

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



IN THE MATTER OF THE  
APPLICATION FOR OVER OR  
UNDER-RECOVERIES IN THE  
IMPLEMENTATION OF  
AUTOMATIC COST ADJUSTMENT  
AND TRUE-UP MECHANISM  
DURING THE PERIOD 2012-2014  
PURSUANT TO ERC  
RESOLUTION NO. 16, SERIES OF  
2009 AS AMENDED BY  
RESOLUTION NO. 21, SERIES OF  
2010

ERC CASE NO. 2015-002 CF

LEYTE III COOPERATIVE, INC.,  
(LEYECO III),

Applicant

X-----X

DOCKETED

Date: MAY 26 2015

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## ORDER

On March 20, 2015, Leyte III Electric Cooperative, Inc. (LEYECO III) filed an application for over or under recoveries in the implementation of automatic cost adjustment and true-up mechanism during the period 2012 to 2014, pursuant to ERC Resolution No. 16, Series of 2009, as amended by ERC Resolution No. 21, Series of 2010.

In the said application, LEYECO III alleged, among others, the following:

1. It is an electric cooperative existing pursuant to Presidential Decree No. 269 (P.D. 269), as amended. It has its postal address at Tunga, Leyte. It may be served with the processes of the Commission through its General Manager, Allan L. Laniba whose authority is pursuant to Board

Resolution No. 2015-02-29 attached to the application as Annex "A" and made an integral part thereof;

2. It holds an exclusive franchise issued by the National Electrification Administration (NEA) to operate an electric light and power distribution service in the North-Eastern part of Leyte in the Municipalities of Carigara, Capoocan, Tunga, Barugo, San Miguel, Jaro, Alangalang, Sta Fe and Pastrana;
3. It applied the formulae provided under Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010, and has determined that the over recoveries and under recoveries incurred in its implementation of the foregoing automatic cost adjustments and true-up mechanisms for the period January 2012 to December 2014;
4. In support of the computations made, it is submitting the following data and documents, labeled together and made an integral part of the application as Annex "A", to wit:
  - a) Power Supply Data Sheet;
  - b) Statistical Data Sheet;
  - c) Implemented Rates Data Sheet;
  - d) Power Bills of Power Suppliers;
  - e) Official Receipts (O.R.) issued by Power Suppliers and/or deposit slips payment;
  - f) Debit/Credit Memo of Power Suppliers;
  - g) National Transmission Corporation (TRANSCO)/National Grid Corporation of the Philippines (NGCP) Invoices;
  - h) O. R. issued by TRANSCO/NGCP and/or deposit slips of payment;
  - i) Debit/Credit Memo issued by TRANSCO/NGCP;
  - j) DU-MO1 and DU-MO2, MFSR;
  - k) Consumer Bills of Lifeliners (per level) and Non-Lifeliners per customer class; and
  - l) Senior Citizen Subsidy.
5. The results of its calculations are presented hereunder, as follows:

|   |                           | Pass Through<br>Cost (PhP) | Actual<br>Collections (PhP) | Difference<br>(Over)/Under<br>(PhP) |
|---|---------------------------|----------------------------|-----------------------------|-------------------------------------|
| 1 | Generation Rate (GR)      | 387,181,565.76             | 369,525,504.09              | 17,656,061.68                       |
| 2 | Transmission Rate (TR)    | 89,361,313.61              | 91,658,971.43               | (2,297,657.82)                      |
| 3 | System Loss Rate<br>(SLR) | 53,759,835.06              | 63,413,237.47               | (9,653,402.41)                      |
| 4 | Lifeline Subsidy          | 2,308,832.90               | 2,481,216.31                | 172,383.41                          |
| 5 | Senior Citizen Subsidy    | 156,664.76                 | 172,537.67                  | 15,872.91                           |
|   | <b>TOTAL</b>              | <b>532,768,212.09</b>      | <b>527,251,466.97</b>       | <b>5,893,257.77</b>                 |

6. It prays that the calculations of over/under recoveries presented in the instant application be confirmed and approved, and that it be allowed to collect said under recoveries from its customers.

