceding Contract Year **is less than the Contract Quantity for that Contract Year, then the unaccepted Contract Quantity shall be deemed to have been delivered to the Buyer and Buyer shall pay for such Contract Quantity deemed delivered at seventy-five (75%) of the adjusted KSPC Price for the last Billing Month of the Contract Year xxx as computed in accordance with Article 7.2.***

In the Applicants' letter dated 13 September 2011, KSPC and CENECO sought clarification from the Commission with regard to the revision of schedule for reconciliation of billing for the unaccepted contract quantity (from yearly to monthly basis) under a load factor-based pricing scheme. The following concerns or issues were raised by the Applicants, which led to the revision of their schedule of reconciliation:

- a) The parties recognized that there may be occasion when the 24 MW additional capacity may not be dispatched in full on the 24-hour basis. However,

the said capacity will eventually be dispatched in full on a 24-hour basis as CENECO's base load requirements increase in the years ahead; and

- b) The implementation of the provision may result in a significant amount payable at the end of each year, since the unaccepted Contract Quantity from the first to last month are accumulated at the end of the year.

Hence, the parties have agreed that the foregoing rate computation in Article 6.2.2 (iii)(f) of the approved PSC (expressed in terms of load factor) shall only apply to unaccepted energy. The basis of the computation remains the same and the results are identical in any case. There was no deviation from the rate structure previously approved by the Commission.

The Commission verified the adjusted base price of PhP5.0222/kWh of the load factor scheme whether such was in accordance with the ERC-approved contract price of the 40MW original contract by using the formula below:

$$K_{adj} = ((0.540 + 0.065 * (FCP_n / FCP_o)) * 0.305 * (CF_n / CF_o)) * (FX_n / FX_o) + (0.090 * (LCP_n / LCP_o))$$

Using the above-cited adjustment formula, it yields the following:

CFR =	4.2511	0.54	x	$\frac{FX_n}{FX_o}$	=	4.2511	0.54	x	$\frac{43.486}{40.65}$	=	2.4557
						4.2511	0.54	x	1.0697663		
Fuel Fee =	4.2511	0.305	x	$\frac{CF_n}{CF_o}$	x	$\frac{FX_n}{FX_o}$					
Fuel Fee =	4.2511	0.305	x	$\frac{67.77}{57.57}$	x	$\frac{43.486}{40.65}$					
	4.2511	0.305	x	1.289	x	1.07				1.7881	

US O/M -	4.2511	0.065	x	FCP _n	x	FX _n				
				FCP _o		FX _o				
US O/M -	4.2511	0.065	x	CPI _n	+	PPI _n	$\frac{1}{2}$	x	FX _n	
				CPI _o		PPI _o	$\frac{1}{2}$		FX _o	
US O/M -	4.2511	0.065	x	115.2	+	128.8	1	x	43.486	=
				108.1		115	2		40.65	
	4.2511	0.065	x	1.066	+	1.12	0.3	x	1.0698	0.3231
US PHP -	4.2511	0.090	x	FCP _n						
				FCP _o						
US PHP -	4.2511	0.090	x	GWPI _n	-	PhCPI _n	$\frac{1}{2}$			
				GWPI _o		PhCPI _o	$\frac{1}{2}$			
US PHP -	4.2511	0.090	x	649.5	+	173.1	1			
				540.9		146.8	2			
	4.2511	0.090	x	1.201	+	1.170	0.11		0.4552	
Total KSPC Price		5.0222		PhP/kWh						

The Commission approved the KSPC price of PhP4.2511/kWh in a Decision dated 16 February 2009. It however adjusted the base price by making use of information indices such as United States Consumer Price Index (U.S. CPI), U.S. Producers' Price Index (PPI), Philippine Peso (PhP) CPI, PhP General Wholesale Price Index (GWPI), Coal Index, and Delivery Index for the month of June 2011.

Table 2: Adjusted KSPC Price:

	Applied Index	ERC Approved	June 2011
	Forex	40.65	43.486
(Recent data of each billing period)	US CPI	108.08	115.16
	US PPI	114.99	128.84
	PhP CPI	146.8	173.1
	PhP GWPI	540.9	649.5
	Coal Index	83.23	127.87
	Delivery Index	0.8018	0.8248
	Fuel Price	Coal	42.38
Delivery (Transportation)		21.14	25.18
Fuel total		52.57	67.77
PSC Price	CRF	2.2958	2.4557
	Fuel Cost	1.2962	1.7881
	O&M(USD)	0.2782	0.3231
	O&M(PhP)	0.3809	0.4553
	Total	4.2511	5.0222

