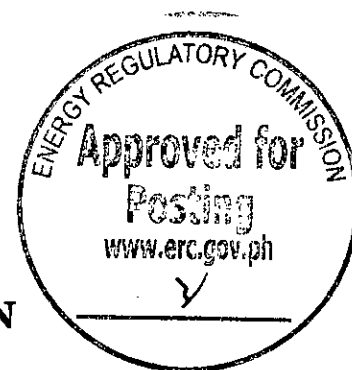


Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



**IN THE MATTER OF THE
APPLICATION FOR
CONFIRMATION OVER AND
UNDER RECOVERIES OF
AUTOMATIC COST
ADJUSTMENTS
IMPLEMENTED FOR THE
BILLING PERIOD FROM
JANUARY 2014 TO
DECEMBER 2016,**

ERC Case No. 2017-010 CF

**CAGAYAN II ELECTRIC
COOPERATIVE, INC.
(CAGELCO II)**

Applicant.

X- - - - - X

D O C K E T E D
Date: MAR 06 2018
By: _____

ORDER

On 28 March 2017, Cagayan II Electric Cooperative, Inc. (CAGELCO II) filed an *Application* seeking the Commission's confirmation and approval of its calculations of over or under recoveries of automatic cost adjustments implemented for the billing period from January 2014 to December 2016.

In its *Application*, CAGELCO II alleged the following:

1. Applicant CAGELCO II is an electric cooperative duly organized and existing under Philippine law, with principal office address at Macanaya District, Aparri, Cagayan; franchised to construct, own, operate and maintain an electric distribution system in Abulug, Allacapan, Aparri, Ballesteros, Buguey, Camalaniugan, Claveria, Gattaran, Lallo, Lasam, Gonzaga, Pamplona, Sanchez Mira, Sta. Ana, Sta. Praxedes, Sta. Teresita, in the Province of Cagayan; Flora, Luna, Pudtol, and Sta. Marcela, in the Province of Apayao; represented by its OIC - General Manager, Blandina Y. Madamba.
2. CAGELCO II seeks confirmation of its over and under recoveries of automatic cost adjustments implemented for

the billing periods from January 2014 to December 2016, to wit:

(Over)/Under Recoveries	2014	2015	2016	TOTAL
Generation (Over)/Under Recoveries	(10,084,619.10)	3,352,514.20	(1,416,096.48)	(8,148,201.39)
Transmission(Over)/Under Recoveries	(2,009,236.06)	(1,962,976.64)	(2,382,288.99)	(6,354,501.70)
System Loss (Over)/Under Recoveries	563,460.20	84,533.81	1,955,048.32	2,603,042.33
Lifeline Subsidy (Over)/Under Recoveries	(173,256.33)	(373,276.38)	(293,139.36)	(839,672.07)
Senior Citizen Discount/Subsidy (Over)/Under Recoveries	(2,283.64)	(3,707.43)	(1,359.67)	(7,350.74)
TOTAL	(11,705,934.94)	1,097,087.56	(2,137,836.19)	(12,746,683.57)

3. CAGELCO II attaches the following documents in support of this application:

1 | SUPPLIER AND TRANSMISSION DATA

- 1a | GNPowEr MARIVELES COAL PLANT LTD. Co.
- 1b | PHILIPPINE ELECTRICITY MARKET CORPORATION
- 1c | NATIONAL GRID CORPORATION OF THE PHILIPPINES

2 | STATISTICAL DATA

- 2a | STATISTICAL DATA SHEET FOR THE YEAR
- 2b | SUMMARY OF PILFERAGE COST RECOVERIES
- 2c | MFSR – SECTIONS A & E

3 | ACTUAL IMPLEMENTED RATES DATA

- 3a | ACTUAL IMPLEMENTED RATES SHEET FOR THE YEAR
- 3b | LIFELINE DISCOUNT SHEET FOR THE YEAR
- 3c | SENIOR CITIZEN DISCOUNT SHEET FOR THE YEAR
- 3d | SAMPLE BILLS
 - 3d1 | RESIDENTIAL
 - 3d2 | LOW VOLTAGE
 - 3d3 | HIGHER VOLTAGE
 - 3d4 | LIFELINE CONSUMERS