Finding the said application to be sufficient in form and in substance with the required fees having been paid, the same is hereby set for initial hearing, expository presentation, pre-trial conference and evidentiary hearing on **June 10, 2015 (Wednesday) at ten o'clock in the morning (10:00 A.M.) at the ERC Hearing Room, 15<sup>th</sup> Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

LEYECO III is hereby directed to cause the publication of the attached Notice of Public Hearing, at its own expense, once (1x) in a newspaper of general circulation in the Philippines, at least ten (10) days before the scheduled date of initial hearing. It is also directed to inform the consumers within its franchise area, by any other means available and appropriate, of the filing of the instant application, its reasons therefor and of the scheduled hearing thereon.

Let copies of the application, this Order and the attached Notice of Public Hearing be furnished the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire, to send their duly authorized representatives at the scheduled hearing.

Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished the Offices of the Provincial Governor of Leyte and the Municipal Mayors within LEYECO III's franchise area for the appropriate posting thereof on their respective bulletin boards.

LEYECO III is hereby directed to furnish all those making requests therefor with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, LEYECO III must submit to the Commission its written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences on the actual posting and publication of the Notice of Public Hearing consisting of certifications issued to that effect, signed by the afore-mentioned Governor and Municipal Mayors or their duly authorized representatives, bearing the seals of their offices, and the affidavit of the Editor or Business Manager of the newspapers where the said Notice of Public Hearing was published together with the complete issue of the said newspaper, and such other proofs of compliance with the requirements of the Commission.

LEYECO III and all interested parties are directed to submit, at least five (5) days before the date of initial hearing and pre-trial conference, their respective Pre-trial Briefs containing, among others:

- a) A summary of admitted facts and proposed stipulation of facts;
- b) The issues to be tried or resolved;
- c) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- d) The number and names of the witnesses, with their written testimonies in an individual affidavit form, to be attached to the Pre-trial Brief.

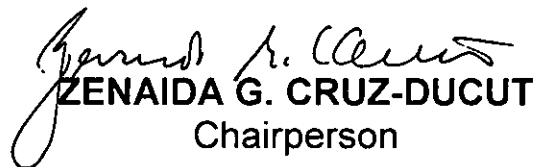
Failure of LEYECO III to submit the required Pre-trial Brief and Judicial Affidavits of its witnesses within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from said date of cancellation.

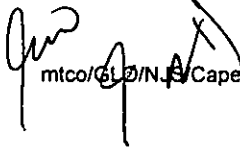
As part of the pre-trial conference, LEYECO III must also be prepared to make an expository presentation of its application, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the application is all about and the reasons and justifications being cited in support thereof.

**SO ORDERED.**

Pasig City, May 15, 2015.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**ZENAIDA G. CRUZ-DUCUT**  
Chairperson



**Copy Furnished:**

1. **ATTY. ROGELIO P. GULA**  
Counsel for Applicant LEYECO III  
Gula Law & Notarial Office,  
#78, 2<sup>nd</sup> Floor, Cabigon Bldg.,  
Sen. Enage St., 6500 Tacloban City, Leyte
2. **Mr. Allan L. Laniba**  
General Manager  
**LEYTE III ELECTRIC COOPERATIVE, INC. (LEYECO III)**  
Brgy. San Roque, Tunga, Leyte
3. **The Office of the Solicitor General**  
134 Amorsolo Street, Legaspi Village  
Makati City, Metro Manila
4. **The Commission on Audit**  
Commonwealth Avenue  
Quezon City, Metro Manila
5. **The Senate Committee on Energy**  
GSIS Bldg., Roxas Blvd., Pasay City  
Metro Manila
6. **The House Committee on Energy**  
Batasan Hills, Quirino City, Metro Manila
7. **Office of the Municipal Mayor**  
Carigara, Leyte
8. **Office of the Municipal Mayor**  
Capoocan, Leyte
9. **Office of the Municipal Mayor**  
Tunga, Leyte
10. **Office of the Municipal Mayor**  
Barugo, Leyte
11. **Office of the Municipal Mayor**  
San Miguel, Leyte
12. **Office of the Municipal Mayor**  
Jaro, Leyte
13. **Office of the Municipal Mayor**  
Alang-alang, Leyte
14. **Office of the Municipal Mayor**  
Sta. Fe, Leyte

15. **Office of the Municipal Mayor**  
Pastrana, Leyte
16. **Office of the Governor**  
Province of Leyte
17. **Office of the President of PCCI**  
Philippine Chamber of Commerce and Industry (PCCI)  
3<sup>rd</sup> Floor, ECC Building, 355 Sen. Gil Puyat Ave., Makati City