

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 2012 TO 2014, 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. 2015-029 CF

CAPIZ ELECTRIC COOPERATIVE, INC. (CAPELCO), Applicant.

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D O C K E T E D
Date: FEB 24 2016
By: hr

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 31 March 2015, Capiz Electric Cooperative, Inc. (CAPELCO) filed an application for confirmation and approval of its calculations of over or 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 as amended by Resolution No. 21, Series of 2010, and ERC Resolution 23, series of 2010.

In the said application, CAPELCO alleged, among others, the following:

1. CAPELCO 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. Timpas, Panitan, Capiz;
2. CAPELCO holds an exclusive franchise issued by the National Electrification Commission (NEC) to operate an electric light and power distribution service in the City of Roxas and the Municipalities in the Province of Capiz, namely: Cuartero, Dao, Dumarao, Dumalag, Ivisan, Jamindan, Maayon, Mambusao, Panitan, Panay, Pontevedra, President Roxas, Pilar, Sapián, Sigma and Tapaz;
3. The Commission's Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010, 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 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, Transmission Rate, System Loss Rate, Lifeline Rate Recovery, Inter-Class Cross Subsidy Removal or Treatment of Prompt Payment Discount;
4. The Commission adopted the rules implementing the Senior Citizen Discounts under ERC Resolution No. 23, Series 2010;
5. The foregoing resolutions further require the Distribution Utilities (DUs) to file their respective consolidated applications once every three (3) years. Hence, the filing of CAPELCO's application, covering the period January 2012 to December 2014;

6. Applying the formulae provided under Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010, and Resolution No. 23, Series of 2010, CAPELCO made calculations of the over recoveries charged or under recoveries incurred as against its customers, in the implementation of the automatic cost adjustments and true-up mechanisms, covering the period January 2012 to December 2014;
7. The results of CAPELCO calculations are presented hereunder, as follows:

Particulars	Allowable Cost (PhP)	Actual Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation Rate (GR)	3,115,427,816.14	3,131,588,326.01	(16,160,509.87)
Transmission Rate (TR)	387,639,458.29	364,290,740.64	23,348,717.66
System Loss Rate (SLR)	496,207,783.50	470,237,802.35	25,969,981.24
	Discount (PhP)	Subsidy (PhP)	
Lifeline Rate (LR)	51,313,564.56	44,520,749.11	6,792,815.47
Senior Citizen Rate	3,605,321.00	1,392,596.99	2,212,724.01
Net Results	4,054,193,943.49	4,012,030,215.10	42,163,728.50

8. In support of the computations made, CAPELCO submitted the following data and documents, labeled together and made an integral part of the application as Annex "A", to wit:
 - a. Summary of the results of individual calculations of over or under recoveries made on the subject allowable costs;
 - b. Supplier and Transmission Data Sheet;
 - c. Statistical Data Sheet;
 - d. Implemented Rates Data Sheet;
 - e. Power Bills of Power Suppliers;
 - f. Official Receipts (O.R.) issued by Power Suppliers;
 - g. Breakdown of Payments with O.R.;
 - h. Debit/Credit Memo of Power Suppliers;
 - i. National Grid Corporation of the Philippines (NGCP) Invoices;
 - j. O.R. issued by NGCP;
 - k. Breakdown of Payments with O.R.;
 - l. Debit/Credit Memo issued by NGCP;
 - m. MFSR (Sections B and E);
 - n. DU-MO1 and DU-MO2;

- o. Consumer Bills of Lifeliners (per level) and Non-Lifeliners per customer class and Senior Citizens (per level); and
9. CAPELCO prays that the calculations of its over/under recoveries be confirmed and approved by the Commission; and
10. After due notice and hearing, CAPELCO's calculations of over or under recoveries in the implementation of certain automatic cost adjustments and true up mechanisms covering the period January 2012 to December 2014, made pursuant to ERC Resolution 16, Series of 2009 as amended by Resolution 21, Series of 2010 and ERC Resolution 23, Series of 2010, be confirmed and approved and that it be allowed to refund the over recoveries or collect the under recoveries to or from its customers, summarized as follows, to wit:

Particulars	Allowable Cost (PhP)	Actual Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation Rate (GR)	3,115,427,816.14	3,131,588,326.01	(16,160,509.87)
Transmission Rate (TR)	387,639,458.29	364,290,740.64	23,348,717.66
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The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **13 April 2016 (Wednesday) at ten o'clock in the morning (10:00 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 wish to have a copy of the application may request from the applicant that they be furnished with the same, prior to the date of the initial hearing. The 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 standard 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 16th day of February, 2016 at Pasig City.


ATTY. NATHAN J. MARASIGAN
Chief of Staff
Office of the Chairman and CEO


Mlmg/APV/LS-NPH-2015-029cf