

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

**IN THE MATTER OF THE  
APPLICATION FOR  
APPROVAL OF THE  
OVER/UNDER RECOVERY  
BASED ON THE 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. 2023-003 CF**

**BENGUET ELECTRIC  
COOPERATIVE (BENECO),**  
*Applicant.*

**Promulgated:**  
May 26, 2023

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**NOTICE OF VIRTUAL HEARING**

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 03 April 2023, Benguet Electric Cooperative (BENECO) filed an *Application* dated 20 March 2023, seeking the Commission's approval of its over/under recovery based on the various automatic cost adjustments and true-up mechanisms and corresponding confirmation process pursuant to the Commission's Resolution No. 16 Series of 2009, as amended by the Commission's Resolution No. 21 Series of 2010, and the Commission's Resolution No. 23 Series of 2010.

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

1. BENEKO is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at No. 4 Barangay South Drive in Baguio City where it may be served with summons and other legal processes, represented in this instance by virtue of BENEKO Board Resolution No. 2023-039, hereto attached as Annex "A" to form an integral part hereof, by its Acting General Manager Engr. Ramel B. Rifani, the Applicant's legally authorized representative, who holds office at the same address;
2. Herein Applicant is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in Baguio City and the 13 municipalities of Benguet, namely Atok, Bakun, Bokod, Buguias, Itogon, Kabayan, Kapangan, Kibungan, La Trinidad, Mankayan, Sablan, Tuba and Tublay;

**THE LEGAL BASIS FOR THE APPLICATION**

3. Pursuant to ERC Resolution No. 16, series of 2009 as amended by Resolution no. 21 series of 2010, Luzon Distribution Utilities (DUs) and Electric Cooperatives (ECs) are required to file for approval their respective consolidated application for the approval of their confirmation filing on the Calculation of the Over/Under Recovery in the implementation of various adjustment and true-up mechanism as follows:
  - a. Automatic Generation Rate and System Loss Adjustment Mechanism;
  - b. Transmission Rate Adjustment Mechanism;
  - c. Lifeline Rate Recovery Mechanism;
  - d. Local Franchise Tax Recovery Mechanism;
  - e. Local Business Tax Recovery Mechanism;
  - f. Calculation of the Over or Under Recovery in the Implementation of the Generation Rates;
  - g. Calculation of the Over or Under Recovery in the Implementation of the Transmission Rates;
  - h. Calculation of the System Loss Rate Over/Under Recovery;
  - i. Calculation of the Over or Under Recovery in the Implementation of the Lifeline Rates;
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 and provides for the calculation of the Over or Under Recovery in the Implementation of the Senior Citizen Discounts and Subsidy Rates;

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5. In applying the various formulae in the determination of the adjustments and the refund or recovery of Over or Under recoveries, herein Applicant hereby adopts the respective formulae as provided for in ERC Resolution No. 16, series of 2009, Resolution No. 21, series of 2010 and Resolution No. 23, Series of 2010 together with the specific definition and subformula for each item thereof;
6. The results of its calculations for the years 2020-2022 are hereunder presented as follows:

Particulars	Allowable Cost	Revenue	(Over)/Under
GENERATION RATE (GR)			
- Main	5,999,088,772.93	5,933,976,641.36	65,112,131.57
- Sale for Resale-LUELCO	340,955.00	382,494.40	(41,539.40)
TRANSMISSION RATE (TR)	1,154,455,264.75	1,166,306,413.24	(11,851,148.49)
SYSTEM LOSS RATE (SLR)			
- Main	681,186,567.25	652,279,159.56	28,907,407.69
- Sale for Resale-LUELCO	40,955.03	41,794.59	(839.56)
LIFELINE SUBSIDY	83,791,147.26	91,525,511.60	(7,734,364.34)
SENIOR CITIZEN SUBSIDY	719,258.89	768,321.51	(49,062.62)
<b>NET RESULTS</b>			<b>74,342,584.85</b>

7. In support of this Application, Applicant hereby submits the following documents for the period January 2020 to December 2022 attached hereto as follows:

FOLDER NO.	ANNEX MARKINGS	NATURE OF DOCUMENTS
Folder 1	Annex A	Application
	Annex B	Supplier and Trans. Data Sheet
	Annex C	Statistical Data Sheet
	Annex D	Actual Implemented Rates Sheet Per Year
	Annex E	Lifeline Discount Sheet Per Year
	Annex F	Senior Citizen Discount Sheet Per Year
	Annex G	Additional Statistical Data Sheet
	Annex H	Summary of O/U Recoveries Computation
	Annex I	Proposed Refund/Collect Scheme
Folder 2	SUPPLIER AND TRANSMISSION DATA	
	Annex J	Power Bills from Suppliers (Power Bill; Proof of Payment; Adjusted Bill/Debit or Credit Memo)
	Annex K	Proof of Payment of Power Bills
Folder 3	STATISTICAL DATA	
	Annex L	Summary of Pilferage Cost Recoveries/Manifestation in N/A
	Annex M	Summary of Implemented Orders/Decisions
	Annex N	MFSR – Sections B and E
	Annex O	Demand (kW) Sales Summary Report

