

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

**IN THE MATTER OF THE APPLICATION  
FOR APPROVAL OF AN ADJUSTMENT IN  
RATES UNDER THE RULES FOR  
SETTING ELECTRIC COOPERATIVES'  
WHEELING RATES (RSEC-WR) WITH  
PRAYER FOR PROVISIONAL  
AUTHORITY**

**ERC CASE NO. 2009-103 RC**

**CAMELCO ELECTRIC COOPERATIVE,  
Inc. (CAMELCO)**

**Applicant.**

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**A P P L I C A T I O N**

**COMES NOW**, applicant Camelco Electric Cooperative, Inc. (CAMELCO ), through the undersigned counsel, and unto this Honorable Commission, most respectfully states:

1. CAMELCO is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Pandan, Mambajao Camiguin, where it may be served with summons and other legal processes, represented in this instance by its General Manager, Adrian A. Ebcas, of legal age, Filipino and with office address also at CAMELCO 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 cities/municipalities of the province of Camiguin, namely: Mambajao, Mahinog, Guinsiliban, Sagay and Catarman;
3. Section 43(f) of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" (EPIRA) and Section 5 (a), Rule 15 of its Implementing Rules and Regulations (IRR) authorize the ERC to establish a methodology for setting distribution wheeling rates;
4. By virtue of said authority, as early as 2006 the ERC embarked on a process to establish a new rate setting methodology for determining electric cooperatives' (ECs) rates;

5. From 2006 to 2009, the ERC conducted several public consultations with the industry stakeholders to discuss the details of the new regulatory framework for fixing the electric cooperatives' wheeling rates;
6. Said regulatory framework is embodied in the *Rules for Setting the Electric Cooperatives' Wheeling Rates* (RSEC-WR);
7. The regulatory framework as embodied in the RSEC-WR seeks to develop a regulatory regime that encourages efficiency in the operations of the ECs and provides incentives for their good performance, from a regulatory perspective, the framework seeks to develop a regime that eases regulatory burden and can be easily implemented and monitored;
8. CAMELCO participated in the abovementioned public consultations and it submitted data/documents required by the ERC during the drafting of the said Rules;
9. On May 14, 2009, CAMELCO's Board of Director's passed Board Resolution No. 42, imploring upon the ERC to implement the new rate setting methodology embodied in the RSEC-WR;
10. After holding another round of public consultations nationwide, particularly in the locality wherein the electric cooperatives operate, the ERC issued the final RSEC-WR on September 22, and the same was published in the Manila Bulletin on September 24, 2009;
11. Under the RSEC-WR, CAMELCO is categorized under Group "A";
12. As a Group "A" EC, CAMELCO's Operating Revenue Requirement (ORR) per kWh as determined based on the methodology embodied in the RSEC-WR, is PhP 2.4200;
13. Further, CAMELCO is required to implement a new customer class, as follows:

**Table 1. Existing Customer Class and New Customer Class**

<b>EXISTING CUSTOMER</b>	<b>NEW CUSTOMER SEGMENTATION</b>
Residential	Residential
Commercial	Low Voltage Customers
Public Building	
Street Lights	

14. After functionalizing and allocating the above set ORR and using the new customer class, CAMELCO's initial Distribution, Supply and Metering (DSM) rate caps are as follows:

**Table 2. Initial DSM Rate Caps Per Customer Class**

GROUP A	RESIDENTIAL		LOW VOLTAGE		HIGHER VOLTAGE	
	PhP/kWh	PhP/meter/mo.	PhP/kWh	PhP/meter/mo.	PhP/kWh	PhP/meter/mo.
Distribution	1.0557		1.1577		302.51	
Supply	1.0282			42.82		42.82
Metering	0.5792	5.00		29.12		29.19

15. As a Group "A" EC, CAMELCO is also authorized to collect a Member's Contribution for Capital Expenditure Rate in the amount of PhP0.5324/kWh;

