

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 23, SERIES OF 2010

ERC CASE NO. 2021-025 CF

GUIMARAS ELECTRIC COOPERATIVE, INC. (GUIMELCO),
Applicant.

Promulgated:
June 08, 2021

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NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 05 May 2021, Applicant Guimaras Electric Cooperative, Inc. (GUIMELCO) filed an *Application* dated 30 March 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. GUIMELCO is an electric cooperative duly organized and existing under and by virtue of Philippine laws, with principal office at San Miguel, Jordan, Guimaras;
2. It holds an exclusive franchise from the National Electrification Commission to operate an electric light and power distribution service in the five (5) municipalities of the Province of Guimaras, namely: Buenavista, Jordan, Nueva Valencia, San Lorenzo and Sibunag.

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 formulas provided under Resolution 16, Series 2009 as amended by Resolution 21, Series of 2010 and Resolution 23, Series of 2010, GUIMELCO 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 January 2018 to December 2020;
8. The results of its calculations are presented hereunder, as follows:

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| Particulars | Recoverable Cost (PhP) | Actual Revenue (PhP) | (Over)/Under Recovery (PhP) |
|---|------------------------|----------------------|-----------------------------|
| Generation Charge | 623,696,397.34 | 615, 182,579.38 | 8,513,817.96 |
| Transmission Charge | 99,414, 158.87 | 98,323, 907. 97 | 1 ,090,250.90 |
| Systems Loss Charge | 91,738,049.70 | 91,276,603.13 | 461,446.57 |
| Lifeline Subsidy/ Discount Charge | 18,429,921.64 | 19,329,395.42 | (899,473.78) |
| Senior Citizen Subsidy/ Discount Charge | 1,288,623. 79 | 1 ,300,551.18 | (11,927.39) |
| Total | | | 9,154, 114.26 |

SUPPORTING DATA AND DOCUMENTS

9. In support of the foregoing calculations, GUIMELCO 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:

| FOLDER NO. | ANNEX MARKINGS | DESCRIPTION OF DOCUMENTS |
|------------|--------------------------------|--|
| 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 |
| | 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 | SUPPLIER AND TRANSMISSION DATA | |
| | Annex I | Power Bills from Suppliers (Proof of Payment; Adjusted Bill/Debit or Credit Memo.) |
| Folder 3 | STATISTICAL DATA | |
| | Annex J | Manifestation of no pilferage cost recoveries |
| | Annex K | Summary of Implemented Orders/Decisions |
| | Annex L | MFSR - Sections B and E |
| Folder 4 | ACTUAL IMPLEMENTED RATES DATA | |
| | Annex M | Consumer Bills per Customer Class (Non-Lifeline) |
| | Annex N | Consumer Bills per Lifeline Bracket (Lifeline) |
| | Annex O | Senior Citizen Consumer Bills |
| Folder 5 | OTHER DOCUMENTS | |
| | Annex P | Submitted Monthly URR |
| | Annex Q | Submitted Monthly URR Addendum |
| | Annex R | Single Line Diagram |
| | Annex S | Monthly Reports in accordance with ERC Resolution No. 10 Series of 2018 |

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10. The Monthly Reports under ERC Resolution No. 10, Series of 2018 was not submitted timely because the Applicant still had to perform distribution line data gathering to update its data. This was brought about by the fact that the cooperative installed a new Substation and the laptop computer where the program was solely installed was corrupted last February 2019.
11. The hard drive of that particular computer was required to be shipped to the supplier before they can issue a replacement program to the Applicant. Upon receipt of the new program, the data was then reencoded to the new computer.
12. However, due to the fact that the program can only be installed in one (1) computer as well as limitation in time and personnel, the Applicant was only able to submit the segregated Systems Loss annually every May 31st. Thus, Applicant respectfully requests that the said data be admitted to form part of the application.
13. Additionally, GUIMELCO is likewise submitting herewith the required electronic files of the Application and the supporting data and documents;
14. Further, in compliance with the pre-filing requirements under the ERC Rules of Practice and Procedure, GUIMELCO is submitting the following documents to form integral parts hereof, as follows:

| ANNEX MARKINGS | NATURE OF DOCUMENT |
|--------------------|--|
| Annex T and series | Proof of furnishing copies of the Application to the Offices of the Mayor and Sangguniang Bayan of Jordan and Offices of the Governor and Sangguniang Panlalawigan of Guimaras |
| Annex U and series | Proof of publication of the Application in a newspaper of general within GUIMELCO's franchise area or where it principally operates |

12.[sic] Considering foregoing, it is respectfully prayed that GUIMELCO'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 GUIMELCO respectfully pray of this Honorable Commission, after due notice and hearing:

1. to consider the submission only in the instant application of the Monthly Reports pursuant to ERC Resolution 10,

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Series of 2018, covering the months of January 2018 to December 2020; and

2. to confirm and approve the 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, 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:

| Particular | (Over)/Under Recovery (PhP) | Proposed Term of Refund/Collect | Billing Determinant (MFSR 2020) | Rate per Month |
|--|-----------------------------|---------------------------------|---------------------------------|----------------|
| Generation Charge | 8,513,817.96 | 1 | 42,244,582.15 | 0.2015 |
| Transmission Charge | 1,090,250.90 | 1 | 42,244,582.15 | 0.0258 |
| System Loss Charge | 461,446.57 | 1 | 42,244,582.15 | 0.0109 |
| Lifeline Subsidy/Discount Charge | (899,473.78) | 1 | 42,244,582.15 | (0.0213) |
| Senior Citizen Subsidy/Discount Charge | (11,927.39) | 1 | 42,244,582.15 | (0.0003) |
| Total | 9,154,114.26 | | | 0.2167 |

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 2020,¹ dated 24 September 2020:

| Date | Platform | Activity |
|--|------------------------------------|--|
| 15 July 2021 (Thursday) at nine o'clock in the morning (09:00 AM) | Microsoft Teams Application | Determination of compliance with the jurisdictional requirements and expository presentation |
| 22 July 2021 (Thursday) at nine o'clock in the morning (09:00 AM) | | Pre-trial Conference and presentation of evidence |

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

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

Moreover, any person who has 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, copy furnish the Legal Service through 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, copy furnish the Legal Service through 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.

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Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, thru legal.virtualhearings@erc.ph, 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 25th day of May 2021 in Pasig City.


AGNES YST DEVANADERA
Chairperson and CEO


LS: KMS/ARG/MCCG

