

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 COSTS 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. 2017-063 CF

NUEVA ECIJA II ELECTRIC COOPERATIVE, INC. – AREA 1 (NEECO II- AREA 1), Applicant.

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DOCKETED:
Date: AUG 31 2017
By: [Signature]

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 20 April 2017, Nueva Ecija II Electric Cooperative, Inc.– Area 1 (NEECO II- AREA 1) filed an *Application* dated 07 April 2017 seeking the Commission’s approval of its proposed over or under recoveries in the implementation of automatic cost adjustments and true-up mechanisms covering the period 2014 to 2016.

NEECO II- AREA 1 alleged the following in its *Application*:

Applicant Nueva Ecija II Electric Cooperative, Inc. – Area 1 (NEECO II – AREA 1, for brevity), by and through the undersigned counsel, and unto this Honorable Commission most respectfully states:

1. Applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Calipahan, Talavera, Nueva Ecija, where it may be served with summons and other legal processes, represented in this instance by its OIC - General Manager, Engr. Nelson M. Dela Cruz, of legal age, Filipino, and with office address also at NEECO II – AREA 1 main office;
2. Herein applicant is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in the municipalities and city of the province of Nueva Ecija, namely: Talavera, Lupao, Carranglan, Aliaga, Quezon, Licab, Sto. Domingo, Science City of Muñoz, Guimba, and Talugtug;
3. Pursuant to ERC Resolution No. 16, Series of 2009, as amended by ERC Resolution No. 21, Series of 2010, more specifically Article 5, Section 1 (Filing) thereof, and ERC Resolution No. 23, Series of 2010, all Luzon Distribution Utilities (DU's) shall file their respective consolidated applications, on or before March 31, 2014, for the (over)/under recoveries on their implementation of various automatic cost adjustment and true-up mechanisms. Subsequently, the DUs shall file their respective consolidated applications every three (3) years following the sequence of period of prescribed filing;
4. For purposes of compliance with the said ERC Resolution No. 16, Series of 2009, as amended, herein applicant adopted the formulae on Generation Rate, Transmission Rate, System Loss Rate, Lifeline Subsidy Rate and Senior Citizen Subsidy Rate, together with the specific definitions and sub-formulae for each item thereof;
5. Applicant NEECO II – AREA 1 hereby submits its proposed application for approval of automatic cost adjustment and true-up mechanisms and corresponding confirmation process pursuant to the aforesaid resolution, as amended, as well as the attached summary of computations and actual calculations of (over)/under recoveries for 2014 to 2016, duly marked as Annex "A", and form as part and parcel of this application;
6. In support of this application, herein applicant attached the following required documents contained in the guidelines issued by the Honorable Energy Regulatory Commission, to wit:
 - a. Power Supply Data Sheet;
 - b. Statistical Data Sheet;
 - c. Implemented Rates;

ERC CASE NO. 2017-063 CF
NOTICE OF PUBLIC HEARING/ 27 JULY 2017
PAGE 3 OF 5

- d. Power Bills of Power Supplier/s;
 - e. Official Receipts issued by Power Supplier/s;
 - f. NGCP Invoices;
 - g. Official Receipts issued by NGCP;
 - h. Consumer bills of Lifeliners (per level) and Non-Lifeliners per customers class;
 - i. URR Computation of Generation Rate;
 - j. URR Computation of Transmission Rate;
 - k. URR Computation of System Loss Rate;
 - l. URR Computation of Lifeline Rate;
 - m. URR Computation of Senior Citizen Subsidy Rate;
 - n. Computation of (Over)/Under Recoveries;
 - o. Summary of Implementation of approved other charges; and
 - p. Summary of Pilferage Cost Recoveries);
7. The summary of Actual Revenue vis-à-vis allowed Cost Recoveries and (Over)/Under Recoveries for Generation, Transmission, System Loss, Lifeline, and Senior Citizen Rates as follows, to wit:

<u>PARTICULARS</u>	<u>PASS THROUGH COST</u>	<u>ACTUAL REVENUE</u>	<u>(OVER)/ UNDER RECOVERIES</u>
GENERATION	2,322,961,671.78	2,373,334,153.26	(50,372,481.48)
TRANSMISSION	542,715,641.80	540,379,737.35	2,335,904.45
SYSTEM LOSS	396,453,255.47	359,362,953.44	37,090,302.03
LIFELINER	29,224,455.36	14,108,076.76	15,116,378.60
SENIOR CITIZEN	22,668.86	18,106.55	4,562.31
GRAND TOTAL	3,291,377,693.27	3,287,203,027.36	4,174,665.91

PRAYER

WHEREFORE, premises considered, applicant Nueva Ecija II Electric Cooperative, Inc. – Area 1 (NEECO II Area-1) respectfully prays of this Honorable Commission that, after due notice and hearing and consideration, this application be approved and, upon approval thereof, the applicant be directed to submit the scheme on how to implement the said approval.

Other relief, just or equitable, is 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 **05 October 2017 at ten o'clock in the morning (10:00 A.M.), at 15th Floor, ERC Hearing Room, Pacific Center Building, San Miguel Ave., 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 they 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 July 2017 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Oversight Commissioner for Legal

LS: 
LS: JUM/ARG/GLS/APV