

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City



**IN THE MATTER OF THE APPLICATION FOR CONFIRMATION AND APPROVAL OF CALCULATIONS OF OVER OR UNDER RECOVERIES IN THE IMPLEMENTATION OF AUTOMATIC COST ADJUSTMENTS AND TRUE-UP MECHANISMS FOR THE PERIOD 2018 TO 2020, PURSUANT TO ERC RESOLUTION NO. 16, SERIES OF 2009 AS AMENDED BY RESOLUTION NO. 21, SERIES OF 2010 AND ERC RESOLUTION NO. 23, SERIES OF 2010**

**ERC CASE NO. 2021-027 CF**

**LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V),**  
*Applicant.*

**Promulgated:**  
June 07, 2021

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**NOTICE OF VIRTUAL HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 14 May 2021, Applicant Leyte V Electric Cooperative, Inc. (LEYECO V) filed an *Application* dated 28 April 2021, seeking the Commission's confirmation and approval of calculations of over or under recoveries in the implementation of automatic cost adjustments and true-up mechanisms for the period 2018 to 2020, 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.

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

**THE APPLICANT**

1. LEYECO V is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Brgy. San Pablo, Ormoc City;
2. It holds an exclusive franchise issued by the National Electrification Commission to operate an electric light and power distribution service in the City of Ormoc, and the municipalities of Albuera, Kananga, Matag-ob, Villaba, Tabango, San Isidro, Leyte, Palompon, Isabel, and Merida, all in the province of Leyte.

**LEGAL BASES FOR THE APPLICATION**

3. ERC Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010 establishes the procedure for the automatic recovery or refund of pass through costs and the confirmation process that would govern the automatic cost adjustment and true-up mechanisms approved by the Honorable Commission, with the objective of ensuring appropriate recovery of the pass through costs in an efficient manner and to put in place a fair and transparent process for the confirmation of the automatic cost adjustments implemented by Distribution Utilities and the true-up of other pass-through charges, involving Generation Rate, Transmission Rate, System Loss Rate and Lifeline Rate Recovery, as the case may be;
4. On the other hand, ERC Resolution 23, Series of 2010 adopts the rules implementing the discounts to qualified senior citizen end-users and subsidy from subsidizing end-users on electricity consumption;
5. Foregoing resolutions further require the distribution utilities to file their respective consolidated applications once every three (3) years.
6. Hence, the filing of the instant application, covering the period of January 2018 to December 2020.

**OVER OR UNDER RECOVERIES OF ALLOWABLE COSTS**

7. Applying the formulae provided under Resolution 16, Series of 2009 as amended by Resolution 21, Series of 2010 and Resolution 23, Series of 2010, LEYECO V made calculations of the over recoveries charged or under-recoveries incurred as against its customers, in the implementation of certain automatic cost adjustments and true-up mechanisms, covering the period of January 2018 to December 2020;
8. The results of its calculations are presented hereunder, as follows:

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<b>Particulars</b>	<b>Recoverable Cost (PhP)</b>	<b>Actual Revenue (PhP)</b>	<b>(Over)/Under Recovery (PhP)</b>
Generation Charge	2,854,338,940.18	2,969,901,138.49	(115,562,198.31)
Transmission Charge	550,904,665.70	572,857,199.24	(21,952,533.54)
Systems Loss Charge	344,298,440.90	270,606,166.08	73,692,274.83
Lifeline Subsidy/ Discount Charge	(59,878,526.39)	62,724,371.25	(2,845,844.86)
Senior Citizen Subsidy/ Discount Charge	(315,006.56)	306,216.63	8,355.58
<b>Total</b>			(66,659,946.31)

**SUPPORTING DATA AND DOCUMENTS**

9. In support of foregoing calculations, LEYECO V is submitting the following data and documents covering the period of January 2018 to December 2020, attached hereto and made integral parts hereof, as follows:

<b>FOLDER NO.</b>	<b>ANNEX MARKINGS</b>	<b>DESCRIPTION OF DOCUMENTS</b>
Folder 1	Annex A	Fully accomplished Supplier and Transmission Data Sheet Per Year
	Annex B	Fully accomplished Statistical Data Sheet Per Year
	Annex C	URR Addendum/DSL Data Per Year
	Annex D	Actual Implemented Rates Sheet Per Year
	Annex E	Lifeline Discount Sheet Per Year
	Annex F	Senior Citizen Discount Sheet Per Year
	Annex G	Summary of O/U Recoveries Computation
	Annex H	Proposed Refund/Collect Scheme
Folder 2	<b>SUPPLIER AND TRANSMISSION DATA</b>	
	Annex I	Power Bills from Suppliers
Folder 3	<b>STATISTICAL DATA</b>	
	Annex J	Summary of Pilferage Cost Recoveries
	Annex K	Summary of Implemented Orders/Decisions
	Annex L	MFSR – Sections B and E
	Annex M	Demand (kW) Sales Summary Report

