

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



IN THE MATTER OF THE  
APPLICATION FOR  
CONFIRMATION AND  
APPROVAL OF CALCULATION  
OF OVER/UNDER  
RECOVERIES IN THE  
IMPLEMENTATION OF  
AUTOMATIC COST  
ADJUSTMENTS AND TRUE UP  
MECHANISMS PURSUANT TO  
ERC RESOLUTION NO. 16,  
SERIES OF 2009 AS AMENDED  
BY RESOLUTION NO. 21,  
SERIES OF 2010

ERC CASE NO. 2014-046 CF

AURORA ELECTRIC  
COOPERATIVE, INC.  
(AURELCO),  
Applicant.  
X-----X

RECEIVED  
Date: JUL 28 2014  
By:                     

**ORDER**

On March 31, 2014, the Aurora Electric Cooperative, Inc. (AURELCO) filed an application for confirmation and approval of its calculations of over/under recoveries in the implementation of Automatic Cost Adjustments and True Up Mechanisms pursuant to Commission's Resolution No. 16<sup>1</sup>, Series of 2009 as amended by Resolution No. 21<sup>2</sup>, Series of 2010.

In the said application, AURELCO alleged, among others, that:

<sup>1</sup> "A Resolution Adopting the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities."

<sup>2</sup> "A Resolution Amending Section 4 of Article 4 and Section 1 of Article 5 of the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities."

1. It is an electric cooperative (EC) duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Barangay Reserva, Baler, Aurora where it may be served with legal processes;
2. It is represented in this instance by its Officer-In-Charge (OIC), Engr. Noel DV. Vedad who is of legal age, Filipino, married and with office address at Barangay Reserva, Baler, Aurora;
3. It is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in the following areas: 1) in the Municipalities of Baler, Casiguran, Dinalungan, Dipaculao, Maria Aurora, San Luis, Dilasag, Dingalan, all in the Province of Aurora; 2) in the Municipality of Dinapigue in the Province of Isabela; 3) in Barangay Umiray in the Municipality of General Nakar in the Province of Quezon; and 4) in the Municipality of Alfonso Castañeda in the Province of Nueva Vizcaya;
4. Pursuant to ERC Resolution No. 16, Series of 2009 and Resolution No. 21, Series of 2010, Luzon Distribution Utilities (DUs) and Electric Cooperatives (ECs) are required to file their respective consolidated application for the approval of their confirmation filing on the Calculation of the Over or Under recovery in the implementation of various adjustment calculations covering the period from January 2011 to December 2013, as follows:
  - a. Power Supplier Data Sheet;
  - b. Statistical data Sheet;
  - c. Implemented Rates Data Sheet;
  - d. Power Bills of Power Suppliers;
  - e. Officials Receipts issued by Power Suppliers;
  - f. Debit/Credit Memo of Power Suppliers;
  - g. TRANSCO/NGCP Invoices;
  - h. DU-MO1 and DU-MO2, MFSR;
  - i. Consumer Bills of Lifeliners per level, Non-lifeliners per customer class and Consumer with Senior Citizen Discount;
  - j. URR for the year;

5. In applying the various formulae in the determination of the adjustments and the recovery or refund of Over or Under Recoveries herein, it hereby adopts the respective formula as provided for in ERC Resolution No. 16, Series of 2009 and ERC Resolution No. 21, S. 2010 together with the specific definitions and sub-formula for each item thereof;
6. That in support of this application, applicant has hereby submitted and attached to this application the other requirements, as follows:
  - i. Computation of Over/Under Recovery for GR estimated at PhP592,269.58;
  - ii. Computation of Over/Under Recovery for TR estimated at PhP1,439,815.43;
  - iii. Computation of Over/Under Recovery for SLR estimated at PhP4,040,810.66;
  - iv. Computation of Over/Under for LR estimated at (PhP225,132.26);
  - v. Computation of Over/Under Recovery for SR estimated at (PhP76,690.63); and
  - vi. Summary of Over/Under Recoveries estimated at (PhP1,706,902.76);
7. It prays that its submitted calculations and computations of over/under recoveries in the implementation of the various automatic cost adjustments and true-up mechanism be confirmed and approved, and that it be allowed to refund/collect said over/under recoveries.

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 jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **August 27, 2014 (Wednesday) at two o'clock in the afternoon (2:00 P.M.), at the ERC Hearing Room, 15<sup>th</sup> Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

AURELCO 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 hearings.

Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished the Offices of the Governors of Aurora, Isabela, Quezon and Nueva Vizcaya and the Mayors of the Municipalities within the franchise area of AURELCO for the appropriate posting thereof on their respective bulletin boards.

AURELCO 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, AURELCO must submit to the Commission its written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences of the actual posting and publication of the Notice of Public Hearing consisting of certifications issued to that effect, signed by the afore-mentioned Governors, Mayors and Punong Barangay or their duly authorized representatives, bearing the seals of their offices, and the affidavit of the Editor or Business Manager of the newspaper where 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.

AURELCO 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 thereof 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 AURELCO 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, AURELCO 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, July 21, 2014.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**ZENAIDA G. CRUZ-DUCUT**  
Chairperson ✓

**Copy Furnished:**

1. **ATTY. ZENON S. SUAREZ**  
Counsel for Applicant AURELCO  
Rm. 313 Web-Jet Building No. 64 Quezon Avenue  
corner BMA Street, Quezon City
2. **AURORA ELECTRIC COOPERATIVE, INC. (AURELCO)**  
Barangay Reserva, Baler, Aurora
3. **The Office of the Solicitor General**  
134 Amorsolo Street, Legaspi Village, Makati City  
Metro Manila
4. **The Commission on Audit**  
Commonwealth Avenue  
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)  
3<sup>rd</sup> Floor, ECC Building, Sen. Gil Puyat Avenue  
Makati City
8. **Office of the Provincial Governor**  
Province of Aurora
9. **Office of the Provincial Governor**  
Province of Isabela
10. **Office of the Provincial Governor**  
Province of Quezon
11. **Office of the Provincial Governor**  
Province of Nueva Vizcaya
12. **Office of the Municipal Mayor**  
Dingalan, Aurora
13. **Office of the Municipal Mayor**  
Dilasag, Aurora
14. **Office of the Municipal Mayor**  
Casiguran, Aurora

15. **Office of the Municipal Mayor**  
Dinalungan, Aurora
16. **Office of the Municipal Mayor**  
Dipaculao, Aurora
17. **Office of the Municipal Mayor**  
Maria Aurora, Aurora
18. **Office of the Municipal Mayor**  
Baler, Aurora
19. **Office of the Municipal Mayor**  
San Luis, Aurora
20. **Office of the Municipal Mayor**  
Dinapigue, Isabela
21. **Office of the Municipal Mayor**  
Alfonso Castañeda, Nueva Vizcaya
22. **Office of the Municipal Mayor**  
General Nakar, Quezon