Further, in order to compute for a load factor-based pricing scheme for CENECO, the formula hereunder was followed:

$$((\text{ACTUAL NOMINATION} \times \text{KSPC price}) + (\text{CONTRACTED CAPACITY} - \text{ACTUAL NOMINATION}) \times \text{KSPC PRICE} \times 75\%)) / \text{ACTUAL NOMINATION}$$

Per KSPC sample price table, at 100% Load Factor (LF), the Actual Energy Demand or the Contracted Capacity (CC) is 576,000. Assuming CENECO nominated only 85% or 489,600 of its CC, the effective price would be PhP 5.6869/kWh, as follows:

$$((489,600 \text{ kWh} \times \text{PhP}5.0222/\text{kWh}) + (576,000 \text{ kWh} - 489,600 \text{ kWh}) \times \text{PhP}5.0222 \text{ kWh} \times .75)) / 489,600 \text{ kWh} = \text{PhP}5.6869/\text{kWh}$$

Thus, if CENECO nominated only 489,600kWh at PhP5.6869/kWh, then, it has to pay a monthly adjusted price of **PhP2,784,306.25**. The same result would be obtained if the yearly reconciliation formula was applied under Article 6.2.2 (iii) (f), to wit:

$$\begin{aligned} 489,600 \text{ kWh} \times \text{PhP}5.0222/\text{kWh} &= \text{PhP}2,458,869.12 \\ (576,000 \text{ kWh} - 489,600 \text{ kWh}) &= 86,400 \text{ kWh} \\ 86,400 \text{ kWh} \times (\text{PhP}5.0222 \times .75) &= \text{PhP}325,438.56 \\ \text{thus, } (\text{PhP}2,458,869.12 + \text{PhP}325,438.56) &= \text{PhP}2,784,307.68 \end{aligned}$$

The reconciliation shall be done on a monthly basis instead of annually, in order for an immediate adjustment or reconciliation of any unutilized contracted energy and to implement such adjustment within the same billing month. Such scheme will not affect KSPC's effective rate. Allowing KSPC to implement the Load Factor Based Pricing Scheme on a monthly reconciliation of the un-accepted contract quantity of their SA definitely lessens the impact of the amount to be collected from CENECO's member-customers, as compared to the previous annual reconciliation.

C. Recovery of the unpaid and un-accepted contract quantity

On 09 September 2013, the Commission provisionally authorized KSPC and CENECO to implement the Load Factor-Based Pricing Scheme on a Monthly Reconciliation of the Unaccepted Contract Quantity. Considering that CENECO drew additional 24MW power from KSPC on August 2011, the period with which to recover the unpaid amount of the un-accepted contract quantity was from August 2011 to November 2013, as follows:

Table 3. Un-accepted Quantity

CY	Billing Period (in billing cycle)	Un-accepted Quantity (kWh)
1st	July 26, 2011 - February 25, 2012	14,710,493
2nd	February 26, 2012 – February 25, 2013	26,496,000
3rd	February 26, 2013 – November 25, 2013	18,504,000

Table 3 reflects the un-accepted contract quantity per year. The Commission verified the intermediate reserve quantity based on the following data or information:

- a. Letter advice from KSPC to CENECO;
- b. Credit memos;
- c. Power bills; and
- d. Energy graphs and schedules

The unpaid amount corresponds to the period when KSPC and CENECO entered into a supplemental agreement, up to the month prior to the issuance of the provisional authority to adopt the Load Factor-Based Pricing Scheme.

The reconciliation of the unpaid amount (prior to the PA) is still on a yearly basis based on the provisions of Article 6.2.2 (iii) (f) of the original PSC.

The procedure described in Item 5.B⁴ was adopted in arriving at the adjusted KSPC price on a per contract year, as presented in the succeeding Table 4. Likewise, the Commission used parameters (using the same formula aforesaid) in checking whether the KSPC yearly adjusted rate is correct, as follows:

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⁴ KSPC's proposal to revise Article 6.2.2 (iii) (f) of the original PSC.

