

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.

X ----- X

D O C K E T E D
Date: MAY 10 2016
By: [Signature]

ORDER

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:

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TRUE-UP (OVER) UNDER RECOVERIES				
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-M01
Annex E	ERC Form DU-M02
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

Finding the said Application 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 **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.**

ILPI is hereby directed to cause the publication of the attached Notice of Public Hearing, at its own expense, once (1x) in a newspaper of general circulation in the Philippines, at least ten (10) days before the date of the scheduled initial hearing. It is also directed to inform the consumers, by any other means available and appropriate, of the filing of the instant Application, its reasons therefor, and of the scheduled hearing thereon.

Let copies of the Application, this Order and the attached Notice of Public Hearing be furnished the Office of the Solicitor



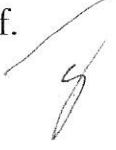
General (“**OSG**”), the Commission on Audit (“**COA**”), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire, to send their duly authorized representatives at the scheduled hearing.

Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished to the Offices of the Mayor of the City of Iligan and the Governor of Lanao Del Norte for the appropriate posting thereof on their respective bulletin boards.

ILPI is hereby directed to furnish all those making requests therefor with copies of the Application and its attachments, 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 jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences on the actual posting and publication of the Notice of Public Hearing consisting of certificates issued to that effect, signed by the aforementioned Governor and Mayor or their duly authorized representatives, bearing the seals of their office, and the affidavit of the Editor or Business Manager of the newspaper where the said Notice of Public Hearing was published, together with the complete issue of the said newspaper, and such other proofs of compliance with the requirements of the Commission.

ILPI and all interested parties are directed 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:

- a) A summary of admitted facts and proposed stipulation of facts;
 - b) The issues to be tried or resolved;
 - c) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
 - d) The number and names of the witnesses, with their written testimonies in an individual affidavit form, to be attached to the Pre-trial Brief.
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Failure of ILPI to submit the required Pre-trial Brief and Judicial Affidavits of its witnesses 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 said date of cancellation.


As part of the Pre-trial Conference, ILPI must also be prepared to make an expository presentation of its Application, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the Application is all about, and the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, 18 April 2016.

FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSE VICENTE B. SALAZAR
Chairman and CEO

 LS: CVB/GLS/APV initial order 2016-04 CF

ERC
Office of the Chairman



D-2016-007-OC-02483

Copy furnished:

1. **Ranulfo M. Ocampo**
Counsel for Applicant ILPI
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 2. **Iligan Light & Power, Inc.**
Applicant
Bro. Jeffrey Road, Pala-o, Iligan City
 3. **Office of the Solicitor General**
134 Amorsolo Street, Legaspi Village
Makati City, Metro Manila
 4. **Commission on Audit**
Commonwealth Avenue
Quezon City, Metro Manila
 5. **Senate Committee on Energy**
GSIS Building, Roxas Boulevard
Pasay City, Metro Manila
 6. **House Committee on Energy**
Batasan Hills, Quezon City, Metro Manila
 7. **Philippine Chamber of Commerce and Industry (PCCI)**
3F Commerce and Industry Plaza
1030 Campus Ave., cor. Park Ave.
Mckinley Town Center Fort Bonifacio
Taguig City
 8. **Office of the Mayor**
Iligan City, Lanao del Norte
 9. **Office of the Provincial Governor**
Province of Lanao del Norte
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