

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City



**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE
OVER/UNDER
RECOVERIES BASED ON
THE FORMULA FOR THE
VARIOUS AUTOMATIC
COST ADJUSTMENTS AND
TRUE-UP MECHANISMS
AND CORRESPONDING
CONFIRMATION PROCESS
PURSUANT TO ERC
RESOLUTION NO. 16
SERIES OF 2009 AND
RESOLUTION NO. 21
SERIES OF 2010**

ERC CASE NO. 2021-035 CF

**BOHOL II ELECTRIC
COOPERATIVE, INC.
(BOHECO II),**

Applicant.

X-----X

Promulgated:
July 30, 2021

ORDER

On 12 July 2021, Bohol II Electric Cooperative, Inc. (BOHECO II) filed an *Application* dated 15 March 2021, seeking the Commission's approval of its over or under recoveries based on the formula for the various automatic cost adjustments and true up mechanisms and corresponding confirmation process pursuant to the Commission's Resolution No. 16 Series of 2009 and Resolution No. 21 Series of 2010.

The pertinent allegations of the said *Application* are hereunder quoted as follows:

1. Applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Cantagay, Jagna, Bohol, 6308 where it may be served with summons and other legal processes, represented in this instance by its General

Manager, Engr. Eugenio R. Tan, of legal age, Filipino, married and with office address also located at Cantagay, Jagna, Bohol per Board Resolution No. 44-2021;

2. Herein applicant is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in the (21) municipalities, namely the municipalities of Alicia, Anda, Bien-Unido, Buenavista, Candijay, Carlos P. Garcia Island, Dagohoy, Danao, Duero, Garcia-Hernandez, Getafe, Guindulman, Jagna, Mabini, Pilar, San Miguel, Sierra Bullones, Talibon, Trinidad, Ubay and Valencia, all in the province of Bohol;
3. Pursuant to ERC Resolution No. 16 Series of 2009 as amended by ERC Resolution No. 21 Series of 2010, more specifically Article 5, Section 1 thereof, all Visayas Distribution Utilities (DUs) shall file their respective consolidated applications on or before March 31, 2021 for the over/under recoveries on their implementation of various automatic cost adjustment and true-up mechanisms;
4. In applying various formulae in the determination of the adjustments and the recovery or refund of Over or Under Recoveries herein applicant hereby adopts the respective formula as provided for in ERC Resolution No. 16 Series of 2009 and ERC Resolution No. 21 Series of 2010 together with the specific definitions and sub-formula for each item thereof;
5. In support of this application, herein applicant attached the following required documents contained in the guidelines issued by the Honorable Energy Regulatory Commission, to wit:

FOLDER 1- APPLICATION

- a. Application
- b. Supply & Trans Data sheet for the year
- c. Statistical Data Sheet for the year
- d. Actual Implemented Rates Sheet for the Year
- e. Lifeline Discount Sheet for the year
- f. Senior Citizen discount sheet for the year
- g. Additional Statistical data Sheet for the year
- h. Summary of O/U Recoveries/Refund Computation yearly
- i. Proposed Refund/Collect Scheme

FOLDER 2 – SUPPLIER AND TRANSMISSION DATA

- a. Power bills from suppliers, Proof of Payment, Adjustments/Debit or Credit memo
- b. NGCP

FOLDER 3 – STATISTICAL DATA

- a. Summary of pilferage Cost recoveries/manifestation if N/A
- b. Report of implemented Orders/Decisions
- c. Monthly Financial & Statistical Report (Sections A & E)

d. Demand (KW) Sales Summary Report

FOLDER 4 – ACTUAL IMPLEMENTED RATES DATA

- a. Two (2) consumer bills per customer class (non-lifeline)
- b. One (1) consumer bill per Lifeline bracket (lifeline)
- c. One (1) Senior Citizen consumer bill

FOLDER 5 – OTHER DOCS

- a. Submitted Monthly URR (as per Res. No. 17 series of 2009)
- b. Submitted Monthly URR addendum
- c. Single Line Diagram
- d. Submitted Monthly reports as per ERC Resolution 10 series of 2018

- 6. The Summary of pass true-cost vis-à-vis the actual billing on estimated Generation, Transmission, System Loss, Lifeline Subsidy, Senior Citizen Subsidy rates are as follows, to wit:

BOHOL II ELECTRIC COOPERATIVE, INC.
SUMMARY OF (OVER) / UNDER RECOVERY
For the years 2018 – 2021

1. Generation

Year	GENERATION		(Over) / Under
	Allowable Generation Cost	Generation Revenues	
2018	700,906,107.97	702,076,435.25	(1,170,327.28)
2019	707,807,735.83	711,799,126.73	(3,991,390.90)
2020	694,221,896.65	697,219,911.16	(2,998,014.51)
Total	2,102,935,740.45	2,111,095,473.14	(8,159,732.69)