Classification		ERC Approved	Feb-12	Feb-13	Nov-13
		BASE	Q1 2012	Q1 2013	Q4 2013
Applied Index	Forex	40.65	42.768	40.718	43.855
(Recent data of each billing period)	US CPI	108.08	115.56	117.57	119.90
	US PPI	114.99	127.19	128.02	129.61
	Php CPI	106.6	128.10	132.00	135.20
	Php GWPI	540.9	700.9	675.60	712.40
	Coal Index	83.23	115.42	87.42	78.00
	Delivery Index	0.8018	0.9148	0.9159	0.9357
Fuel Price	Coal	42.38	38.44	29.12	25.98
	Delivery (Transportation)	21.14	25.92	25.93	26.10
	Fuel total	52.57	64.36	55.05	52.08
PSC Price	CRF	2.2958	2.4152	2.2994	2.4766
	Fuel Cost	1.2962	1.6701	1.3600	1.3858
	O&M(USD)	0.2782	0.3162	0.3046	0.3334
	O&M(Php)	0.3809	0.4778	0.4758	0.4946
	Total	4.2511	4.8793	4.4399	4.6903

The succeeding tables represent the summary of the billing adjustment:

Table 4: Recoverable amount of un-accepted quantity

Summary of 24MW PSC-SA Unaccepted Quantity (kWh)			
Billing Period	Contract Quantity (A)	Actual Nomination (B)	Unnominated Quantity (C) = (A - B)
Jul 26 - Aug. 25, 2011	5,184,000.00	4,366,507.00	817,493.00
Aug. 26 - Sep. 25, 2011	17,856,000.00	15,483,000.00	2,373,000.00
Sep. 26 - Oct. 25, 2011	17,280,000.00	15,168,000.00	2,112,000.00
Oct. 26 - Nov. 25, 2011	11,739,000.00	9,819,000.00	1,920,000.00
Nov. 26 - Dec. 25, 2011	9,552,000.00	8,016,000.00	1,536,000.00
Dec. 26 - Jan. 25, 2012	17,856,000.00	14,880,000.00	2,976,000.00
Jan. 26 - Feb. 26, 2012	17,832,000.00	14,856,000.00	2,976,000.00
TOTAL	97,299,000.00	82,588,507.00	14,710,493.00
Total Unaccepted Quantity (D)		kWh	14,710,493.00
KSPC Power Rate for February 2012 (E)		PhP/kWh	4.8792
75% KSPC Power Rate (F) = (E) x 75%		PhP/kWh	3.6594
Revenue : (G) = (D) x (F)		PhP	53,831,578.08
Total Amount Recovered = Revenue x 12% VAT			60,291,367.45

Summary of 24MW PSC-SA Unaccepted Quantity (kWh)			
Billing Period	Contract Quantity (A)	Actual Nomination (B)	Unnominated Quantity (C) = (A - B)
Feb. 26 - Mar. 25, 2012	11,299,000.00	10,339,000.00	960,000.00
Mar. 26 - Apr. 25, 2012	17,748,000.00	14,772,000.00	2,976,000.00
Apr. 26 - May 25, 2012	17,136,000.00	14,280,000.00	2,856,000.00
May 26 - Jun. 25, 2012	15,840,000.00	13,128,000.00	2,712,000.00
Jun. 26 - Jul. 25, 2012	5,928,000.00	5,928,000.00	-
Jul. 26 - Aug. 25, 2012	16,992,000.00	13,632,000.00	3,360,000.00
Aug. 26 - Sep. 25, 2012	17,856,000.00	14,136,000.00	3,720,000.00
Sep. 26 - Oct. 25, 2012	16,704,000.00	13,344,000.00	3,360,000.00
Oct. 26 - Nov. 25, 2012	13,248,000.00	11,448,000.00	1,800,000.00
Nov. 26 - Dec. 25, 2012	11,808,000.00	11,352,000.00	456,000.00
Dec. 26 - Jan. 25, 2013	17,856,000.00	16,536,000.00	1,320,000.00
Jan. 26 - Feb. 26, 2013	17,856,000.00	14,880,000.00	2,976,000.00
TOTAL	180,271,000.00	153,775,000.00	26,496,000.00

Total Unaccepted Quantity (D)	kWh	26,496,000.00
KSPC Power Rate for February 2013 (E)	PhP/kWh	4.4399
75% KSPC Power Rate (F) = (E) x 75%	PhP/kWh	3.3299
Revenue : (G) = (D) x (F)	PhP	88,229,692.80
Total Amount Recovered = Revenue x 12% VAT		98,817,255.94

