

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: M

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on March 31, 2014, the Camarines 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.

The Commission has set the application 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.**

All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission giving the docket number and title of the proceeding and stating: (1) the petitioner's name and address; (2) the nature of petitioner's interest in the subject matter of the proceeding, and the way and manner in which such interest is affected by the issues involved in the proceeding; and (3) a statement of the relief desired.

All other persons who may want theirs views known to the Commission with respect to the subject matter of the proceeding may file their opposition to the application or comment thereon at any stage of the proceeding before the applicant concludes the presentation of its evidence. No particular form of opposition or comment is required, but the document, letter or writing should contain the name and address of such person and a concise statement of the opposition or comment and the grounds relied upon.

All such persons who may wish to have a copy of the application may request the applicant, prior to the date of the initial hearing, that they be furnished with a copy of the application. The applicant is hereby directed to furnish all those making a request with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs. Likewise, any such person may examine the application and other pertinent records filed with the Commission during the usual office hours.

WITNESS, the Honorable Chairperson, **ZENAIDA G. CRUZ-DUCUT**, and the Honorable Commissioners, **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, and **JOSEFINA PATRICIA A. MAGPALE-ASIRIT**, Energy Regulatory Commission, this 8th day of September 2014 at Pasig City.



ATTY. FRANCIS SATURNINO C. JUAN
Executive Director III