

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



IN THE MATTER OF THE
APPLICATION FOR
CONFIRMATION OF OVER AND
UNDER RECOVERIES FROM
AUTOMATIC COST
ADJUSTMENTS

ERC CASE NO. 2014-005 CF

CAGAYAN I ELECTRIC
COOPERATIVE, INC. (CAGELCO
I),

Applicant.

X-----X

RECORDED
Date: JUL 10 2014
By: [Signature]

ORDER

On March 20, 2014, the Cagayan I Electric Cooperative, Inc. (CAGELCO I) filed an application for confirmation of its over and under recoveries from automatic cost adjustments.

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

1. It is an electric cooperative duly organized and existing under Philippine law with principal office address at Maddarulug, Solana, Cagayan. It is franchised to construct, own operate, and maintain an electric distribution network in the City of Tuguegarao, and in the Municipalities of Alcala, Amulung, Baggao, Enrile, Iguig, Peñablanca, Piat, Rizal, Solana, Sto. Niño, and Tuao, all in the Province of Cagayan. It is represented by its General Manager, Engr. Tito R. Lingan;
2. It seeks confirmation of its calculations of its over and under recoveries for the billing period from January 2011 to December 2013, a summary of which is reproduced below for reference:

CAGELCO I Summary of (Over)/Under Recovery Computation
From Year 2011 to 2013

	2011	2012	2013	TOTAL (PhP)	REMARKS
Generation Cost	3,389,088.26	18,302,135.04	12,838,751.26	34,529,974.56	Under recovery
Transmission Cost	1,255,937.85	(8,377,365.79)	842,259.22	(6,279,168.72)	Under recovery
System Loss	(7,600,877.00)	11,797,622.72	(2,618,018.89)	1,578,726.84	Under recovery
Lifeline	5,428,106.16	1,175,239.70	(246,357.10)	6,356,988.76	Under recovery
Senior Citizen	60,606.16	(11,225.53)	2,987.88	52,368.51	Under recovery
TOTAL (PhP)	2,532,861.43	22,886,406.15	10,819,622.37	36,238,889.95	

- It prays that the Commission renders Decision confirming its calculation of over and under recoveries of automatic cost adjustment implemented for the billing period from January 2011 to December 2013 more particularly described, as follows:

CAGELCO I Summary of (Over)/Under Recovery Computation
From Year 2011 to 2013

	2011	2012	2013	TOTAL (PhP)	REMARKS
Generation Cost	3,389,088.26	18,302,135.04	12,838,751.26	34,529,974.56	Under recovery
Transmission Cost	1,255,937.85	(8,377,365.79)	842,259.22	(6,279,168.72)	Under recovery
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TOTAL (PhP)	2,532,861.43	22,886,406.15	10,819,622.37	36,238,889.95	

- It further prays that it be allowed to recover its under-recoveries in the total amount of PhP36,238,889.95 over a period of twelve (12) months.

Finding the said application sufficient in form and in substance with the required fees having been paid, the same is hereby set for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **August 5, 2014 (Tuesday) at ten o'clock in the morning (10:00 A.M.), at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

CAGELCO I 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 amended 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 hearings.

Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished the Offices of the Governor of Cagayan and the Mayors of the City/Municipalities within the franchise area of CAGELCO I for the appropriate posting thereof on their respective bulletin boards.

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

On the date of the initial hearing, CAGELCO I must submit to the Commission its written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences of 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 Mayors or their duly authorized representatives, bearing the seals of their offices, and the affidavit of the Editor or Business Manager of the newspaper where 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 I 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 thereof 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 CAGELCO I 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 I 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, July 7, 2014.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ZENAIDA G. CRUZ-DUCUT
Chairperson 4

Copy Furnished:

1. **ATTY. RANULFO M. OCAMPO**
Counsel for CAGELCO I
8TH Floor, STRATA 100 Building, F. Ortigas Jr., Road
Ortigas Center, Pasig City
2. **CAGAYAN I ELECTRIC COOPERATIVE, INC. (CAGELCO I)**
Maddarulug, Solana, Cagayan
3. **The Office of the Solicitor General**
134 Amorsolo Street, Legaspi Village, Makati City
Metro Manila
4. **The Commission on Audit**
Don Mariano Marcos Avenue
Diliman, Quezon City, Metro Manila
5. **The Committee on Energy**
Senate of the Philippines
GSIS Building, Roxas Blvd., Pasay City, Metro Manila
6. **The Committee on Energy**
House of Representatives
Batasan Hills, Quezon City, Metro Manila
7. **Office of the President of PCCI**
Philippine Chamber of Commerce and Industry (PCCI)
3rd Floor, ECC Building, Sen. Gil Puyat Avenue
Makati City
8. **Office of the City Mayor**
Tuguegarao City, Cagayan
9. **Office of the Municipal Mayor**
Rizal, Cagayan
10. **Office of the Municipal Mayor**
Tuao, Cagayan
11. **Office of the Municipal Mayor**
Piat, Cagayan
12. **Office of the Municipal Mayor**
Sto. Niño, Cagayan
13. **Office of the Municipal Mayor**
Solana, Cagayan
14. **Office of the Municipal Mayor**
Enrile, Cagayan

15. **Office of the Municipal Mayor**
Peñablanca, Cagayan
16. **Office of the Municipal Mayor**
Iguig, Cagayan
17. **Office of the Municipal Mayor**
Amulung, Cagayan
18. **Office of the Municipal Mayor**
Alcala, Cagayan
19. **Office of the Municipal Mayor**
Baggao, Cagayan