Summary of 24MW PSC-SA Unaccepted Quantity (kWh)			
Billing Period	Contract Quantity (A)	Actual Nomination (B)	Unnominated Quantity (C) = (A - B)
Feb. 26 - Mar. 25, 2013	16,128,000.00	13,776,000.00	2,352,000.00
Mar. 26 - Apr. 25, 2013	13,536,000.00	12,192,000.00	1,344,000.00
Apr. 26 - May 25, 2013	14,976,000.00	13,128,000.00	1,848,000.00
May 26 - Jun. 25, 2013	17,856,000.00	15,252,000.00	2,604,000.00
Jun. 26 - Jul. 25, 2013	17,280,000.00	14,760,000.00	2,520,000.00
Jul. 26 - Aug. 25, 2013	16,658,400.00	14,006,400.00	2,652,000.00
Aug. 26 - Sep. 25, 2013	16,140,000.00	13,740,000.00	2,400,000.00
Sep. 26 - Oct. 25, 2013	9,216,000.00	9,024,000.00	192,000.00
Oct. 26 - Nov. 25, 2013	16,459,000.00	13,867,000.00	2,592,000.00
TOTAL	138,249,400.00	119,745,400.00	18,504,000.00

Total Unaccepted Quantity (D)	kWh	18,504,000.00
KSPC Power Rate for November 2013 (E)	PhP/kWh	4.6902
75% KSPC Power Rate (F) = (E) x 75%	PhP/kWh	3.5177
Revenue : (G) = (D) x (F)	PhP	65,090,595.60
Total Amount Recovered = Revenue x 12% VAT		72,901,467.07

GRAND TOTAL RECOVERY **232,010,090.46**

Considering that there are only three years left before the expiration of the contract, the total amount to be refunded is to be recovered within a period of fifty (50) months. It is for this reason

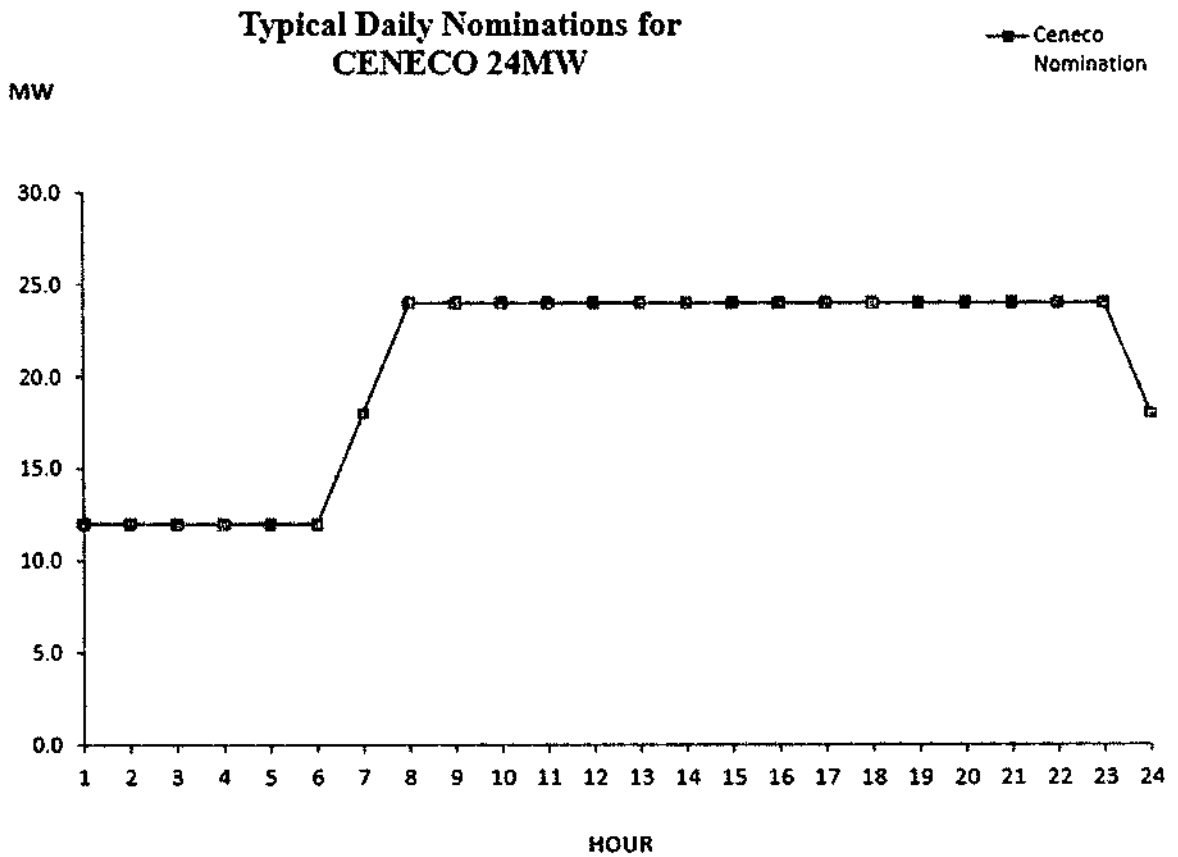
that it would be for the best interest of both KSPC and CENECO that the collection on the unpaid un-accepted contract quantities be satisfied within the term of the PSC. CENECO's 2016 actual energy sale of 681,927,845 kWh was used as the billing determinant.

