

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**IN THE MATTER OF THE  
APPLICATION FOR THE  
APPROVAL OF OVER/UNDER  
RECOVERY BASED ON THE  
FORMULA ON THE VARIOUS  
AUTOMATIC COST  
ADJUSTMENTS AND TRUE-  
UP MECHANISM AND  
CORRESPONDING  
CONFIRMATION PROCESS  
FOR THE PERIOD 2017 TO  
2019, 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. 2020-058 CF**

**FIRST CATANDUANES  
ELECTRIC COOPERATIVE,  
INC. (FICELCO),**

*Applicant.*

**Promulgated:**  
January 07, 2021

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**NOTICE OF VIRTUAL HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 02 December 2020, Applicant First Catanduanes Electric Cooperative, Inc. (FICELCO) filed an *Application* dated 22 September 2020, seeking the Commission's approval of its calculations of over or under recoveries based on the formula on the various automatic cost adjustments and true-up mechanisms and corresponding confirmation process for the period 2017 to 2019, pursuant to Commission's Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010 and Resolution No. 23, Series of 2010.

The pertinent allegations of the said *Application* are hereunder quoted as follows:

1. That applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines, with the principal office at Marinawa, Bato, Catanduanes, where it may be served with summons and other legal process in its instance by its General Manager, RAUL V. ZAFE, of legal age, Filipino, married and with office address also located at Marinawa, Bato, Catanduanes;
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 11 municipalities, namely the Municipalities of Virac, San Andres, Caramoran, Pandan, Bato, San Miguel, Baras, Viga, Gigmoto, Panganiban, and Bagamanoc all in the Province of Catanduanes;
3. That pursuant to ERC Resolution No. 16, Series of 2009 and ERC Resolution No. 21, Series of 2010, Luzon Distribution Utilities (DUs) and Electric Cooperatives (ECs) are required to file their respective consolidated application for the approval of their confirmation filing on the Calculation of the Over or Under recovery in the implementation of various adjustment mechanism as follows:
  - a. Automatic Generation Rate and System on System Loss Adjustment Mechanism;
  - b. Transmission Rate Adjustment Mechanism;
  - c. Lifeline Rate Recovery Mechanism;
  - d. Local Franchise Tax Recovery Mechanism;
  - e. Local Business Tax Recovery Mechanism;
  - f. Calculation of the Over or Under Recovery in the Implementation of Lifeline Rates by Distribution Utilities;
  - g. Treatment of Prompt Payment Discount (PPD);
  - h. Calculation of the System Loss Rate Over/Under Recovery (SLOUR); and
  - i. Calculation of the Over or Under Recovery in the Implementation of Transmission Rates;
4. That in applying the various formulae in the determination of the adjustments and the recovery or refund of Over or Under Recoveries herein applicant hereby adopts the respective formula as provided for in ERC Resolution No. 16, Series of 2009 and ERC Resolution No. 21, Series of 2010 together with the specific definition and sub-formula for each item thereof;
5. A summary of pass true cost vis-à-vis the actual collection on the above mentioned implementation of various automatic cost adjustments and true-up mechanisms from January 2017 to December 2019 are presented hereunder, as follows:

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FOR THE YEAR 2017 TO 2019				
No.	Particular	Pass True Cost (PhP)	Actual Collection	(Over)/Under Recovery
1	Generation	891,364,744.15	892,115,079.75	(750,335.60)
2	System Loss	133,665,134.49	133,846,544.97	(181,410.48)
3	Lifeline	Lifeline Subsidy 9,952,306.42	Lifeline Discount (7,247,091.81)	(2,705,214.61)
4	Senior Citizen	Senior Citizen Subsidy 554,307.85	Senior Citizen Discount (499,675.63)	(54,632.22)
<b>TOTAL</b>				<b>(3,691,592.92)</b>

6. That the proposed rate for the implementation of (Over)/Under Recovery as shown in paragraph no. 5, breakdown as follows:

