

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 FOR THE VARIOUS AUTOMATIC COST ADJUSTMENTS AND TRUE-UP MECHANISMS AND CORRESPONDING CONFIRMATION PROCESS PURSUANT TO ERC RESOLUTION NO. 16, SERIES OF 2009 AND RESOLUTION NO. 21, SERIES OF 2010 AND ERC RESOLUTION NO. 23, SERIES OF 2010, COVERING YEARS 2017-2019

ERC CASE NO. 2020-009 CF

TARLAC II ELECTRIC COOPERATIVE, INC. (TARELCO II),

Applicant.

X - - - - - X

Promulgated:
November 3, 2020

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 27 August 2020, Tarlac II Electric Cooperative, Inc. (TARELCO II) filed an *Application* dated 19 February 2020, seeking the Commission's confirmation and approval of calculations of the over or under recoveries in the implementation of automatic cost adjustments and true-up mechanisms for the years 2017 to 2019, pursuant to the Commission's Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010 and Resolution No. 23, Series of 2010.

ERC CASE NO. 2020-009 CF
NOTICE OF VIRTUAL HEARING/22 OCTOBER 2020
PAGE 2 OF 6

The pertinent provisions 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 Brgy. San Nicolas, Concepcion, Tarlac where it may be served with summons and other legal processes, represented in this instance by its General Manager, **Engr. Jose F. Bognot, Jr.**, of legal age, Filipino, married and with office address also located at Brgy. San Nicolas, Concepcion, Tarlac;
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 (5) municipalities, namely the municipalities of Bamban, Capas, Concepcion, La Paz in the province of Tarlac and Zaragoza, Nueva Ecija;
3. That 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, Luzon Distribution Utilities (DUs) and Electric Cooperative (ECs) are required to file their respective consolidated application for the approval of their confirmation filing on the Calculation of the Over and Under recovery in the implementation of various adjustment calculations covering the period from January 2017 to December 2019, as follows:

Folder 1.

- a. Summary of O/U recoveries computation per charges for the entire period in yearly presentation;
- b. Proposed scheme of refund/collect using the latest kwh sales;

Folder 2. Supplier and Transmission Data

- c. Fully accomplished supplier and transmission data sheet;
- d. Power bills from suppliers (Power bill – Proof of Payment – Debit or Credit Memo);
- e. NGCP bills;

Folder 3. Statistical Data

- f. Fully accomplished Statistical Data Sheet for the year;
- g. MFSR – Sections B and E/Pilferage Cost Recoveries;
- h. Report of implemented other adjustments;

Folder 4. Actual Implemented Rates Data

- i. Fully accomplished Actual Implemented Rates sheet for the year;
- j. Fully accomplished Lifeline Discount sheet for the year;
- k. Fully accomplished Senior Citizen Discount sheet for the year;
- l. Consumer bills per customer class (non-lifeline);
- m. Consumer bill per Lifeline Bracket (lifeline);
- n. Senior citizen consumer bill;

Folder 5. Other Docs

- o. Computation on how the pass through charges were derived; and

ERC CASE NO. 2020-009 CF
NOTICE OF VIRTUAL HEARING/22 OCTOBER 2020
PAGE 3 OF 6

- p. Submitted monthly URR (January 2017 to December 2019).
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 as amended by Resolution No. 21 Series of 2010 and ERC Resolution No. 23, Series of 2010, together with the specific definitions and sub-formula for each item thereof;
 5. That in applying the above formulae, ERC Resolution No. 10 Series of 2018, the Distribution Utility shall submit Monthly Distribution System Loss (DSL); otherwise, non-submission shall be mean that it will be set to 0.00;
 6. That TARELCO II was not able to submit Monthly DSL due to difficulty and timely gathering of data needed to come up with said report; instead, continuous submission on a quarterly basis is being made;
 7. That in support of this application, applicant has hereby submitted and attached to this application the other requirements, as follows:

Result of Over-All (Over)/Under Recovery
CY 2017, 2018, and 2019

Particulars	ALLOWABLE (Php)	REVENUE (PhP)	(OVER)/UNDER
Generation (GR)	4,498,631,966.65	4,468,293,738.80	30,338,227.85
Transmission Rate (TR)	740,154,178.90	774,780,183.21	(34,626,004.31)
System Loss Rate (SLR)	499,043,114.69	507,999,162.93	(8,956,048.24)
Lifeline Rates (LR)	13,053,584.46	13,310,320.87	(256,736.41)
Senior Citizen Rates (SR)	215,857.94	211,171.98	4,685.96
Net Results	5,751,098,702.64	5,764,594,577.79	(13,495,875.15)

Proposed Scheme of Refund/Collect
CY 2017, 2018, and 2019

PARTICULARS	Number of Months	(OVER)/UNDER RECOVERY		
		In Php	Php/Kwhr	Php/Kw
Generation	36	30,338,227.85	0.0318	
Transmission Residential Low Voltage Higher Voltage	36	(34,626,004.31) (3,131,530.24) (1,042,918.88) (30,451,555.19)	(0.0066) (0.0052)	(27.7019)
System Loss	36	(8,956,048.24)	(0.0084)	
Lifeline	36	(256,736.41)	(0.0490)	
Senior Citizen	36	4,685.96	0.0091	
Net Results		(13,495,875.15)	(0.0284)	

PRAYER

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 to propose the scheme of refund/recovery as the case may be.

Other relief/s just and equitable in the premises is likewise prayed for

The Commission has set the instant *Application* for the determination of compliance with the jurisdictional requirements, expository presentation, pre-trial conference, and presentation of evidence on **12 January 2021 (Tuesday) at nine o'clock in the morning (9:00 A.M.)**, through a virtual hearing using the **MS Teams Application** as the online platform for the conduct thereof, pursuant to Resolution No. 07, Series of 2020¹ dated 23 July 2020.

ACCORDINGLY, TARELCO II is hereby directed to host the virtual hearing **at TARELCO II's Main Office in Brgy. San Nicolas, Concepcion, Tarlac**, as the designated venue for the conduct thereof, and ensure that the same is open to the public and the community quarantine guidelines are observed at all times. Moreover, TARELCO II shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

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 records@erc.gov.ph and records.erc.gov.ph@gmail.com, copy furnish the Legal Service through legal.erc.gov.ph@gmail.com. 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 via e-mail at records@erc.gov.ph and records.erc.gov.ph@gmail.com, copy furnish the Legal Service through legal.erc.gov.ph@gmail.com, 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 A Resolution for the Transitory Implementation of Legal e-Processes Pending the Adoption of the Interim Guidelines Governing Electronic Application, Filings, and Virtual Hearings Before the Energy Regulatory Commission;

- 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 records@erc.gov.ph and records.erc.gov.ph@gmail.com, 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 records@erc.gov.ph and records.erc.gov.ph@gmail.com, copy furnish the Legal Service through legal.erc.gov.ph@gmail.com. Nonetheless, any person may also access the *Application* as posted by the Commission in its official website at 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.gov.ph@gmail.com, with their respective e-

ERC CASE NO. 2020-009 CF
NOTICE OF VIRTUAL HEARING/22 OCTOBER 2020
PAGE 6 OF 6

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 22nd day of October 2020 in Pasig City.



AGNES YST DEVANADERA
Chairperson and CEO



LS: ema /arg/mccg.2020-009 CF TARELCO II.NVH doc