Particulars	Total Amount of Refund	Total kWh Sales	Refund in PhP/kWh
@ 6 months	232,010,090.46	340,963,922	0.6805
@ 12 months	232,010,090.46	681,927,845	0.3402
@ 18 months	232,010,090.46	1,022,891,767	0.2268
@ 24 months	232,010,090.46	1,363,855,690	0.1701
@ 36 months	232,010,090.46	2,045,783,535	0.1134
@ 42 months	232,010,090.46	2,386,747,457	0.0972
@ 48 months	232,010,090.46	2,727,711,380	0.0851
@ 50 months	232,010,090.46	2,841,366,020	0.0817

D. Trading the Unaccepted Energy in the Market

The table below shows the typical daily nomination of CENECO of the 24MW contract capacity.

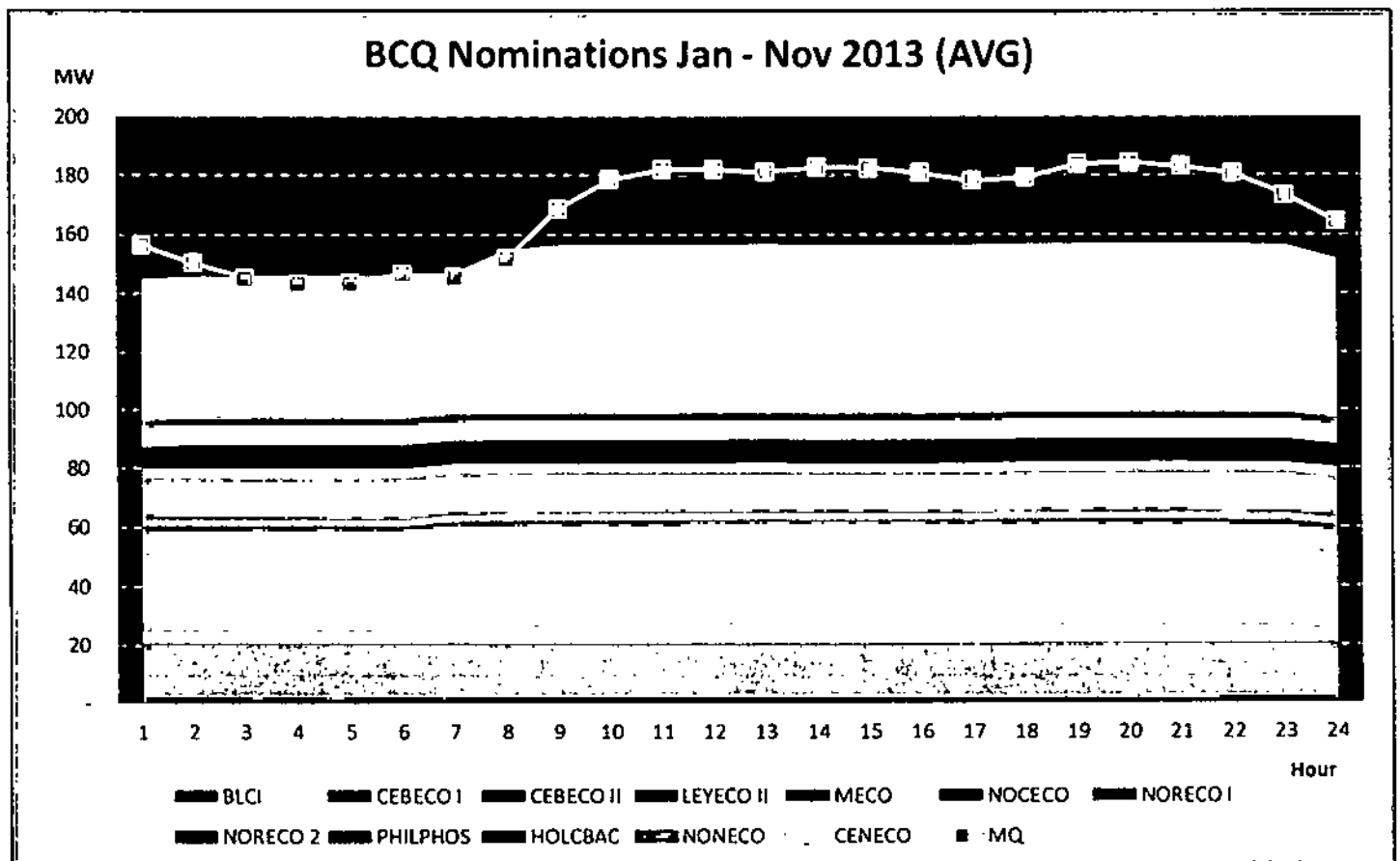
Table 5: CENECO's daily nomination



CENECO's load nomination from July 2011 to November 2013 is reflective of the above daily nomination, which it had incurred the un-accepted capacity. It can be inferred from the above table that when CENECO's load demand was at its lowest, it is part of its strategy to minimize its exposure to the market by not nominating from KSPC during off-peak. During peak hours, where CENECO's load was at its highest, CENECO nominates the full 24MW contract capacity.

With such scheme, KSPC cannot take advantage of trading the un-accepted capacity in the Wholesale Electricity Spot Market (WESM) because during off-peak hours the prices are relatively low. Thus, KSPC was constrained not to generate any electricity intended for CENECO during off-peak hours as reflected in table 6 hereunder:

Table 6: BCQ Nominations



By loading down its generation, KSPC failed to realize the revenue it had already taken into account, which was likewise considered by the Commission when it set the KSPC rates. Moreover, the 75% of KSPC's adjusted price would account for the percentage that must be recovered to maintain the continued plant operation and to cover KSPC's obligations during the contract period.

Since the 24 MW is within the intermediate load, it is expected that CENECO would not be able to off-take all the minimum contracted energy (energy used in deriving the rates). However, it should be emphasized that CENECO never failed to utilize the 24MW in any billing month, which only shows that the 24MW contracted capacity is within CENECO's power requirements.

