

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



**IN THE MATTER OF THE
APPLICATION TO CONFIRM
THE TRUE-UP
CALCULATIONS OF OVER
AND UNDER RECOVERIES
OF PASS-THROUGH COST
ADJUSTMENTS
IMPLEMENTED FOR THE
BILLING PERIODS FROM
JANUARY 2016 TO
DECEMBER 2018**

ERC CASE NO. 2019-019 CF

**ILIGAN LIGHT AND POWER,
INC. (ILPI),**

Applicant.

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Promulgated
MAY 10 2019

ORDER

On 01 April 2019, Iligan Light and Power, Inc. (ILPI) filed an *Application* dated 21 March 2019, seeking the Commission's confirmation of true-up calculations of over and under recoveries of pass-through cost adjustment implemented for the billing periods from January 2016 to December 2018.

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

1. Applicant ILPI is a corporation duly organized and existing under Philippine law, with principal office address at Bro. Jeffrey Road, Pala-o, Iligan City; franchised under R.A. No.8148 to distribute electricity in Iligan City, Province of Lanao del Norte. It is represented here by its President, Mr. Ralph B. Casiño.
2. Applicant ILPI seeks confirmation of true-up calculations of over and under recoveries of pass-thru cost adjustments implemented for the billing periods from January 2016 to December 2018 summarized as follows:

TRUE-UP (OVER) AND UNDER RECOVERIES				
PASS-THRU CHARGES	2016	2017	2018	TOTAL
Generation	4,316,785.57	6,780,353.05	2,561,922.52	13,659,061.14
Transmission	(1,380,429.61)	(2,046,818.47)	(2,811,334.36)	(6,238,582.44)
System Loss	1,405,794.19	(14,438,807.87)	3,222,492.43	(9,810,521.26)
Lifeline Subsidy	330,656.90	(366,744.92)	(112,921.15)	(149,009.17)
Senior Citizen Subsidy	360.23	(327.71)	(572.46)	(539.93)
TOTAL	4,673,167.28	(10,072,345.91)	2,859,586.97	(2,539,591.66)

4. Applicant ILPI submits the following documents in support of this application:

REFERENCE	INFORMATION PROVIDED
Schedule A	Calculation of Generation Rate (Over) and Under Recovery
Schedule B	Calculation of Transmission Rate (Over) and Under Recovery
Schedule C	Calculation of System Loss Rate (Over) and Under Recovery
Schedule D	Calculation of Lifeline Subsidy Rate (Over) and Under Recovery
Schedule E	Calculation of Senior Citizen Subsidy Rate (Over) and Under Recovery
Schedule F	Summary of (Over) and Under Recoveries
Schedule G	Proposed (Refund) or Recovery Scheme
Annex A	Supplier Power Bills
Annex B	Transmission Power Bills
Annex C	Pilferage Cost Recoveries
Annex D	DU-Mo1 and DU-Mo2
Annex E	Consumer Bills
Annex F	Uniform Reportorial Requirement
Annex G	Rates Computation

PRAYER

WHEREFORE, applicant ILPI prays that the Commission render its Decision disposing the case as follows:

1. Confirming applicant ILPI's true-up calculations of its over and under recoveries of pass-through cost adjustments implemented for the billing periods from January 2016 to December 2018 summarized as follows:

TRUE-UP (OVER) AND UNDER RECOVERIES				
PASS-THRU CHARGES	2016	2017	2018	TOTAL
Generation	4,316,785.57	6,780,353.05	2,561,922.52	13,659,061.14
Transmission	(1,380,429.61)	(2,046,818.47)	(2,811,334.36)	(6,238,582.44)
System Loss	1,405,794.19	(14,438,807.87)	3,222,492.43	(9,810,521.26)
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Senior Citizen Subsidy	360.23	(327.71)	(572.46)	(539.93)
TOTAL	4,673,167.28	(10,072,345.91)	2,859,586.97	(2,539,591.66)

2. Approving the proposed refund or recovery scheme below until the total amount to be refunded or recovered have been fully refunded or recovered as follows:

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PASS-THRU CHARGES	(OVER) UNDER RECOVERIES	(REFUND) RECOVERY PERIOD	FORECAST kWh SALES	RATE ADJUSTMENT	REMARKS
Generation	13,659,061.14	36 Months	737,257,393	0.0185	Recovery
Transmission	(6,238,582.44)	36 Months	737,257,393	(0.0085)	Refund
System Loss	(9,810,521.26)	36 Months	737,257,393	(0.0133)	Refund
Lifeline Subsidy	(149,009.17)	36 Months	737,257,393	(0.0002)	Refund
Senior Citizen Subsidy	(539.93)	36 Months	737,257,393	(0.0000)	Refund

Applicant ILPI also prays for such other relief or remedy as may be just and equitable under the circumstances.

