

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

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

**ERC CASE NO. 2009-\_\_\_\_RC**

**CAMARINES SUR IV ELECTRIC  
COOPERATIVE, INC.  
(CASURECO IV)**

**Applicant.**

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**AMENDED APPLICATION  
WITH MANIFESTATION**

**COMES NOW**, applicant **CAMARINES SUR IV ELECTRIC COOPERATIVE, INC. (CASURECO IV)**, through the undersigned counsel, and unto this Honorable Commission, most respectfully states:

1. On November 2009, CASURECO IV filed its application in the instant case, which Application was published way back in the October 27-November 4, 2009 Issue of the Weekly Informer;

2. Pending the docketing of said application however, the Honorable Commission made some amendments on the models/templates of the Tables on Initial DSM Rate Caps Per Customer Class (Table 2), Initial DSM Rate Caps and MCC Per Customer Class, Proposed Transition Rates (Table 3) and PRAYER portion of the application;

3. Hence, the filing of this Amended Application incorporating the amendments. And CASURECO IV hereby alleges: .

4. CASURECO IV 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 Talojongon, Tigaon, Camarines Sur, where it may be served with summons and other legal processes, represented in this instance by its Managing Consultant, Atty. Veronica T. Briones, of legal age, Filipino and with office address also at the CASURECO IV Office;

5. 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 Camarines Sur, namely: Ocampo, Tigaon, Sañgay, Goa, San Jose, Lagonoy, Presentacion, Caramoan and Garchitorea;

6. 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 Energy Regulatory Commission (ERC) to establish a methodology for setting distribution wheeling rates;

7. 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;

8. 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;

9. CASURECO IV participated in the above-mentioned public consultations and it submitted data/documents required by the ERC during the drafting of the said Rules;

10. Said regulatory framework is now embodied in the *Rules for Setting the Electric Cooperatives' Wheeling Rates* (RSEC-WR);

11. 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 also seeks to develop a regime that eases regulatory burden and can be easily implemented and monitored;

12. On 22 May 2009, CASURECO IV's Board of Directors passed Board Resolution No. 43-2009, earnestly requesting the ERC to implement the new rate setting methodology embodied in the RSEC-WR;

13. After holding another round of public consultations nationwide, particularly in the localities wherein the electric cooperatives operate, the ERC issued the final RSEC-WR on September 22, 2009 which was published in the Manila Bulletin on September 24, 2009;

14. Under the RSEC-WR, CASURECO IV was categorized under Group "B";

15. As a Group "B" EC, CASURECO IV's Operating Revenue Requirement (ORR) per kwh as determined based on the methodology embodied in the RSEC-WR, is PhP2.6743;

16. Further, CASURECO IV is required to implement a new customer class, as follows:

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

<b>EXISTING CUSTOMERS</b>	<b>NEW CUSTOMER SEGMENTATION</b>
Residential	Residential Customers
BAPA	
Sale for Resale	
Small Commercial	Low Voltage Customers
Industrial	
Public Building	
Street Lights	
Irrigation/CWS	Higher Voltage Customers
Large Commercial	
Industrial	

17. After functionalizing and allocating its ORR and using the new customer class, CASURECO IV's initial Distribution, Supply and Metering (DSM) rate caps are as follows:

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

	RESIDENTIAL		LOW VOLTAGE			HIGHER VOLTAGE		
	Php/kWh	PhP/Meter/Mo	Php/kWh	PhP/Cust/Mo	PhP/Meter/Mo	Php/kWh	PhP/Cust/Mo	PhP/Meter/Mo
<b>Distribution</b>	0.8449		0.9259			267.90		
<b>Supply</b>	0.7732			40.15			40.15	
<b>Metering</b>	0.4569	5.00			28.72			28.72

18. As a Group "B" EC, CASURECO IV is also authorized to collect a Member's Contribution for Capital Expenditure Rate in the amount of PhP0.4004/kWh;

