

Cebu where it may be served with summons and other legal processes.

MECO is the exclusive franchise holder issued by Congress of the Philippines to operate an electric light and power services in the City of Lapu-lapu and Municipality of Cordova, both in the Province of Cebu;

2. The ERC adopted Resolution No. 16, Series of 2009 ("A Resolution Adopting the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities") (the "Rules" for brevity) on July 13, 2009 which established 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 ERC;
3. The ERC also adopted Resolution No. 23, Series of 2009 ("A Resolution Adopting the Template for the Distribution Utilities' (DUS) Filing Pursuant to the "Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities") on October 12, 2009 which directed "all DUs to adopt the template on the Uniform Over/Under Recovery in the filing of their respective over/under recoveries which is posted on the ERC website and available upon request from the ERC Investigation and Enforcement Division";
4. The ERC also adopted Resolution No. 23, Series of 2010 ("A Resolution Adopting the Rules Implementing the Discounts to Qualified Senior Citizen End-Users and Subsidy from the Subsidizing End-Users on Electricity Consumption Under Sections 4 and 5 of Republic Act No. 9994) on December 15, 2010. Section 3 of Article 7 of the aforementioned Resolution states that the ERC shall verify the over or under recovery in the Senior Citizen Discount and Subsidy Rates once every three (3) years to coincide and in accordance with the time frames as set forth under Article 5 of the Rules;

5. On May 31, 2012, MECO filed an application for the approval of the calculations for the automatic cost adjustment and true-up mechanisms for the a) generation rate; b) transmission rate; c) system loss rate; d) lifeline subsidy rate; and e) interclass cross subsidy rate under ERC Case No, 2012-034 CF, covering the period starting from the time MECO's approved unbundled rates became effective until December 2011.

The Commission resolved the application in its Decision dated September 2, 2014;

6. Based on the Rules and the foregoing Resolutions and using the prescribed template, MECO has calculated the over and under recoveries on the Generation Rate, Transmission Rate, System Loss Rate, Lifeline Subsidy Rate and Senior Citizen Rate for the period January 2012 to December 2014 as follows:

Pass Through Costs	Allowable Revenue/Discount	Actual Revenue/ Subsidy	Difference (Over) Under
Generation Rate	5,946,593,266.65	5,914,684,744.98	31,908,521.68
Transmission Rate	690,388,233.63	689,689,879.55	698,354.08
System Loss Rate	751,412,596.97	756,453,936.38	(5,041,339.41)
Lifeline Subsidy Rate	72,214,901.93	72,649,180.89	(434,278.96)
Senior Citizen Rate	1,205,800.79	0.00	1,205,800.79
Total	7,461,814,799.97	7,433,477,741.79	24,337,058.17

7. In support of this application for the approval and confirmation of MECO's calculations on the automatic cost adjustments it implemented and the true-up of other pass-through charges approved by the ERC, MECO has attached the following documents:

REFERENCE	INFORMATION PROVIDED
Schedule A	Computation of Over/Under Recovery for Generation Rate with Supporting Documents

Schedule B	Computation of Over/Under Recovery for System Loss Rate with Supporting Documents
Schedule C	Computation of Over/Under Recovery for Transmission Rate with Supporting Documents
Schedule D	Computation of Over/Under Recovery for Lifeline Subsidy Rate with Supporting Documents
Schedule E	Computation of Over/Under Recovery for Senior Citizen Subsidy and Discount with Supporting Documents
Schedule F	Summary of Over/Under Recoveries from 2012 to 2014

8. MECO requests for the approval of its application to allow for the timely recovery/refund of the calculated over or under recoveries; and
9. MECO prays that after due notice and hearing and consideration, this application be approved and the following over and under recoveries be approved:

Pass Through Costs	Allowable Revenue/Discount	Actual Revenue/ Subsidy	Difference (Over) Under
Generation Rate	5,946,593,266.65	5,914,684,744.98	31,908,521.68
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The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **November 25, 2015 (Wednesday) at nine o'clock in the morning (9:00 A.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 such 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**, and **GERONIMO D. STA. ANA**, Energy Regulatory Commission, this 12th day of October, 2015 at Pasig City.


ATTY. FRANCIS SATURNINO C. JUAN
Executive Director III