

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



IN THE MATTER OF THE APPLICATION FOR APPROVAL OF OVER/UNDER RECOVERIES BASED ON FORMULA FOR THE VARIOUS AUTOMATIC COST ADJUSTMENT AND TRUE-UP MECHANISMS AND CORRESPONDING CONFIRMATION PROCESS, PURSUANT TO ERC RESOLUTION NO. 16, SERIES OF 2009, AS AMENDED BY ERC RESOLUTION NO. 21, SERIES OF 2010

ERC CASE NO. 2018-008 CF

BOHOL II ELECTRIC COOPERATIVE, INC. (BOHECO II), Applicant.

X-----X

BOOKETED
Date: JUL 04 2018
By: _____

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 22 March 2018, the Bohol II Electric Cooperative Inc. (BOHECO II) filed an *Application* dated 15 March 2018, seeking approval of over or under-recoveries based on formula for various automatic cost 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.

BOHECO II alleged the following in its *Application*:

1. Applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Cantagay, Jagna, Bohol, 6308 where

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it may be served with summons and other legal processes, represented in this instance by its General Manager, **Engr. Eugenio R. Tan**, of legal age, Filipino, married and with office address also located at Cantagay, Jagna, Bohol per Board Resolution No. 61-2018;

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 (21) municipalities, namely the municipalities of Alicia, Anda, Bien-unido, Buenavista, Candijay, Carlos P. Garcia Island, Dagohoy, Danao, Duero, Garcia-Hernandez, Getafe, Guindulman, Jagna, Mabini, Pilar, San Miguel, Sierra Bullones, Talibon, Trinidad, Ubay and Valencia, all in the province of Bohol;
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 thereof, all Visayas Distribution Utilities (DUs) shall file their respective consolidated applications on or before March 31, 2018 for the over/under recoveries on their implementation of various automatic cost adjustment and true-up mechanisms;
4. In applying various formulae in the determination of the adjustments and the recovery or refund of Over or Under Recoveries herein applicant hereby adopts the respective formula as provided for in ERC Resolution No. 16 Series of 2009 and ERC Resolution No. 21 Series of 2010 together with the specific definitions and sub-formula for each item thereof;
5. 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:

FOLDER 1

- a. Application
- b. Summary of O/U recoveries computation for the entire period (per charges & yearly basis)
- c. Proposed Scheme of refund/collect using the latest KWH sales

FOLDER 2

- a. Supplier and Data sheet for the year
- b. Power bills from suppliers, Proof of Payment, Adjustments/Debit or Credit memo

FOLDER 3

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- a. Statistical data sheet for the year
- b. Summary of pilferage Cost recoveries/manifestation
- c. Report of implemented other adjustments (O/U refund)
- d. Monthly Financial & Statistical Report (Sections A & E)

FOLDER 4

- a. Actual Implemented Rates sheet for the year
- b. Lifeline Discount sheet for the year
- c. Senior Citizen Discount sheet for the year
- d. Sample bills per customer class (non-lifeline)
- e. One (1) sample consumer bill per Lifeline Bracket (lifeline)
- f. One (1) Senior citizen consumer bill from 1 – 100 KWH used

FOLDER 5

- a. Submitted URR for the year
6. The Summary of pass true-cost vis-à-vis the actual billing on estimated Generation, Transmission, System Loss, Lifeline Subsidy, Senior Citizen Subsidy rates are as follows, to wit:

BOHOL II ELECTRIC COOPERATIVE, INC.
SUMMARY OF (OVER) / UNDER RECOVERY
For the years 2015 – 2017

1. Generation

Year	GENERATION		(Over) / Under
	Allowable Generation Cost	Generation Revenues	
2015	454,417,182.81	460,242,798.64	(5,825,615.83)
2016	527,067,408.43	528,641,894.86	(1,574,486.43)
2017	584,813,167.63	587,389,538.83	(2,576,371.20)
Total	1,566,297,758.87	1,576,274,232.33	(9,976,473.47)