3d5 | SENIOR CITIZEN CONSUMERS

4 | OTHER DOCUMENTS

4a | Computation of pass-through charges

Computation of Over/Under Recovery – GR
Computation of Over/Under Recovery – TR
Computation of Over/Under Recovery – SLR
Computation of Over/Under Recovery – LR
Computation of Over/Under Recovery – SR

PRAYER

WHEREFORE, applicant CAGELCO II prays that after due verification, the Honorable Commission render a decision:

1. Confirming CAGELCO II's calculations of its over and under recoveries of automatic cost adjustments implemented for the billing period from January 2014 to December 2016; and
2. To allow CAGELCO II to refund/recover the over/under-recovered amounts until the said amounts have been fully refunded/recovered.

Applicant CAGELCO II also prays for such other relief or remedy as may be just and equitable under the circumstances.

On 02 October 2017, the Commission issued an Order and a Notice of Public Hearing setting the *Application* for jurisdictional hearing, expository presentation, Pre-trial Conference and evidentiary hearing on 06 November 2017.

However, during the hearing on 06 November 2017, the counsel for Applicant appeared and manifested that CAGELCO II failed to comply with the jurisdictional requirements of the Commission particularly the securing of certificates of posting from the Offices of the Mayors and the legislative bodies within CAGELCO II's franchise area.

In view thereof, the said hearing was cancelled and scheduled on another date.

Thus, the Commission hereby sets anew the instant *Application* for jurisdictional hearing, expository presentation, Pre-trial Conference and evidentiary hearing on **22 March 2018 (Thursday) 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.**

Accordingly, CAGELCO II is hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing in one (1) newspaper of nationwide circulation in the Philippines at its own expense at least once (1x), to be made not later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this Order and the attached Notice of Public Hearing the Offices of the Provincial Governors, the City and Municipal Mayors, and the Local Government Unit (LGU) legislative bodies within the affected franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon, the consumers within the affected franchise area, by any other means available and appropriate;
- 4) Furnish with copies of this Order and the attached Notice of Public Hearing, the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire to send their duly authorized representatives at the scheduled hearing; and
- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, Applicant must submit to the Commission its written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached Notice of Public Hearing consisting of affidavit of the Editor or Business Manager of the newspaper where the said Notice of Public Hearing was published, and the complete issue of the said newspaper;
- 2) The evidence of actual posting of this Order and the attached Notice of Public Hearing consisting of certifications issued to that effect, signed by the aforementioned Governors, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by Applicant to inform of the filing of the *Application*, its reasons therefore, and of the scheduled hearing thereon, the consumers within the affected franchise area;
- 4) The evidence of receipt of copies of this Order and the attached Notice of Public Hearing by the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

Applicant and all interested parties are also required to submit, at least five (5) days before the date of initial hearing and Pre-Trial Conference, their respective Pre-Trial Briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;

- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

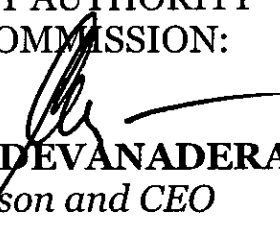
Failure of Applicant to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from the said date of cancellation.

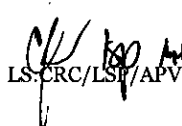
CAGELCO II must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the *Application* is all about and the reasons and justifications being cited in support thereof.

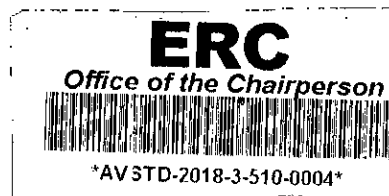
SO ORDERED.

Pasig City, 13 February 2018.