2. Transmission

Year	TRANSMISSION		(Over) / Under
	Allowable Transmission Cost	Transmission Revenue	
2018	95,021,817.82	93,339,246.28	1,682,571.54
2019	95,484,968.14	97,623,173.72	(2,138,205.58)
2020	109,014,441.50	108,340,183.75	674,257.75
Total	299,521,227.46	299,302,603.75	218,623.71

3. System Loss Rate

Year	SYSTEM LOSS		(Over) / Under
	Allowable System Loss Cost	System Loss Revenues	
2018	84,383,190.59	84,595,831.28	(212,640.69)
2019	83,148,977.90	89,963,825.49	(6,814,847.59)
2020	84,934,015.32	92,263,786.43	(7,329,771.11)
Total	252,466,183.81	266,823,443.20	(14,357,259.39)

4. Life Line Discount / Subsidy

Year	LIFELINE		(Over) / Under
	Total Lifeline Discount	Actual Lifeline Subsidy	
2018	2,886,918.52	2,969,194.54	(82,276.02)
2019	2,609,124.12	2,730,114.85	(120,990.74)
2020	2,391,606.47	3,429,731.21	(1,038,124.74)
Total	7,887,649.11	9,129,040.61	(1,241,391.50)

5. Senior Citizen Discount / Subsidy

Year	SENIOR CITIZEN		(Over) / Under
	Discount	Subsidy	
2018	37,430.17	35,610.46	1,819.71
2019	36,086.60	33,633.71	2,452.90
2020	16,224.32	17,099.58	(875.26)
Total	89,741.09	86,343.75	3,397.34

6. Summary

Particulars	Revenue		(Over) / Under Recovery
	Pass Through	Actual Collection	
Generation	2,102,935,740.45	2,111,095,473.14	(8,159,732.69)
Transmission	299,521,227.46	299,302,603.75	218,623.71
System Loss Rate	252,466,183.81	266,823,443.20	(14,357,259.39)
Life Line Discount / Subsidy	7,887,649.11	9,129,040.61	(1,241,391.50)
Senior Citizen Discount / Subsidy	89,741.09	86,343.75	3,397.34
Total	2,662,900,541.92	2,686,436,904.45	(23,536,362.54)

7. BOHECO II has duly complied with the pre-filing requirements in accordance with the Rules of Practice and Procedure of the Energy Regulatory Commission.

PRAYER

WHEREFORE, premises considered, it is respectfully prayed of this Honorable Commission that the submitted calculation prepared by the Applicant be approved and that upon receipt of the Order of Approval, herein Applicant be allowed to propose the scheme of refund/recovery as the case may be.

All other relief which are deemed just and equitable are likewise prayed for.

Finding the said *Application* to be sufficient in form with the required fees having been paid, the Commission hereby sets the same for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct

thereof, pursuant to Resolution No. 09, Series of 2020¹ dated 24 September 2020 and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure)²:

Date	Platform	Activity
31 August 2021 (Tuesday) at nine o'clock in the morning (9:00 AM)	Microsoft Teams	Determination of compliance with the jurisdictional requirements and expository presentation
07 September 2021 (Tuesday) at nine o'clock in the morning (9:00 AM)	Microsoft Teams	Pre-trial Conference and presentation of evidence

RELATIVE THERETO, BOHECO II is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* once (1x) in a newspaper of nationwide circulation in the Philippines at its own expense, with the date of 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 Virtual Hearing* the Offices of the Provincial Governors, the Mayors and the Local Government Unit (LGU) legislative bodies within BOHECO II's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within the franchise area of BOHECO II, by any other means available and appropriate, of the filing of the *Application*, its reasons therefor, and of the scheduled hearings thereon;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual 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

¹ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

² A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

authorized representatives and attend the scheduled hearing; and

- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to the resolution of the prayer for confidential treatment of information, if any, and reimbursement of reasonable photocopying costs.³

Within five (5) calendar days prior to the date of the initial virtual hearing, BOHECO II must submit to the Commission via electronic mail (e-mail) at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, the scanned copies of its 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 Virtual Hearing* consisting of affidavit of the Editor or Business Manager of the newspaper where the said *Notice of Virtual Hearing* was published, and the complete issue of the said newspaper;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Virtual Hearing* consisting of certifications issued to that effect, signed by the aforementioned Governor, Mayors and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by BOHECO II to inform the consumers within the affected franchise area of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing* by the OSG, the 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

³ For the e-mail address of the applicant, please see page 10.

- 6) Such other proof of compliance with the requirements of the Commission.

Moreover, BOHECO II is hereby required to post on its bulletin boards, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publication and certifications issued by the concerned Office of the Mayors, Governor and Local Legislative Bodies, and to submit proof of its posting thereof.

BOHECO II and all interested parties are also required to submit via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, at least five (5) calendar days before the date of the scheduled virtual 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 therefor, which should also be attached to the Pre-trial Brief; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

BOHECO II must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission at least five (5) calendar days before the date of the scheduled initial virtual hearing and Pre-trial Conference pursuant to the preceding paragraph.

