

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 OVER  
OR UNDER-RECOVERIES  
IN THE IMPLEMENTATION  
OF AUTOMATIC COST  
ADJUSTMENTS AND TRUE-  
UP MECHANISMS FOR THE  
PERIOD 2017 TO 2019,  
PURSUANT TO ERC  
RESOLUTION NO. 16,  
SERIES OF 2009 AS  
AMENDED BY  
RESOLUTION NO. 21,  
SERIES OF 2010, AND ERC  
RESOLUTION 23, SERIES  
OF 2010**

**ERC CASE NO. 2020-057 CF**

**TICAO ISLAND ELECTRIC  
COOPERATIVE, INC.  
(TISELCO),  
*Applicant.***

**Promulgated:**  
June 29, 2021

X- ----- X

**ORDER**

The Commission, in its *Order* and *Notice of Virtual Hearing*, both dated 28 January 2021, set the instant *Application* for the determination of compliance with the jurisdictional requirements and expository presentation, Pre-trial Conference and presentation of evidence through a virtual hearing on 23 March 2021 and 30 March 2021, respectively.

During the hearing held on 23 March 2021, the Commission noticed some discrepancies found in the *Application* vis-à-vis the submitted revised computation. In the *Application*, Applicant proposed the amount of Seven Million Nine Hundred Seventy Nine Thousand Three Hundred Twenty Five Pesos and 15/100

(Php7,979,325.15), however, based on the submitted revised computation, it yielded the amount of Five Million Seven Hundred Ninety One Thousand Eight Hundred Eight Pesos and 6/100 (Php 5,791,898.06). On this regard, the Commission gave Applicant ample time to reconcile the figures proposed in the *Application* and in the submitted revised computation, on the next scheduled hearing on 30 March 2021.

During the hearing held on 30 March 2021, Applicant manifested its inability to substantiate the proposed amount in the *Application* and that the new figures found in the submitted revised computation is the correct proposed amount. It likewise manifested its willingness to file an amended application, if warranted. Hence, the Commission directed Applicant to file an amended application reflecting the correct amount as supported by documents.

On 14 April 2021, TISELCO filed an *Amended Application with Urgent Motion to withdraw previously filed URR Application with Motion for extension of time (Motion)* dated 08 April 2021.

Finding the said *Motion* in order, the Commission hereby grants Applicant's prayer and hereby CANCELS the previous settings; and ISSUES this *Order and Notice of Virtual Hearing*, with the pertinent portions of the said *Amended Application* hereunder quoted as follows:

**COMES NOW**, applicant TICAO ISLAND ELECTRIC COOPERATIVE, INC.(TISELCO), by and through the undersigned counsel, and unto this Honorable Commission, most respectfully states:

1. That applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines, with the principal office at Barsaga Street, San Jacinto, Masbate, where it may be served with summons and other legal processes, represented in this instance by its General Manager, Ricardo P. Largo, of legal age, Filipino, married and with office address also located at Barsaga Street, District 4, San Jacinto, Masbate;
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 (4) municipalities, namely the municipalities of San Jacinto, San Fernando, Monreal and Batuan all in the province of Masbate;
3. That pursuant to ERC Resolution No. 16 Series of 2009 and ERC 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 November 2017 to December 2019, 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. Breakdown of Payment with OR., if payment is staggered;
  - g. Debit/Credit Memo of Power Suppliers;
  - h. NPC Invoices;
  - i. MFSR (Sections B and E)
  - j. Consumer Bills of Lifeliners per level and Non-lifeliners per customer class;
4. That in applying the various formulae in the determination of the adjustments and the recovery or refund of Over or Under Recoveries herein applicant 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;
5. That in support of this application, applicant has hereby submitted and attached to this application the other requirements, as follows:

	<b>Pass Through Cost (Php)</b>	<b>Actual Revenue (Php)</b>	<b>(Over)/Under Recovery (Php)</b>
Generation Rate (GR)	134,551,648.82	138,194,814.87	(3,643,166.04)
System Loss Rate (SLR)	19,704,699.10	21,993,087.39	(2,288,388.28)
	<b>Subsidy (Php)</b>	<b>Discount(Php)</b>	
Lifeline Rate (LR)	2,587,769.75	2,745,137.95	157,368.20
Senior Citizen Subsidy	103,642.02	85,930.09	(17,711.93)
Net Results			<b>(5,791,898.06)</b>

**PRAYER**

**WHEREFORE**, premises considered, it is respectfully prayed of this Honorable Commission that the submitted calculations and computations prepared by applicant be approved; That upon receipt of the Order of approval, herein applicant be allowed to refund/recovery as the case may be;

Other relief/s just and equitable in the premises are likewise prayed for.

