

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



**IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE OVER/UNDER RECOVERY 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 AND RESOLUTION NO. 21, SERIES OF 2010**

**ERC CASE NO. 2014-054 CF**

**SAN JOSE CITY ELECTRIC COOPERATIVE, INC. (SAJELCO),  
Applicant.**

**DOCKETS**  
Date: FEB 10 2015  
By: *M*

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**NOTICE OF PUBLIC HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on April 4, 2014, the San Jose City Electric Cooperative, Inc. (SAJELCO) filed an application for confirmation and approval of its calculations of over/under recoveries in the implementation of Automatic Cost Adjustments and True Up Mechanisms pursuant to Commission's Resolution No. 16<sup>1</sup>, Series of 2009 as amended by Resolution No. 21<sup>2</sup>, Series of 2010.

In the said application, SAJELCO alleged, among others, that:

<sup>1</sup> "A Resolution Adopting the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities."

<sup>2</sup> "A Resolution Amending Section 4 of Article 4 and Section 1 of Article 5 of the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities."

1. It is a duly organized electric cooperative with the principal office at San Jose City, Nueva Ecija, where it may be served with legal processes. It represented in this instance by its General Manager, Mr. Celestino P. Pobre, of legal age, Filipino, married and with office address the SAJELCO's Principal Office, San Jose City, Nueva Ecija;
2. It is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in San Jose City, Palayan City, Science City of Muñoz and the Municipality of Llanera, all in the Province of Nueva Ecija;
3. Pursuant to the Commission's Resolution No. 16, Series of 2009 and Resolution No. 21, Series of 2010, Luzon Distribution Utilities (DUs) and Electric Cooperative (ECs) are required to file their respective consolidated application for the approval of their confirmation filing on the Calculation of the Over or Under Recovery in the implementation of various adjustment mechanisms as follows:
  - a. Generation Rate Over/Under Recovery Adjustment Mechanism;
  - b. Transmission Rate Over/Under Recovery Adjustment Mechanism;
  - c. System Loss Rate Over/Under Recovery Adjustment Mechanism;
  - d. Lifeline Subsidy Rate Over/Under Recovery Mechanism; and
  - e. Senior Citizen Rate Over/Under Recovery Mechanism;
4. In applying the various formulae in the determination of the adjustments and the recovery or refund of over or under recoveries, it adopted the respective formula as provided for in the Commission's Resolution No. 16, Series of 2009 and Resolution No. 21, Series of 2010 together with the specific definitions and sub-formula for each item thereof;

5. It attached to the application respective computations and actual calculation of its (Over)/Under Recoveries:

(OVER)/UNDER RECOVERY				
	2011 (PhP)	2012 (PhP)	2013 (PhP)	TOTAL (PhP)
Generation	4,362,879.93	(2,909,103.31)	(1,757,809.11)	(304,032.49)
Transmission	7,416,771.77	(6,094,420.73)	(3,446,383.88)	(2,124,032.84)
System Loss	552,670.05	(4,006,892.84)	(104,809.52)	(3,559,032.31)
Lifeline Rate	103,354.41	(75,302.35)	(109,640.57)	(81,588.51)
Senior Citizen	1,260.98	(882.09)	(1,123.97)	(745.08)
<b>TOTAL (PhP)</b>	<b>12,436,937.14</b>	<b>(13,086,601.32)</b>	<b>(5,419,767.05)</b>	<b>(6,069,431.23)</b>

6. In support of the application, it submitted the following documents for the period January 2011 to December 2013:

Summary of O/U Recoveries;	Annex 1
Computation of O/U Recoveries – GR;	Annex 2
Computation of O/U Recoveries – SLR;	
Computation of O/U Recoveries – TR;	
Computation of O/U Recoveries – LR;	
Computation of O/U Recoveries –Senior Citizen;	
Power Bills from AES with Official Receipts;	Annex 3
Power Bills from NGCP with Official Receipts ;	Annex 4
ERC Form DU-M01 & DU-M02;	Annex 5
Consumer Bills;	Annex 6
Computation of Generation Rate;	Annex 7
Computation of system loss Rate;	Annex 7
Computation of Transmission Rate;	Annex 8
Computation of Lifeline Rate;	Annex 9
Computation of Senior Citizen Rate;	
MFSR-Section B & E	Annex 11
Supplier & Transmission Data Sheet	Annex 12
Statistical Data Sheet	Annex 13
Frequency Distribution by kWh Consumption	Annex 14
URR Model	Annex 15
Soft Copy	

7. It prays of the Commission that the submitted calculations and computations it prepared be approved and, upon receipt of the order of approval, it be allowed to propose the scheme of refund/recovery as the case may be.

The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **March 9, 2015 (Monday) at two o'clock in the afternoon (2:00 P.M.) at the ERC Hearing Room, 15<sup>th</sup> Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission giving the docket number and title of the proceeding and stating: (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 proceeding may file their opposition to the application or comment thereon at any stage of the proceeding before the applicant concludes the presentation of its evidence. No particular form of opposition or comment is required, but the document, letter or writing should contain the name and address of such person and a concise statement of the opposition or comment and the grounds relied upon.

All such persons who may wish to have a copy of the application may request the applicant, prior to the date of the initial hearing, that they be furnished with a copy of the application. The applicant is hereby directed to furnish all those making a request with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs. Likewise, any such person may examine the application and other pertinent records filed with the Commission during the usual office hours.

**WITNESS**, the Honorable Chairperson, **ZENAIDA G. CRUZ-DUCUT**, and the Honorable Commissioners, **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, and **JOSEFINA PATRICIA A. MAGPALE-ASIRIT**, Energy Regulatory Commission, this 2<sup>nd</sup> day of February 2015 at Pasig City.

  
**ATTY. FRANCIS SATURNINO C. JUAN**  
Executive Director III