No.	Particulars	(Refund)/Recovery, PhP	2017 to 2019 Average Sales, kWh	Proposed (Refund)/Recovery Rate for 3 years, PhP/kWh
		a	b	c=(a/b)/36
1	Generation	(750,335.60)	4,281,789.98	(0.0049)
2	System Loss	(181,410.48)	4,281,789.98	(0.0012)
3	Lifeline	(2,705,214.61)	4,144,211.56	(0.0181)
4	Senior Citizen	(54,632.22)	4,261,694.15	(0.0004)

7. That in support of this application, applicant hereby submits the following documents:

7.1 Folder 1 - Application

- 7.1.1 Application
- 7.1.2 Accomplished Supplier's Data Sheet
- 7.1.3 Accomplished Statistical Data Sheet
- 7.1.4 Accomplished URR Addendum/DSL
- 7.1.5 Accomplished Actual Implemented Rates Sheet
- 7.1.6 Accomplished Lifeline Discount Sheet
- 7.1.7 Accomplished Senior Citizen Discount Sheet
- 7.1.8 Summary of O/U Recoveries Computation
- 7.1.9 Proposed Refund/Collection Scheme

7.2 Folder 2- Supplier's Data

- 7.2.1 Power Bills/Proof of Payment/Debit/Credit Memo

7.3 Folder 3 – Statistical Data

- 7.3.1 Pilferage Cost Recoveries
- 7.3.2 Report of Implemented Orders/Decisions
- 7.3.3 Monthly Financial & Statistical Report- Sections B & E
- 7.3.4 Demand (kW) Sales Summary Report

7.4 Folder 4 – Actual Implemented Rates Data

- 7.4.4 Two (2) Consumer Bills per Customer Class (Non-Lifeline)
- 7.4.5 One (1) Consumer Bill per Lifeline Bracket (Lifeline)

7.4.6 One (1) Senior Citizen Consumer Bill

7.5 Folder 5 – Other Documents

7.5.1 Submitted URR for the Year 2017 to 2019

7.5.2 Submitted URR Addendum

7.5.3 Single Line Diagram

#### PRAAYER

**WHEREFORE**, premises considered, it is respectfully prayed of this Honorable Commission that the submitted calculations and computations prepared by applicant be approved, that upon receipt of the Order of approval, herein applicant be allowed the proposed scheme of refund/recovery as the case may be,

Other reliefs just and equitable under the premises are likewise prayed for.

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>1</sup>, dated 24 September 2020:

Date	Online Platform	Activity
<b>16 February 2021 (Tuesday)</b> at two o'clock in the afternoon (02:00 P.M.)	<b>Microsoft Teams (MS Teams) Application</b>	Determination of compliance with jurisdictional requirements and Expository Presentation
<b>23 February 2021 (Tuesday)</b> at two o'clock in the afternoon (02:00 P.M.)	<b>Microsoft Teams (MS Teams) Application</b>	Pre-Trial Conference and Presentation of Evidence

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via electronic mail (e-mail) at [docket@erc.ph](mailto:docket@erc.ph) and [records@erc.gov.ph](mailto:records@erc.gov.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, all persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission

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<sup>1</sup> A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

via e-mail at [docket@erc.ph](mailto:docket@erc.ph) and [records@erc.gov.ph](mailto:records@erc.gov.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address, and e-mail 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.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at [docket@erc.ph](mailto:docket@erc.ph) and [records@erc.gov.ph](mailto:records@erc.gov.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the 2006 ERC 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, mailing address, and e-mail 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 they 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, through any of the available modes of service, upon their agreement, 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. In the alternative, those persons who wish to have an electronic copy of the *Application* may request the Commission for the e-mail addresses of the Applicant by sending an e-mail to [docket@erc.ph](mailto:docket@erc.ph) and [records@erc.gov.ph](mailto:records@erc.gov.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). Nonetheless, any person may also




access the *Application* as posted by the Commission in its official website at [www.erc.gov.ph](http://www.erc.gov.ph).

Finally, all interested persons may be allowed to join the scheduled initial virtual hearing by providing the Commission, thru [legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph) with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

**WITNESS**, the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 6<sup>th</sup> day of January 2021 in Pasig City.

  
**AGNES VST DEVANADERA**  
Chairperson and CEO

  
LS: AMA/ARG/MCCG