2. Transmission

Year	TRANSMISSION		(Over) / Under
	Allowable Transmission Cost	Transmission Revenue	
2015	72,101,181.70	73,172,663.72	(1,071,482.03)
2016	70,497,638.28	69,899,335.70	598,302.58
2017	83,243,717.54	84,604,980.28	(1,361,262.74)
Total	225,842,537.51	227,676,979.70	(1,834,442.18)

3. System Loss Rate

Year	SYSTEM LOSS

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	Allowable System Loss Cost	System Loss Revenues	(Over) / Under
2015	64,175,554.94	64,718,561.01	(543,006.06)
2016	70,901,165.40	66,230,178.48	4,670,986.92
2017	70,150,529.65	75,410,745.68	(5,260,216.03)
Total	205,227,249.99	206,359,485.17	(1,132,235.18)

4. Life Line Discount / Subsidy

Year	LIFELINE		(Over) / Under
	Total Lifeline Discount	Actual Lifeline Subsidy	
2015	(2,966,907.72)	3,091,744.58	(124,836.86)
2016	(3,050,683.83)	2,834,270.81	216,413.02
2017	(7,834,685.92)	8,189,670.07	(354,984.15)
Total	(13,852,277.47)	14,115,685.46	(23,407.99)

5. Senior Citizen Discount / Subsidy

Year	SENIOR CITIZEN		(Over) / Under
	Discount	Subsidy	
2015	(39,122.12)	37,550.62	1,571.51
2016	(38,157.63)	40,422.56	(2,264.93)
2017	(29,283.81)	26,949.93	2,333.88
Total	(106,563.57)	104,923.11	1,640.45

6. Summary

Particulars	Revenue		(Over) / Under Recovery
	Pass Through	Actual Collection	
Generation	1,566,297,758.87	1,576,274,232.33	(9,976,473.47)
Transmission	225,842,537.51	227,676,979.70	(1,834,442.18)
System Loss Rate	205,227,249.99	206,359,485.17	(1,132,235.18)
Life Line Discount Subsidy	13,852,277.47	14,115,685.46	(263,407.99)
Senior Citizen Discount / Subsidy	106,563.57	104,923.11	1,640.45
Total	2,011,326,387.40	2,024,531,305.77	(13,204,918.36)

PREPARED BY
IMELDA T. SEPE
 Finance, Division Chief

APPROVED BY:
EUGENIO R. TAN
 General Manager

7. BOHECO II has duly complied with the pre-filing requirements in accordance with the Rules of Practice and Procedure of the Energy Regulatory Commission.

PRAYER

WHEREFORE, premises considered, it is respectfully prayed of this Honorable Commission that the submitted calculation prepared by applicant be approved and that upon receipt of the Order of Approval, herein applicant be allowed to propose the scheme of refund/recovery as the case may be;

All other reliefs which are deemed just and equitable 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 **24 July 2018 (Tuesday) at ten o'clock in the morning (10:00 AM) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

All persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission a verified Petition to Intervene at least five (5) days prior to the initial hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name and 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.

All other persons who may want their views known to the Commission with respect to the subject matter of the case may file their Opposition or Comment thereon at any stage of the proceeding before Applicant rests its case, subject to the requirements under Rule 9 of the 2006 Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

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

All such persons who wish to have a copy of the *Application* may request from Applicant that they be furnished with the same, prior to the date of the initial hearing. Applicant is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Application* and other pertinent records filed with the Commission during the standard office hours.

WITNESS, the Honorable Chairperson and CEO **AGNES VST DEVANADERA**, and the Honorable Commissioners **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, and **GERONIMO D. STA. ANA**, Energy Regulatory Commission, this 18th day of June 2018 in Pasig City.


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Oversight Commissioner for Legal


LS, JTB, LSP, APV