16. Considering the abovementioned rates, CAMELCO's rate caps would be as follows:

1.) DSM – 2.4200 and 2.) MCC – 0.5324 ;

GROUP A	RESIDENTIAL		LOW VOLTAGE		HIGHER VOLTAGE		
	PhP/kWh	PhP/meter/mo.	PhP/kWh	PhP/meter/mo.	PhP/kW	PhP/kWh	PhP/meter/mo
Distribution	1.0557		1.1577		302.51		
Supply	1.0282			42.82			42.82
Metering	0.5792	5.00		29.12			29.12
Member's Contribution for CAPEX	0.5324		0.5324			0.5324	

17. CAMELCO intends to move to the rate caps during the transition period as follows:

Table 3. Proposed Transition Rates

A Name: CAMIGUIN ELECTRIC COOPERATIVE, INC.	RATES BILLED			
	Current	Start of Transition	End of Year One	End of Transition
Percentage Increase	1.0000	0.1000	.4000	.5000
<b>Cust. Type : Residential</b>				
Distribution (kWh)	1.6933	1.6295	1.3745	1.0557
Supply (kWh)	0.8884	1.0282	1.0282	1.0282
Supply (Customer)				
Metering (Customer)	5.0000	5.0000	5.0000	5.0000
Metering (kWh)	0.4981	0.5792	0.5792	0.5792
Members Contribution For Capital Expenditures	-	0.5324	0.5324	0.5324
Final Loan Condonation (kWh)	-	-	-	-
<b>LOW VOLTAGE</b>				
<b>Cust. Type: Commercial</b>				
Distribution (kWh)	0.8470	1.1577	1.1577	1.1577
Distribution (Kw)	-	-	-	-
Supply (kWh)	-	-	-	-
Supply (Customer)	49.5300	42.8215	42.8215	42.8215
Metering (Customer)	32.7700	29.1221	29.1221	29.1221
Metering (kWh)	-	-	-	-
Members Contr. For Capital Expenditures		0.5324	0.5324	0.5324
Final Loan Condo (kWh)	-	-	-	-
Final Loan Condo (Customer)	-	-	-	-
<b>Cust. Type : Public Building .</b>				
Distribution (kWh)	0.8661	1.1577	1.1577	1.1577
Distribution (kW)	-	-	-	-
Supply (kWh)	-	-	-	-
Supply (Customer)	49.5300	42.8215	42.8215	42.8215
Metering (Customer))	32.7700	29.1221	29.1221	29.1221
Metering ( kWh)	-	-	-	-
Members Contr. For Capital Expenditures	-	0.5324	0.5324	0.5324
Final Loan Condonation (kWh)	-	-	-	-
Final Loan Condonation (Customer)	-	-	-	-

<b>Cust. Type : Street Lights</b>				
Distribution (kWh)	0.9452	1.1577	1.1577	1.1577
Distribution (kW)	-	-	-	-
Supply (kWh)	-	-	-	-
Supply ( Customer)	47.3100	42.8215	42.8215	42.8215
Metering ( kWh)	-	-	-	-
Metering ( Customer)	0	29.1221	29.1221	29.1221
Members Contr. For Capital Expenditures	-	0.5324	0.5324	.5324
Loan Condonation (kWh)	-	-	-	-
Loan Condonation (Customer)	-	-	-	-

18. CAMELCO submits that the implementation of the proposed rates would work to be the best interest of its consumers as it would decrease the rates of the residential consumers in the distribution charges. This reduced rates for residential consumers will be implemented 10% during the first year and 40% on the second year and fully on the third year. All other charges will be fully implemented (100%);
  
19. CAMELCO has duly complied with the pre filing requirements by furnishing copies of the Application together with its supporting annexes and accompanying documents to the Local Government Units' legislative bodies within the franchise area and published the Application in its entirety in a newspaper of general circulation in the Province of Camiguin.
  
