

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



**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF
OVER/UNDER RECOVERIES
BASED ON THE FORMULA
ON THE VARIOUS
AUTOMATIC COST
ADJUSTMENT AND TRUE-
UP MECHANISMS AND
CORRESPONDING
CONFIRMATION PROCESS
PURSUANT TO ERC
RESOLUTION NO. 16,
SERIES OF 2009, AS
AMENDED BY ERC
RESOLUTION NO. 21,
SERIES OF 2010 AND ERC
RESOLUTION NO. 23,
SERIES OF 2010,**

ERC CASE NO. 2017-011 CF

**CAMARINES SUR IV
ELECTRIC COOPERATIVE,
INC. (CASURECO IV),
Applicant.**

D O C K E T E D
Date: MAY 26 2017
By: [Signature]

X-----X

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 28 March 2017, an *Application* dated 17 March 2017 was filed by applicant Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV) seeking the Commission's approval of the (over)/under-recoveries based on the formula on the various automatic cost adjustment and true-up mechanisms and corresponding confirmation process, pursuant to ERC Resolution No. 16, Series of 2009, as amended by ERC Resolution No. 21, Series of 2010 and ERC Resolution No. 23, Series of 2010.

CASURECO IV alleged the following in its Application:

ERC CASE NO. 2017-011 CF
NOTICE OF PUBLIC HEARING/ 15 MAY 2017
PAGE 2 OF 5

1. Applicant CASURECO IV is an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Talojongon, Tigaon, Camarines Sur, represented herein by its General Manager, Atty. Veronica T. Briones, per Board Resolution attached hereto as Annex "A";

2. Applicant CASURECO IV is the exclusive franchise holder issued by the National Electrification Commission (NEC), to operate an electric light and power distribution service in the Municipalities of Tigaon, Ocampo, Sangay, Goa, San Jose, Lagonoy, Presentacion, Caramoan and Garchitorena, all in the Province of Camarines Sur;

3. Under ERC Resolution No. 16, Series of 2009 as amended by ERC Resolution No. 21, Series of 2010, Luzon Distribution Utilities (DUs) and Electric Cooperatives (ECs) are required to file their respective consolidated applications for the approval of their over or under recoveries on the implementation of various automatic cost adjustments and true-up mechanisms, such as: Automatic Generation Rate (GR) and System Loss Adjustment Mechanism, Transmission Rate (TR) Adjustment Mechanism, Lifeline Rate Recovery Mechanism, Local Franchise Tax and Business Taxes Recovery Mechanism, Calculation of the Over/Under Recovery in the Implementation of Lifeline Rates by DUs, True-up Mechanism of the Over/Under Recovery of in the Implementation of Inter-Class Cross Subsidy Removal of DUs, Treatment of Prompt Payment Discount (PPD), Calculation of Over/Under Recovery in the Implementation of System Loss Rate (SLR) by DUs, and Calculation of the Over/Under Recovery in the Implementation of Transmission Rates;

4. Applicant CASURECO IV adopted and applied the various formulas provided under Resolution 16, Series of 2009 as amended by Resolution 21, Series of 2010, in determining the under/over recoveries on the implementation of the foregoing automatic cost adjustments and true-up mechanisms;

5. A summary of the pass true costs vis-a-vis the actual collections on the above-mentioned implementation of various automatic cost adjustments and true-up mechanisms for CY 2014 to 2016 are presented hereunder, as follows:

	Pass True Cost	Actual Collection	(Over)/Under
1 Generation Rate (GR)	701,931,380.86	700,609,915.82	1,321,465.04
2 Transmission Rate (TR)	150,407,154.91	151,533,991.57	(1,126,836.66)
3 System Loss Rate (SLR)	124,827,432.80	124,927,728.26	(100,295.46)
4 Lifeline Rate (LR)	20,013,331.21	20,997,471.09	(984,139.88)
5 Senior Citizen Rate	218,197.36	229,779.27	(11,581.92)
Grand Total	997,967,086.98	998,878,447.16	(901,388.88)

6. Detailed summaries for CY 2014-2016 and the detailed individual computations on the above-stated pass-through charges and actual collections are attached hereto as Annex "B" and sub-annexes:

- a. Supplier and Transmission Data;
- b. Statistical Data on Energy Sales, Power Demand and System Loss;
- c. Actual Rates Implemented;
- d. Lifeline Discount Sheet;
- e. Calculation of (Over)/Under Recoveries for Generation Rate;
- f. Calculation of (Over)/Under Recoveries for Transmission Rate;
- g. Calculation of (Over)/Under Recoveries for System Loss Rate;
- h. Calculation of (Over)/Under Recoveries for Lifeline Rate;
- i. Calculation of (Over)/Under Recoveries for Senior Citizen;
- j. Summary of (Over)/Under Recoveries from CY 2014-2016;
- k. Proposed scheme of refund/collect using the latest kWh Sales;
- l. Manifestation of no Pilferage Recoveries; and
- m. Report of implemented other adjustments.

7. In support of the foregoing computations, Applicant CASURECO IV is submitting the following data and documents, labelled together and made an integral part of the instant Application as Annex "C", and sub-annexes to wit:

- a. Power bills, Official Receipts and Debit/Credit Memo from SMEC;
- b. Power bills, Official Receipts and Debit/Credit Memo from ULGEI;
- c. Power bills, Official Receipts and Adjustments from WESM;
- d. Power bills and Official Receipts from NGCP;
- e. Monthly Financial Statistical Report Section A & E;
- f. Sample Power Bills of CASURECO IV to Non-Lifeliners Residential, Low Voltage and High Voltage customers;
- g. Sample Power Bills of CASURECO IV to Lifeliners Residential customers;
- h. Sample Power Bills of CASURECO IV to Senior Citizen customers.

PRAYER

WHEREFORE, premises considered, it is most respectfully prayed upon the Honorable Commission that the computations of over/under recoveries presented in the instant Application be approved, and Applicant CASURECO IV be allowed to refund/collect said over/under recoveries.

Other relief, just and equitable under the premises are likewise prayed for.

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **9 August 2017 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 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 Officer-In-Charge of ERC **ALFREDO J. NON**, and the Honorable Commissioners **GLORIA VICTORIA C. YAP-TARUC** and **GERONIMO D. STA. ANA**, Energy Regulatory Commission, this 15th day of May 2017 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Oversight Commissioner for Legal


LS/SLAN/ARG/PAR/APV