The Commission has a mandate to protect the interest of the electricity consumers insofar as they are affected by the rates, by ensuring that the tariffs imposed are consistent with the principle of full recovery of prudent and reasonable costs.

A thorough evaluation of the instant Application disclosed that the same will redound to the benefit of CENECO's member-consumers in terms of affordability and efficient supply of power within its franchise area as mandated by Section 2(b), Chapter 1 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), to wit:

Section 2. Declaration of Policy –

(b) to ensure the quality, reliability, security and affordability of the supply of electric power;

WHEREFORE, the foregoing premises considered, the Application filed by Central Negros Electric Cooperative, Inc. (CENECO) and KEPCO SPC Power Corporation (KSPC) for the approval and confirmation of the Load Factor-Based Pricing Scheme on a Monthly Reconciliation of the Unaccepted Contract Quantity of their Supplemental Agreement, with motion for the issuance of provisional authority is hereby **APPROVED**, subject to the following conditions:

- a. The implementation of the Load Factor-Based Pricing Scheme on a Monthly Reconciliation of the Unaccepted Contract Quantity of the SA between KSPC and CENECO is **finally** approved;
- b. CENECO is directed to pay KSPC for the recovery of the unpaid un-accepted contract quantity from 26 July 2011 to 25 November 2013, the total amount of Two Hundred Thirty Two Million Ten Thousand and Ninety Pesos (**PhP232,010,090.00**);

- c. Accordingly, CENECO is authorized to recover from its consumers the amount of PhP232,010,090.00 at a monthly rate of **PhPo.0817/kWh** for a period of fifty (50) months or until such time that the full amount shall have been recovered;
- d. CENECO is directed to submit to the Commission, along with the requirements under the Automatic Generation Rate Adjustment (AGRA) Rules, a report on its monthly payment to KSPC and collections from its consumers for monitoring and verification purposes; and
- e. CENECO is directed to monitor its demand and nomination on a monthly basis in order to minimize, if not, eliminate the unutilized energy in a way that said energy shall not exceed five percent (5%) of CENECO's actual nomination.

SO ORDERED.

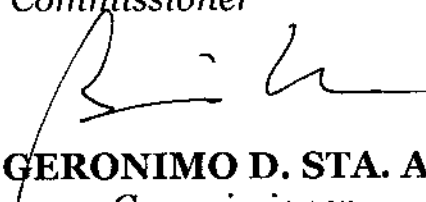
Pasig City, 27 June 2017.

