



as amended, with principal office address Brgy. Cabong, Borongan City, Eastern Samar;

2. It is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in the Eastern part of Samar Island covering twenty-two (22) municipalities and one (1) city, namely: Lawaan, Balangiga, Giporlos, Quinapondan, Guiuan, Mercedes, Salcedo, MacArthur, Hernani, Llorente, Balangkayan, Maydolong, San Julian, Sulat, Taft, Can-avid, Dolores, Oras, San Policarpio, Arteche, Jipapad, Maslog, and Borongan City;
  
3. In the application of formulas prescribed under ERC Resolution 16, Series of 2009, as amended by ERC Resolution 21, Series of 2010, its pass-through cost vis-a-vis the actual collections, resulted to over-recoveries in the items of: Generation, Transmission, Lifeline Subsidy and Senior Citizen Subsidy. On the other hand, under-recovery was incurred in the item of System Loss. The following table reflects the summary of over/under recoveries for years 2015 to 2017:

<b>PARTICULARS</b>	<b>YEAR</b>	<b>PASS THROUGH COST</b>	<b>ACTUAL REVENUE</b>	<b>DIFFERENCE (OVER) / UNDER</b>
<b>Generation Rate (GR)</b>	2015	338,505,874.03	342,863,095.20	(4,357,221.17)
	2016	471,108,558.79	442,657,425.12	28,451,133.67
	2017	367,204,555.91	403,523,272.74	(36,318,716.82)
	<b>Total</b>	<b>1,176,818,988.73</b>	<b>1,189,043,793.06</b>	<b>(12,224,804.32)</b>
<b>Transmission Rate (TR)</b>	2015	51,316,227.83	52,253,161.55	(936,933.72)
	2016	53,196,423.31	53,286,668.76	(90,245.45)
	2017	62,739,029.51	63,744,885.49	(1,005,855.98)
	<b>Total</b>	<b>167,251,680.65</b>	<b>169,284,715.80</b>	<b>(2,033,035.15)</b>
<b>System Loss Rate (SLR)</b>	2015	51,581,589.22	59,061,597.20	(7,480,007.99)
	2016	69,269,051.88	67,731,265.47	1,537,786.40
	2017	58,469,697.26	55,219,440.84	3,250,256.43
	<b>Total</b>	<b>179,32,338.36</b>	<b>182,012,303.51</b>	<b>(2,691,965.16)</b>

<b>Lifeline Subsidy</b>	2015	6,547,433.30	(6,254,076.28)	(293,357.02)
	2016	6,288,185.52	(6,360,097.29)	71,911.77
	2017	6,645,593.64	(6,520,232.73)	(125,360.91)
	<b>Total</b>	<b>19,481,212.46</b>	<b>(6,093,940.84)</b>	<b>(346,806.17)</b>
<b>Senior Citizen Subsidy</b>	2015	45,431.49	(43,240.56)	(2,190.93)
	2016	49,147.06	(49,180.45)	33.39
	2017	59,262.17	(58,314.67)	(947.50)
	<b>Total</b>	<b>153,840.72</b>	<b>(52,374.77)</b>	<b>(3,105.04)</b>
<b>GRAND TOTAL/DIFFERENCE, RESULTING TO OVER RECOVERIES FOR YEARS 2015 TO 2017</b>				<b>(17,299,715.84)</b>

4. It is proposing a recovery scheme for resulting under-recoveries in Generation Cost, Transmission Cost, System Loss, Lifeline Subsidy, and Senior Citizen Subsidy for corresponding period and rate as shown below, *to wit*:

**PROPOSED REFUND SCHEMES:**

No	Particular	(Over)/ Under Recovery	Using March 2018 kWh Sales	Proposed No. of Years	Rate Php/ kWh
1	Generation Cost	(12,224,802.32)	6,116,619	20	(0.0999)
2	Transmission Cost	(2,033,035.15)	6,116,619	10	(0.0332)
3	System Loss	(2,691,965.16)	6,116,619	10	(0.0440)
4	Lifeline	(346,806.17)	6,116,619	1	(0.0567)
5	Senior Citizen	(3,105.04)	6,116,619	1	(0.0005)
		<b>TOTAL</b>		<b>(17,299,71.84)</b>	

5. In support of this *Application*, ESAMELCO submitted the following data and documents, *to wit*:

ANNEX	NATURE OF DOCUMENT
F	Summary of Over / Under Recoveries
G	Proposed Recovery/Refund Scheme
H	Fully Accomplished Supplier & Data Sheet for the Years 2015-2017
I	Power Bills from Suppliers
J	Fully Accomplished Statistical Data Sheet for the Year 2015-2017
K	Manifestation of no Pilferage Cost Recoveries
L	Monthly Financial & Statistical Report (MFSR)

M	Fully Accomplished Actual Implemented Rates Sheet
N	Fully Accomplished Lifeline Discount Sheet
O	Fully Accomplished Senior Citizen Discount Sheet
P	Two (2) Consumer Bills per Customer Class (Non-Lifeline)
Q	One (1) Consumer Bill per Lifeline Bracket (Lifeline)
R	One (1) Senior Citizen Consumer Bill
S	Uniform Reportorial Requirements (URR) for the years 2015-2017
T	Computation of Implemented Rates (GR, SLR, TR, LRS, & SCS)

6. In compliance with the Commission's prescribed pre-filing requirements for over/under-recovery applications, ESAMELCO had provided copies of the *Application* and its annexes to Sangguniang Panglungsod of Borongan City, where the principal office of ESAMELCO is located, and Sangguniang Panlalawigan of Province of Eastern Samar;
7. Moreover, it initiated the publication of this *Application* in a newspaper of general circulation within its franchise area in Eastern Samar Province;
8. ESAMELCO prays that after hearing on the merits, a decision be rendered allowing it to refund the incurred/computed over recoveries at schemes manageable for it to comply; and
9. ESAMELCO likewise prays for other reliefs just and equitable under the premises.

