

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, 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
2011 TO 2013, 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. 2015-015 CF

ILOILO II ELECTRIC
COOPERATIVE, INC., (ILECO II),
Applicant
X ----- X

DOCKED
Date: AUG 26 2015
[Signature]

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on March 30, 2015, Iloilo II Electric Cooperative, Inc. (ILECO II) filed an application for approval of its over/under recoveries in the implementation of automatic cost adjustments and true-up mechanisms for the period 2012 to 2014 pursuant to ERC Resolution No. 16, Series of 2009, and Resolution No. 23, Series of 2010.

In the said application, ILECO II alleged, among others, the following:

1. It 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. Cauayan, Potatan, Iloilo;
2. It holds an exclusive franchise issued by the National Electrification Commission (NEC) to operate an electric light and power distribution service in the City of Passi and certain municipalities in the Province of Iloilo namely: Potatan, Mina, Dingle, Dueñas, San Enrique, Calinog, Bingawan, Lambunao, Janiuay, Badiangan, Zarraga, New Lucena, Barotac Nuevo and Dumangas;
3. The Commission's Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010, establish 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 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, System Loss Rate, Transmission Rate, Lifeline Rate Recovery, Inter-Class Cross-Subsidy Removal and Senior Citizen Discount, as the case may be;
4. It adopted the rules implementing the Senior Citizen Discounts under ERC Resolution No. 23, Series 2010;
5. Foregoing resolution further require the Distribution Utilities (DUs) to file their respective consolidated applications once every three (3) years. Hence, the filing of its application for the period January 2012 to December 2014;
6. It applied the formulae provided under Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010, and has determined that the over recoveries and

under recoveries incurred in its implementation of the foregoing automatic cost adjustments and true-up mechanisms for the period January 2012 to December 2014;

7. The results of its calculations are presented hereunder, as follows:

Particulars	Allowable Cost (PhP)	Actual Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation Rate (GR)	1,932,578,914.21	1,955,996,613.93	(23,417,699.73)
Transmission Rate (TR)	300,254,431.12	311,112,694.11	(10,858,262.99)
System Loss Rate (SLR)	318,033,317.05	319,696,155.79	(1,662,838.74)
	Discount (PhP)	Subsidy (PhP)	
Lifeline Rate (LR)	(33,831,756.02)	35,786,672.84	(1,954,916.82)
Senior Citizen Discount Rate	(559,651.41)	586,696.89	(27,045.48)
Net Results	2,585,258,069.81	2,623,833.56	(37,920,763.76)

8. In support of the computations made, it is submitting the following data and documents, labeled together and made an integral part of the application as Annex "A", to wit:

- A-1) Summary of the results of individual calculations of over or under recoveries made on the subject pass through charges;
- A-2) Supplier and Transmission Data Sheet;
- A-3) Statistical Data Sheet;
- A-4) Implemented Rates Data Sheet;
- A-5) Power Bills of Power Suppliers;
- A-6) Official Receipts (O.R.) issued by Power Suppliers;
- A-7) Breakdown of Payment with O.R.;
- A-8) Debit/Credit Memo of Power Suppliers;
- A-9) National Grid Corporation of the Philippines (NGCP) Invoices;
- A-10) O. R. issued by the NGCP;
- A-11) Breakdown of Payments with O.R.
- A-12) Debit/Credit Memo issued by NGCP
- A-13) MFSR (Sections B and E);
- A-14) DU-MO1 and DU-MO2; and
- A-15) Consumer Bills of Lifeliners (per level) and Non-Lifeliners per customer class and Senior Citizens (per level); and

9. It prays that the calculations of over/under recoveries presented in the instant application be confirmed and approved, and that it be allowed to refund/collect said over/under recoveries to or from its customers.

The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **September 15, 2015 (Tuesday) at two o'clock in the afternoon (2:00 P.M.) 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 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 Chairman, **JOSE VICENTE B. SALAZAR**, and the Honorable Commissioners, **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, **JOSEFINA PATRICIA A. MAGPALE-ASIRIT**, and **GERONIMO D. STA. ANA**, Energy Regulatory Commission, this 17th day of August, 2015 at Pasig City.


ATTY. FRANCIS SATURNINO C. JUAN
Executive Director III