

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.

X-----X

D O C K E T E D
Date: APR 17 2018
By: [Signature]

ORDER

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 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	Annex 1
Computation of O/U Recoveries – GR	Annex 2
Computation of O/U Recoveries – SLR	
Computation of O/U Recoveries – TR	
Computation of O/U Recoveries – LR	
Computation of O/U Recoveries –Senior Citizen	
Proposed scheme of refund using the latest kwh	

2

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.

Finding the said Application to be sufficient in substance with the required fees having been paid, the same is hereby set 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.**

Accordingly, SAJELCO is hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing once (1x) in a newspaper of nationwide circulation in the Philippines at its own expense, the date of the publication to be made not later than ten (10) days before the scheduled initial hearing;
- 2) Furnish with copies of this Order and the attached Notice of Public Hearing the Offices of the Provincial Governor, 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 Governor, 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;

4/20

- 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 the 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.

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5/2

SAJELCO 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, 27 March 2018.

FOR AND BY AUTHORITY
OF THE COMMISSION:


AGNES VST DEVANADERA
Chairperson and CEO


LS: SLAN/KTB/APV



COPY FURNISHED:

1. San Jose Electric Cooperative, Inc. (SAJELCO)
Applicant
Brgy. Rafael Rueda, Maharlika Road, San Jose City, Nueva Ecija
2. Atty. Claryl Anne D. Laminato-Fernandez
FERNANDEZ LAMINATO FERNANDEZ LAW OFFICE
Counsel for Applicant SAJELCO
Maharlika Road, Encarnacion Subdivision,
Brgy. Rafael Rueda Sr., San Jose City, Nueva Ecija
3. Office of the Mayor
City of San Jose
4. Office of the LGU legislative body
City of San Jose
5. Office of the Mayor
Science City of Muñoz
6. Office of the LGU legislative body
Science City of Muñoz
7. Office of the Mayor
Carranglan, Nueva Ecija
8. Office of the LGU legislative body
Carranglan, Nueva Ecija
9. Office of the Mayor
Llanera, Nueva Ecija

6/4

ERC CASE NO. 2017-049 CF
ORDER/27 MARCH 2018
PAGE 7 OF 7

10. Office of the LGU legislative body
Llanera, Nueva Ecija
11. Office of the Governor
Province of Nueva Ecija
12. Office of the LGU legislative body
Province of Nueva Ecija
13. Office of the Solicitor General
134 Amorsolo Street, Legaspi Village, Makati City
14. Commission on Audit (COA)
Commonwealth Avenue, Quezon City
15. Senate Committee on Energy
GSIS Bldg. Roxas Blvd., Pasay City
16. House Committee on Energy
Batasan Hills, Quezon City
17. Philippine Chamber of Commerce and Industry (PCCI)
3rd Floor, Chamber and Industry Plaza (CIP),
1030 Campus Avenue corner Park Avenue,
McKinley Town Center, Fort Bonifacio, Taguig City
18. Regulatory Operations Service (ROS)
[Investigation and Enforcement Division (IED)]
17th Floor, Pacific Center Bldg., San Miguel Ave., Pasig City

7 6/2