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-THRU COST ADJUSTMENTS IMPLEMENTED FOR THE BILLING PERIODS FROM JANUARY 2013 TO DECEMBER 2015

ERC CASE NO. 2016-004 CF

ILIGAN LIGHT & POWER, INC. (ILPI)

Applicant.

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 29 March 2016, Iligan Light & Power, Inc. ("ILPI") filed an Application for confirmation and approval of its calculations of over or under-recoveries of pass through cost adjustments implemented for the billing periods of January 2013 to December 2015 ("Application") pursuant to Energy Regulatory Commission ("ERC") Resolution No. 16, Series of 2009, as amended by Resolution 21, Series of 2010, and ERC Resolution 23, Series of 2010.

In the Application, ILPI alleged, among others, the following:

- 1. ILPI is a corporation duly organized and existing under Philippine laws, with principal office address at Bro. Jeffrey Road, Pala-o, Iligan City. It holds a franchise to construct, own, operate, and maintain an electric distribution system in the City of Iligan, Province of Lanao del Norte.
- 2. ILPI seeks confirmation of the true-up calculation of its over and under-recoveries of pass-thru cost adjustments

implemented for the billing periods from January 2013 to December 2015, a summary of which is particularly described as follows:

| A CONTRACTOR OF THE PROPERTY O | TRUE-UP | (OVER) UNDER REC | COVERIES | | |
|--|----------------|------------------|----------------|-----------------|--|
| CHARGES | 2013 | 2014 | 2015 | TOTAL | |
| Generation | (1,554,257.92) | (27,224,120.71) | 40,854,226.23 | 12,075,847.60 | |
| Transmission | (2,631,977.82) | (2,724,326.37) | (1,941,032.83) | (7,297,337.02) | |
| System Loss | (2,867,759.85) | (1,856,504.22) | (8,174,120.11) | (12,898,384.18) | |
| Lifeline Discount and Subsidy | 262,579.80 | (237,878.37) | 80,985.79 | 105,687.23 | |
| Senior Citizen Discount and Subsidy | 580.48 | 23.55 | 388.46 | 992.49 | |
| TOTAL | (6,790,835.31) | (32,042,806.11) | 30,820,447.54 | (8,013,193.88) | |

3. In support of its Application, ILPI attached the following as annexes:

| REFERENCE | INFORMATION PROVIDED | | | |
|------------|--|--|--|--|
| Schedule A | Calculation: Generation Rate Over/Under Recovery | | | |
| Schedule B | Calculation: Transmission Rate Over/Under Recovery | | | |
| Schedule C | Calculation: System Loss Rate Over/Under Recovery | | | |
| Schedule D | Calculation: Lifeline Discount and Subsidy Rate Over/Under Recovery | | | |
| Schedule E | Calculation: Senior Citizen Discount and Subsidy Rate Over/Under Recovery | | | |
| Schedule F | Calculation: Summary of Over/Under Recoveries | | | |
| Schedule G | Proposed Refund/Recovery Scheme | | | |
| Annex A | Power Bills | | | |
| Annex B | Official Receipts | | | |
| Annex C | Debit/Credit Memo | | | |
| Annex D | ERC Form DU-Mo1 | | | |
| Annex E | ERC Form DU-Mo2 | | | |
| Annex F | Consumer Bills | | | |
| Annex G | Rates Calculation | | | |
| Annex H | Frequency Distribution by kWh Consumption and Number of Residential Lifeline Customers | | | |
| Annex I | Uniform Reportorial Requirement Data | | | |

- 4. In view of the foregoing, ILPI prays that the Commission issue a decision:
 - i. Confirming ILPI's true-up calculations of its over and under recoveries of pass-thru cost adjustments implemented for the billing periods from January 2013 to December 2015; and
 - ii. Approving the proposed refund/recovery scheme below until the total amount to be refunded/recovered has been fully refunded/recovered:

| CHARGES | (OVER) UNDER RECOVERIES | (REFUND) RECOVERY PERIOD | FORECAST kWh SALES | RATE ADJUST- MENT | REMARKS |
|---|-------------------------------|--------------------------------|-----------------------|-------------------------|----------|
| Generation | 12,075,847.60 | 36 Months | 725,209,871 | 0.0167 | Recovery |
| Transmission | (7,297,337.02) | 36 Months | 725,209,871 | (0.0101) | Refund |
| System Loss | (12,898,384.18) | 36 Months | 725,209,871 | (0.0178) | Refund |
| Lifeline Discount and Subsidy | 105,687.23 | 36 Months | 725,209,871 | 0.0001 | Recovery |
| Senior Citizen Discount and Subsidy | 992.49 | 36 Months | . 725,209,871 | 0.0000 | Recovery |

The Commission has set the Application for determination of compliance with the jurisdictional requirements, expository presentation, pre-trial conference, and presentation of evidence on 6 June 2016 (Monday) at two o'clock in the afternoon (2:00 P.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.

All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission giving the docket number and title of the proceeding and stating: (1) the petitioner's name and 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.

All other persons who may want their views known to the Commission with respect to the subject matter of the proceeding may file their opposition to the Application or comment thereon at any stage of the proceeding before the applicant concludes the presentation of its evidence. No particular form of opposition or comment is required, but the document, letter or writing should contain the name and address of such person and a concise statement of the opposition or comment and the grounds relied upon.

All such persons who wish to have a copy of the Application may request from the applicant that they be furnished with the same, prior to the date of the initial hearing. The applicant is hereby directed to furnish all those making such request with copies of the Application and its attachments, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the Application and other pertinent records filed with the Commission during standard office hours.

WITNESS, the Honorable Chairman, JOSE VICENTE B. SALAZAR, and the Honorable Commissioners, ALFREDO J. NON, GLORIA VICTORIA C. YAP-TARUC, JOSEFINA PATRICIA A. MAGPALE-ASIRIT, and GERONIMO D. STA. ANA, Energy Regulatory Commission, this 18th day of April 2016 in Pasig City.

ATTY. NATHAN J. MARASIGAN Chief of Staff

Office of the Chairman and CEO

LS: CVB/GLS/APV nph_2016-003 mc