

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



**IN THE MATTER OF THE  
APPLICATION FOR THE  
APPROVAL OF THE  
OVER/UNDER RECOVERIES  
BASED ON THE FORMULA  
FOR VARIOUS AUTOMATIC  
COST ADJUSTMENTS AND  
TRUE-UP MECHANISMS AND  
CORRESPONDING  
CONFIRMATION PROCESS  
PURSUANT TO ERC  
RESOLUTION NO. 16 SERIES  
OF 2009 AND RESOLUTION  
06 SERIES OF 2013**

**ERC CASE NO. 2016-017 CF**

**BUKIDNON SECOND  
ELECTRIC COOPERATIVE,  
INC. (BUSECO),  
Applicant.**

**DOCKETED**  
Date: JUN 21 2016  
By: *[Signature]*

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**NOTICE OF PUBLIC HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 31 March 2016, Bukidnon Second Electric Cooperative, Inc. (BUSECO) filed an application for the approval and confirmation of the over/under recoveries in the implementation of automatic cost adjustments and true up mechanisms for the period 2005 to 2012, and corresponding 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.

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In the said application, BUSECO alleged, among others, that:

1. That the Applicant is an electric cooperative existing pursuant to law (P.D. 269) with postal address at Tankulan, Manolo Fortich, Bukidnon, where it may be served with the processes of this Commission through its Board President, Mr. Edwin B. Galicia and General Manager, Deiter Hoff P. Arellano, CPA, MBA, whose joint authority to file this Application and represent the Applicant is authorized by the Board of Directors of the Applicant pursuant to Board Resolution No.16-023 which is attached to the application as **Annex "A"** and made an integral part of this application;
2. That Applicant's franchise area includes nine (9) municipalities, one (1) city, all in the Province of Bukidnon, and a portion of Valencia City specifically, the City of Malaybalay and the Municipalities of Baungon, Malitbog, Libona, Manolo Fortich, Sumilao, Impasug-ong, Lantapan, Cabanglasan, Talakag, and Barangay Lilingayon, Valencia City;
3. That pursuant to ERC Resolution No. 16 Series of 2009 and ERC Resolution No. 06 Series of 2013, Mindanao Distribution Utilities and Electric Cooperatives are directed to file their respective applications for the approval of the over/under recoveries on cost adjustments and true-up mechanism.
4. That the period covered for the over/under recoveries start from year 2013 to 2015 or three (3) years;
5. That the summary of the under/(over) recoveries for the 3 years are summarized and presented below:

	<b>Allowable Cost</b>	<b>Actual Revenue</b>	<b>(OVER) UNDER RECOVERIES</b>
Generation	1,504,902,589.74	1,483,779,004.62	21,123,585.12
Transmission	355,367,254.57	355,250,287.34	116,967.23
System Loss	222,370,737.13	221,560,671.79	810,065.34
Lifeline Discount	36,335,771.72	36,497,408.59	(161,636.87)
Senior Citizen	296,112.40	287,657.93	8,454.47
<b>Total</b>	<b>2,119,272,465.57</b>	<b>2,097,375,030.27</b>	<b>21,897,435.30</b>

6. That the foregoing amounts are based on the computations hereto attached to the application and marked as Annexes "B" to "F";
7. Further, in support of the foregoing, Applicant submits the following data and documents hereto attached to the application as Annex "G", to wit:

- G-1. Power Bills of Power Suppliers and NGCP;
- G-2. Official Receipts issued by Power Suppliers and NGCP;
- G-3. Credit/Debit Memos;
- G-4. Monthly Financial and Statistical Report (MFSR);
- G-5. Consumer Bills per customer class;
- G-6. Consumer Bills of lifeliner per bracket and non lifeliner;
- G-7. Consumer Bills of senior citizen lifeliner and senior citizen non lifeliner;
- G-8. Computation of Generation Rates
- G-9. Computation of System Loss Rate;
- G-10. Computation of Transmission Rate;
- G-11. Computation of Lifeline Rate;
- G-12. Computation of Senior Citizen Subsidy Rate;
- G-13. 12-month System Loss Computation;
- G-14. Notarized Prompt Payment Discount;
- G-15. Lifeline Discount;
- G-16. Senior Citizen Discount;
- G-17. Supplier and Transmission Data Sheet;
- G-18. Statistical Data Sheet;
- G-19. Frequency Distribution by kWh consumption

8. That Applicant proposes to recover the net under recoveries of Twenty One Million Eight Hundred Ninety Seven Thousand Four Hundred Thirty Five & 30/100 Pesos (Php 21,897,435.30), starting January 2017 as follows:

	<b>(OVER) UNDER RECOVERIES</b>	<b>no. of year/s</b>	<b>PhP/kWh</b>
Generation	21,123,585.12	2	0.0600
Transmission	116,967.23	1	0.0007
System Loss	810,065.34	1	0.0047
Lifeline Discount	(161,636.87)	1	(0.0009)
Senior Citizen	8,454.47	1	0.00005

9. BUSECO prays that the Commission approve the submitted calculations and computations and the proposed recovery scheme.


The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **03 August 2016 (Wednesday) at three o'clock in the afternoon (3:00 P.M.) at the ERC Hearing Room, 15<sup>th</sup> Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

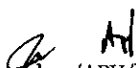
All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission giving the docket number and 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 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 14<sup>th</sup> day of June, 2016 at Pasig City.

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

  
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