Finding the said *Application* to be sufficient in form and substance, with the required fees having been paid, the same is hereby set for determination of compliance with the jurisdictional requirements, expository presentation, pre-trial conference, and presentation of evidence on **5 June 2019 (Wednesday) at ten o'clock in the morning (10:00 A.M.) at 15th Floor, ERC Hearing Room, Pacific Center Building, San Miguel Avenue, Pasig City.**

Accordingly, ILPI is hereby directed to:

- 1) Cause the publication of the attached *Notice of Public Hearing* once (1x) in a newspaper of nationwide circulation in the Philippines at its own expense, with the date of publication to be made not later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Public Hearing* the Office of the Provincial Governor, the City Mayor, and the Local Government Unit (LGU) legislative bodies within ILPI's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within the ILPI's franchise area of the filing of the *Application*, the reasons therefor, and of the scheduled hearing thereon, by any other means available and appropriate;
- 4) Furnish with copies of this *Order* and the attached *Notice of Public Hearing*, the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They

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are hereby requested, if they so desire, to send their duly authorized representatives at the scheduled hearing; and

- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, ILPI must submit to the Commission its written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached *Notice of Public Hearing* consisting of affidavit of the Editor or Business Manager of the newspaper where the said *Notice of Public Hearing* was published, and the complete issue of the said newspaper;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Public Hearing*, consisting of certifications issued to that effect, signed by the Provincial Governor, the City Mayor, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by ILPI to inform the consumers within the affected areas of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Public Hearing* by the OSG, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

ILPI and all interested parties are also required to submit, at least five (5) days before the date of initial hearing and pre-trial conference, their respective Pre-trial Briefs containing, among others:



- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

Failure of ILPI to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from the said date of cancellation.


ILPI must also be prepared to make an expository presentation of the instant *Application* aided by whatever communication medium that it may deem appropriate for the purpose. For the benefit of the consumers and other concerned parties, Applicant must be able to put in plain words and explain the nature of the *Application* with relevant information and pertinent details substantiating the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, 06 May 2019.

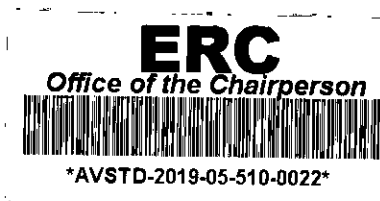
FOR AND BY AUTHORITY
OF THE COMMISSION:


AGNES VST DEVANADERA
Chairperson & CEO


LS/LED/BSA/CLO

COPY FURNISHED:

1. Atty. Ranulfo M. Ocampo
Counsel for Applicant Iligan Light and Power Inc. (ILPI)
7/F STRATA 100 Bldg., F. Ortigas Jr. Road,
Ortigas Center, Pasig City





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2. *Iligan Light and Power Inc. (ILPI)*
Applicant
Bro. Jeffrey Road, Pala-o, Iligan City
 3. Office of the Solicitor General (OSG)
134 Amorsolo Street, Legaspi Village, Makati City
 4. Commission on Audit (COA)
Commonwealth Avenue, Quezon City 1121
 5. Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City 1307
 6. House Committee on Energy
Batasan Hills, Quezon City 1126
 7. Office of the Provincial Governor
Province of Lanao Del Norte
 8. Office of the Local Government (LGU) legislative body
Province of Lanao Del Norte
 9. Office of the City Mayor
Iligan City, Lanao del Norte
 10. Office of the Local Government (LGU) legislative body
Iligan City, Lanao del Norte
 11. Regulatory Operations Service (ROS)
Energy Regulatory Commission
17th Floor, Pacific Center, San Miguel Avenue, Pasig City
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