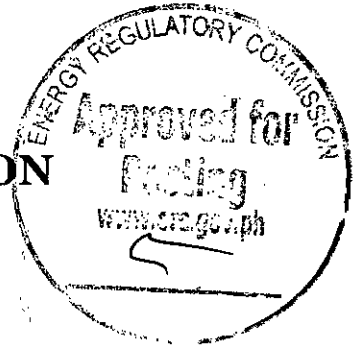


Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



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 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. 2015-040 CF

LUBANG ELECTRIC COOPERATIVE, INC. (LUBELCO),

Applicant.

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DUCKETED
Date: MAR 29 2015
By: [Signature]

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 3 November 2015, Lubang Electric Cooperative, Inc. (LUBELCO) filed with the Commission an application for confirmation and approval of calculations of its over or 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.

In the said application, LUBELCO alleged, among others, the following:

1. LUBELCO is a non-stock, non-profit electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Bagubag, Vigo, Lubang, Occidental Mindoro;
2. LUBELCO holds an exclusive franchise issued by the National Electrification Commission (NEC) to operate an electric light and power distribution service in the Municipalities of Lubang and Looc, Province of Occidental Mindoro;

LEGAL BASIS FOR THE APPLICATION

3. ERC Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010 establish the procedure for the automatic recovery or refund of pass through costs and the confirmation process that would govern the automatic cost adjustment and true-up mechanisms approved by the Commission, with the objective of ensuring appropriate recovery of the pass through costs in an efficient manner and to put in place a fair and transparent process for the confirmation of the automatic cost adjustments implemented by Distribution Utilities and the true-up of other pass-through charges, involving Generation Rate, Transmission Rate, System Loss Rate, Lifeline Rate Recovery, Inter-Class Cross-Subsidy Removal, and Treatment of Prompt Payment Discount, as the case may be;
4. ERC Resolution No. 23, Series of 2010, on the other hand, adopts the rules implementing the discounts to qualified senior citizen end-users and subsidy from subsidizing end-users on electricity consumption;

5. The foregoing resolutions further require the distribution utilities to file their respective consolidated applications for confirmation and approval of their calculations of over or under recoveries in the implementation of the allowable costs, once every three (3) years. Hence, the filing of the instant application, covering the period of January 2011 to December 2013;

OVER OR UNDER RECOVERIES OF
ALLOWABLE COSTS

6. Applying the formulas provided under Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010 and Resolution No. 23, Series of 2010, LUBELCO made calculations of the over recoveries charged or under recoveries incurred as against its customers, in the implementation of certain automatic cost adjustments and true-up mechanisms, covering the period January 2011 to December 2013;
7. The results of LUBELCO's calculations are presented hereunder, as follows:

	Pass Through Cost (PhP)	Actual Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation Rate (GR)	46,166,209.09	46,486,583.99	(320,374.90)
System Loss Rate (SLR)	6,197,130.71	6,433,086.80	(235,956.09)
	Discount	Subsidy	
Lifeline Rate (LR)	366,821.28	183,690.40	183,130.88
Senior Citizen Discount & Subsidy	75,491.17	77,613.44	(2,122.27)
Net Results	52,805,652.25	53,180,974.63	(375,322.38)

SUPPORTING DATA AND DOCUMENTS

8. In support of the computations made, LUBELCO is submitting the following data and documents which are attached to the application:

	NATURE OF DOCUMENTS
Annex "A"	2011 Computations of Over/Under Recoveries with supporting data and documents
Annex "B"	2012 Computations of Over/Under Recoveries with supporting data and documents
Annex "C"	2013 Computations of Over/Under Recoveries with supporting data and documents

9. Considering the foregoing, it is respectfully prayed that LUBELCO's calculations of its over or under-recoveries be confirmed and approved by the Commission;

10. It prays that after due notice and hearing, LUBELCO's calculations of over or under-recoveries in the implementation of automatic cost adjustments and true-up mechanisms involving the Generation Rate, System Loss Rate, Lifeline Rate, and Senior Citizen Discount and Subsidy covering the period January 2011 to December 2013, made 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 2011, be confirmed and approved, and LUBELCO be allowed to refund the over recoveries or collect the under recoveries, as the case maybe, to or from its customers, summarized as follows, to wit:

	Pass Through Cost (PhP)	Actual Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation Rate (GR)	46,166,209.09	46,486,583.99	(320,374.90)
System Loss Rate (SLR)	6,197,130.71	6,433,086.80	(235,956.09)
	Discount	Subsidy	
Lifeline Rate (LR)	366,821.28	183,690.40	183,130.88
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Net Results	52,805,652.25	53,180,974.63	(375,322.38)


The Commission has set the application for initial hearing, expository presentation, pre-trial conference and evidentiary hearing on **May 19, 2016 (Thursday) at ten o'clock in the morning (10:00 A.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 their 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 wish to have a copy of the application may request from the applicant that they be furnished with the same, prior to the date of the initial hearing. The 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 Chairman, **JOSE VICENTE B. SALAZAR**, and 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 22nd day of March, 2016 at Pasig City.


ATTY. NATHAN J. MARASIGAN
Chief of Staff
Office of the Chairman and CEO