

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



IN THE MATTER OF THE APPLICATION FOR THE APPROVAL OF THE OVER/UNDER RECOVERIES BASED ON THE FORMULA FOR VARIOUS AUTOMATIC COST ADJUSTMENTS 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. 2017-030 CF

**IBAAN ELECTRIC CORPORATION (IEC),
Applicant.**

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D O C K E T E D
Date: JUL 12 2017
By: [Signature]

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 30 March 2017, an *Application* dated 24 March 2017 was filed by applicant Ibaan Electric Corporation (IEC) seeking the Commission's approval of the (over)/under-recoveries based on the formula on the various automatic cost adjustments 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.

IEC alleged the following in its Application:

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1. That the Applicant is a private distribution utility existing pursuant to law with postal address at Metro-Rei Business Park, Brgy. Palindan, Ibaan, Batangas, duly registered with the Securities and Exchange Commission with Certificate No. 2777. Where it may be served with the processes of this Honorable Commission through its General Manager, MS. MARISON S. MAGPANTAY, whose authority to file this Application and represent the Applicant is authorized by the Board of Directors of the Applicant pursuant to Board Resolution 2017-01-04 which is hereto attached as Annex "A" and made an integral part of this Application. The undersigned counsel is likewise authorized by the Board through Board Resolution 2017-01-05 to act as the counsel of record for the applicant;

2. That Applicant's franchise area covers the following: (1) Ibaan Municipality including twenty-six (26) barangays; (2) Brgy. Adya at Lipa City; and (3) Brgy. Salaban at San Jose, Batangas.

3. That pursuant to ERC Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010 and Resolution No. 23, Series of 2010, Luzon Distribution Utilities (DUs) are directed to file their respective applications for the approval of the over/under recoveries on cost adjustments and true-up mechanism as follows:
 - a. Power Supplier Data Sheet;
 - b. Statistical Data Sheet;
 - c. Implemented Rates Data Sheet;
 - d. Power Bills of Power Suppliers;
 - e. Official Receipts issued by Power Suppliers;
 - f. Breakdown of Payment with OR, if payment is staggered;
 - g. Debit/Credit memo of power suppliers;
 - h. Transco/NGCP invoices;
 - i. Consumer Bills of lifeliners per level and non lifeliners per customer class;
 - j. Computation of Generation Rate;
 - k. Computation of System Loss Rate;
 - l. Computation of Transmission Rate;
 - m. Computation of Lifeline Rate;
 - n. Computation of Sr. Citizen Rate.

4. That the period covered for these over/under recoveries start from the year 2014 to 2016 or over three (3) years which is also the period proposed to be used for purposes of refund and/or collection of the over/under recoveries;

5. That the summary of the under/(over) recoveries for the three (3) years are summarized and presented below:

GENERATION	2014	2015	2016
Allowable Cost	106,471,220.00	98,847,789.81	109,435,592.90

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Actual Revenue	107,515,275.21	98,122,667.75	111,633,001.18
(Over) / Under	(1,044,055.21)	725,122.06	(2,197,408.28)
TRANSMISSION			
Allowable Cost	20,754,390.52	20,076,532.77	20,975,745.33
Actual Revenue	18,814,245.40	18,351,929.89	20,764,266.57
(Over) / Under	1,940,145.12	1,724,602.88	211,478.76
SYSTEM LOSS			
Allowable Cost	11,933,213.31	11,062,164.84	12,221,808.95
Actual Revenue	12,247,969.86	11,793,614.20	12,870,961.68
(Over) / Under	(314,756.56)	(731,449.36)	(649,152.73)
LIFELINE			
Total Discounts	(3,484,642.06)	(3,403,396.90)	(1,738,356.76)
Total Subsidy	3,789,831.36	3,696,104.77	2,307,394.75
(Over) / Under	(305,189.30)	(292,707.87)	(569,037.99)
SENIOR CITIZEN			
Total Discounts	47,119.70	50,409.13	15,540.24
Total Subsidy	77,404.01	79,368.86	184,084.30
(Over) / Under	(30,284.31)	(28,959.73)	(168,544.06)
TOTAL	<u>245,859.75</u>	<u>1,396,607.98</u>	<u>(3,372,664.30)</u>
NET OVER RECOVERY			<u>(1,730,196.57)</u>

6. That Applicant proposes to refund the net over recoveries of One Million Seven Hundred Thirty Thousand One Hundred Ninety-Six Pesos and 57/100 (Php 1,730,196.57) in three (3) years, starting in January 2018 – December 2020 as follows:

January 2018 to December 2020

Generation Cost	Php -0.037028 per Kwh
Transmission Cost	Php 0.057039 per Kwh
Systems Loss	Php -0.024947 per Kwh
Lifeline Discount	Php -0.017172 per Kwh
Sr. Citizen Discount	Php -0.003352 per Kwh

PRAYER

WHEREFORE, foregoing premises considered, it is most respectfully prayed of this Honourable Commission, to approve the submitted calculations and computations made by the Applicant and the proposed repayment scheme.

Other reliefs consistent with justice and equity 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 **30 August 2017 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 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

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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 27th day of June 2017 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Oversight Commissioner for Legal


LS: SLAN/ARG/CLS/APV