

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



IN THE MATTER OF THE
APPLICATION FOR
CONFIRMATION AND APPROVAL
OF CALCULATIONS OF THE OVER
OR UNDER RECOVERIES BASED
ON THE FORMULA FOR THE
VARIOUS AUTOMATIC COST
ADJUSTMENTS AND TRUE-UP
MECHANISM AND
CORRESPONDING
CONFIRMATION PROCESS
PURSUANT TO ERC RESOLUTION
NO. 16, SERIES OF 2009 AND
RESOLUTION NO. 21, SERIES OF
2010

ERC CASE NO. 2015-005 CF

NORTHERN SAMAR ELECTRIC
COOPERATIVE, INC.,
(NORSAMELCO),

Applicant.

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DOCKETED

Date: MAY 26 2015

ORDER

On March 25, 2015, Northern Samar Electric Cooperative, Inc. (NORSAMELCO) filed an application for approval of the over/under recoveries based on the formula for the various automatic cost adjustments and true-up mechanism and corresponding confirmation process pursuant to ERC Resolution No. 16, Series of 2009 and ERC Resolution No. 21, Series of 2010.

In the said application, NORSAMELCO alleged, among others, the following:

1. It is a non-stock, non-profit electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal office at Brgy. Magsaysay Bobon Northern Samar, represented by its Project Supervisor/Acting General Manager Hector L. Tabilisma;
2. It holds an exclusive franchise issued by the National Electrification Administration (NEA) to operate an electric light and power distribution service in twenty-four (24) municipalities namely: San Isidro, Victorio, Allen, Lavezares, Rosario, San Jose, Bobon, Lope de Vega, Mondragon, Catarman, San Vicente, Capul, San Antonio, Biri, San Roque, Pambujan, Silvino Lobos, Laoang, Catubig, Las Navas, Palapag, Mapanas, Gamay and Lapinig all in the province of Northern Samar;
3. Pursuant to the Commission's Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010, Luzon Distribution Utilities (DUs) and Electric Cooperatives (ECs) are required to file their respective application for the approval of their confirmation filing on the calculation of their over/under recovery in the implementation of various adjustment calculations for the period January 2012 to December 2014. In support of the computations made, it is submitting the following data and documents, to wit:
 - a) Power Supplier Data Sheet;
 - b) Statistical Data Sheet;
 - c) Implemented Rates Data Sheet;
 - d) Power Bills of Power Suppliers;
 - e) Official Receipts (O.R.) issued by Power Suppliers;
 - f) Breakdown of Payment with O.R.;
 - g) Debit/Credit Memo of Power Suppliers;
 - h) National Transmission Corporation (TRANSCO)/National Grid Corporation of the Philippines (NGCP) Invoices;
 - i) DU-MO1 and DU-MO2, MFSR;
 - j) Consumer Bills of Lifeliners (per level) and Non-Lifeliners per customer class;
 - k) Computation of Generation Rate;
 - l) Computation of System Loss;
 - m) Computation of Transmission Rate;
 - n) Computation of Lifeline Rate; and
 - o) Computation of SLR Recovery;

4. It applied the formulae provided under Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010, and has determined that the over-recoveries and under-recoveries incurred in its implementation of the foregoing automatic cost adjustments and true-up mechanisms;
5. The results of its calculations are presented hereunder, as follows:

MAIN 2012-2014

- i. Annex "A", the Computation of (Over)/Under Recovery for GR estimated at PhP(9,503,633.54);
- ii. Annex "B", the Computation of (Over)/Under Recovery for TR (TRAM) estimated at PhP1,310,942.07;
- iii. Annex "C", the Computation of (Over)/Under Recovery for SLR estimated at PhP(1,655,902.95);
- iv. Annex "D", the Computation of (Over)/Under Recovery for Lifeline Discount/Subsidy estimated at PhP(358,716.42);
- v. Annex "E", the Computation of (Over)/Under Recovery for Senior Citizen Discount/Subsidy estimated at PhP(22,974.81);

Summary of (Over)/Under Recoveries estimated at PhP(10,230,303.65);

SPUG 1 (BIRI) 2012-2014

- vi. Annex "A", the Computation of (Over)/Under Recovery for GR (AGRA) estimated at PhP(213,210,.37);
- vii. Annex "B", the Computation of (Over)/Under Recovery for TR (TRAM) estimated at PhP0.00;
- viii. Annex "C", the Computation of (Over)/Under Recovery for SLR estimated at PhP(311,948.44);
- ix. ix Annex "D", the Computation of (Over)/Under Recovery for Lifeline Discount/Subsidy estimated at PhP81,559.33;
- x. Annex "E", the Computation of (Over)/Under Recovery for Senior Citizen Discount Subsidy estimated at PhP(1,004.63);