Failure of BOHECO II 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.

BOHECO II must also be prepared to make an expository presentation of the instant *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, the nature of the *Application*

with relevant information and pertinent details substantiating the reasons and justifications being cited in support thereof.

BOHECO II is hereby directed to file a copy of its Expository Presentation via e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph, at least five (5) calendar days prior to the scheduled virtual hearing. BOHECO II shall also be required, upon the request of any stakeholder, to provide an advance copy of its expository presentation, at least five (5) calendar days prior to the scheduled virtual hearing.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

BOHECO II is hereby directed to submit, either through personal service, registered or ordinary mail/private courier, one (1) set of the original or certified true hard/printed copy/ies of its Jurisdictional Compliance, Expository Presentation, Pre-trial Brief, and Judicial Affidavit/s of witness/es, within five (5) working days from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission. Similarly, all interested parties who filed their Petition for Intervention or Opposition are required to submit the hard/printed copy thereof within the same period through any of the available modes of service.

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Finally, BOHECO II, including its authorized representative/s and witness/es, are hereby directed to provide the Commission, thru legal.virtualhearings@erc.ph, with their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

SO ORDERED.

Pasig City, 21 July 2021.

FOR AND BY AUTHORITY
OF THE COMMISSION:


AGNES VST DEVANADERA
Chairperson and CEO


LS: SQD/LSP/MCCG



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Copy Furnished:

1. Bohol II Electric Cooperative Inc. (BOHECO II)
Applicant
Cantagay, Jagna, Bohol 6308
2. Atty. Teodoro M. Lagang
Counsel for BOHECO II
2/F Pons Garcia Bldg., 34 CPG Avenue, Tagbilaran City
Ted_lagang@yahoo.com
3. Office of the Solicitor General (OSG)
134 Amorsolo Street, Legaspi Village, Makati City
docket@osg.gov.ph
4. Commission on Audit (COA)
Commonwealth Avenue, Quezon City
citizensdesk@coa.gov.ph
5. Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City
senateenergycommittee@gmail.com
6. House Committee on Energy
Batasan Hills, Quezon City
committee.energy@house.gov.ph
7. Office of the Governor
Province of Bohol
8. Office of the Local Government Unit (LGU) Legislative Body
Province of Bohol
9. Office the Mayor
Alicia, Bohol
10. Office of the LGU Legislative Body
Alicia, Bohol
11. Office of the Mayor
Anda, Bohol
12. Office of the LGU Legislative Body
Anda, Bohol
13. Office of the Mayor
Bien-Unido, Bohol
14. Office of the LGU Legislative Body
Bien-Unido, Bohol
15. Office of the Mayor
Buenavista, Bohol
16. Office of the LGU Legislative Body
Buenavista, Bohol
17. Office of the Mayor
Candijay, Bohol
18. Office of the LGU Legislative Body
Candijay, Bohol
19. Office of the Mayor
Carlos P. Garcia Island, Bohol
20. Office of the LGU Legislative Body
Carlos P. Garcia Island, Bohol
21. Office of the Mayor
Dagohoy, Bohol
22. Office of the LGU Legislative Body
Dagohoy, Bohol

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23. Office of the Mayor
Danao, Bohol
24. Office of the LGU Legislative Body
Danao, Bohol
25. Office of the Mayor
Duero, Bohol
26. Office of the LGU Legislative Body
Duero, Bohol
27. Office of the Mayor
Garcia Hernandez, Bohol
28. Office of the LGU Legislative Body
Garcia Hernandez, Bohol
29. Office of the Mayor
Getafe, Bohol
30. Office of the LGU Legislative Body
Getafe, Bohol
31. Office of the Mayor
Guindulman, Bohol
32. Office of the LGU Legislative Body
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33. Office of the Mayor
Jagna, Bohol
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Mabini, Bohol
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37. Office of the Mayor
Pilar, Bohol
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Pilar, Bohol
39. Office of the Mayor
San Miguel, Bohol
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San Miguel, Bohol
41. Office of the Mayor
Sierra Bullones, Bohol
42. Office of the LGU Legislative Body
Sierra Bullones, Bohol
43. Office of the Mayor
Talibon, Bohol
44. Office of the LGU Legislative Body
Talibon, Bohol
45. Office of the Mayor
Trinidad, Bohol
46. Office of the LGU Legislative Body
Trinidad, Bohol
47. Office of the Mayor

Ubay, Bohol

48. Office of the LGU Legislative Body
Ubay, Bohol
49. Office of the Mayor
Valencia, Bohol
50. Office of the LGU Legislative Body
Valencia, Bohol
51. Regulatory Operations Service
17th Floor, Pacific Center Building, San Miguel Avenue,
Ortigas Center 1600, Pasig City