

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. 2021-013 CF

**SAMAR II ELECTRIC
COOPERATIVE, INC.
(SAMELCO II),**

Applicant.

Promulgated:
June 29, 2021

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NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 15 April 2021, Samar II Electric Cooperative, Inc. (SAMELCO II), filed an Application dated 26 March 2021 (Application), seeking the Commission's approval of its 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.

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

1. SAMELCO II is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Brgy. Arado, Paranas, Samar;
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 Catbalogan and fifteen (15) municipalities in the province of Samar, namely: Jiabong, Motiong, Paranas, San Sebastian, Hinabangan, Calbiga, Pinabacdao, Villareal, Talalora, Sta. Rita, Basey, Marabut, Daram, San Jose De Buan and Zumarraga.

LEGAL BASIS 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 of 2009 as amended by Resolution 21, Series of 2010 and Resolution 23, Series of 2010, SAMELCO II 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	1,157,475,679.10	1,169,855,326.14	(12,379,647.04)
Transmission Charge	202,195,648.66	203,921,383.89	(1,725,735.23)
Systems Loss Charge	155,614,806.54	159,651,909.32	(4,037,102.78)
Lifeline Subsidy/ Discount Charge	34,707,603.32	(34,443,278.30)	(264,325.02)
Senior Citizen Subsidy/ Discount Charge	315,277.98	(1,505,843.61)	1,190,565.63
Total	1,480,263,253.00	1,497,479,497.44	(17,216,244.44)

SUPPORTING DATA AND DOCUMENTS

9. In support of the foregoing calculations, SAMELCO II is submitting the following data and documents covering the period 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/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	SUPPLIER AND TRANSMISSION DATA	
	Annex I	Power Bills from Suppliers

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Folder 3	STATISTICAL DATA	
	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
Folder 4	ACTUAL IMPLEMENTED RATES DATA	
	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	OTHER DOCUMENTS	
	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, SAMELCO II 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:

ANNEX MARKINGS	NATURE OF DOCUMENT
Annex U and Series	Proof of furnishing copies of the Application to the Offices of the Mayor and Sangguniang Panlungsod of Catbalogan City and Offices of the Governor and Sangguniang Panlalawigan of Samar
Annex V and Series	Proof of publication of the Application in a newspaper of general within SAMELCO II's franchise area or where it principally operates

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12. Considering foregoing, it is respectfully prayed that applicant'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 SAMELCO II respectfully prays of this Honorable Commission, after due notice and hearing:

1. 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	(12,379,647.04)	five (5) years	119,668,697.84	(0.0207)
Transmission Charge	(1,725,735.23)	five (5) years	119,688,697.84	(0.0029)
Systems Loss Charge	(4,037,102.78)	five (5) years	119,688,697.84	(0.0068)
Lifeline Subsidy/ Discount Charge	(264,325.02)	five (5) years	119,688,697.84	(0.0004)
Senior Citizen Subsidy/ Discount Charge	1,190,565.63	five (5) years	119,688,697.84	0.0020
Total	(17,216,244.44)			(0.088)

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 and

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

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Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure)²:

Date	Platform	Activity
11 August 2021 (Wednesday) at nine o'clock in the morning (9:00 AM)	Microsoft Teams	Determination of compliance with the jurisdictional requirements and expository presentation
18 August 2021 (Wednesday) at nine o'clock in the morning (9:00 AM)	Microsoft Teams	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 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 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, 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.

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

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:

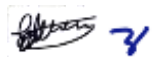
- 1) The name, mailing address, and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

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.

Finally, all interested persons may be allowed to join the scheduled initial virtual hearings by providing the Commission, thru 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 15th day of June 2021 in Pasig City.


AGNES YST DEVANADERA
Chairperson and CEO


LS: EDR/MCCG

ERC
Office of the Chairperson

AVSTD-2021-06-510-0066