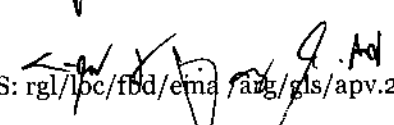
JOSE VICENTE B. SALAZAR*
Chairman and CEO


ALFREDO J. NON
Commissioner


GLORIA VICTORIA C. YAP TARUC
Commissioner


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Commissioner


GERONIMO D. STA. ANA
Commissioner


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* *Supra* note, 2.

Copy furnished:

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4. Commission on Audit
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5. The Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City
6. The House Committee on Energy
Batasan Hills, Quezon City
7. Office of the City Mayor
Bacolod City, Negros Occidental
8. Office of the LGU Legislative Body
Bacolod City, Negros Occidental
9. Office of the City Mayor
Bago City, Negros Occidental
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13. Office of the LGU Legislative Body
Talisay City, Negros Occidental
14. Office of the Municipal Mayor
Murcia, Negros Occidental
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Murcia, Negros Occidental
16. Office of the Municipal Mayor
Don Salvador Benedicto, Negros Occidental
17. Office of the LGU Legislative Body
Don Salvador Benedicto, Negros Occidental
18. Mr. Romeo Lavilla, Sr.
c/o CENECO
Mabini cor. Gonzaga Sts., Bacolod City
Negros Occidental

19. The Sangguniang Panlungsod of Bacolod
Attys. Archie Baribar & Vicente Petierre III
Sangguniang Panlungsod, Bacolod City,
Negros Occidental
20. Ms. Eleonore Cabanilla
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Mabini cor. Gonzaga Sts., Bacolod City
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21. Mr. Troy Colmenares
Mr. Neil Honeyman
Ms. Josephine Abueg
Concerned Citizens
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Mabini cor. Gonzaga Sts., Bacolod City
Negros Occidental
23. Office of the Provincial Governor
Province of Negros Occidental
24. Office of the LGU Legislative Body
Province of Negros Occidental
25. ROS-TWG2
17/F, Pacific Center Bldg.
San Miguel Ave., Ortigas, Pasig City

