

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE
OVER/UNDER RECOVERIES
BASED ON THE FORMULA
FOR VARIOUS AUTOMATIC
COST ADJUSTMENTS AND
TRUE-UP MECHANISMS AND
CORRESPONDING
CONFIRMATION PROCESS
PURSUANT TO ERC
RESOLUTION NO. 16 SERIES
OF 2009, AS AMENDED BY
ERC RESOLUTION NO. 21,
SERIES OF 2010 AND ERC
RESOLUTION NO. 23, SERIES
OF 2010**

ERC CASE NO. 2023-052 CF

**IBAAN ELECTRIC
CORPORATION (IEC),**
Applicant.

X-----X

Promulgated:
August 04, 2023

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES

Notice is hereby given that on 26 June 2023, the Ibaan Electric Corporation (IEC) filed an *Application* dated 30 March 2023, seeking the Commission's approval of IEC's over or under recoveries based on the formula for various automatic cost adjustments and true-up mechanisms and the Commission's corresponding confirmation process pursuant to Resolution No. 16, Series of 2009, as amended by Resolution No. 21, Series of 2010, Resolution No. 23, Series of 2010, and Resolution No. 02, Series of 2021.

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

1. Applicant is a private distribution utility existing pursuant to law (R.A.10892) with postal address at Metro-Rei Business Park, Brgy. Palindan, Ibaan, Batangas, where it may be served with the processes of this Honourable Commission through its President, Engr. Edelyn Jane A. Salvame and General Manager, John Michael A. Yap, whose joint authority to file this Application is authorized by the Board of Directors of the Applicant pursuant to **Secretary's Certificate No. 15** which hereto attached as **Annex "A"** and made an integral part of this Application. The undersigned counsel is likewise duly authorized to represent and bind the applicant in the expository and trial proper including the authority to enter into the pre-trial conference and stipulation of facts is the **Secretary's Certificate No. 14** to as proof of his authority is hereto attached as **Annex "A-1"**;

2. Pursuant to Republic Act 10892, IEC has a legislative franchise to construct, operate and maintain an electric power distribution system for the conveyance of electric power to the end-users in the Municipality of Ibaan, Barangay Adya, City of Lipa and Barangay Salaban, Municipality of San Jose, all in the Province of Batangas;

3. That pursuant to ERC Resolution No. 16, Series of 2009 and ERC Resolution No. 06, Series of 2013, Private Distribution Utilities and Electric Cooperatives in Luzon are directed to file their respective applications for the approval of over/under recoveries on cost adjustments and true-up mechanism.

4. That the period covered for the over/under recoveries start from year 2020 to 2022 or three (3) years;

5. That the summary of the under/(over) recoveries for the 3 years are summarized and presented below:

Particulars	Allowable Cost	Revenue	(Over)/Under Recovery
	(Php)	(Php)	(Php)
Generation Rate (GR)	438,597,865.36	439,018,150.14	(420,284.78)
Transmission Rate (TR)	87,285,321.74	93,708,614.93	(6,423,293.19)
System Loss Rate (SLR)	43,392,125.27	42,290,831.06	1,101,294.21
Lifeline Subsidy	8,803,839.23	5,801,392.56	3,002,446.67
Senior Citizen Subsidy	508,928.40	516,212.64	(7,284.24)
Local Franchise Tax	724,034.52	749,808.22	(25,773.70)
Real Property Tax	337,828.44	313,736.14	24,092.30
Net Results	579,649,942.96	582,398,745.69	(2,748,802.73)

6. That the foregoing amounts are based on the computations hereto attached and marked as **Annexes "D" to "J"**;

7. Further, in support of the foregoing, Applicant submits the following data and documents hereto attached with submarkings, to wit:

ERC CASE NO. 2023-052 CF
NOTICE VIRTUAL HEARING / 04 August 2023
PAGE 3 OF 6

- a. Application Filed for Over/Under Recoveries as **Annex “B”**;
- b. Summary of Over/Under Recoveries as **Annex “C”**;
- c. Computation of Over/Under Recoveries – Generation Rate for the Year 2020-2022 as **Annex “D”**;
- d. Computation of Over/Under Recoveries – Transmission Rate for the Year 2020-2022 as **Annex “E”**;
- e. Computation of Over/Under Recoveries – System Loss Rate for the Year 2020-2022 as **Annex “F”**;
- f. Computation of Over/Under Recoveries – Lifeline Rate for the Year 2020-2022 as **Annex “G”**;
- g. Computation of Over/Under Recoveries – Senior Citizen Rate for the Year 2020-2022 as **Annex “H”**;
- h. Computation of Over/Under Recoveries – Local Franchise Tax as **Annex “I”**;
- i. Computation of Over/Under Recoveries – Real Property Tax as **Annex “J”**;
- j. Proposed Scheme of Refund Using the Projected kWh Sales as **Annex “K”**;
- k. Power Bills from Therma Luzon, Inc. with Official Receipts for the Year 2020-2022 as **Annex “L”**;
- l. Power Bills from NGCP with Official Receipts for the Year 2020-2022 as **Annex “M”**;
- m. Monthly Financial Summary Report (MFSR) Section A and E for the Year 2020-2022 as **Annex “N”**;
- n. Summary Report for Demand (kW) Sales for the year 2020-2022 as **Annex “O”**;
- o. Consumer Bills (Non-Lifeline for the Year 2020-2022) as **Annex “P”**;
- p. Consumer Bills (Lifeline for the Year 2020-2022) as **Annex “Q”**;
- q. Consumer Bills (Senior Citizen Bills for the Year 2020-2022) as **Annex “R”**;
- r. Supplier and Transmission Data Sheet for the Year 2020-2022 as **Annex “S”**;
- s. Statistical Data Sheet for the Year 2020-2022 as **Annex “T”**;
- t. Summary of Actual Implemented Rates Sheet for the Year 2020-2022 as **Annex “U”**;
- u. Lifeline Discount Sheet for the Year 2020-2022 as **Annex “V”**;
- v. Senior Citizen Discount Sheet for the Year 2020-2022 as **Annex “W”**;
- w. Additional Statistical Data Sheet for the Year 2020-2022 as **Annex “X”**

8. That Applicant proposes to refund the net over recoveries of 2,748,802.73 starting June 2023 to May 2024 as follows:

Rate Components	(OVER) UNDER RECOVERIES	Recovery Period	Php/kWh
Generation	(420,284.78)	12 months	(0.0099)
Transmission	(6,423,293.19)	12 months	(0.1510)
System Loss	1,101,294.21	12 months	0.0259
Lifeline Discount	3,002,446.67	12 months	0.0706
Senior Citizen	(7,284.24)	12 months	(0.0002)

ERC CASE NO. 2023-052 CF
NOTICE VIRTUAL HEARING / 04 August 2023
PAGE 4 OF 6

Local Franchise Tax	(25,773.70)	12 months	(0.0006)
Real Property Tax	24,092.30	12 months	0.0006
TOTAL	(2,748,802.73)	12 months	(0.0646)

WHEREFORE, foregoing premises considered, it is most respectfully prayed of this Honourable Commission, to approve the submitted calculations and computations made by the Applicant and the proposed recovery scheme.

Other reliefs consistent with justice and equity are likewise prayed for.

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 2020¹ and Resolution No. 01, Series of 2021² (ERC Revised Rules of Practice and Procedure):

Date	Platform	Activity
20 September 2023 (Wednesday) 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
27 September 2023 (Wednesday) at nine o'clock in the morning (9:00 A.M.)		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 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, any person who has an interest in the subject matter of the instant case may become a party by filing with the Commission

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.

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.

ERC CASE NO. 2023-052 CF
NOTICE VIRTUAL HEARING / 04 August 2023
PAGE 6 OF 6

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 Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 4th day of August 2023 in Pasig City.


MONALISA C. DIMALANTA
Chairperson and CEO

ERC
Office of the Chairperson and CEO



MCD2023-008110


LS: ADGS/ARG/MCCG