

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

**IN THE MATTER OF THE  
APPLICATION FOR  
CONFIRMATION OF TRUE-  
UP CALCULATION OF  
AUTOMATIC PASS-THRU  
COST ADJUSTMENTS  
IMPLEMENTED FOR THE  
BILLING PERIODS FROM  
JANUARY 2020 TO  
DECEMBER 2022**

**ERC CASE NO. 2023-019 CF**

**CAGAYAN I ELECTRIC  
COOPERATIVE, INC.  
(CAGELCO I),**

*Applicant.*

**Promulgated:**

June 06, 2023

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**NOTICE OF VIRTUAL HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 08 April 2023, Cagayan I Electric Cooperative, Inc. (CAGELCO I) filed an *Application* dated 02 March 2023, seeking the Commission's approval of the application for confirmation of true-up calculation of automatic pass-thru cost adjustments implemented for the billing periods from January 2020 to December 2022.

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

1. **CAGELCO I** is an electric cooperative duly organized and existing under Philippine law, with principal office address at Maddarulug, Solana, Cagayan; franchised to own and operate an electric distribution system in the municipalities of Alcala, Amulung, Baggao, Enrile, Iguig, Peñablanca, Piat, Rizal, Solana, Sto. Niño, Tuao; and in the City of Tuguegarao, all in the Province of Cagayan; represented its General Manager, Engr. Tito R. Lingan.
2. **CAGELCO I** seek confirmation of its true-up calculations of its automatic pass-thru cost adjustments implemented for the billing periods from January 2020 to December 2022, a summary of which is shown as follows:

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Particulars	Allowable Cost (PhP)	Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation Rate (GR)	5,683,516,860.19	5,500,211,132.87	183,305,727.32
Transmission Rate (TR)	858,923,612.46	893,824,941.63	(34,901,329.17)
System Loss Rate (SLR)	758,129,544.83	679,933,098.27	78,196,446.56
Lifeline Subsidy	46,631,775.34	37,298,436.20	9,333,339.14
Senior Citizen Subsidy	236,764.79	239,604.97	(2,840.18)
Local Franchise Tax	4,030,980.50	3,969,817.40	61,163.10
Business Tax	3,650,763.67	3,150,660.22	500,103.45
Real Property Tax	7,773,600.94	8,339,781.12	(566,180.18)
<b>Net Results</b>			<b>235,926,430.04</b>

3. **CAGELCO I** propose to (refund)/collect the (over)/under-recovered amounts as follows:

No.	Particulars	July 2022 Annualized Data	Unit	Number of Months	Current (Over)/Under Recoveries (PhP)	Php/kWh	Php/kW	Remarks
1	Generation	28,312,266	kWh	12	183,305,727.32	0.5395		Collect
2	Transmission							
	Residential	15,572,968	kWh	12	(18,273,994.02)	(0.0978)		Refund
	Low Voltage	8,081,101	kWh	12	(9,482,713.34)	(0.0978)		Refund
	High Voltage	23,320	Kw	12	(7,144,621.81)		(25.5311)	Refund
	<b>Sub-total</b>				<b>(34,901,329.17)</b>			
3	Systems Loss	29,742,665	kWh	12	78,196,446.56	0.2191		Collect
4	Lifeline	29,742,665	kWh	12	9,333,339.14	0.0262		Collect
5	Senior Citizen	29,483,182	kWh	1	(2,840.18)	(0.0001)		Refund
6	Local Franchise Tax							
	City- Tuguegarao	16,738,165	kWh	12	61,163.10	0.0003		Collect
	Provincial- Cagayan	13,004,500	kWh	12	(0.00)	(0.0000)		
	<b>Sub-total</b>	<b>29,742,665</b>	<b>kWh</b>		<b>61,163.10</b>			
7	Business Tax							
	Tuguegarao City	16,738,165	kWh	12	61,155.29	0.0003		Collect
	Solana	3,087,471	kWh	12	401,207.28	0.0108		Collect
	Alcala	236,291	kWh	12	(0.01)	(0.0000)		
	Amulung	480,394	kWh	12	18,348.53	0.0032		Collect
	Piat	845,724	kWh	12	(0.00)	(0.0000)		
	Enrile	1,032,385	kWh	12	19,392.36	0.0016		Collect
<b>Sub-total</b>	<b>22,420,430</b>	<b>kWh</b>		<b>500,103.45</b>				
8	Real Property Tax	29,742,665	kWh	12	(566,180.18)	(0.0016)		Refund
<b>Grand Total</b>					<b>235,926,430.04</b>			

