

Republic of the Philippines
ENERGY REGULATORY COMMISSION
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
PURSUANT TO ERC
RESOLUTION NO. 16,
SERIES OF 2009, AS
AMENDED BY
RESOLUTION NO. 21,
SERIES OF 2010**

ERC CASE NO. 2018-027 CF

**NEGROS OCCIDENTAL
ELECTRIC COOPERATIVE,
INC.,**

Applicant.

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Promulgated:
December 12, 2022

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 27 March 2018, Negros Occidental Electric Cooperative, Inc. (NOCECO) filed an *Application* dated 15 March 2018, seeking the Commission's confirmation and approval of its calculations of the over or under recoveries in the implementation of automatic cost adjustments and true-up mechanisms, pursuant to the Commission-issued Resolution No. 16, Series of 2009,¹ as amended by Resolution No. 21, Series of 2010.²

¹ A Resolution Adopting the Rules Governing the Automatic Cost Adjustment and True-up Mechanisms and Corresponding Confirmation Process for Distribution Utilities.

² 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.

The pertinent allegations in the said *Application* are hereunder quoted:

THE APPLICANT

1. Applicant NEGROS OCCIDENTAL ELECTRIC COOPERATIVE (NOCECO) is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Brgy. Binicuil, Kabankalan City, Negros Occidental.
2. NOCECO has an exclusive franchise to distribute electric service in the cities of Himamaylan, Kabankalan, and La Carlota and in the municipalities of Binalbagan, Candoni, Cauayan, Hinigiran, Hinobaan, Ilog, Isabela, La Castellana, Moises Padilla, Pontevedra, Pulupandan, San Enrique, Sipalay and Valladolid, all in the province of Negros Occidental.
3. NOCECO furnished the legislative bodies of the local government units where it principally operates with copies of the Application with all its annexes and accompanying documents. Copies of the proofs of service to the Sangguniang Panlungsod of Kabankalan and the Sangguniang Panlalawigan of Negros Occidental are attached as Annexes "A" and "B", respectively.
4. NOCECO also published the Application *sans* annexes in its entirety in a newspaper of general circulation within its franchise area. Copies of the Affidavit of Publication and the Newspaper where the Application was published are attached as Annexes "C" and "D", respectively.
5. ERC Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010 establishes 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 Honorable Commission, with the objective of ensuring appropriate recovery of the pass through costs in an efficient manner and putting 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 and Senior Citizen Discount, as the case may be.
6. Applicant applied the formulas provided under Resolution 16, Series of 2009 as amended by Resolution 21, Series of 2010, in determining the over or under-recoveries charged or incurred in the implementation of the foregoing automatic cost adjustments and true-up mechanisms.
7. The results of its calculations, a net under-recovery of Three Million Nine Hundred Twenty-Eight Thousand Six Hundred

Ninety-Nine Pesos and Seventeen Centavos (P3,928,699.17), are summarized hereunder, as follows:

	Amount in Pesos
Generation	8,554,462.89
Transmission	(14,706,533.42)
System Loss	(3,795,363.05)
Lifeline Rate	13,828,715.20
Senior Citizen	47,417.55
Net Result	3,928,699.17

8. A table containing the summaries of the results of yearly (2015, 2016 and 2017) computations on the foregoing pass through charges is also attached hereto and made an integral part hereof as Annex “E”.
9. In support of the computations made, applicant is submitting the following data and documents, labelled together and made integral part hereof as Annex “F”, to wit:
- a) Power Supplier Data Sheet
 - b) Statistical Data Sheet
 - c) Implemented Rates Data Sheet
 - d) Power Bills of Power Suppliers
 - e) Official Receipts issued by Power Suppliers
 - f) Breakdown of Payments with Official Receipts
 - g) Debit/Credit Memo of Power Suppliers
 - h) TRANSCO/NGCP Invoices
 - i) Official Receipts issued by TRANSCO/NGCP
 - j) Breakdown of Payments with Official Receipts
 - k) Debit/Credit Memo issued by TRANSCO/NGCP
 - l) DU-MO1 and DU-MO2, MFSR
 - m) Consumer Bills of Lifeliners (per level) and Non-Lifeliners per customer class.

PRAYER

WHEREFORE, premises considered, it is respectfully prayed that the calculations of over or under-recoveries presented in the instant application be confirmed and approved, and NOCECO be allowed to refund/collect said over/under-recoveries to or from its customers.

Other relief, just and equitable in the premises are likewise prayed for.

The Commission, in its *Order and Notice of Public Hearing*, both dated 01 August 2018, set the instant *Application* for the determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on 04 September 2018.

However, on 10 August 2018, NOCECO filed a *Motion to Reset Hearing*, of even date. In the said *Motion*, Applicant alleged that their counsel will be out of the country in the month of September 2018. Hence, it prayed that the hearing be cancelled and set at any available date of the Commission, preferably during the month of October 2018.

IN VIEW THEREOF, the Commission hereby sets anew the instant *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference and presentation of evidence on the following dates and online platforms for the conduct thereof, pursuant to Resolution No. 09, Series of 2020³ and Resolution No. 1, Series of 2021⁴ (ERC Revised Rules of Practice and Procedure):

Date	Platform	Activity
14 February 2023 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams or Zoom Application	Determination of compliance with the jurisdictional requirements and expository presentation
21 February 2023 (Tuesday) at nine o'clock in the morning (9:00 A.M.)		Pre-trial Conference and presentation of evidence

Applicant was directed to host the virtual hearings at **NOCECO's Principal Office at Sitio Naga, Brgy. Binicuil, Kabankalan City, Negros Occidental**, as the designated venue for the conduct thereof, and ensure that the same is open to the public and community quarantine guidelines are observed at all times. NOCECO shall also 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 docket@erc.ph, copy furnish the Legal Service through 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.

³ Entitled: A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.
⁴ Entitled: A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

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 docket@erc.ph, copy furnish the Legal Service through 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 ERC Revised 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 likewise file through e-mail at docket@erc.ph, copy furnish the Legal Service through 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 ERC Revised 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.


Any of the persons mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's 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, through 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 Chairperson and CEO **MONALISA C. DIMALANTA**, and the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 12th day of December 2022 in Pasig City.


FLORESINDA G. BALDO-DIGAL
Oversight Commissioner
for the Legal Service 


LS: ACGG/BJVG/MCCG