

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



**IN THE MATTER OF THE  
APPLICATION FOR THE  
CONFIRMATION AND  
APPROVAL OF OVER/UNDER  
RECOVERIES FOR THE  
YEARS 2013 TO 2015  
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**

**ERC CASE NO. 2016-021 CF**

**COTABATO LIGHT AND  
POWER COMPANY (CLPC),  
Applicant.**

X-----X

**D O C K E T E D**  
Date: **JUN 30 2016**  
By: \_\_\_\_\_

**NOTICE OF PUBLIC HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 31 March 2016, the Cotabato Light and Power Company (CLPC) filed with the Commission an application for the confirmation and approval of its over/under recoveries for the years 2013 to 2015 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.

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

1. CLPC is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with business address at Sinsuat Avenue, Cotabato City. CLPC is a duly authorized distribution utility of electric power to the end-users in the City of Cotabato and portions of the Municipalities of Sultan Kudarat and Datu Odin Sinsuat, all in the Province of Maguindanao (CLPC Franchise Area), pursuant to its franchise under Republic Act No. 10637;
  
2. On July 13, 2009, the Commission promulgated ERC Resolution No. 16, Series of 2009 entitled, “A Resolution Adopting The Rules Governing The Automatic Cost Adjustment And True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities” (the True-Up Guidelines).
  - 2.1 The True-Up Guidelines provided the formula for the determination of the Generation, Transmission, System Loss, Lifeline Subsidy and Franchise and Business Taxes Rates.<sup>1</sup>
  
  - 2.2 It likewise provided for the calculation of over- and under-recoveries on the said rates due to the variance in the allowable cost and the revenues billed using the applicable formula.<sup>2</sup>
  
3. On 18 October 2010, the Commission promulgated ERC Resolution No. 21, Series of 2010,<sup>3</sup> wherein the Commission amended the formula for the calculation of over- and under-recovery for System Loss and updated the timelines set in Article 5 of the True-Up Guidelines;
  
4. On 15 December 2010, the Commission promulgated ERC Resolution No. 23, Series of 2010.<sup>4</sup>

---

<sup>1</sup> Article 2 of Resolution No. 16, Series of 2009.

<sup>2</sup> Article 4, *Ibid*.

<sup>3</sup> Entitled “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”.

<sup>4</sup> Entitled “A Resolution Adopting the Rules Implementing the Discounts to Qualified Senior Citizen End-Users and Subsidy from the Subsidizing End-users on Electricity Consumption under Sections 4 and 5 of Republic Act No. 9994”.

4.1 Said Resolution provided the formulas for the calculation of the senior citizen discount rates,<sup>5</sup> the calculation of the subsidy rate to be charged to subsidizing end-users,<sup>6</sup> and the over- and under-recovery in the implementation of the senior citizen discount and subsidy rates.<sup>7</sup>

4.2 The said Resolution also provides that the ERC shall verify the over- and under-recovery in the senior citizen discount and subsidy rates once every three (3) years to coincide with the time frames set forth under Article 5 of the True-Up Guidelines.<sup>8</sup>

5. Under Resolution No. 21, Series of 2010, Mindanao distribution utilities were given until 31 March 2016 to file their consolidated application for the covered adjustments from January 2013 to December 2015. Thus, the filing of the application;
  
6. The application is being filed pursuant to the above Resolutions. Based on the formulas on the various automatic cost adjustments and true-up mechanisms, CLPC incurred over- and under-recoveries for the period from January 2013 until December 2015, summarized as follows:

	2013	2014	2015	<b>(Over) / Under Recoveries</b>
Generation	1,596,355.83	(6,236,064.77)	11,406,562.68	19,238,983.28
Transmission	(7,324,493.24)	(6,329,005.39)	(7,124,394.18)	(20,777,892.81)
System Loss	(494,984.12)	194,047.19	283,754.27	(17,182.66)
Lifeline	4,974.22	(60,380.87)	(444,695.82)	(500,102.47)
Senior Citizen	(25,102.86)	(23,943.01)	(23,248.84)	(72,294.71)

<sup>5</sup> Article 4 of ERC Resolution No. 23, Series of 2010.

<sup>6</sup> Article 5, *ibid.*

<sup>7</sup> Article 7, *id.*

<sup>8</sup> Section 3, Article 7, *id.*

**ERC CASE NO. 2016-021 CF**  
**Notice of Public Hearing/20 June 2016**  
**Page 4 of 5**

Total (Over)/Under Recovery	(6,243,250.17)	16,782.69	4,097,978.11	(2,128,489.37)
-----------------------------------	----------------	-----------	--------------	----------------

7. Based on the foregoing, CLPC stands to refund the amount of PhP2,128,489.37 as net over-recovery for the billing periods from January 2013 to December 2015;
8. In support of the foregoing are the following documents covering the period January 2013 to December 2015, attached as Annexes of the application:

Annex A:	Summary of the breakdown of over and under-recoveries from January 2013 to December 2015;
Annex B:	Computation of Generation Rates, Transmission Rates, System Loss Rates, Lifeline Subsidy Rates, and Senior Citizen Subsidy Rates;
Annex C:	Computation of Over/Under Recoveries;
Annex D:	URR – Supplier and Transmission Data;
Annex E:	URR – Statistical Data;
Annex F:	URR – Actual Implemented Rates;
Annex G:	ERC form DU-MO1/MO2;
Annex H:	Power Bills; Official Receipts and Debit/Credit Memos;
Annex I:	Sample Consumer Bills per Customer Class; and
Annex J:	Sample Consumer Bills – Senior Citizens (per Consumption Level); and

9. It prays that the Commission, after due notice, hearing and examination, confirm and approve CLPC's over-and under-recoveries for the billing periods from January 2013 to December 2015 and authorize CLPC to refund the amount of PhP2,128,489.37 as net over-recovery.


The Commission has set the application for initial hearing, expository presentation, pre-trial conference and evidentiary hearing on **27 July 2016 (Wednesday) at ten o'clock in the morning (10:00 A.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 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 20<sup>th</sup> day of June, 2016 at Pasig City.

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