4. **CAGELCO I** attach the following documents in support of this application:

**FOLDER NUMBER**

**PARTICULARS**

Folder 1

- a. Application
- b. Supplier & Statistical Data Per Year
- c. Statistical Data Sheet Per Year
- d. Distribution Systems Loss Data Per Year
- e. Actual Implemented Rates Per Year
- f. Lifeline Discount Sheet Per Year

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- g. Senior Citizen Discount Sheet Per Year
  - h. Summary of O/U Recoveries Computation
  - i. Proposed Refund/Collect Scheme
- Folder 2
- Supplier and Transmission Data
  - a. (Power Bills, Proof of Payment, Adjusted Bill / Debit or Credit Memo
  - a.1. Independent Electricity Market Operator of the Philippines (IEMOP)
  - a.2. GnPower Mariveles Coal Plant Ltd. Co. (GMCP) / GNPower Marivels Energy Center Ltd. Co. (GMEC)
  - a.3. ANDA Power Corporation (ANDA)
  - a.4. Net Metering
  - b. National Grid Corporation of the Philippines (NGCP)
- Folder 3
- Statistical Data
  - a. Summary of Pilferage Cost Recoveries/ Manifestation
  - b. Summary of Implemented Orders / Decisions
  - c. MFSR - Sections B and E
  - d. Demand (kW) Sales Summary Report
- Folder 4
- Actual Implemented Rates Data
  - a. Consumer Bills:
  - a.1. Residential Non-Lifeline
  - a.2. Low Voltage
  - a.3. Higher Voltage
  - b. Residential Lifeline per bracket
  - c. Senior Citizen (1-100 kWh)
- Folder 5
- Other Documents
  - a. Submitted Monthly Uniform Reportorial Requirement (URR)
  - b. Submitted Monthly (URR) Addendum
  - c. Single Line Diagram
  - d. Monthly Reports as per ERC Res. 10 Series of 2018 (electronic / soft copy)
- Folder 6
- a. Business Tax
  - a.1. Local tax Ordinances of the Province
  - a.2. Tax Receipts
  - a.3. Summary of Business Tax Computation
  - a.4. Actual Distribution Revenues
  - a.5. Breakdown of Gross Sales / Receipts
  - b. Franchise Tax
  - b.1. Local tax Ordinances of the Province
  - b.2. Tax Receipts
  - b.3. Summary of Franchise Tax Computation
  - b.4. Actual Distribution Revenues
  - b.5. Breakdown of Gross Sales / Receipts

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- c. Real Property Tax
  - c.1. Local tax Ordinances of the Province/  
Provincial Tax Ordinance/Resolution
  - c.2. Tax Declaration
  - c.3. Tax Assessment
  - c.4. Statement of Account
  - c.5. Official Receipt / Certificate of Full Payment
  - c.6. Projected kWh Sales

**PRAYER**

**WHEREFORE**, CAGELCO I that the Honorable Commission verify the foregoing and render a decision:

1. Confirm CAGELCO I's true-up calculation of automatic pass-through costs implemented for the billing period from January 2020 to December 2022, more particularly described as follows:

Particulars	Allowable Cost (PhP)	Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation Rate (GR)	5,683,516,860.19	5,500,211,132.87	183,305,727.32
Transmission Rate (TR)	858,923,612.46	893,824,941.63	(34,901,329.17)
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Lifeline Subsidy	46,631,775.34	37,298,436.20	9,333,339.14
Senior Citizen Subsidy	236,764.79	239,604.97	(2,840.18)
Local Franchise Tax	4,030,980.50	3,969,817.40	61,163.10
Business Tax	3,650,763.67	3,150,660.22	500,103.45
Real Property Tax	7,773,600.94	8,339,781.12	(566,180.18)
<b>Net Results</b>			<b>235,926,430.04</b>