FOR AND BY AUTHORITY
OF THE COMMISSION:


AGNES VST DEVANADERA
Chairperson and CEO


LS: CRC/LSI/APV ord.2017-010 cf cagelco II



Copy Furnished:

1. Atty. Ranulfo M. Ocampo
Counsel for CAGELCO II
8th Floor, STRATA 100 Bldg.,
F. Ortigas Jr. Road, Pasig City
2. Cagayan II Electric Cooperative, Incorporated (CAGELCO II)
Macanaya District, Aparri, Cagayan
3. Office of the Solicitor General
134 Amorsolo Street, Legaspi Village, City of Makati 1229
4. Commission on Audit (COA)
Commonwealth Avenue, Quezon City 1121
5. Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City 1300
6. House of Representatives Committee on Energy
Batasan Hills, Quezon City 1126
7. Office of the Municipal Mayor
Abulug, Cagayan
8. Office of the Sangguniang Bayan
Abulug, Cagayan
9. Office of the Municipal Mayor
Allacapan, Cagayan
10. Office of the Sangguniang Bayan
Allacapan, Cagayan
11. Office of the Municipal Mayor
Aparri, Cagayan
12. Office of the Sangguniang Bayan
Aparri, Cagayan
13. Office of the Municipal Mayor
Ballesteros, Cagayan
14. Office of the Sangguniang Bayan
Ballesteros, Cagayan
15. Office of the Municipal Mayor
Buguey, Cagayan
16. Office of the Sangguniang Bayan
Buguey, Cagayan
17. Office of the Municipal Mayor
Camalaniugan, Cagayan
18. Office of the Sangguniang Bayan
Camalaniugan, Cagayan
19. Office of the Municipal Mayor
Claveria, Cagayan

20. Office of the Sangguniang Bayan
Claveria, Cagayan
21. Office of the Municipal Mayor
Gattaran, Cagayan
22. Office of the Sangguniang Bayan
Gattaran, Cagayan
23. Office of the Municipal Mayor
Gonzaga, Cagayan
24. Office of the Sangguniang Bayan
Gonzaga, Cagayan
25. Office of the Municipal Mayor
Lal-lo, Cagayan
26. Office of the Sangguniang Bayan
Lal-lo, Cagayan
27. Office of the Municipal Mayor
Lasam, Cagayan
28. Office of the Sangguniang Bayan
Lasam, Cagayan
29. Office of the Municipal Mayor
Pamplona, Cagayan
30. Office of the Sangguniang Bayan
Pamplona, Cagayan
31. Office of the Municipal Mayor
Sanchez Mira, Cagayan
32. Office of the Sangguniang Bayan
Sanchez Mira, Cagayan
33. Office of the Municipal Mayor
Sta. Ana, Cagayan
34. Office of the Sangguniang Bayan
Sta. Ana, Cagayan
35. Office of the Municipal Mayor
Sta. Praxedes, Cagayan
36. Office of the Sangguniang Bayan
Sta. Praxedes, Cagayan
37. Office of the Municipal Mayor
Sta. Teresita, Cagayan
38. Office of the Sangguniang Bayan
Sta. Teresita, Cagayan
39. Office of the Municipal Mayor
Flora, Apayao

40. Office of the Sangguniang Bayan
Flora, Apayao
41. Office of the Municipal Mayor
Luna, Apayao
42. Office of the Sangguniang Bayan
Luna, Apayao
43. Office of the Municipal Mayor
Pudtol, Apayao
44. Office of the Sangguniang Bayan
Pudtol, Apayao
45. Office of the Municipal Mayor
Sta. Marcela, Apayao
46. Office of the Sangguniang Bayan
Sta. Marcela, Apayao
47. Office of the Provincial Governor
Province of Cagayan
48. Office of the Sangguniang Panlalawigan
Province of Cagayan
49. Office of the Provincial Governor
Province of Apayao
50. Office of the Sangguniang Panlalawigan
Province of Apayao
51. Philippine Chamber of Commerce and Industry (PCCI)
3rd Floor, ECC Building, Sen. Gil Puyat Avenue, Makati City
52. Regulatory Operations Service
IED
17TH Floor, Pacific Center Bldg.
San Miguel Ave., Pasig City