

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 FOR THE
PERIOD 2011 TO 2013,
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. 2014-029 CF

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

Applicant.

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DOCKETED
Date: SEP 16 2014
By: 

ORDER

On March 31, 2014, the Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV) 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. 16¹, Series of 2009 as amended by Resolution No. 21², Series of 2010, and ERC Resolution No. 23, Series of 2010.

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

² "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."

In the said application, CASURECO IV alleged, among others, that:

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 Talojongon, Tigaon, Camarines Sur. It is represented in this instance by its General Manager, Atty. Veronica T. Briones pursuant to a board resolution copy of which is attached to the instant application as Annex "A";
2. It is the holder of an exclusive franchise issued by the National Electrification Commission (NEC), authorized to operate an electric light and power distribution service in the Municipalities of Ocampo, Tigaon, Sangay, Goa, San Jose, Lagonoy, Presentacion, Caramoan, and Garchitorena, all in the Province of Camarines Sur;
3. Pursuant to the Commission's Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010 and Resolution No. 23, Series of 2010, Distribution Utilities (DUs) and Electric Cooperatives (ECs) are required to file their respective consolidated applications for the approval of their over or under recoveries on the implementation of various automatic cost adjustments and true-up mechanisms, such as: Automatic Generation Rate (AGR) and System Loss Adjustment Mechanism, Transmission Rate (TR) Adjustment Mechanism, Lifeline Rate Recovery Mechanism, Calculation of the Over/Under Recovery in the Implementation of Lifeline Rates by DUs, True-up Mechanism of the Over/Under Recovery in the Implementation of Inter-Class Cross Subsidy Removal of DUs, Treatment of Prompt Payment Discount (PPD), Calculation of Over/Under Recovery in the Implementation of System Loss Rate (SLR) by DUs, Calculation of the Over/Under Recovery in the Implementation of Transmission Rates, and Rate Recovery Mechanism in the Implementation of Senior Citizen Discounts;
4. It adopted and applied the various formulae provided under Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010 and Resolution No. 23, Series of 2010, in determining the under/over recoveries on

the implementation of the foregoing automatic cost adjustments and true-up mechanisms;

5. A summary of the pass-true costs vis-à-vis the actual revenue on the above-mentioned implementation of various automatic cost adjustments and true-up mechanisms are presented hereunder, as follows:

		Pass Through Cost (PhP)	Actual Revenue (PhP)	Difference (PhP)
1	Generation Rate (GR)	519,441,565.38	511,613,002.88	7,828,562.50
2	Transmission Rate (TR)	129,554,994.88	129,603,441.44	(48,446.56)
3	System Loss Rate (SLR)	101,789,668.08	99,183,265.74	2,606,042.34
4	Lifeline Rate (LR)	17,680,370.74	16,760,293.71	920,977.03
5	Senior Citizen Discount	70,836.69	58,080.26	12,756.43
	Grand Total	768,537,435.77	757,218,444.03	11,318,991.74

The detailed computations of the foregoing are attached to the instant application as Annexes "B" to "F", respectively;

6. In support of the foregoing, it is submitting herewith the following data and documents, attached hereto as Annexes "G" to "W", to wit:
- a) Power Supplier Data Sheet as Annex "G";
 - b) Statistical Data Sheet as Annex "H";
 - c) Implemented Rates Data Sheet as Annex "I";
 - d) Power Bills of Power Suppliers including Credit Memo as Annex "J";
 - e) Official Receipts issued by Power Suppliers and the National Grid Corporation of the Philippines (NGCP) as Annex "K";
 - f) NGCP Billing Statements as Annex "L";
 - g) MFSR (Section B & E) as Annex "M";
 - h) Consumer Bills of Lifeliners (per level) as Annex "N";
 - i) Consumer Bills for Senior Citizen as Annex "O";
 - j) Consumer Bills per Consumer Type 2011 as Annex "P";
 - k) Consumer Bills per Consumer Type 2012 as Annex "Q";
 - l) Consumer Bills per Consumer Type 2013 as Annex "R";
 - m) Computation of Generation and System Loss Rate as Annex "S";
 - n) Computation of Transmission Rate; Lifeline and Senior Citizen Subsidy Rate as Annex "T";

- o) DU-M01, DU-M02 as Annex "U";
- p) URR 2012-2013 as Annex "V"; and
- q) Breakdown of kWh Sales per level of Lifeline and Senior Citizen as Annex "W"; and

7. It prays that the Commission approves the its computations of over/under recoveries presented in the instant application and, it be allowed to refund/collect its 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 **October 9, 2014 (Thursday) at two o'clock in the afternoon (2:00 P.M.), at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

CASURECO IV 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 Governor of Camarines Sur and the Mayors of the Municipalities within the franchise area of CASURECO IV for the appropriate posting thereof on their respective bulletin boards.

CASURECO IV 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, CASURECO IV 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 Governor and 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 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.

CASURECO IV 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 CASURECO IV 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.

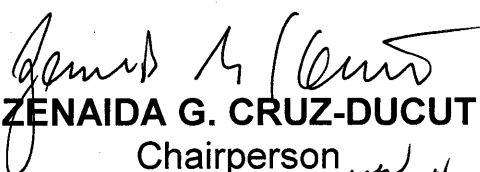
As part of the pre-trial conference, CASURECO IV must also be prepared to make an expository presentation of its application, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the application is

all about and the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, September 8, 2014.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ZENAIDA G. CRUZ-DUCUT
Chairperson *per se*

Copy Furnished:

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Counsel for Applicant CASURECO IV
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Barangay Talojongon, Tigaon, Camarines Sur
3. **THE OFFICE OF THE SOLICITOR GENERAL**
134 Amorsolo Street, Legaspi Village, Makati City
Metro Manila
4. **THE COMMISSION ON AUDIT**
Don Mariano Marcos Avenue
Diliman, Quezon City, Metro Manila
5. **THE SENATE COMMITTEE ON ENERGY**
Senate of the Philippines
GSIS Building, Roxas Blvd., Pasay City, Metro Manila
6. **THE HOUSE COMMITTEE ON ENERGY**
House of Representatives
Batasan Hills, Quezon City, Metro Manila
7. **OFFICE OF THE PRESIDENT OF PCCI**
Philippine Chamber of Commerce and Industry (PCCI)
3rd Floor, ECC Building, Sen. Gil Puyat Avenue
Makati City
8. **Office of the Provincial Governor**
Province of Camarines Sur
9. **Office of the Municipal Mayor**
Ocampo, Camarines Sur
10. **Office of the Municipal Mayor**
Tigaon, Camarines Sur
11. **Office of the Municipal Mayor**
Sangay, Camarines Sur
12. **Office of the Municipal Mayor**
Goa, Camarines Sur
13. **Office of the Municipal Mayor**
San Jose, Camarines Sur
15. **Office of the Municipal Mayor**
Lagonoy, Camarines Sur

16. **Office of the Municipal Mayor**
Presentacion, Camarines Sur
17. **Office of the Municipal Mayor**
Caramoan, Camarines Sur
18. **Office of the Municipal Mayor**
Garchitorena, Camarines Sur