Finding the said *Application* to be sufficient in form and 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 **7 February 2019 (Thursday) at ten o'clock in the morning (10:00 A.M.), at 15<sup>th</sup> Floor, ERC Hearing Room, Pacific Center Building, San Miguel Avenue, Pasig City.**

Accordingly, ESAMELCO is hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing in two (2) newspapers of nationwide circulation in the Philippines at their own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart, and the date of the last publication 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 Governor, the City

and Municipal Mayors, and the Local Government Unit (LGU) legislative body within the affected franchise area for the appropriate posting thereof on their respective bulletin boards;

- 3) Inform the consumers within the affected franchise area of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon, 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 their 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 affidavits of the Editors or Business Managers of the newspapers where the said Notice of Public Hearing were published, and the complete issues of the said newspapers;
- 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 body or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by Applicant to inform the consumers within the affected franchise area of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon;
- 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 proof of compliance with the requirements of the Commission.

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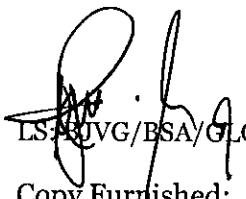
ESAMELCO must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that they may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the *Application*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

**SO ORDERED.**

Pasig City, 13 December 2018.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**JOSEFINA PATRICIA X. MAGPALE-ASIRIT**  
*Oversight Commissioner for Legal Service*

  
LS:RUVG/BSA/GLO  
Copy Furnished:

1. Atty. Rogelio P. Gula  
*Counsel for Applicant ESAMELCO*  
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Tacloban City, Leyte, 6500
2. Eastern Samar Electric Cooperative, Inc. (ESAMELCO)  
*Applicant*  
Brgy. Cabong, Borongan City,  
Eastern Samar
3. Office of the Solicitor General (OSG)  
134 Amorsolo Street, Legaspi Village  
Makati City, Metro Manila
4. Commission on Audit (COA)  
Commonwealth Avenue  
Quezon City, Metro Manila
5. Senate Committee on Energy  
GSIS Bldg. Roxas Blvd., Pasay City  
Metro Manila
6. House Committee on Energy  
House of Representatives  
Batasan Hills, Quezon City, Metro Manila
7. Philippine Chamber of Commerce and Industry (PCCI)  
Campus Avenue corner Park Avenue,

McKinley Town Center, Fort Bonifacio, Taguig City

8. Office of the Mayor  
Lawaan, Eastern Samar
9. LGU Legislative Body  
Lawaan, Eastern Samar
10. Office of the Mayor  
Balangiga, Eastern Samar
11. LGU Legislative Body  
Balangiga, Eastern Samar
12. Office of the Mayor  
Giporlos, Eastern Samar
13. LGU Legislative Body  
Giporlos, Eastern Samar
14. Office of the Mayor  
Quinapondan, Eastern Samar
15. LGU Legislative Body  
Quinapondan, Eastern Samar
16. Office of the Mayor  
Guiuan, Eastern Samar
17. LGU Legislative Body  
Guiuan, Eastern Samar
18. Office of the Mayor  
Mercedes, Eastern Samar
19. LGU Legislative Body  
Mercedes, Eastern Samar
20. Office of the Mayor  
Salcedo, Eastern Samar
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MacArthur, Eastern Samar
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MacArthur, Eastern Samar
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Hernani, Eastern Samar
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Hernani, Eastern Samar
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Llorente, Eastern Samar
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Llorente, Eastern Samar
28. Office of the Mayor  
Balangkayan, Eastern Samar



29. LGU Legislative Body  
Balangkayan, Eastern Samar
30. Office of the Mayor  
Maydolong, Eastern Samar
31. LGU Legislative Body  
Maydolong, Eastern Samar
32. Office of the Mayor  
San Julian, Eastern Samar
33. LGU Legislative Body  
San Julian, Eastern Samar
34. Office of the Mayor  
Sulat, Eastern Samar
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Sulat, Eastern Samar
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Taft, Eastern Samar
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Can-avid, Eastern Samar
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Dolores, Eastern Samar
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Oras, Eastern Samar
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San Policarpio, Eastern Samar
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Arteche, Eastern Samar
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Arteche, Eastern Samar
48. Office of the Mayor  
Jipapad, Eastern Samar

49. LGU Legislative Body  
Jipapad, Eastern Samar
50. Office of the Mayor  
Maslog, Eastern Samar
51. LGU Legislative Body  
Maslog, Eastern Samar
52. Office of the Mayor  
Borongan City, Eastern Samar
53. LGU Legislative Body  
Borongan City, Eastern Samar
54. Office of the Governor  
Province of Samar
55. LGU Legislative Body  
Province of Samar
56. Regulatory Operations Service  
17/F, Energy Regulatory Commission, Pacific Center Bldg.,  
San Miguel Ave., Ortigas Center, Pasig City