**Summary of (Over)/Under Recoveries SPUG 1
(BIRI) estimated at PhP(442,594.85);**

SPUG 2 (CAPUL) 2012-2014

- xi. Annex "A", the Computation of (Over)/Under Recovery for GR (AGRA) estimated at PhP(199,822,.53);
- xii. Annex "B", the Computation of (Over)/Under Recovery for TR (TRAM) estimated at PhP0.00;
- xiii. xiii Annex "C", the Computation of (Over)/Under Recovery for SLR estimated at PhP(90,283.30);
- xiv. Annex "D", the Computation of (Over)/Under Recovery for Lifeline Discount/Subsidy estimated at PhP338,045.40;
- xv. Annex "E", the Computation of (Over)/Under Recovery for Senior Citizen Discount Subsidy estimated at PhP(876.26);

**Summary of (Over)/Under Recoveries SPUG 2
(CAPUL) estimated at PhP(47,063.31);**

SPUG 3 (SAN ANTONIO) 2012-2014

- xvi. Annex "A", the Computation of (Over)/Under Recovery for GR (AGRA) estimated at PhP(369,375.58);
- xvii. Annex "B", the Computation of (Over)/Under Recovery for TR (TRAM) estimated at PhP0.00;
- xviii. Annex "C", the Computation of (Over)/Under Recovery for SLR estimated at PhP(256,959.00);
- xix. Annex "D", the Computation of (Over)/Under Recovery for Lifeline Discount/Subsidy estimated at PhP263,492.53;
- xx. Annex "E", the Computation of (Over)/Under Recovery for Senior Citizen Discount Subsidy estimated at PhP(3,114.96);

**Summary of (Over)/Under Recoveries SPUG 3
(SAN ANTONIO) estimated at PhP(365,957.01);**

SPUG 4 (SAN VICENTE) 2012-2014

- xxi. Annex "A", the Computation of (Over)/Under Recovery for GR (AGRA) estimated at PhP(62,747.21);

- xxii. Annex "B", the Computation of (Over)/Under Recovery for TR (TRAM) estimated at PhP0.00;
- xxiii. Annex "C", the Computation of (Over)/Under Recovery for SLR estimated at PhP(83,963.29);
- xxiv. Annex "D", the Computation of (Over)/Under Recovery for Lifeline Discount/Subsidy estimated at PhP163,666.24;
- xxv. Annex "E", the Computation of (Over)/Under Recovery for Senior Citizen Discount Subsidy estimated at PhP(403.42);

Summary of (Over)/Under Recoveries SPUG 4 (SAN VICENTE) estimated at PhP(16,552.32);

SPUG 5 (BATAG) 2012-2014

- xxvi. Annex "A", the Computation of (Over)/Under Recovery for GR (AGRA) estimated at PhP(3,593.36);
- xxvii. Annex "B", the Computation of (Over)/Under Recovery for TR (TRAM) estimated at PhP0.00;
- xxviii. Annex "C", the Computation of (Over)/Under Recovery for SLR estimated at PhP(9,518.27);
- xxix. Annex "D", the Computation of (Over)/Under Recovery for Lifeline Discount/Subsidy estimated at PhP0.00;
- xxx. Annex "E", the Computation of (Over)/Under Recovery for Senior Citizen Discount Subsidy estimated at PhP0.00;

Summary of (Over)/Under Recoveries SPUG 4 (BATAG) estimated at PhP(13,111.62); and

6. It prays that the calculations of over/under recoveries presented in the instant application be confirmed and approved, and that it be allowed to refund/collect said over/under recoveries to or from its customers.

Finding the said application to be sufficient in form and in substance with the required fees having been paid, the same is hereby set for initial hearing, expository presentation, pre-trial conference and evidentiary hearing on **June 18, 2015 (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.**

NORSAMELCO is hereby directed to cause the publication of the attached Notice of Public Hearing, at its own expense, once (1x) in a newspaper of general circulation in the Philippines, at least ten (10) days before the scheduled date of initial hearing. It is also directed to inform the consumers within its franchise area, by any other means available and appropriate, of the filing of the instant application, its reasons therefor and of the scheduled hearing thereon.

Let copies of the application, this Order and the attached Notice of Public Hearing be furnished 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.

Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished the Offices of the Provincial Governor of Northern Samar and the Municipal Mayors within NORSAMELCO's franchise area for the appropriate posting thereof on their respective bulletin boards.

NORSAMELCO is hereby directed to furnish all those making requests therefor with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, NORSAMELCO must submit to the Commission its written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences on the actual posting and publication of the Notice of Public Hearing consisting of certifications issued to that effect, signed by the afore-mentioned Governor and Municipal Mayors or their duly authorized representatives, bearing the seals of their offices, and the affidavit of the Editor or Business Manager of the newspaper where the said Notice of Public Hearing was published together with the complete issue of the said newspaper, and such other proofs of compliance with the requirements of the Commission.

NORSAMELCO and all interested parties are directed 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:

- a) A summary of admitted facts and proposed stipulation of facts;
- b) The issues to be tried or resolved;
- c) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- d) The number and names of the witnesses, with their written testimonies in an individual affidavit form, to be attached to the Pre-trial Brief.

Failure of NORSAMELCO to submit the required Pre-trial Brief and Judicial Affidavits of its witnesses 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 said date of cancellation.

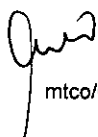
As part of the pre-trial conference, NORSAMELCO must also be prepared to make an expository presentation of its application, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the application is all about and the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, May 18, 2015.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ZENAIDA G. CRUZ-DUCUT
Chairperson 



Copy Furnished:

1. **ATTY. ZENON S. SUAREZ**
Counsel for Applicant NORSAMELCO
Rm. 601 Web-Jet Bldg. 64 Quezon Ave.,
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2. **Mr. Hector L. Tabilisima**
Project Supervisor/Acting General Manager
Northern Samar Electric Cooperative, Inc. (NORSAMELCO)
Brgy. Magsaysay Bobon, Northern Samar
3. **Office of the Solicitor General**
134 Amorsolo Street, Legaspi Village
Makati City, Metro Manila
4. **Commission on Audit**
Commonwealth Avenue
Quezon City, Metro Manila
5. **Senate Committee on Energy**
GSIS Bldg. Roxas Blvd., Pasay City
Metro Manila
6. **House Committee on Energy**
Batasan Hills, Quezon City, Metro Manila
7. **Office of the Provincial Governor**
Province of Northern Samar
8. **Office of the Municipal Mayor**
Municipality of San Vicente
Province of Northern Samar
9. **Office of the Municipal Mayor**
Municipality of San Antonio
Province of Northern Samar
10. **Office of the Municipal Mayor**
Municipality of Lavezares
Province of Northern Samar
11. **Office of the Municipal Mayor**
Municipality of Allen
Province of Northern Samar
12. **Office of the Municipal Mayor**
Municipality of Victorio
Province of Northern Samar

13. **Office of the Municipal Mayor**
Municipality of San Isidro
Province of Northern Samar
14. **Office of the Municipal Mayor**
Municipality of Rosario
Province of Northern Samar
15. **Office of the Municipal Mayor**
Municipality of San Jose
Province of Northern Samar
16. **Office of the Municipal Mayor**
Municipality of Bobon
Province of Northern Samar
17. **Office of the Municipal Mayor**
Municipality of Lope de Vega
Province of Northern Samar
18. **Office of the Municipal Mayor**
Municipality of Catarman
Province of Northern Samar
19. **Office of the Municipal Mayor**
Municipality of Mondragon
Province of Northern Samar
20. **Office of the Municipal Mayor**
Municipality San Roque
Province of Northern Samar
21. **Office of the Municipal Mayor**
Municipality of Silvino Lobos
Province of Northern Samar
22. **Office of the Municipal Mayor**
Municipality of Pambujan
Province of Northern Samar
23. **Office of the Municipal Mayor**
Municipality of Las Navas
Province of Northern Samar
24. **Office of the Municipal Mayor**
Municipality of Laoang
Province of Northern Samar
25. **Office of the Municipal Mayor**
Municipality of Catubig
Province of Northern Samar

26. **Office of the Municipal Mayor**
Municipality of Palapag
Province of Northern Samar
27. **Office of the Municipal Mayor**
Municipality of Mapanas
Province of Northern Samar
28. **Office of the Municipal Mayor**
Municipality of Gamay
Province of Northern Samar
29. **Office of the Municipal Mayor**
Municipality of Lapinig
Province of Northern Samar
30. **Office of the Municipal Mayor**
Municipality of Capul
Province of Northern Samar
31. **Local Government Executive of the Islands of Biri, San Juan, and Cabaun, Province of Northern Samar**