

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 FOR THE
PERIOD 2021 TO 2023,
PURSUANT TO ERC
RESOLUTION NO. 16, SERIES
OF 2009 AS AMENDED BY
RESOLUTION NO. 21, SERIES
OF 2010, ERC RESOLUTION
NO. 23, SERIES OF 2010, ERC
RESOLUTION NO. 02,
SERIES OF 2021, AND ERC
RESOLUTION NO. 14, SERIES
OF 2022**

ERC CASE NO. 2024-010 CF

**BILIRAN ELECTRIC
COOPERATIVE, INC
(BILIRAN),**

Applicant.

Promulgated:
December 26, 2024

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NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 23 April 2024, Biliran Electric Cooperative, Inc. (BILECO) filed an *Application* dated 27 March 2024, seeking the Commission's approval of its calculations of over or under recoveries in the implementation of automatic cost adjustments and true-up mechanisms for the period 2021 to 2023, pursuant to ERC Resolution No. 16, Series of 2009, as amended by ERC Resolution No. 21, Series of 2010, ERC Resolution No. 23, Series of 2010, ERC

Resolution No. 02, Series of 2021, and ERC Resolution No. 14, Series of 2022.

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

THE APPLICANT

1. BILECO is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Brgy. Caraycaray, Naval, Biliran;
2. It holds an exclusive franchise from the National Electrification Commission to operate an electric light and power distribution service in all the municipalities of the Province of Biliran, namely: Naval, Biliran, Almeria, Kawayan, Culaba, Caibiran and Cabuegayan.

LEGAL BASES FOR THE APPLICATION

3. 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 to put 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, and Lifeline Rate Recovery, as the case may be;
4. On the other hand, ERC Resolution 23, Series of 2010 adopts the rules implementing the discounts to qualified senior citizen end-users and subsidy from subsidizing end-users on electricity consumption;
5. Further, ERC Resolution No. 02, Series of 2021, provides for the recovery of all just and reasonable costs pertaining to current taxes (real property, local franchise, and business tax) that are levied by local government units within the distribution utilities' franchise area, subject to the post-validation and confirmation process mechanism of the Commission.
6. Finally, ERC Resolution No. 14, Series of 2022, directs the distribution utilities to adopt the Revised Rules governing the automatic cost adjustment and true-up mechanisms and corresponding confirmation process for DUs with its revised

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Uniform Reportorial Requirement (URR) spreadsheet template.

7. Foregoing resolutions further require the distribution utilities to file their respective consolidated applications once every three (3) years.
8. Hence, the filing of the instant application, covering the period of January 2021 to December 2023.

OVER AND UNDER-RECOVERIES OF ALLOWABLE COSTS

9. Applying the formulae provided under Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010, Resolution No. 23, Series of 2010, Resolution No. 02, Series of 2021, and ERC Resolution No. 14, Series of 2022, respectively, BILECO made calculations of the over-recoveries charged or under-recoveries incurred as against its customers, in the implementation of certain automatic cost adjustments and true-up mechanisms, covering the period of January 2021 to December 2023;
10. The results of its calculations are presented hereunder, as follows:

Mechanism	Recoverable Cost (PhP)	Actual Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation	1,065,600,562.77	1,042,517,788.24	23,082,774.53
Transmission	113,667,630.21	110,969,424.12	2,698,206.09
Systems Loss	153,124,678.13	142,601,705.91	10,522,972.22
Lifeline Subsidy/ Discount	6,763,248.72	6,936,144.43	(172,895.70)
Senior Citizen Subsidy/ Discount	95,183.37	80,869.32	14,314.05
Local Franchise Tax Recovery	1,580,402.48	0.00	1,580,402.48
Real Property Tax Recovery	595,602.47	479,421.60	116,180.87
Total	1,341,427,308.16	1,303,585,353.62	37,841,954.55

SUPPORTING DATA AND DOCUMENTS

11. In support of foregoing calculations, BILECO is submitting the following data and documents covering the period of January 2021 to December 2023, attached hereto and made integral parts hereof, as follows:

FOLDER NO.	ANNEX MARKINGS	DESCRIPTION OF DOCUMENTS

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Folder 1	Annex A	Supplier/ Generation and Transmission Data Sheet Per Year
	Annex B	System Loss and Statistical Data Sheet Per Year
	Annex C	Lifeline Discount/Data Sheet Per Year
	Annex D	Senior Citizen Discount/Data Sheet Per
	Annex E	Actual Implemented Rates Sheet Per Year
	Annex F	Additional Statistical Data Sheet Per Year
	Annex G	Summary of Over/Under-Recoveries Computation
	Annex H	Proposed Refund/Collect Scheme
Folder 2	SUPPLIER AND TRANSMISSION DATA	
	Annex I	Power Bills from Suppliers
	Annex I-1	Lifeline kWh Sales per Level
Folder 3	STATISTICAL DATA	
	Annex J	Manifestation of No Pilferage Cost Recoveries
	Annex K	MFSR – Sections B and E
	Annex L	Manifestation of No Demand kWh Sales
Folder 4	ACTUAL IMPLEMENTED RATES DATA	
	Annex M	Consumer Bills per Customer Class (Non-Lifeline)
	Annex N	Consumer Bills per Lifeline Bracket (Lifeline)
	Annex O	Senior Citizen Consumer Bills
Folder 5	OTHER DOCUMENTS	
	Annex P	Submitted Monthly URR per Reso. 17, Series of 2009
	Annex Q	Submitted Monthly URR Addendum
	Annex R	Single Line Diagram
	Annex S	Power Supply Contracts with Generation Companies
Folder 6	LOCAL FRANCHISE	
	Annex T Series	a) Local Franchise Tax