19. Considering the abovementioned rates, CASURECO IV's rate caps would be as follows:

	RESIDENTIAL		LOW VOLTAGE			HIGHER VOLTAGE			
	Php/kWh	PhP/Meter/Mo	Php/kWh	PhP/Cust/Mo	PhP/Meter/Mo	Php/kWh	PhP/kWh	PhP/Cust/Mo	PhP/Meter/Mo
<b>Distribution</b>	0.8449		0.9259				267.90		
<b>Supply</b>	0.7732			40.15				40.15	
<b>Metering</b>	0.4569	5.00			28.72				28.72
<b>Members Contribution for Capital Expenditures</b>	0.4004		0.4004			0.4004			

20. CASURECO IV intends to move to the rate caps during the transition period as follows:

**Table 3. Proposed Transition Rates**

		Rates Billed			
		RESIDENTIAL			
		Current	Start of	End of	End of
			Transition	Year one	Transition
Cust. Type: Residential					
Distribution	Php/kwh	1.7513	1.4492	1.1471	0.8449
Supply	Php/kwh	0.9350	0.8811	0.8271	0.7732
Metering	Php/meter/mo.	5.0000	5.0000	5.0000	5.0000
Metering	Php/kwh	0.6159	0.5629	0.5099	0.4569
Members Contribution for Capital Expenditures	Php/kwh		0.4004	0.4004	0.4004
Final Loan Condo	Php/kwh	(0.9194)			
LOW VOLTAGE					
Cust. Type: Commercial					
Distribution	Php/kwh	0.8579	0.8806	0.9032	0.9259
Distribution	Php./kW	-	-	-	
Supply	Php/kwh	-	-	-	
Supply	Php/cust/mo.	54.6900	49.8426	44.9951	40.1477
Metering	Php/meter/mo.	39.6700	36.0215	32.3731	28.7246
Metering	Php/kwh	-	-	-	
Members Contribution for Capital Expenditures	Php/kwh		0.4004	0.4004	0.4004
Final Loan Condo	Php/kwh	(0.3259)			
Final Loan Condo	Php/cust/mo.	(11.4138)			
Cust. Type: Irrigation					
Distribution	Php/kwh	0.8152	0.8521	0.8890	0.9259
Distribution	Php./kW	20.0000	-	-	
Supply	Php/kwh	-	-	-	
Supply	Php/cust/mo.	302.3700	214.9626	127.5551	40.1477
Metering	Php/meter/mo.	87.0300	67.5949	48.1597	28.7246
Metering	Php/kwh	-	-	-	
Members Contribution for Capital Expenditures	Php/kwh		0.4004	0.4004	0.4004
Final Loan Condo	Php/kwh	(0.3505)			
Final Loan Condo	Php/cust/mo.	-			
Cust. Type: Public Building					
Distribution	Php/kwh	0.7522	0.8101	0.8680	0.9259
Distribution	Php./kW	-	-	-	

Supply	Php/kwh	-	-	-	
Supply	Php/cust/mo.	120.5900	93.7759	66.9618	40.1477
Metering	Php/meter/mo.	41.3000	37.1082	32.9164	28.7246
Metering	Php/kwh	-	-	-	
Members Contribution for Capital Expenditures	Php/kwh		0.4004	0.4004	0.4004
Final Loan Condo	Php/kwh	(0.2828)			
Final Loan Condo	Php/cust/mo.	(11.4229)			
Cust. Type: Street Lights					
Distribution	Php/kwh	0.8856	0.8990	0.9125	0.9259
Distribution	Php./kW	-	-	-	
Supply	Php/kwh	-	-	-	
Supply	Php/cust/mo.	58.0600	52.0892	46.1185	40.1477
Metering	Php/meter/mo.	17.2900	21.1015	24.9131	28.7246
Metering	Php/kwh	-	-	-	
Members Contribution for Capital Expenditures	Php/kwh		0.4004	0.4004	0.4004
Final Loan Condo	Php/kwh	(0.2809)			
Final Loan Condo	Php/cust/mo.	(10.6839)			
Cust. Type: Industrial Low Voltage					
Distribution	Php/kwh	0.5243	0.6582	0.7920	0.9259
Distribution	Php./kW	20.0000	13.3333	6.6667	
Supply	Php/kwh	-	-	-	
Supply	Php/cust/mo.	161.8600	121.2892	80.7185	40.1477
Metering	Php/meter/mo.	107.1600	81.0149	54.8697	28.7246
Metering	Php/kwh	-	-	-	
Members Contribution for Capital Expenditures	Php/kwh		0.4004	0.4004	0.4004
Final Loan Condo	Php/kwh	(0.2072)			
Final Loan Condo	Php/cust/mo.	(12.4790)			
HIGHER VOLTAGE					
Cust. Type: Industrial					
Distribution	Php/kwh	0.5243	0.3495	0.1748	
Distribution	Php./kW	20.0000	102.6345	185.2690	267.9036
Supply	Php/kwh	-	-	-	
Supply	Php/cust/mo.	161.8600	121.2892	80.7185	40.1477