**ACCORDINGLY**, the Commission sets the instant *Amended Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>1</sup> dated 24 September 2020 and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure)<sup>2</sup>:

<b>Date and Time</b>	<b>Platform</b>	<b>Activity</b>
22 July 2021 <b>(Thursday)</b> at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams	Determination of compliance with the jurisdictional requirements and Expository presentation
29 July 2021 <b>(Thursday)</b> at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams	Pre-trial Conference, and presentation of evidence

**RELATIVE THERETO**, TISELCO is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* once (1x) in a newspaper of nationwide circulation in the Philippines at its own expense, the date of 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 Virtual Hearing* the Offices of the Provincial Governor, the City and Municipal Mayors, and the Local Government Unit (LGU) legislative bodies within TISELCO's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within TISELCO's franchise area of the filing of the *Amended Application*, its reasons therefor,

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<sup>1</sup> Entitled: *A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.*

<sup>2</sup> *A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.*

and of the scheduled hearing thereon, by any other means available and appropriate;

- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual 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 *Amended Application* and its attachments all those making requests therefor, subject to the resolution of the prayer for confidential treatment of information, if any, and reimbursement of reasonable photocopying costs.<sup>3</sup>

Within five (5) calendar days prior to the date of the virtual hearing, TISELCO must submit to the Commission via electronic mail (e-mail) at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), the scanned copies of their 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 Virtual Hearing* consisting of the affidavit of the Editor or Business Manager of the newspaper where the said *Notice of Virtual Hearing* was published, and the complete issue of the said newspaper;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Virtual 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;
- 3) The evidence of other means employed by TISELCO to inform the consumers within the affected area of the filing of the *Amended Application*, its reasons therefor, and of the scheduled hearing thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing* by the OSG, the COA, and the Committees on Energy of both Houses of Congress;

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<sup>3</sup> For the e-mail address of the applicant, please see page 9.

- 5) The evidence of receipt of copies of the *Amended Application* and its attachments by all those making requests therefor, except those covered by any motion for confidential treatment of information, if any; and
- 6) Such other proof of compliance with the requirements of the Commission.

Moreover, TISELCO is hereby required to post on its bulletin boards, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publication and certifications issued by the concerned Office of the Mayors, or Provincial Governor and Local Legislative Bodies, and to submit proof of its posting thereof.

TISELCO and all interested parties are also required to submit via e-mail at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), at least five (5) calendar days before the date of the scheduled virtual 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 a Judicial Affidavit form attached to the Pre-trial Brief.

TISELCO must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission at least five (5) calendar days before the date of the scheduled initial virtual hearing and Pre-trial Conference pursuant to the preceding paragraph.

Failure of TISELCO to comply with the above requirements 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 the said date of cancellation.

TISELCO must also be prepared to make an expository presentation of the instant *Amended 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, the nature of the *Amended Application* with relevant information and pertinent details substantiating the reasons and justifications being cited in support thereof.

TISELCO is hereby directed to file a copy of its Expository Presentation via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), at least five (5) calendar days prior to the scheduled virtual hearing. TISELCO shall also be required, upon the request of any stakeholder, to provide an advance copy of its expository presentation, at least five (5) calendar days prior to the scheduled virtual hearing.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

TISELCO is further directed to submit, either through personal service, registered or ordinary mail/private courier, one (1) set of the original or certified true hard/printed copy/ies of its Jurisdictional Compliance, Expository Presentation, Pre-trial Brief, and Judicial Affidavit/s of witness/es, within five (5) working days from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission. Similarly, all interested parties who filed their Petition for Intervention or Opposition are required to submit the hard/printed copy thereof within the same period through any of the available modes of service.

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Finally, TISELCO, including its authorized representative/s and witness/es, are hereby directed to provide the Commission, thru [legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph), with their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

**SO ORDERED.**

Pasig City, 15 June 2021.

FOR AND BY AUTHORITY  
OF THE COMMISSION:



  
**AGNES VST DEVANADERA**  
*Chairperson and CEO*

  
LS: EDR/BJVG/CLB/MCCG



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**Copy Furnished:**

1. Atty. Zenon S. Suarez  
*Counsel for Applicant TISELCO*  
No. 19 Bulacan Street, 10th Avenue,  
West Grace Park, Caloocan City  
E-mail: [suarezzenon\\_412@yahoo.com](mailto:suarezzenon_412@yahoo.com)
2. Ticao Island Electric Cooperative, Incorporated. (TISELCO)  
*Applicant*  
San Jacinto, Ticao Island, Masbate  
Email: [tiselcoticao@gmail.com](mailto:tiselcoticao@gmail.com)
3. Officer of the Local Government Unit (LGU) legislative body  
Province of Masbate
4. Office of the Governor  
Province of Masbate
5. Officer of the Local Government Unit (LGU) legislative body  
San Jacinto, Masbate
6. Office of the Mayor  
San Jacinto, Masbate
7. Officer of the Local Government Unit (LGU) legislative body  
San Fernando, Masbate
8. Office of the Mayor  
San Fernando, Masbate
9. Officer of the Local Government Unit (LGU) legislative body  
Monreal, Masbate
10. Office of the Mayor  
Monreal, Masbate
11. Officer of the Local Government Unit (LGU) legislative body  
Batuan, Masbate
12. Office of the Mayor  
Batuan, Masbate
13. Office of the Solicitor General (OSG)  
134 Amorsolo Street, Legaspi Village, Makati City
14. Commission on Audit (COA)  
Commonwealth Avenue, Quezon City
15. Senate Committee on Energy  
GSIS Bldg. Roxas Blvd., Pasay City
16. House Committee on Energy  
Batasan Hills, Quezon City
17. Regulatory Operations Service  
*Energy Regulatory Commission*  
17<sup>th</sup> Floor Pacific Center Building, San Miguel Avenue, Pasig City