

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




IN THE MATTER OF THE APPLICATION FOR APPROVAL OF OVER/UNDER RECOVERIES 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 AS AMENDED BY RESOLUTION NO. 21, SERIES OF 2010, AND ERC RESOLUTION NO. 23, SERIES OF 2010,

ERC Case No. 2017-040 CF

FIRST LAGUNA ELECTRIC COOPERATIVE, INC. (FLECO),

Applicant.

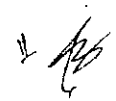
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DOCKETED
Date: APR 25 2018
By: 

ORDER

On 31 March 2017, First Laguna Electric Cooperative, Inc. (FLECO) filed an *Application* dated 20 March 2017 (*Application*) for the confirmation and approval of the calculation of its over or under recoveries in the implementation of automatic cost adjustment and true-up mechanisms covering the period 2014 to 2016.

In its *Application*, FLECO alleged the following:



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1. FLECO is an electric cooperative duly recognized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Brgy. Lewin, Lumban, Laguna, Zip Code – 4014, where it may be served with summons and other legal processes, represented in this instance by its Board President, EFREN D. MAGRACIA, of legal age, Filipino and with office address also at FLECO, Inc. Main 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 eleven (11) municipalities of Laguna, namely, Cavinti, Pagsanjan, Lumban, Kalayaan, Paete, Pakil, Pangil, Siniloan, Famy, Mabitac and Sta. Maria;
3. Pursuant to ERC Resolution No. 16, Series of 2009, as amended by ERC Resolution No. 21, Series of 2010, more specifically Article 5, Section 1 (Filing) thereof, all Luzon Distribution Utilities (DU's) shall file their respective consolidated applications, on or before March 31, 2017, for the (over)/under recoveries on their implementation of various automatic cost adjustment and true-up mechanisms;
4. For purposes of compliance with the said ERC Resolution No. 16, as amended, and ERC Resolution No. 23, herein applicant adopted the formulae on Generation rate, Transmission Rate, System Loss Rate, Lifeline Subsidy Rate and Senior Citizen Subsidy rate, together with the specific definitions and sub-formulae for each item thereof;
5. Applicant FLECO hereby submits its proposed application for approval of automatic cost adjustment and true-up mechanisms and corresponding confirmation process pursuant to the aforesaid resolutions, as Annex "A" and form as part and parcel of this application;
6. In support of this application herein, applicant attached the following required documents contained in the guidelines issued by the Honorable Energy Regulatory Commission, to wit:
 - a. Power Supply Data Sheet;
 - b. Statistical Data Sheet;
 - c. Implemented Rates;
 - d. Power Bills of Power Suppliers;
 - e. Official Receipts issued by Power Suppliers;
 - f. Debit/Credit Memo of Power Suppliers;
 - g. TRANSCO/NGCP Invoices;
 - h. Official Receipts issued by TRANSCO/NGCP;
 - i. Debit/Credit Memo of TRANSCO/NGCP;
 - j. DU/MO₁ and DU-MO₂, MFSR;
 - k. Consumer bills of Lifeliners (per level) and Non-Lifeliners per customers class;
 - l. URR Computation of Generation Rate;

- m. URR Computation of Transmission Rate;
- n. URR Computation of System Loss Rate;
- o. URR Computation of Lifeline Rate;
- p. URR Computation of Senior Citizen Subsidy Rate;
- q. Computation of (Over)/Under Recoveries;
- r. Summary of (Over)/Under Recoveries; and
- s. Summary of Implementation of approved other charges.

