

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



IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE 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. 2014-030 CF

**NUEVA ECIJA II AREA 1
ELECTRIC COOPERATIVE,
INC. (NEECO II AREA 1),
Applicant.**

X-----X

D O C K E T E D
Date: MAY 16 2017
By: [Signature]

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 31 March 2014, an *Application* dated 26 March 2014 was filed by applicant Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II Area 1) seeking the Commission's approval of the (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 ERC Resolution No. 21, Series of 2010 and ERC Resolution No. 23, Series of 2010.

On 28 April 2015, NEECO II Area 1 filed an *Urgent Motion to Allow Applicant to Correct Paragraph 7 of the Application, with Leave of Court*.

NEECO II Area 1 alleged the following in its Application, as amended:

1. Applicant 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 Calipahan, Talavera, Nueva Ecija, where it may be served with summons and other legal processes, represented in this instance by its General Manager, Eulalia M. Castro, of legal age, Filipino and with office address also at NEECO II Area 1 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 municipalities of Nueva Ecija, namely: Talavera, Lupao, Carranglan, Aliaga, Quezon, Licab, Sto Domingo, Munoz, Guimba, and Talugtug;
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 (DUs) shall file their respective consolidated applications, on or before March 31, 2014, for the (over)/under recoveries on their implementation of various automatic cost adjustment and true-up mechanisms;
4. For purposed 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 NEECO II Area 1 hereby submit its proposed application for approval of automatic cost adjustment 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. Officials Receipts issued by Power Suppliers;
 - f. Debit/Credit Memo of Power Suppliers;
 - g. TRANSCO/NGCP Invoices;
 - h. Official Receipts issued by TRANSCO/NGCP

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- i. Debit/Credit Memo of TRANSCO/NGCP
 - j. DU-MO₁ and DU-MO₂, MFSR;
 - k. Consumer Bills of Lifelines (per level) and Non- lifelines per customer 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 and Under Recoveries; and
 - s. Summary of implementation of approved other charges.
7. The summary Past True-up 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	P 1,718,755,307.75	P 1,705,249,076.89	P13,506,230.86
TRANSMISSION	P 453,769,968.71	P 458,756,691.57	P(4,986,722.85)
SYSTEM LOSS	P 311,582,974.04	P 279,662,217.06	P31,920,756.98
LIFELINE	P 34,897,924.91	P 31,721,182.54	P 3,176,742.37
SENIOR CITIZENS	P 388,452.34	P 542,316.00	P (153,863.66)
<u>GRAND TOTAL</u>	<u>P 2,519,394,627.77</u>	<u>P 2,475,931,484.06</u>	<u>P43,463,143.70</u>

PRAYER

WHEREFORE, foregoing premises considered, it is most respectfully prayed on this Honorable Commission, after due notice and hearing, to approve the herein application and upon approval thereof, the applicant be directed to submit the scheme on how to implement the said approval.

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

The Commission has set the *Application*, as amended for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **29 June 2017 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 instant case may become a party by filing with the Commission a

verified Petition to Intervene at least five (5) days prior to the initial hearing and subject to the requirements under Rule 9 of the 2006 Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 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 their views known to the Commission with respect to the subject matter of the case may file their Opposition or Comment thereon at any stage of the proceeding before Applicant rests its case, subject to the requirements under Rule 9 of the 2006 Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- 1) The name and address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

All such persons who wish to have a copy of the *Application* may request from Applicant that it be furnished with the same, prior to the date of the initial hearing. Applicant is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Application* and other pertinent records filed with the Commission during the standard office hours.

WITNESS, the Honorable Commissioners ALFREDO J. NON, GLORIA VICTORIA C. YAP-TARUC, JOSEFINA PATRICIA A. MAGPALE-ASIRIT, and GERONIMO D. STA. ANA, Energy Regulatory Commission, this 10th day of May 2017 in Pasig City.


JOSEFINA PATRICIA A. MAGPALE ASIRIT
Commissioner


LS/SLAN/ARG/PAR/APV