20. Attached and made integral parts of this application are the following supporting documents and annexes, to wit:
  - a. Board Resolution authorizing the filing of the instant application;
  - b. Board Resolution imploring the ERC to implement the RSEC-WR
  - c. Local publication of the Application with Affidavit of Publication;
  - d. Certification of the concerned local Sanggunians;
  - e. Completed RSEC-WR UFR Model;
  - f. Completed Transition Model;
  - g. Working papers on details and explanations;
  - h. 2008 Audited Financial Statement
  - i. Billing Determinants & Customer Class Allocation
  - j. Current Statement of Account

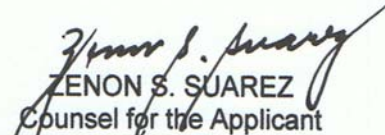
## PRAYER

WHEREFORE, foregoing premises considered, it is most respectfully prayed of this Honorable Commission, after due notice and hearing, to approve the new rate schedule for applicant CAMELCO, as follows:

TYPE OF CUSTOMERS	UNITS	RATE DESIGN		
		DISTRIBUTION	SUPPLY	METERING
Residential	PhP/kWh	1.0557	1.0282	0.5792
	PhP/Cust/Mo.			
CAPEX	PhP/kWh	0.5324		
Low Voltage	PhP/kWh	1.1577		
	PhP/Cust/Mo.		42.82	29.12
CAPEX	PhP/kWh	0.5324		
Higher Voltage	PhP/kWh	302.51		
	PhP/Cust/Mo		42.82	29.12
CAPEX	PhP/kWh	0.5324		

It is further prayed, that applicant be provisionally authorized to implement the said rates pending hearing and final evaluation of the application by the Honorable Commission.

Quezon City for Paig City, this 23<sup>rd</sup> day of October 2009.

  
**ZENON S. SUAREZ**  
 Counsel for the Applicant  
 Room 313 Web-Jet Bldg. No. 64 Quezon Ave.  
 Corner BMA St., Quezon City  
 PTR No. 5623392 1/6/09 Cal. City  
 IBP LRN 01592 6/24/99 Pasig City  
 Attorney's Roll No. 25041  
 MCLE Compliance No. III-0002187  
 Tel. No. (02) 412-01-07

**VERIFICATION AND CERTIFICATION  
OF NON FORUM-SHOPPING**

I, ADRIAN A. EBCAS of legal age, Filipino and with office address at the Main Office of Camiguin Electric Cooperative, Inc. (CAMELCO), after being sworn to according to law, depose and state that:

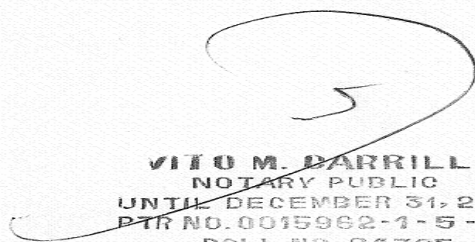
1. I am the General Manager of Camiguin Electric Cooperative, Inc. (CAMELCO) ;
2. I caused the preparation and filing of the foregoing Application; have read the allegations contained therein, and certify that the same are true and correct based on my personal knowledge and on authentic records of Camiguin Electric Cooperative, Inc. (CAMELCO);
3. CAMELCO has not heretofore commenced any other action or proceeding involving the same issues and parties before any court, tribunal or quasi-judicial agency; to the best of my knowledge no such action or proceeding is pending, and if I should learn that the same or similar action or proceeding has been filed or is pending, I undertake to report such fact to this Honorable Commission , within five (5) days therefrom.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of  
October, 2009 at Mambajao, Camiguin

  
ADRIAN A. EBCAS

Affiant

SUBSCRIBED AND SWORN to before me in Mambajao, Camiguin , this 22nd day of October 2009 by the affiant who exhibited to me his Residence Certificate No. 14738734 issued at Mambajao Camiguin on April 9, 2009.

  
VITO M. BARRILLO  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2010  
PTR NO. 0015962-1-5-09  
ROLL NO. 24765  
CBP NO. 733563 1-5-09  
TIN NO. 131-638-099

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