

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



IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE OVER/UNDER RECOVERY 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 AND RESOLUTION NO. 21, SERIES OF 2010

ERC CASE NO. 2017-049 CF

SAN JOSE CITY ELECTRIC COOPERATIVE, INC. (SAJELCO),

Applicant.

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DOCKETED
Date: APR 17 2018
By: [Signature]

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 31 March 2017, an *Application* dated 29 March 2017 was filed by applicant San Jose City Electric Cooperative, Inc. (SAJELCO) seeking the Commission's approval of the (over)/under-recovery 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 and ERC Resolution No. 21, Series of 2010.

SAJELCO alleged the following in its *Application*:

1. That applicant is an electric cooperative duly organized with the principal office at San Jose City, Nueva Ecija, where it may be served with summons and other legal processes, represented in this instance by its General Manager, Celestino P. Pobre, of legal

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age, Filipino, married and with office address also located at San Jose City, Nueva Ecija;

2. Herein applicant is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in San Jose City and adjacent town, all in the province of Nueva Ecija;
3. That pursuant to ERC Resolution No. 16, Series of 2009 and ERC resolution No. 21, Series of 2010, Luzon Distribution Utilities (DUs) and Electric Cooperative (ECs) are required to file their respective consolidated application for the approval of their confirmation filing on the Calculation of the Over or Under Recovery in the implementation of various adjustment mechanisms as follows:
 - a. Generation Rate Over/Under Recovery Adjustment Mechanism;
 - b. Transmission Rate Over/Under Recovery Adjustment Mechanism;
 - c. System Loss Rate Over/Under Recovery Adjustment Mechanism;
 - d. Lifeline Subsidy Rate Over/Under Recovery Mechanism;
 - e. Senior Citizen Rate Over/Under Recovery Mechanism;
4. That in applying the various formulae in the determination of the adjustments and the recovery or refund of Over or Under Recoveries herein applicant hereby adopts the respective formula as provided for in ERC Resolution No. 16 Series of 2009 and ERC Resolution No. 21 Series of 2010 together with the specific definitions and sub-formula for each item thereof;
5. That attached to this application are the respective computations and actual calculation of the following (Over)/Under Recoveries:

| (OVER) / UNDER RECOVERY | | | | |
|-------------------------|-----------------------|-----------------------|------------------|------------------------|
| | 2014 | 2015 | 2016 | TOTAL |
| Generation | (1,581,306.06) | (3,286,734.26) | (1,311,577.50) | (6,179,617.82) |
| Transmission | (3,436,251.94) | (3,639,852.64) | (176,135.94) | (7,252,240.51) |
| System Loss | (1,975,050.15) | (2,259,793.14) | 1,598,266.44 | (3,336,576.85) |
| Lifeline | (85,359.19) | (91,008.83) | (81,228.65) | (368,596.67) |
| Senior Citizen | (2,153.58) | (378.10) | 1,774.94 | (756.74) |
| TOTAL | (7,080,120.92) | (9,977,766.96) | 31,099.29 | (17,026,788.59) |

6. That in support of this application, applicant hereby submits the following documents for the period January 2014 to December 2016:

Summary of O/U Recoveries
 Computation of O/U Recoveries – GR
 Computation of O/U Recoveries – SLR
 Computation of O/U Recoveries – TR

Annex 1
 Annex 2

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| Computation of O/U Recoveries – LR | |
| Computation of O/U Recoveries –Senior Citizen | |
| Proposed scheme of refund using the latest kwh Sales | Annex 3 |
| Power Bills from AES with Official Receipts; | Annex 4 |
| Power Bills from NGCP with Official Receipts | Annex 5 |
| Summary of Pilferage Cost Recoveries | Annex 6 |
| MFSR –Section B & E | Annex 7 |
| Consumer Bills | Annex 8 |
| URR Model | Annex 9 |
| Board Resolution | Annex 10 |
| Secretary’s Certificate | Annex 11 |
| Verification & Certification Against Forum Shopping | Annex 12 |
| Certification of receipt copy of Application & Annexes from Sanggunian of the Province & Municipal Sanggunian | Annex 13 |
| Affidavit of Publication and Copy of the Newspaper | Annex 14 |
| Soft Copy | |

PRAYER

WHEREFORE, premises considered, it is respectfully prayed of this Honorable Commission that the submitted calculations and computations prepared by applicant be approved; That upon receipt of the order of approval, herein applicant be allowed to propose the scheme of refund/recovery as the case may be;

Other relief/s just and equitable in 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 **22 May 2018 at one o’clock in the afternoon (1:00 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



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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 Chairperson and CEO **AGNES VST DEVANADERA**, and the Honorable Commissioners **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC** and **GERONIMO D. STA. ANA**, Energy Regulatory Commission, this 27th day of March 2018 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Oversight Commissioner for Legal