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		al Tax Ordinance, Tax Receipts for payments made, Manifestation of No Franchise Tax Collection;
Folder 7	REAL PROPERTY TAX	
	Annex U Series	Real Property Tax a) Local Tax Ordinance; Tax Declarations; Tax Assessments/ Tax Notice; Statements of Account; Official Receipts; Appendix A
	Annex V	b) Consumer Bills per LGU
	Annex W	Computations on how the implemented pass-through taxes were derived

12. Further, in compliance with the pre-filing requirements under the Revised ERC Rules of Practice and Procedure, herein applicant is submitting the following documents to form integral parts hereof, as follows, to wit:

ANNEX MARKINGS	DESCRIPTION OF THE DOCUMENTS
Annexes X series	Proof of furnishing copies of the Application to the Offices of the Mayor and Sangguniang Bayan of Naval and Offices of the Governor and Sangguniang Panlalawigan of Biliran
Annexes Y And Series	Proof of publication of the undocketed Application in a newspaper of general circulation covering the franchise area of BILECO or where it principally operates

13. Considering the foregoing, it is respectfully prayed that BILECO's calculations of over or under-recoveries in the implementation of subject automatic cost adjustments and true-up mechanisms be confirmed and approved, and the cooperative be allowed to refund the over-recoveries or collect the under-recoveries, as the case may be, to or from its customers.

PRAYER

WHEREFORE, premises considered, Applicant, Biliran Electric Cooperative, Inc. (BILECO), respectfully prays of this Honorable Commission, after due notice and hearing, to confirm and approve its calculations of over or under-recoveries in the implementation of subject automatic cost adjustments and true-up mechanisms covering the period of January 2021 to December 2023, and allow the cooperative to refund the over-recoveries or collect the

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under-recoveries, as the case maybe, to or from its customers, based on the following refund/collect scheme, to wit:

Mechanism	(Over)/Under-Recovery (PhP)	Proposed Term of Refund /Collect	Rate per Month
Generation Rate	23,082,774.53	36 months	0.1311
Transmission Rate			
Residential	2,698,206.09	36 months	0.0153
Lower Voltage		36 months	0.0153
System Loss Rate	10,522,972.22	36 months	0.0597
Lifeline Subsidy/ Discount Rate	(172,895.70)	1 month	(0.0353)
Senior Citizen Subsidy/ Discount Rate	14,314.05	1 month	0.0029
Local Franchise Tax Recovery Rate	1,580,402.48	36 months	0.0090
Real Property Tax Recovery Rate	116,180.87	1 month	0.0237
TOTAL	37,841,954.55		0.2064

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

The Commission hereby sets the instant *Application* for hearing for the determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence **on 25 March 2025 (Tuesday) at two o'clock in the afternoon (02:00 P.M.) via MS Teams Application** as the online platforms for the conduct thereof, pursuant to Resolution No. 09, Series of 2020¹ and Resolution No. 01, Series of 2021² (ERC Revised Rules of Practice and Procedure).

Accordingly, BILECO is hereby directed to host the virtual hearing at **BILECO's principal office located at Brgy. Caraycaray, Naval, Biliran**, as the designated venue for the conduct thereof, and ensure that the same is open to the public. Moreover, BILECO shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

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

² A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

Any interested stakeholder may submit its comments and/or clarifications **at least one (1) calendar day** prior to the scheduled initial virtual hearing, via electronic mail (e-mail) at docket@erc.ph, and 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.

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, and copy furnishing 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. The verified Petition to Intervene must follow the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicate therein the docket number and title of the case, and state 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, and copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment **at least five (5) calendar days** prior to the initial virtual hearing. Rule 9 of the ERC Revised Rules of Practice and Procedure shall govern. 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 interested parties filing their Petition to Intervene, Opposition or Comment are required to submit the hard copies thereof through personal service, registered mail or ordinary mail/private courier, **within five (5) working days** from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission.

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 virtual hearings by providing the Commission, through legal.virtualhearings@erc.ph, 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 hearings.

WITNESS, the Honorable Chairperson and CEO **MONALISA C. DIMALANTA**, and the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 26th day of December 2024 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


KRISHA MARIE T. BUELA
Director III, Legal Service