

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



**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF ITS TARIFF
GLIDE PATH ADJUSTMENT
FOR THE 1ST REGULATORY
PERIOD,**

ERC CASE NO. 2015 -133 RC

**NUEVA VIZCAYA ELECTRIC
COOPERATIVE, INC.
(NUVELCO),**

Applicant.

X-----X

D O C K E T E D
Date: JAN 30 2017
By: [Signature]

ORDER

On 14 July 2015, Nueva Vizcaya Electric Cooperative, Inc. (NUVELCO) filed an Application seeking the Commission's approval of its Tariff Glide Path (TGP) adjustment for the first regulatory period.

NUVELCO alleged the following in its Application:

1. Applicant is an electric cooperative duly organized and existing under Philippine law, with principal office address at Gabut, Dupax del Sur, Nueva Vizcaya; franchised to construct, own, operate and maintain an electric distribution system in the municipalities of Alfonso Castaneda, Ambaguio, Aritao, Bagabag, Bambang, Bayombong, Diadi, Dupax del Norte, Dupax del Sur, Kasibu, Kayapa, Quezon, Solano, Sta. Fe and Villaverde, all in the Province of Nueva Vizcaya; represented herein by its General Manager, Engr. Narciso S. Salunat, REE, MBA.
2. NUVELCO belongs to the 2nd Entrant Group under the 1st Regulatory Period of the Rules Governing the Tariff Glide Path (TGP) promulgated on May 2, 2011 under Res. No. 08, Series 2011.
3. The rate of the Electric Cooperative (EC) per group during the Regulatory Period shall be adjusted using the following formula:

Tariff x [1+ Index "I" - Efficiency Factor "X" + Performance Incentive "S"]

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; the *Efficiency Factor "X"* is to account for the operational efficiency of the EC in setting its rates; and the *Performance Incentive "S"* shall reward or penalize the EC for its performance above or below standard performance.

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 must be implemented.

4. In consideration of the foregoing premises, NUVELCO calculated its values for "I", "X" and "S" in accordance with the TGP Rules and came up with the following data:

NAME OF EC: NUEVA VIZCAYA ELECTRIC COOPERATIVE (NUVELCO)

	"I"	"X"	"S"	TGP A	TGP A (excluding S)
YEAR 2012	5.07%	0.00%	0.40%	5.47%	5.07%
YEAR 2013	0.00%	0.00%	0.00%	0.00%	0.00%
YEAR 2014	0.00%	3.27%	-0.80%	-4.07%	-3.27%
TOTAL				1.40%	1.80%

5. NUVELCO calculated its 1st tariff glide path adjustment for the regulatory years from 01 January 2015 to 31 December 2017 and came up with the following rates:

NAME OF EC: NUEVA VIZCAYA ELECTRIC COOPERATIVE (NUVELCO)
GROUP: D

Type of Consumer	Particulars	Unit	Rate @ end of the transition period (in PhP/kWh)	Rate @ 1st tariff glide path adjustment (in PhP/kWh)	Rate @ 1st tariff glide path adjustment excluding S (in PhP/kWh)
Residential	Distribution	PhP/kWh	0.5143	0.5215	0.5235
	Supply	PhP/kWh	0.5828	0.5909	0.5933
	Metering	PhP/kWh	0.3669	0.3720	0.3735
	Metering	PhP/meter/mo	5.00	5.07	5.09
LOW VOLTAGE	Distribution	PhP/kWh	0.5134	0.5206	0.5226
	Supply	PhP/cust/mo	41.61	42.19	42.36
	Metering	PhP/meter/mo	31.19	31.63	31.75
HIGHER VOLTAGE	Distribution	PhP/kWh	190.03	192.69	193.45
	Supply	PhP/cust/mo	41.61	42.19	42.36
	Metering	PhP/meter/mo	31.19	31.63	31.75

6. The following supporting documents are attached:

6.1. TGP Calculations

- 6.1.1 Index "I" Calculation
- 6.1.2. Efficiency Factor "X" Calculation
- 6.1.3. Performance Incentive "S" Calculation

- 6.2 MFSR (Sections B & E) 2010 - 2013

- 6.3 Billing Determinants
 - 6.3.1. kWh Sales (2010-2013)
 - 6.3.2. No. of Customers (2010-2013)
 - 6.3.3. kW Demand (2010-2013)

- 6.4. Sample Bills (1 per customer type) 2010 - 2013

- 6.5. Regional CPI (2010-2013)

- 6.6. RFSC/Reinvestment Fund Utilization (2011-2013)

- 6.7. Consumer Complaints (Summary of Tracking Forms)

- 6.8. Audited Financial Statements (2010-2013)

PRAYER

PREMISES CONSIDERED, NUVELCO respectfully prays for the approval of its first tariff glide path adjustment for implementation during the first regulatory period, more particularly described as follows:

NAME OF EC: NUEVA VIZCAYA ELECTRIC COOPERATIVE (NUVELCO)
 GROUP: D

Type of Consumer	Particulars	Unit	Rate @ end of the transition period (in PhP/kWh)	Rate @ 1st tariff glide path adjustment (in PhP/kWh)	Rate @ 1st tariff glide path adjustment excluding S (in PhP/kWh)
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NUVELCO also pray for such other relief or remedy as may be just and equitable under the circumstances.