KSPC L AD FACTOR BASED PRICING

June 2017

LF	AED	CRF	FOM	FUEL	LOM	Kadj (init)	EF	Kadj (fin)	Adjusted Price	(w/ 12% VAT) PRICE
100%	576,000	0.4890	0.0643	0.3560	0.0907	1.0000	1.0000	1.0000	5.0222	5.6249
99%	570,240	0.4939	0.0648	0.3560	0.0914	1.0061	1.0015	1.0076	5.0602	5.6675
98%	564,480	0.4990	0.0653	0.3560	0.0921	1.0124	1.0029	1.0153	5.0991	5.7110
97%	558,720	0.5041	0.0658	0.3560	0.0928	1.0187	1.0044	1.0232	5.1387	5.7553
96%	552,960	0.5094	0.0663	0.3560	0.0935	1.0252	1.0059	1.0313	5.1791	5.8006
95%	547,200	0.5147	0.0668	0.3560	0.0943	1.0319	1.0074	1.0395	5.2204	5.8469
94%	541,440	0.5202	0.0674	0.3560	0.0950	1.0386	1.0089	1.0479	5.2626	5.8941
93%	535,680	0.5258	0.0679	0.3560	0.0958	1.0456	1.0104	1.0565	5.3057	5.9424
92%	529,920	0.5315	0.0685	0.3560	0.0966	1.0526	1.0120	1.0652	5.3497	5.9917
91%	524,160	0.5374	0.0691	0.3560	0.0974	1.0599	1.0135	1.0742	5.3947	6.0421
90%	518,400	0.5433	0.0697	0.3560	0.0983	1.0673	1.0151	1.0833	5.4407	6.0936
89%	512,640	0.5494	0.0703	0.3560	0.0991	1.0748	1.0166	1.0927	5.4877	6.1463
88%	506,880	0.5557	0.0709	0.3560	0.1000	1.0825	1.0182	1.1023	5.5358	6.2001
87%	501,120	0.5621	0.0715	0.3560	0.1009	1.0904	1.0198	1.1121	5.5850	6.2552
86%	495,360	0.5686	0.0722	0.3560	0.1018	1.0985	1.0215	1.1221	5.6354	6.3116
85%	489,600	0.5753	0.0728	0.3560	0.1027	1.1068	1.0231	1.1324	5.6869	6.3693
84%	483,840	0.5821	0.0735	0.3560	0.1037	1.1153	1.0247	1.1429	5.7397	6.4284
83%	478,080	0.5892	0.0742	0.3560	0.1046	1.1240	1.0264	1.1536	5.7937	6.4889
82%	472,320	0.5963	0.0749	0.3560	0.1056	1.1329	1.0280	1.1646	5.8490	6.5509
81%	466,560	0.6037	0.0756	0.3560	0.1067	1.1420	1.0297	1.1759	5.9057	6.6144
80%	460,800	0.6113	0.0764	0.3560	0.1077	1.1513	1.0314	1.1875	5.9639	6.6795
79%	455,040	0.6190	0.0771	0.3560	0.1088	1.1609	1.0331	1.1994	6.0235	6.7463
78%	449,280	0.6269	0.0779	0.3560	0.1099	1.1707	1.0349	1.2115	6.0846	6.8147
77%	443,520	0.6351	0.0787	0.3560	0.1110	1.1808	1.0366	1.2240	6.1473	6.8850
76%	437,760	0.6434	0.0795	0.3560	0.1122	1.1911	1.0384	1.2368	6.2117	6.9571
75%	432,000	0.6520	0.0804	0.3560	0.1134	1.2018	1.0401	1.2500	6.2778	7.0311
74%	426,240	0.6608	0.0812	0.3560	0.1146	1.2127	1.0419	1.2635	6.3455	7.1071
73%	420,480	0.6699	0.0821	0.3560	0.1159	1.2239	1.0437	1.2774	6.4153	7.1852
72%	414,720	0.6792	0.0831	0.3560	0.1172	1.2354	1.0455	1.2917	6.4870	7.2654
71%	408,960	0.6887	0.0840	0.3560	0.1185	1.2472	1.0474	1.3063	6.5607	7.3480
70%	403,200	0.6986	0.0850	0.3560	0.1199	1.2594	1.0493	1.3214	6.6365	7.4329
69%	397,440	0.7087	0.0860	0.3560	0.1213	1.2719	1.0511	1.3370	6.7145	7.5202
68%	391,680	0.7191	0.0870	0.3560	0.1227	1.2848	1.0530	1.3529	6.7947	7.6101
67%	385,920	0.7299	0.0881	0.3560	0.1242	1.2991	1.0549	1.3694	6.8774	7.7027
66%	380,160	0.7409	0.0891	0.3560	0.1257	1.3118	1.0568	1.3864	6.9626	7.7981
65%	374,400	0.7523	0.0903	0.3560	0.1273	1.3259	1.0588	1.4038	7.0504	7.8964
64%	368,640	0.7641	0.0914	0.3560	0.1290	1.3405	1.0607	1.4219	7.1409	7.9979
63%	362,880	0.7762	0.0926	0.3560	0.1307	1.3555	1.0627	1.4405	7.2344	8.1025
62%	357,120	0.7887	0.0939	0.3560	0.1324	1.3710	1.0647	1.4597	7.3308	8.2105
61%	351,360	0.8016	0.0951	0.3560	0.1342	1.3870	1.0667	1.4795	7.4304	8.3220
60%	345,600	0.8150	0.0965	0.3560	0.1361	1.4035	1.0688	1.5000	7.5333	8.4373
59%	339,840	0.8288	0.0978	0.3560	0.1380	1.4206	1.0708	1.5212	7.6397	8.5565
58%	334,080	0.8431	0.0992	0.3560	0.1400	1.4383	1.0729	1.5431	7.7498	8.6797
57%	328,320	0.8579	0.1007	0.3560	0.1420	1.4566	1.0750	1.5658	7.8637	8.8074
56%	322,560	0.8732	0.1022	0.3560	0.1441	1.4756	1.0771	1.5893	7.9817	8.9395
55%	316,800	0.8891	0.1038	0.3560	0.1464	1.4952	1.0792	1.6136	8.1040	9.0765
54%	311,040	0.9056	0.1054	0.3560	0.1486	1.5156	1.0814	1.6389	8.2308	9.2185
53%	305,280	0.9226	0.1071	0.3560	0.1510	1.5367	1.0835	1.6651	8.3624	9.3659
52%	299,520	0.9404	0.1088	0.3560	0.1535	1.5587	1.0857	1.6923	8.4991	9.5190
51%	293,760	0.9588	0.1106	0.3560	0.1561	1.5815	1.0879	1.7206	8.6411	9.6781
50%	288,000	0.9780	0.1125	0.3560	0.1587	1.6053	1.0902	1.7500	8.7889	9.8435

ALF - Actual Load Factor
 AED - Actual Energy Demand
 FOM
 LOM

Kadj (init) - Initial price adjustment
 EF - Equalizing factor
 Kadj (fin) - Final price adjustment