

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 ON THE VARIOUS AUTOMATIC COST 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 ERC RESOLUTION NO. 23, SERIES OF 2010

ERC CASE NO. 2021-017 CF

**ZAMBALES II ELECTRIC COOPERATIVE, INC. (ZAMECO II),
Applicant.**

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Promulgated:
June 29, 2021

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 26 April 2021, Zambales II Electric Cooperative, Inc. (ZAMECO II) filed an *Application* dated 27 August 2020 seeking the Commission's approval of its automatic cost adjustment and true-up mechanisms and the corresponding confirmation process on its over/under recoveries for 2017 to 2019.

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

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1. **ZAMECO II** is an electric cooperative duly recognized and existing under and by virtue of the laws of the Republic of the Philippines, with the principal office at Barangay Nagbunga, Castillejos, Zambales, where it may be served with summons and other legal processes, represented in this instance by its Corplan/IT Manager, ENGR. GERRYLYN S. SANTOS, of legal age, Filipino, and with office address also at ZAMECO II main office;
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 municipalities of the provinces of Zambales, namely: Subic, Castillejos, San Marcelino, San Antonio, San Narciso, San Felipe and Cabangan;
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 (Filing) thereof, and ERC Resolution No. 23, Series of 2010, all Luzon Distribution Utilities (DU's) shall file their respective consolidated applications, on or before March 31, 2020, for the (over)/under recoveries on their implementation of various automatic cost adjustment and true-up mechanisms. Subsequently, the DUs shall file their respective consolidated applications every three (3) years following the sequence of period of prescribed filing;
4. For purposes of compliance with the said ERC Resolution No. 16, Series of 2009, as amended, herein applicant adopted the formulae on Generation Rate, Transmission Rate, System Loss Rate, Lifeline Subsidy Rate and Senior Citizen Subsidy Rate, together with the specific definitions and sub-formulae for each item thereof;
5. Applicant ZAMECO II hereby submits its proposed application for approval of automatic cost adjustment and true-up mechanisms and corresponding confirmation process pursuant to the aforesaid resolution, as amended, as well as the attached summary of computations and actual calculations of (over)/under recoveries for 2017 to 2019, duly marked as Annex "A", and form as part and parcel of this application;
6. 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:
 - a. Power Supply Data Sheet;
 - b. Statistical Data Sheet;
 - c. Implemented Rates;
 - d. Power Bills of Power Supplier/s;
 - e. Official Receipts issued by Power Supplier/s;
 - f. Debit/Credit Memo of Power Supplier/s;

- g. NGCP Invoices;
- h. Official Receipts issued by NGCP;
- i. Debit/Credit Memo of NGCP;
- j. DU/MO1 and DU-MO2, MFSR;
- k. Consumer bills of Lifeliners (per level) and Non-Lifeliners per customers class;
- l. URR Computation of Generation Rate;
- m. URR Computation of Transmission Rate;
- n. URR Computation of System Loss Rate;
- o. URR Computation of Lifeline Rate;
- p. URR Computation of Senior Citizen Subsidy Rate;
- q. Computation of (Over)/Under Recoveries; and
- r. Summary of Implementation of approved other charges (or Summary of Pilferage Cost Recoveries); and

7. The summary of Actual Revenue vis-à-vis allowed Cost Recoveries and (Over)/Under Recoveries for Generation, Transmission, System Loss, Lifeline, and Senior Citizen Rates as follows, to wit:

PARTICULARS	PASS TRUE COST	ACTUAL BILLINGS	(OVER)/UNDER RECOVERIES
GENERATION	2,614,432,323.83	2,597,914,319.04	16,518,004.78
TRANSMISSION	392,420,801.18	399,606,710.92	(7,185,909.74)
SYSTEM LOSS	336,748,590.05	345,372,859.75	(8,624,269.70)
LIFELINE	20,885,475.75	(20,274,412.21)	611,063.54
SENIOR CITIZENS	211,717.59	(207,685.55)	4,032.04
GRAND TOTAL	3,364,698,908.39	3,363,375,987.47	1,322,920.91

PRAYER

WHEREFORE, premises considered, applicant Zambales II Electric Cooperative, Inc. (ZAMECO II) respectfully prays of this Honorable Commission that, after due notice and hearing and consideration, this application be approved and, upon approval thereof, the applicant be directed to submit the scheme on how to implement the said approval.

Other relief, just or equitable, is likewise prayed for.

The Commission hereby sets the instant *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

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thereof, pursuant to Resolution 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
5 August 2021 (Thursday) at two o'clock in the afternoon (2:00 PM)	Microsoft Teams	Determination of compliance with the jurisdictional requirements and expository presentation
12 August 2021 (Thursday) at two o'clock in the afternoon (2:00 PM)	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

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.

- 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.

Finally, all interested persons may be allowed to join the scheduled initial virtual hearing 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 hearing.

WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 21st day of June 2021 in Pasig City.


AGNES VST DEVANADERA
Chairperson and CEO


LS: MBVM/CLB/MCCG

ERC
Office of the Chairperson

AVSTD-2021-06-510-0096