

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



**IN RE: APPLICATION FOR
CONFIRMATION OF OVER AND
UNDER RECOVERIES OF
AUTOMATIC COST
ADJUSTMENTS FOR THE
BILLING PERIODS JANUARY
2011 TO DECEMBER 2013**

ERC CASE NO. 2014-039 CF

**CAGAYAN II ELECTRIC
COOPERATIVE, INC. (CAGELCO
II),**

Applicant.

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BOOKED
Date: JUN 20 2014
By: WV

ORDER

On March 31, 2014, Cagayan II Electric Cooperative, Incorporated (CAGELCO II) filed an application for confirmation of its over and under recoveries of automatic cost adjustments for the billing periods January 2011 to December 2013.

In the said application, CAGELCO II alleged, among others, that:

1. It is an electric cooperative duly organized and existing under the Philippine laws, with principal office address at Macanaya District, Aparri, Cagayan. It is franchised to construct, own, operate, and maintain an electric distribution system in the Municipalities of Abulug, Allacapan, Aparri, Ballesteros, Buguey, Calayan Island, Camalaniugan, Claveria, Gattaran, Lal-lo, Lasam, Gonzaga, Pamplona, Sanchez Mira, Sta. Ana, Sta. Praxedes, Sta. Teresita, all in the Province of Cagayan, and Flora, Luna, Pudtol, and Sta. Marcela, all in the Province of Apayao;
2. It seeks confirmation of its over and under recoveries of automatic cost adjustments implemented for the billing periods from January 2011 to December 2013, to wit:

Summary of (Over)/Under Recoveries						
Year	GR	SLR	LR	TR	SR	Total
2011	934,157.96	(1,205,366.91)	131,541.86	749,562.40	15,036.55	624,931.86
2012	181,193.74	(283.16)	(50,262.32)	1,970,637.82	(3,588.11)	2,097,697.96
2013	(30.36)	3.35	31.27	12.63	(10,279.75)	(10,262.85)
Total	1,115,321.34	(1,205,646.72)	81,310.81	2,720,212.85	1,168.69	2,712,366.97

3. It attaches the following documents in support of the application:

3.1 Supply and Transmission Data:

- a. GNPower Mariveles Coal Plant Limited Company (GNPOWER);
- b. San Miguel Energy Corporation (SMEC);
- c. Philippine Electricity Market Corporation (PEMC);
- d. SN Abotiz Power – Magat (SNAP-MAGAT); and
- e. National Grid Corporation of the Philippines (NGCP);

3.2 Statistical Data:

- a. Lifeline Rate Adjustment;
- b. Coop Consumption;
- c. Summary of apprehended member-consumers; and
- d. MFSR;

3.3 Actual Implemented Rates:

- a. Sample bills (2011);
- b. Sample bills (2012); and
- c. Sample bills (2013);

3.4 Summary:

- a. Year 2011;
- b. Year 2012;
- c. Year 2013;
- d. Supplier and Transmission Data;
- e. Actual Implemented Rates;
- f. Computation of Over/Under Recovery – GR;
- g. Computation of Over/Under Recovery – TR;
- h. Computation of Over/Under Recovery – SLR;

- i. Computation of Over/Under Recovery – LR;
 - j. Computation of Over/Under Recovery – SR;
 - k. Computation of Over/Under Recovery – LR; and
 - l. Computation of Over/Under Recovery – SR; and
4. Thus, it prays that after due verification, the Commission render a Decision in the above-captioned case:
- 4.1 Confirming the calculations of its over and under recoveries in the implementation of its automatic pass-through cost adjustments for the billing periods from January 2011 to December 2013; and
 - 4.2 Allowing it to refund/recover the over/under-recovered amount until the said amount has been fully refunded/recovered.

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 **July 8, 2014 (Tuesday) at eleven o'clock in the morning (11:00 A.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

CAGELCO II 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 hearings 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 hearings.

Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished the Offices of the Mayors of the Municipalities within CAGELCO II's franchise area and the Provincial Governors of Cagayan and Apayao for the appropriate posting thereof on their respective bulletin boards.

CAGELCO II 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 and pre-trial conference, CAGELCO II 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 Mayor or his/her duly authorized representatives, bearing the seal of his/her office, and the affidavit of the Editor or Business Manager of the newspaper 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.

CAGELCO II 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 thereof; 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.

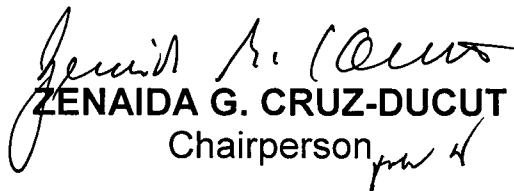
Failure of CAGELCO II to submit the required Pre-trial Brief and Judicial Affidavits of its witnesses within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from said date of cancellation.

As part of the pre-trial conference, CAGELCO II 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, June 16, 2014.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ZENAIDA G. CRUZ-DUCUT
Chairperson *per se*

Copy Furnished:

1. Atty. Ranulfo M. Ocampo
Counsel for CAGELCO II
8th Floor, STRATA 100 Building, F. Ortigas Jr. Road,
Ortigas Center, Pasig City
2. Cagayan II Electric Cooperative, Incorporated (CAGELCO II)
Macanaya District, Aparri, Cagayan
3. Office of the Solicitor General
134 Amorsolo Street, Legaspi Village, City of Makati 1229
4. Commission on Audit (COA)
Commonwealth Avenue, Quezon City 1121
5. National Electrification Administration (NEA)
NIA Road, Diliman, Quezon City
6. Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City 1300
7. House of Representatives Committee on Energy
Batasan Hills, Quezon City 1126
8. Office of the Municipal Mayor
Abulug, Cagayan
9. Office of the Municipal Mayor
Allacapan, Cagayan
10. Office of the Municipal Mayor
Aparri, Cagayan
11. Office of the Municipal Mayor
Ballesteros, Cagayan
12. Office of the Municipal Mayor
Buguey, Cagayan
13. Office of the Municipal Mayor
Camalaniugan, Cagayan
14. Office of the Municipal Mayor
Claveria, Cagayan

15. Office of the Municipal Mayor
Gattaran, Cagayan
16. Office of the Municipal Mayor
Gonzaga, Cagayan
17. Office of the Municipal Mayor
Lal-lo, Cagayan
18. Office of the Municipal Mayor
Lasam, Cagayan
19. Office of the Municipal Mayor
Pamplona, Cagayan
20. Office of the Municipal Mayor
Sanchez Mira, Cagayan
21. Office of the Municipal Mayor
Sta. Ana, Cagayan
22. Office of the Municipal Mayor
Sta. Praxedes, Cagayan
23. Office of the Municipal Mayor
Sta. Teresita, Cagayan
24. Office of the Municipal Mayor
Flora, Apayao
25. Office of the Municipal Mayor
Luna, Apayao
26. Office of the Municipal Mayor
Pudtol, Apayao
27. Office of the Municipal Mayor
Sta. Marcela, Apayao
28. Office of the Provincial Governor
Province of Cagayan
29. Office of the Provincial Governor
Province of Apayao
30. Philippine Chamber of Commerce and Industry (PCCI)
3rd Floor, ECC Building, Sen. Gil Puyat Avenue, Makati City