

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



IN THE MATTER OF THE APPLICATION FOR CONFIRMATION AND APPROVAL OF CALCULATIONS OF OVER OR UNDER-RECOVERIES IN THE IMPLEMENTATION OF AUTOMATIC COST ADJUSTMENTS AND TRUE-UP MECHANISMS FOR THE PERIOD 2015 TO 2017, PURSUANT TO ERC RESOLUTION NO. 16, SERIES OF 2009, AS AMENDED BY RESOLUTION 21, SERIES OF 2010, AND RESOLUTION 23, SERIES OF 2010,

ERC CASE NO. 2018-025 CF

LEYTE IV ELECTRIC COOPERATIVE, INC. (LEYECO IV),
Applicant.

DOCKETED
Date: JUN 22 2018
By: [Signature]

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NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 27 March 2018, Leyte IV Electric Cooperative Inc. (LEYECO IV) filed an *Application* dated 16 March 2018, seeking the confirmation and approval of the over or under-recoveries in the implementation of automatic cost adjustments and true-up mechanism for the period 2015 to 2017 pursuant to the Commission's Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010 and Resolution No. 23, Series of 2010.

LEYECO IV alleged the following in its *Application*:

1. Applicant is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Brgy. Lamak, Hilongos, Leyte;
2. It holds an exclusive franchise issued by the National Electrification Commission to operate an electric light and power distribution service in the City of Baybay and five (5) municipalities in the Province of Leyte, namely, Inopacan, Hindang, Hilongos, Bato and Matalom;

LEGAL BASIS FOR THE APPLICATION

3. ERC Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010, establishes the procedure for the automatic recovery or refund of pass through costs and the confirmation process that would govern the automatic cost adjustment and true-up mechanisms approved by the Honorable Commission, with the objective of ensuring appropriate recovery of the pass through costs in an efficient manner and to put in place a fair and transparent process for the confirmation of the automatic cost adjustments implemented by Distribution Utilities and the true-up of other pass-through charges, involving Generation Rate, Transmission Rate, System Loss Rate, Lifeline Rate Recovery, as the case may be. ERC Resolution 23, Series of 2010, on the other hand, adopts the rules implementing the discounts to qualified senior citizen end-users and subsidy from subsidizing end-users on electricity consumption.

OVER/UNDER RECOVERIES OF ALLOWABLE COST

4. Applying the formulas provided under Resolution 16, Series of 2009, as amended by Resolution 21, Series of 2010, and Resolution 23, Series of 2010, applicants made calculations of the over recoveries charged or under recoveries incurred as against its customers, in the implementation of certain automatic cost adjustments and true-up mechanisms, covering the period January 2015 to December 2017;
5. The result of its calculations are presented hereunder, as follows:

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	Allowable Cost (PhP)	Actual Revenue (PhP)	(Over)/ Under Recovery (PhP)
Generation Rate (GR)	933,469,200.87	937,800,053.97	(4,330,853.10)
Transmission Rate (TR)	133,068,608.29	133,822,212.04	(753,603.75)
System Loss Rate (SLR)	145,269,823.19	142,897,544.51	2,372,278.68
	Discount (PhP)	Subsidy (PhP)	
Lifeline Rate (LR)	16,553,320.36	(16,269,202.56)	(284,117.80)
Senior Citizen Rate	175,325.93	(182,685.63)	7,359.70
Net Results	1,195,078,986.06	1,198,067,922.33	(2,988,936.27)

SUPPORTING DATA AND DOCUMENTS

6. In support of the foregoing, applicant is submitting the following data and documents covering the period, January 2015 to December 2017, labelled together and made integral part hereof as Annex 'A', to wit:
- a) Summary of the results of individual calculations of over or under recoveries made on the subject allowable costs;
 - b) Supplier and Transmission Data Sheet;
 - c) Statistical Data Sheet;
 - d) Implemented Rates Data Sheet;
 - e) Power Bills of Power Suppliers;
 - f) Official Receipts issued by Power Suppliers;
 - g) Breakdown of Payments with Official Receipts;
 - h) Debit/Credit Memo of Power Suppliers;
 - i) NGCP Invoices;
 - j) Official Receipts issued by NGCP;
 - k) Breakdown of Payments with Official Receipts;
 - l) Debit/Credit Memo issued by NGCP;
 - m) Summary of Pilferage Cost Recoveries;
 - n) Report of Implemented Other Adjustments;
 - o) MFSR (Sections B and E);
 - p) Uniform Reportorial Requirement (URR)
 - q) Consumer Bills of Lifeliners (per level), Non-Lifeliners per (customer class) and Senior Citizens (per level).

7. Considering the foregoing, it is respectfully prayed that the cooperative's calculations of its over or under recoveries be confirmed and approved by the Honorable Commission.

PRAYER

WHEREFORE, premises considered, it is most respectfully prayed of this Honorable Commission, that after due notice and hearing, LEYECO IV's calculations of over or under recoveries in the implementation of automatic cost adjustments and true-up

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mechanisms covering the period January 2015 to December 2017, made pursuant to ERC Resolution 16, Series of 2009 as amended by Resolution 21, Series of 2010 and ERC Resolution 23, Series of 2011, be confirmed and approved, and the cooperative be allowed to refund the over recoveries or collect the under recoveries, as the case maybe, to or from its customers, summarized as follows, to wit:

	Allowable Cost (PhP)	Actual Revenue(PhP)	(Over)/Under Recovery (PhP)
Generation Rate (GR)	933,469,200.87	937,800,053.97	(4,330,853.10)
Transmission Rate (TR)	133,068,608.29	133,822,212.04	(753,603.75)
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Other reliefs, just and equitable in the premises are likewise prayed for.

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **03 September 2018 (Monday) at two o'clock in the afternoon (2:00 P.M.), at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

All persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission a verified Petition to Intervene at least five (5) days prior to the initial hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name and address;

- 2) 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
- 3) A statement of the relief desired.

All other persons who may want their views known to the Commission with respect to the subject matter of the case may file their Opposition or Comment thereon at any stage of the proceeding before Applicant rests its case, subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- 1) The name and address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

All such persons who wish to have a copy of the *Application* may request from Applicant that they be furnished with the same, prior to the date of the initial hearing. Applicant is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Application* and other pertinent records filed with the Commission during the standard office hours.

WITNESS, the Honorable Chairperson and CEO **AGNES VST DEVANADERA**, and the Honorable Commissioners **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, and **GERONIMO D. STA. ANA**, Energy Regulatory Commission, this 20th day of June 2018 in Pasig City.


JOSEFINA PATRICIA A. MAGPALE – ASIRIT
Oversight Commissioner for Legal