2. CAGELCO I further pray for the approval of its proposed (refund)/collect scheme of the (over)/under-recovered amounts accumulated for the billing period from January 2020 to December 2022, more particularly described as follows:

*(This space is intentionally left blank.)*

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No.	Particulars	July 2022 Annualized Data	Unit	Number of Months	Current (Over)/Under Recoveries (Php)	Php/kWh	Php/kW	Remarks
1	Generation	28,312,266	kWh	12	183,305,727.32	0.5395		Collect
2	Transmission							
	Residential	15,572,968	kWh	12	(18,273,994.02)	(0.0978)		Refund
	Low Voltage	8,081,101	kWh	12	(9,482,713.34)	(0.0978)		Refund
	High Voltage	23,320	Kw	12	(7,144,621.81)		(25.5311)	Refund
	<b>Sub-total</b>				<b>(34,901,329.17)</b>			
3	Systems Loss	29,742,665	kWh	12	78,196,446.56	0.2191		Collect
4	Lifeline	29,742,665	kWh	12	9,333,339.14	0.0262		Collect
5	Senior Citizen	29,483,182	kWh	1	(2,840.18)	(0.0001)		Refund
6	Local Franchise Tax							
	City- Tuguegarao	16,738,165	kWh	12	61,163.10	0.0003		Collect
	Provincial- Cagayan	13,004,500	kWh	12	(0.00)	(0.0000)		
	<b>Sub-total</b>	<b>29,742,665</b>	<b>kWh</b>		<b>61,163.10</b>			
7	<b>Business Tax</b>							
	Tuguegarao City	16,738,165	kWh	12	61,155.29	0.0003		Collect
	Solana	3,087,471	kWh	12	401,207.28	0.0108		Collect
	Alcala	236,291	kWh	12	(0.01)	(0.0000)		
	Amulung	480,394	kWh	12	18,348.53	0.0032		Collect
	Piat	845,724	kWh	12	(0.00)	(0.0000)		
	<b>Sub-total</b>	<b>22,420,430</b>	<b>kWh</b>	<b>12</b>	<b>500,103.45</b>			
8	Real Property Tax	29,742,665	kWh	12	(566,180.18)	(0.0016)		Refund
<b>Grand Total</b>					<b>235,926,430.04</b>			

3. **CAGELCO I** further pray that the monthly reports required under ERC Resolution No. 10, Series of 2018 submitted as part of Folder 5 of this application be given due consideration by the Commission. These monthly reports covering the period from January 2020 until January 2022 are being submitted only now because the effort needed to gather and prepare these reports were resource intensive, making it impossible to submit them on time.

**Finally, CAGELCO I** pray for such other relief or remedy as may be just and equitable under the circumstances.

The Commission sets 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 2020<sup>1</sup> and Resolution No. 01, Series of 2021<sup>2</sup> (ERC Revised Rules of Practice and Procedure):

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

<sup>2</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

<b>Date</b>	<b>Platform</b>	<b>Activity</b>
<b>12 July 2023</b> (Wednesday) at nine o'clock in the morning (9:00 A.M)	<b>Microsoft Teams or Zoom Application</b>	Determination of compliance with jurisdictional requirements and expository presentation
<b>19 July 2023</b> (Wednesday) at nine o'clock in the morning (9:00 A.M)		Pre-Trial Conference and Presentation of Evidence

CAGELCO I was directed to host the virtual hearings at **CAGELCO I's principal office at Solana, Cagayan**, 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. CAGELCO I 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 initial virtual hearing, via electronic mail (e-mail) at [doCKET@erc.ph](mailto:doCKET@erc.ph), and 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, any 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](mailto:doCKET@erc.ph), and copy furnishing 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. 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](mailto:docket@erc.ph), and 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. 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:

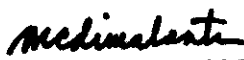
- 1) The name, mailing address, and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

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](http://www.erc.gov.ph).

Finally, all interested persons may be allowed to join the scheduled initial virtual hearings by providing the Commission, thru [legal.virtualhearings@erc.ph](mailto: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 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 June 2023 in Pasig City.

  
**MONALISA C. DIMALANTA**  
Chairperson and CEO

   
LS: BBB/JGGW/MCCG

**ERC**  
Office of the Chairperson and CEO



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