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Folder 4	<b>ACTUAL IMPLEMENTED RATES DATA</b>	
	Annex N	Consumer Bills per Customer Class (Non-Lifeline)
	Annex O	Consumer Bills per Lifeline Bracket (Lifeline)
	Annex P	Senior Citizen Consumer Bills
Folder 5	<b>OTHER DOCUMENTS</b>	
	Annex Q	Submitted Monthly URR
	Annex R	Submitted Monthly URR Addendum
	Annex S	Single Line Diagram
	Annex T	Monthly Reports under ERC Resolution No. 10, Series of 2018

10. Additionally, LEYECO V is likewise submitting herewith the required electronic files of the Application and supporting data and documents;
11. Further, in compliance with the pre-filing requirements under the ERC Rules of Practice and Procedure, the cooperative is submitting the following documents to form integral parts hereof, as follows:

<b>ANNEX MARKINGS</b>	<b>NATURE OF DOCUMENT</b>
Annex U and series	Proof of furnishing copies of the Application to the Offices of the City Mayor and Sangguniang Panlungsod of Ormoc City
Annex V and series	Proof of publication of the Application in a newspaper of general within LEYECO V's franchise area or where it principally operates

12. Considering foregoing, it is respectfully prayed that LEYECO V's calculations of over or under recoveries in the implementation of subject automatic cost adjustments and true-up mechanisms be confirmed and approved, and the cooperative be allowed to refund the over recoveries or collect the under recoveries, as the case maybe, to or from its customers.

**PRAYER**

**WHEREFORE**, premises considered, applicant Leyte V Electric Cooperative, Inc. (LEYECO V) respectfully prays of this Honorable Commission, after due notice and hearing, to confirm and approve its calculations of over or under recoveries in the implementation of subject automatic cost adjustments and true-up mechanisms covering the period of January 2018 to December 2020 made pursuant to ERC Resolution 16, Series of 2009 as amended by Resolution 21, Series of 2010 and ERC Resolution 23,

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Series of 2011, and allow the cooperative to refund the over recoveries or collect the under recoveries, as the case maybe, to or from its customers, as follows, to wit:

Particulars	(Over)/Under Recovery (PhP)	Proposed Term of Refund /Collect	Billing Determinant	Rate per Month
Generation Charge	(115,562,198.31)	36 months	647,811,591	(0.1784)
Transmission Charge				
Residential	(9,318,345.43)	36 months	341,968,364	(0.0272)
Lower Voltage	(2,146,790.57)	36 months	176,276,883	(0.0122)
Higher Voltage	(10,487,397.53)	36 months	151,013,024	(0.0694)
Systems Loss Charge	73,692,274.83	36 months	669,258,272	0.1101
Lifeline Subsidy/ Discount Charge	(2,845,844.86)	36 months	669,258,272	(0.0043)
Senior Citizen Subsidy/ Discount Charge	8,355.58	36 months	669,258,272	0.0000
Total	(66,659,946.29)			

Other reliefs, just and equitable in the premises are likewise prayed for.

The Commission has set the *Application* 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 2020,<sup>1</sup> dated 24 September 2020:

Date	Platform	Activity
<b>16 July 2021</b> (Friday) at nine o'clock in the morning (9:00 AM)	<b>Microsoft Teams Application</b>	Determination of compliance with the jurisdictional requirements and expository presentation
<b>23 July 2021</b> (Friday) at nine o'clock in the morning (9:00 AM)		Pre-trial Conference and presentation of evidence

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual

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

hearing, via electronic mail (e-mail) at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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.

Moreover, any persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address, and e-mail address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

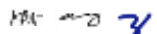
- 1) The name, mailing address, and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

Any of the persons mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at [www.erc.gov.ph](http://www.erc.gov.ph).

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, thru [legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph), with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearings.

**WITNESS**, the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 24<sup>th</sup> day of May 2021 in Pasig City.

  
**AGNES VST DEVANADERA**  
*Chairperson and CEO*

  
LS: KPA/ARG/MCCG

