

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



IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF (OVER)/UNDER
RECOVERIES BASED
ON THE FORMULA OF
VARIOUS ADJUSTMENTS AND
TRUE-UP MECHANISMS
AND CORRESPONDING
CONFIRMATION PROCESS
PURSUANT TO ERC
RESOLUTION NO. 16, SERIES
OF 2009, AS AMENDED BY
RESOLUTION NO. 21, SERIES
OF 2010, AND RESOLUTION
NO. 23, SERIES OF 2010 FOR
THE PERIOD JANUARY 2011
TO DECEMBER 2013

ERC CASE NO. 2014-023 CF

CAMARINES SUR II ELECTRIC
COOPERATIVE, INC.
(CASURECO II),

Applicant.

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BOOKED
Date: JAN 26 2015
M

ORDER

On March 28, 2014, Camarines Sur II Electric Cooperative, Inc. (CASURECO II) filed an application for the approval of its (over)/under recoveries based on the formula of various adjustments and true-up mechanisms and corresponding confirmation process pursuant to the Commission's Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010, and Resolution No. 23, Series of 2010, for the period January 2011 to December 2013.

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

1. It is an electric cooperative (EC) duly organized and existing under and by virtue of the laws of the Republic of

the Philippines with principal office at Maharlika Highway, Brgy. Del Rosario, Naga City;

2. It is the holder of an exclusive franchise issued by the National Electrification Administration (NEA), to operate electric light and power distribution service in the City of Naga and the Municipalities of Pili, Milaor, Minalabac, Canaman, Magarao, Bombon, Calabanga, Tinambac and Siruma, all in the Province of Camarines Sur;
3. In compliance to the Commission's Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010, and Resolution No. 23, Series of 2010, it adopted the formulae in the computation of its (over)/under recoveries on its Generation, Transmission, System Loss, Lifeline Subsidy and Senior Citizen Subsidy Rates;
4. The summary of its pass through costs vis-à-vis its actual sales using the above stated formula for the period of January 2011 to December 2013 are presented hereunder, as follows:

Particulars	Pass Through Cost (PhP)	Actual Sales (PhP)	(Over)/Under Recoveries (PhP)
Generation	3,746,023,175.54	3,742,268,283.87	3,754,891.67
Transmission	704,103,245.96	736,675,791.44	(32,572,545.47)
System Loss	693,391,190.69	700,146,960.39	(6,755,769.69)
Lifeline Subsidy/ Discount	51,727,834.73	56,314,724.79	(4,586,890.06)
Senior Citizen Subsidy	315,766.55	338,795.89	(23,029.34)
Total	5,195,561,213.48	5,235,744,556.37	(40,183,342.89)

5. In support of its application, it attached the following data and documents in the instant application as Annexes:
 - a. Computations of (over)/under recoveries;
 - b. Generation Rate Adjustment;
 - c. Average Transmission Rate;
 - d. Lifeline Rates;
 - e. Systems Loss Rate Adjustments;

- f. Consumers' Prompt Payment Discounts (PPD);
 - g. Debit and Credit Memo;
 - h. Power Bills of Power Suppliers;
 - i. Official Receipts (ORs) issued by Power Suppliers;
 - j. National Grid Corporation of the Philippines (NGCP) Bills;
 - k. ORs issued by NGCP;
 - l. DU/MO1 and DU-MO2, Monthly Financial and Statistical Report (MFSR);
 - m. Consumer sample bills of Lifeliners (per level) and Non-Lifeliners per customers class;
 - n. Frequency Distribution by kWh Consumption;
 - o. Monthly Generation Mix; and
 - p. Sample bills for Senior Citizens and Senior Citizens-Lifeliners Consumers; and
6. It prays that the calculations for its (over)/under recoveries, after due notice and hearing, be confirmed and approved and that it be allowed to refund its over recoveries or collect its under recoveries, as the case maybe, to or from its consumers.

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 jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **February 9, 2015 (Monday) at two o'clock in the afternoon (2:00 P.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

CASURECO 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, with the date of the publication to be made not later than ten (10) days before the date of the scheduled 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 Camarines Sur and the Mayors of the City and Municipalities within the franchise area of CASURECO II for the appropriate posting thereof on their respective bulletin boards.

CASURECO 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, CASURECO II must submit to the Commission its written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidence 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 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.

CASURECO 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 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 CASURECO 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.

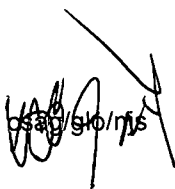
As part of the pre-trial conference, CASURECO II must also be prepared to make an expository presentation of its application, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned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

SO ORDERED.

Pasig City, January 12, 2015.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ZENAIDA G. CRUZ-DUCUT
Chairperson *per 4*


03/10/2015

Copy Furnished:

1. **Atty. Veronica A. Cuyo-Avila**
Counsel for CASURECO II
Rm. 303, PNB Bldg., Naga City
2. **Camarines Sur II Electric Cooperative, Inc. (CASURECO II)**
Maharlika Highway, Brgy. Del Rosario,
Naga City
3. **Office of the Solicitor General**
134 Amorsolo Street, Legaspi Village
Makati City, Metro Manila
4. **Commission on Audit**
Commonwealth Avenue
Quezon City, Metro Manila
5. **Senate Committee on Energy**
GSIS Bldg. Roxas Blvd., Pasay City
Metro Manila
6. **House Committee on Energy**
Batasan Hills, Quezon City, Metro Manila
7. **Office of the Governor**
Province of Camarines Sur
8. **Office of the City Mayor**
Naga, Camarines Sur
9. **Office of the Municipal Mayor**
Pili, Camarines Sur
10. **Office of the Municipal Mayor**
Milaor, Camarines Sur
11. **Office of the Municipal Mayor**
Minalabac, Camarines Sur
12. **Office of the Municipal Mayor**
Canaman, Camarines Sur
13. **Office of the Municipal Mayor**
Magarao, Camarines Sur
14. **Office of the Municipal Mayor**
Bombon, Camarines Sur
15. **Office of the Municipal Mayor**
Calabanga, Camarines Sur
16. **Office of the Municipal Mayor**
Tinambac, Camarines Sur
17. **Office of the Municipal Mayor**
Siruma, Camarines Sur