Metering	Php/meter/mo.	107.1600	81.0149	54.8697	28.7246
Metering	Php/kwh	-	-	-	
Members Contribution for Capital Expenditures	Php/kwh		0.4004	0.4004	0.4004
Final Loan Condo	Php/kwh	(0.2072)			
Final Loan Condo	Php/cust/mo.	(12.4790)			

20. CASURECO IV submits that the implementation of the proposed rates would be to the best interest of its consumers as it would be encouraged to become more efficient and be able to deliver quality and reliable service. Further, CASURECO IV has chosen to implement the DSM rates 1/3; 1/3; 1/3 during the transition period to mitigate the impact of the adjustment toward the tariff caps, and the Member's Contribution for Capital Expenditure Rate in full at the start of the transition period in order to have enough funds to finance its programs for power reliability, power quality and system loss reduction;

21. CASURECO IV has duly complied with the pre filing-requirements by furnishing copies of the Application together with its supporting annexes and accompanying documents to the Sangguniang Panlalawigan of Camarines Sur and the Sangguniang Bayan of Tigaon, Camarines Sur where the CASURECO IV's main office/headquarters is located, and published the Application in its entirety in a newspaper of general circulation in the Province of Camarines Sur;

22. 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. Certifications 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 CASURECO IV, as follows:

TYPE OF CUSTOMERS	UNITS	PROPOSED RATE			
		Distribution	Supply	Metering	Members' Contribution for Capital Expenditures
RESIDENTIAL	PhP/kWh	0.8449	0.7732	0.4569	0.4004
	PhP/meter/mo			5.00	
LOW VOLTAGE	PhP/kWh	0.9259			0.4004
	PhP/cust/mo		40.15		
	PhP/meter/mo			28.72	
HIGHER VOLTAGE	PhP/kWh				0.4004
	PhP/kW	267.90			
	PhP/cust/mo		40.15		
	PhP/meter/mo			28.72	

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.

Other reliefs, just and equitable in the premises are likewise prayed for.

Pasig City, Metro Manila, November 13, 2009.

**DECHAVEZ SAGAYO and LERIOS-AMBOY  
LAW OFFICES**

**Counsel for CASURECO IV**  
Units 1609-1610 Tycoon Centre  
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By:



**DITAS A. LERIOS-AMBOY**  
Roll No. 40628

MCLE Compliance II Cert. No. 0003158 Feb. 28, 2008  
PTR#5098945 Jan. 5, 2009 Pasig  
IBP# 767996 Jan. 5, 2009 Rizal

**(NOTE FROM COUNSEL: PLS FIND A WAY THAT THE DATE OF NOTARIZATION OF THIS VERIFICATION IS Nov 13, 2009 (EARLIER THAN THE NOV. 14 ISSUE OF NEWSPAPER CONTAINING THE NOTICE OF AMENDMENTS))**

Republic of the Philippines )  
Province of Camarines Sur )

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

I, ATTY. VERONICA T. BRIONES, of legal age, Filipino and with office address at the Main office of Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV), after being sworn to according to law, depose and state that:

1. I am the Managing Consultant of Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV);
2. I caused the preparation and filing of the foregoing Amended 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 CASURECO IV;
3. CASURECO IV has not heretofore commenced any other action or proceedings 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 13<sup>th</sup> day of November 2009 at \_\_\_\_\_, Camarines Sur.

**ATTY. VERONICA T. BRIONES**  
Affiant

SUBSCRIBED AND SWORN to before me in \_\_\_\_\_, Camarines Sur this 13<sup>th</sup> day of November 2009 by the affiant who exhibited to me her Driver License No. 2-95-289206 which will expire on August 28, 2011.

Notary Public

Doc. No. :  
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