7. The summary of Pass True-Cost vis-à-vis, the actual collection for Generation, Transmission, System Loss, Lifeline and Senior Citizen Subsidy Rate are as follows, to wit:

PARTICULARS	PASS TRUE COST	ACTUAL BILLINGS	(OVER)/UNDER RECOVERIES
GENERATION	1,174,387,466.51	1,190,553,167.17	(16,165,700.66)
TRANSMISSION	260,607,799.29	261,225,856.16	(618,056.87)
SYSTEM LOSS	204,877,671.52	205,047,044.00	(169,372.48)
LIFELINE	9,617,056.11	9,847,962.45	(230,906.34)
SENIOR CITIZENS	226,459.32	407,165.45	(180,706.13)
GRAND TOTAL	1,649,716,452.75	1,667,081,195.23	(17,364,742.48)

PRAYER

WHEREFORE, foregoing premises considered, applicant First Laguna Electric Cooperative, Inc. (FLECO) respectfully prays on this Honorable Commission that, after due notice and hearing and consideration, this application be approved and, upon approval thereof, the application be directed to submit the scheme on how to implement the said approval.

Other relief just and equitable, its likewise prayed for.

Finding the said *Application* 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 (Tuesday) 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.**

Accordingly, FLECO is hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing once (1x) in a newspaper of nationwide

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circulation in the Philippines, at its own expense, the date of the 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 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 request 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 issues 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.

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- 3) The evidence of the means employed by Applicants to inform of the filing of the *Application*, its reasons therefor, 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;
- 5) The evidence of receipt of the 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 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 Judicial Affidavit form, to be attached to the Pre-trial Brief.

Failure of Applicant 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.


FLECO must also be prepared to make an Expository Presentation of the instant *Application*, aided by whatever communication medium 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, 16 April 2018.

FOR AND BY AUTHORITY
OF THE COMMISSION:


AGNES VST DEVANADERA
Chairperson and CEO

LS: /arg/lsp/apv.2017-040 CF FLECO





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Copy furnished:

1. Atty. Arnido O. Inumerable
Counsel for FLECO
405 Elisa Street, U.e. Village, Cainta, Rizal
2. First Laguna Electric Cooperative, Inc. (FLECO)
Applicant
Brgy. Lewin, Lumban, Laguna
3. Office of the Solicitor General
134 Amorsolo Street, Legaspi Village , Makati City
4. Commission on Audit
Commonwealth Ave., Quezon City
5. The Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City
6. The House Committee on Energy
Batasan Hills, Quezon City
7. Office of the President of PCCI
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
8. Office of the Governor
Province of Laguna
9. Office of the Sangguniang Panlalawigan
Province of Laguna
10. Office of the Municipal Mayor
Cavinti, Laguna
11. Office of the Sangguniang Bayan
Cavinti, Laguna
12. Office of the Municipal Mayor
Pagsanjan, Laguna
13. Office of the Sangguniang Bayan
Pagsanjan, Laguna
14. Office of the Municipal Mayor
Lumban, Laguna
15. Office of the Sangguniang Bayan
Lumban, Laguna
16. Office of the Municipal Mayor
Kalayaan, Laguna
17. Office of the Sangguniang Bayan
Kalayaan, Laguna
18. Office of the Municipal Mayor
Paete, Laguna
19. Office of the Sangguniang Bayan
Paete, Laguna
20. Office of the Municipal Mayor
Pakil, Laguna

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21. Office of the Sangguniang Bayan
Pakil, Laguna
22. Office of the Municipal Mayor
Pangil, Laguna
23. Office of the Sangguniang Bayan
Pangil, Laguna
24. Office of the Municipal Mayor
Siniloan, Laguna
25. Office of the Sangguniang Bayan
Siniloan, Laguna
26. Office of the Municipal Mayor
Famy, Laguna
27. Office of the Sangguniang Bayan
Famy, Laguna
28. Office of the Municipal Mayor
Mabitac, Laguna
29. Office of the Sangguniang Bayan
Mabitac, Laguna
30. Office of the Municipal Mayor
Sta. Maria, Laguna
31. Office of the Sangguniang Bayan
Sta. Maria, Laguna
32. National Grid Corporation of the Philippines (NGCP)
Quezon Avenue corner BIR Road, Diliman, Quezon City
33. Regulatory Operations Service (ROS)
17F Pacific Center Building, San Miguel Avenue, Pasig City

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