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Folder 4	ACTUAL IMPLEMENTED RATES DATA	
	Annex P	Sample Bills per Customer Class (Non-Lifeline)
	Annex Q	Sample Bills per Lifeline Bracket (Lifeline)
	Annex R	Sample Bills for Senior Citizens
Folder 5	OTHER DOCUMENTS	
	Annex S	Submitted Monthly URR
	Annex T	Submitted Monthly URR Addendum
	Annex U	Single Line Diagram
	Annex V	Power Supply Contracts
	Annex W	Computation of Pass-through charges
	Annex X	Lifeline data
	Annex Y	Monthly Reports required under ERC Resolution No. 10, Series of 2018
Annex Z	Manifestation on No Recovery for RPT, Local Franchise Tax and Business Tax for 2021-2022	

8. With respect to Annexes T and Y above, applicant is submitting the data corresponding to the required monthly reports only in the instant application considering that its actual data-gathering and ERC template updating took some time, rendering submission of the monthly report not possible. Hence, applicant respectfully prays that the submission in the instant application be duly considered;
9. Applicant is likewise submitting herewith the required electronic files of the Application and supporting data and documents.

**COMPLIANCE WITH PRE-FILING REQUIREMENTS**

10. In compliance with the pre-filing requirements under the ERC Rules of Practice and Procedure, applicant is submitting the following documents to form integral parts hereof, as follows:

ANNEX MARKINGS	NATURE OF DOCUMENTS
Annexes A1 and series	Copy of the Notice duly received by the following bodies to prove that copies of the Application were received: 1. Sangguniang Panglungsod of Baguio City (the Location of the 13 Municipalities in the service area of the Applicant)
Annexes A2 and series	Proof of publication of the Application in a newspaper of general publication within the applicant's franchise area



PRAYER

WHEREFORE, foregoing premises considered, it is most respectfully prayed of this Honorable Commission that:

1. After due notice and hearing, to approve the "OVER/UNDER RECOVERY BASED ON THE FORMULA ON THE 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", as follows:

Particulars	Allowable Cost	Revenue	(Over)/Under
GENERATION RATE (GR)			
- Main	5,999,088,772.93	5,933,976,641.36	65,112,131.57
- Sale for Resale-LUELCO	340,955.00	382,494.40	(41,539.40)
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SENIOR CITIZEN SUBSIDY	719,258.89	768,321.51	(49,062.62)
<b>NET RESULTS</b>			<b>74,342,584.85</b>

2. Its submission of the data corresponding to the required submission of the Monthly URR Addendum as well as Monthly Reports required under ERC Resolution No. 10, Series of 2018 only in the instant application be duly considered in the resolution of the application and that applicant be allowed recovery of system loss as applicable.

Other reliefs just and equitable are likewise prayed for.

In the *Order* dated 18 April 2023, the Commission set the hearings for the instant *Application* for the determination of compliance with the jurisdictional requirements and expository presentation on 01 June 2023; and the Pre-Trial Conference, and presentation of evidence 08 June 2023.

However, on 23 May 2023, BENECO filed a *Motion to Reset* dated 22 May 2023, alleging that it would not be able to comply with the publication and posting requirements, as well as the submission of the *Judicial Affidavit* of its witness and its *Pre-Trial Brief*, pursuant to the *Order* dated 18 April 2023. In view thereof, BENECO prayed that the hearings set on 01 June 2023 and 08 June 2023 be cancelled.

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The Commission granted the said *Motion* and cancelled hearings set on 01 June 2023 and 08 June 2023 pursuant to the Commission's *Order* dated 18 April 2023.

Accordingly, the Commission hereby resets 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):

<b>Date</b>	<b>Platform</b>	<b>Activity</b>
<b>25 July 2023</b> (Tuesday) at two o'clock in the afternoon (2:00 P.M.)	<b>Microsoft Teams or Zoom Application</b>	Determination of compliance with jurisdictional requirements and expository presentation
<b>01 August 2023</b> (Tuesday) at two o'clock in the afternoon (2:00 P.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](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:

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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.

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- 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.

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WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 26<sup>th</sup> day of May 2023 in Pasig City.

*Medinalanta*  
**MONALISA C. DIMALANTA**  
Chairperson and CEO *in*

*LS* *LSP* *γ*  
LS: SQD/LSP/MCCG

