

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



**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF ITS TARIFF
GLIDE PATH ADJUSTMENT
FOR THE 1ST REGULATORY
PERIOD,**

ERC CASE NO. 2015 -133 RC

**NUEVA VIZCAYA ELECTRIC
COOPERATIVE, INC.
(NUVELCO),**

Applicant.

X-----X

D O C K E T E D
Date: JAN 8 0 2017
By: [Signature]

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 14 July 2015, Nueva Vizcaya Electric Cooperative, Inc. (NUVELCO) filed an Application seeking the Commission's approval of its Tariff Glide Path (TGP) adjustment for the first regulatory period.

NUVELCO alleged the following in its Application:

1. Applicant is an electric cooperative duly organized and existing under Philippine law, with principal office address at Gabut, Dupax del Sur, Nueva Vizcaya; franchised to construct, own, operate and maintain an electric distribution system in the municipalities of Alfonso Castaneda, Ambaguio, Aritao, Bagabag, Bambang, Bayombong, Diadi, Dupax del Norte, Dupax del Sur, Kasibu, Kayapa, Quezon, Solano, Sta. Fe and Villaverde, all in the Province of Nueva Vizcaya; represented herein by its General Manager, Engr. Narciso S. Salunat, REE, MBA.
2. NUVELCO belongs to the 2nd Entrant Group under the 1st Regulatory Period of the Rules Governing the Tariff Glide Path (TGP) promulgated on May 2, 2011 under Res. No. 08, Series 2011.
3. The rate of the Electric Cooperative (EC) per group during the Regulatory Period shall be adjusted using the following formula:

ERC CASE NO. 2015-133 RC
NOTICE OF PUBLIC HEARING/ 23 JANUARY 2017
PAGE 2 OF 5

Tariff x [1+ Index "I" - Efficiency Factor "X" + Performance Incentive "S"]

The *Index "I"* shall be an escalation factor to be used in adjusting the rates to reflect the combined impact of inflation and load growth; the *Efficiency Factor "X"* is to account for the operational efficiency of the EC in setting its rates; and the *Performance Incentive "S"* shall reward or penalize the EC for its performance above or below standard performance.

The TGP is intended as a cap and the EC may move up to the cap, if it is a positive adjustment. If the cap is lower than the current average tariff, a reduction must be implemented.

4. In consideration of the foregoing premises, NUVELCO calculated its values for "I", "X" and "S" in accordance with the TGP Rules and came up with the following data:

NAME OF EC: NUEVA VIZCAYA ELECTRIC COOPERATIVE (NUVELCO)

| | "I" | "X" | "S" | TGP A | TGP A (excluding S) |
|-----------|-------|-------|--------|--------|---------------------|
| YEAR 2012 | 5.07% | 0.00% | 0.40% | 5.47% | 5.07% |
| YEAR 2013 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| YEAR 2014 | 0.00% | 3.27% | -0.80% | -4.07% | -3.27% |
| TOTAL | | | | 1.40% | 1.80% |

5. NUVELCO calculated its 1st tariff glide path adjustment for the regulatory years from 01 January 2015 to 31 December 2017 and came up with the following rates:

NAME OF EC: NUEVA VIZCAYA ELECTRIC COOPERATIVE (NUVELCO)
 GROUP: D

| Type of Consumer | Particulars | Unit | Rate @ end of the transition period (in PhP/kWh) | Rate @ 1st tariff glide path adjustment (in PhP/kWh) | Rate @ 1st tariff glide path adjustment excluding S (in PhP/kWh) |
|------------------|--------------|--------------|--|--|--|
| Residential | Distribution | PhP/kWh | 0.5143 | 0.5215 | 0.5235 |
| | Supply | PhP/kWh | 0.5828 | 0.5909 | 0.5933 |
| | Metering | PhP/kWh | 0.3669 | 0.3720 | 0.3735 |
| | Metering | PhP/meter/mo | 5.00 | 5.07 | 5.09 |
| LOW VOLTAGE | Distribution | PhP/kWh | 0.5134 | 0.5206 | 0.5226 |
| | Supply | PhP/cust/mo | 41.61 | 42.19 | 42.36 |
| | Metering | PhP/meter/mo | 31.19 | 31.63 | 31.75 |
| HIGHER VOLTAGE | Distribution | PhP/kW | 190.03 | 192.69 | 193.45 |
| | Supply | PhP/cust/mo | 41.61 | 42.19 | 42.36 |
| | Metering | PhP/meter/mo | 31.19 | 31.63 | 31.75 |

ERC CASE NO. 2015-133 RC
NOTICE OF PUBLIC HEARING/ 23 JANUARY 2017
PAGE 3 OF 5

6. The following supporting documents are attached:
 - 6.1. TGP Calculations
 - 6.1.1 Index "I" Calculation
 - 6.1.2. Efficiency Factor "X" Calculation
 - 6.1.3. Performance Incentive "S" Calculation
 - 6.2 MFSR (Sections B & E) 2010 - 2013
 - 6.3 Billing Determinants
 - 6.3.1. kWh Sales (2010-2013)
 - 6.3.2. No. of Customers (2010-2013)
 - 6.3.3. kW Demand (2010-2013)
 - 6.4. Sample Bills (1 per customer type) 2010 - 2013
 - 6.5. Regional CPI (2010-2013)
 - 6.6. RFSC/Reinvestment Fund Utilization (2011-2013)
 - 6.7. Consumer Complaints (Summary of Tracking Forms)
 - 6.8. Audited Financial Statements (2010-2013)

PRAYER

PREMISES CONSIDERED, NUVELCO respectfully prays for the approval of its first tariff glide path adjustment for implementation during the first regulatory period, more particularly described as follows:

NAME OF EC. NUEVA VIZCAYA ELECTRIC COOPERATIVE (NUVELCO)
 GROUP: D

| Type of Consumer | Particulars | Unit | Rate @ end of the transition period (in PhP/kWh) | Rate @ 1st tariff glide path adjustment (in PhP/kWh) | Rate @ 1st tariff glide path adjustment excluding 5 (in PhP/kWh) |
|------------------|--------------|--------------|--|--|--|
| Residential | Distribution | PhP/kWh | 0.5143 | 0.5215 | 0.5235 |
| | Supply | PhP/kWh | 0.5828 | 0.5909 | 0.5933 |
| | Metering | PhP/kWh | 0.3669 | 0.3720 | 0.3735 |
| | Metering | PhP/meter/mo | 5.00 | 5.07 | 5.09 |
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| | Supply | PhP/cust/mo | 41.61 | 42.19 | 42.36 |
| | Metering | PhP/meter/mo | 31.19 | 31.63 | 31.75 |

NUVELCO also pray for such other relief or remedy as may be just and equitable under the circumstances.

The Commission has set the Application for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **2 March 2017 at nine-thirty in the morning (9:30 A.M.), at NUVELCO's principal office at Gabut, Dupax del Sur, Nueva Vizcaya.**

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 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:


- 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 it 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 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 23rd day of January 2017 at Pasig City.


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


LS/SLAN/ARG/PAR/APV