Finding the said Application sufficient in substance with the required fees having been paid, the same is hereby set for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **2 March 2017 at nine-thirty in the morning (9:30 A.M.), at NUVELCO's principal office at Gabut, Dupax del Sur, Nueva Vizcaya.**

Accordingly, NUVELCO is hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing in two (2) newspapers of nationwide circulation in the Philippines at their own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart and the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this Order and the attached Notice of Public Hearing the Offices of the Provincial Governors, the City and Municipal Mayors, and the Local Government Unit (LGU) legislative bodies within the affected franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform of the filing of the Application, its reasons therefor, and of the scheduled hearing thereon, the consumers within the affected franchise area, by any other means available and appropriate;
- 4) Furnish with copies of this Order and the attached Notice of Public Hearing, 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; and
- 5) Furnish with copies of the Application and its attachments all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, Applicant must submit to the Commission their written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached Notice of Public Hearing consisting of affidavits of the Editors or Business Managers of the newspapers where the said Notice of Public Hearing was published, and the complete issues of the said newspapers;
- 2) The evidence of actual posting of this Order and the attached Notice of Public Hearing consisting of certifications issued to that effect, signed by the aforementioned Governors, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by Applicant to inform of the filing of the Application, its reasons therefore, and of the scheduled hearing thereon, the consumers within the affected franchise area;
- 4) The evidence of receipt of copies of this Order and the attached Notice of Public Hearing by the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the Application and its attachments by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

Applicant and all interested parties are also required 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:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

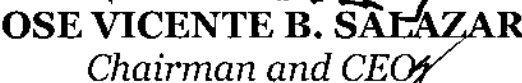
Failure of Applicant to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from the said date of cancellation.

NUVELCO must also be prepared to make an expository presentation of the instant Application, aided by whatever communication medium that they 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, 23 January 2017.

FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSE VICENTE B. SALAZAR
Chairman and CEO


LS/SLAN/ARG/PAR/APV

COPY FURNISHED:

1. Nueva Vizcaya Electric Cooperative, Inc. (NUVELCO)
Applicant
Gabut, Dupax del Sur, Nueva Vizcaya
2. Atty. Ranulfo M. Ocampo
Counsel for Applicant
7/F STRATA 100 Bldg., F. Ortigas Jr. Road, Ortigas Center, Pasig City
3. Office of the Mayor
Alfonso Castañeda, Nueva Vizcaya
4. Office of the LGU legislative body
Alfonso Castañeda, Nueva Vizcaya
5. Office of the Mayor
Ambaguio, Nueva Vizcaya
6. Office of the LGU legislative body
Ambaguio, Nueva Vizcaya
7. Office of the Mayor
Aritao, Nueva Vizcaya
8. Office of the LGU legislative body
Aritao, Nueva Vizcaya



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9. Office of the Mayor
Bagabag, Nueva Vizcaya
10. Office of the LGU legislative body
Bagabag, Nueva Vizcaya
11. Office of the Mayor
Bambang, Nueva Vizcaya
12. Office of the LGU legislative body
Bambang, Nueva Vizcaya
13. Office of the Mayor
Bayombong, Nueva Vizcaya
14. Office of the LGU legislative body
Bayombong, Nueva Vizcaya
15. Office of the Mayor
Diadi, Nueva Vizcaya
16. Office of the LGU legislative body
Diadi, Nueva Vizcaya
17. Office of the Mayor
Dupax del Norte, Nueva Vizcaya
18. Office of the LGU legislative body
Dupax del Norte, Nueva Vizcaya
19. Office of the Mayor
Dupax del Sur, Nueva Vizcaya
20. Office of the LGU legislative body
Dupax del Sur, Nueva Vizcaya
21. Office of the Mayor
Kasibu, Nueva Vizcaya
22. Office of the LGU legislative body
Kasibu, Nueva Vizcaya
23. Office of the Mayor
Kayapa, Nueva Vizcaya
24. Office of the LGU legislative body
Kayapa, Nueva Vizcaya
25. Office of the Mayor
Quezon, Nueva Vizcaya
26. Office of the LGU legislative body
Quezon, Nueva Vizcaya
27. Office of the Mayor
Solano, Nueva Vizcaya
28. Office of the LGU legislative body
Solano, Nueva Vizcaya
29. Office of the Mayor
Sta. Fe, Nueva Vizcaya
30. Office of the LGU legislative body
Sta. Fe, Nueva Vizcaya
31. Office of the Mayor
Villaverde, Nueva Vizcaya

32. Office of the LGU legislative body
Villaverde, Nueva Vizcaya
33. Office of the Governor
Nueva Vizcaya
34. Office of the LGU legislative body
Province of Nueva Vizcaya
35. Office of the Solicitor General
134 Amorsolo Street, Legaspi Village, Makati City
36. Commission on Audit (COA)
Commonwealth Avenue, Quezon City
37. Senate Committee on Energy
GSIS Bldg. Roxas Blvd., Pasay City
38. House Committee on Energy
Batasan Hills, Quezon City
39. Philippine Chamber of Commerce and Industry (PCCI)
3rd Floor, Chamber and Industry Plaza (CIP), 1030 Campus Avenue corner Park Avenue,
McKinley Town Center, Fort Bonifacio, Taguig City
40. Regulatory Operations Service (ROS)
(Tariffs and Rates Division)
17th Floor, Pacific Center Bldg., San Miguel Avenue, Pasig City