

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  
COSTS ADJUSTMENTS AND  
TRUE-UP MECHANISM AND  
CORRESPONDING  
CONFIRMATION PROCESS  
PURSUANT TO ERC  
RESOLUTION NO. 16,  
SERIES OF 2009 AND  
RESOLUTION NO. 06,  
SERIES OF 2013**

**ERC CASE NO. 2022-004 CF**

**BUKIDNON SECOND  
ELECTRIC COOPERATIVE,  
INC. (BUSECO),**  
*Applicant.*

**Promulgated:**  
April 19, 2022

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**NOTICE OF VIRTUAL HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 31 March 2022, Bukidnon Second Electric Cooperative, Inc. (BUSECO) filed an *Application* seeking the Commission's approval of its over/under recoveries based on the formula for the various automatic cost adjustment and true-up mechanisms and corresponding confirmation process pursuant to the Commission's Resolution No. 16, Series of 2009<sup>1</sup> and Resolution No. 06, Series of 2013.<sup>2</sup>

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<sup>1</sup> Entitled, "A Resolution Adopting the Automatic Cost Adjustment and True-up Mechanism and Corresponding Confirmation Process for Distribution Utilities".

<sup>2</sup> Entitled "A Resolution Extending the Filing of the Application of the Mindanao Distribution Utilities for Approval of their Over/Under Recoveries Pursuant to ERC Resolution No. 16, Series of 2009, as Amended by Resolution No. 21, Series of 2010".

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

1. That the Applicant is an electric cooperative existing pursuant to law (P.D. 269) with postal address at Tankulan, Manolo Fortich, Bukidnon, where it may be served with the processes of this Honourable Commission through its Board President, Rev. Fr. Danilo T. Paciente and General Manager, Cristopher A. Dulfo, CPA, MBM, whose joint authority to file this Application and represent the Applicant is authorized by the Board of Directors of the Applicant pursuant to Board Resolution No. 22-02-08 which is hereto attached as Annex "A" and made an integral part of this Application;
2. That Applicant's franchise area includes nine (9) municipalities, one (1) city, all in the Province of Bukidnon, and a portion of Valencia City. Specifically, City of Malaybalay and the municipalities of Baunhon, Malitbog, Libona, Manolo Fortich, Sumilao, Impasug-ong, Lantapan, Cabanglasan, Talakag and Barangay Lilingayon, part of Valencia City;
3. That pursuant to ERC Resolution No. 16 Series of 2009 and ERC Resolution No. 06 Series of 2013, Mindanao Distribution Utilities and Electric Cooperatives are directed to file their respective applications for the approval of the over/under recoveries on cost adjustments and true-up mechanism.
4. That the period covered for the over/under recoveries start from year 2019 to 2021 or three (3) years;
5. That the summary of the under/(over) recoveries for the 3 years are summarized and presented below:

	<b>Allowable Cost</b>	<b>Actual Revenue</b>	<b>(OVER) UNDER RECOVERIES</b>
Generation	3,373,855,215.00	3,265,902,301.98	107,952,913.02
Transmission	531,337,694.04	571,852,465.12	(40,514,771.08)
System Loss	416,297,250.10	476,630,558.41	(60,333,308.31)
Lifeline Discount	60,386,812.85	60,999,262.88	(612,450.03)
Senior Citizen	613,192.38	639,497.35	(26,304.97)
<b>Total</b>	<b>4,382,490,164.37</b>	<b>4,376,024,085.74</b>	<b>6,466,078.63</b>

6. That the foregoing amounts are based on the computations hereto attached and marked as Annexes "B" to "F";
7. Further, in support of the foregoing, Applicant submits the following data and documents hereto attached as Annex "G", to wit:

- G-1. Power Bills of Power Suppliers and NGCP;
- G-2. Official Receipts issued by Power Suppliers and NGCP;
- G-3. Check Voucher of PSALM
- G-4. Credit/Debit Memos;
- G-5. Monthly Financial and Statistical Report (MFSR);
- G-6. Consumer Bills per customer class;

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- G-7. Consumer Bills of lifeliner per bracket and non lifeliner;
- G-8. Consumer Bills of senior citizen per bracket;
- G-9. Computation of Generation Rates
- G-10. Computation of System Loss Rates;
- G-11. Computation of Transmission Rates;
- G-12. Computation of Lifeline Rates;
- G-13. Computation of Senior Citizen Subsidy Rates;
- G-14. 12-month System Loss Computation;
- G-15. Notarized Prompt Payment Discount;
- G-16. Power Factor Monitoring Report;
- G-17. Summary of Bills;
- G-18. Lifeline Discount;
- G-19. Senior Citizen Discount;
- G-20. Supplier and Transmission Data Sheet;
- G-21. Statistical Data Sheet;
- G-22. Frequency Distribution by kWh consumption.

8. That Applicant proposes to recover the net under recoveries of Six Million Four Hundred Sixty Six Thousand Seventy Eight & 63/100 Pesos (Php 6,466,078.63), starting January 2022 as follows:

Rate Components	(OVER) UNDER RECOVERIES	Recovery Period	PhP/KWh	PhP/KW
Generation	107,952,913.02	36 months	0.1897	
Transmission	(40,514,771.08)	36 months		
Residential	(5,186,195.89)	36 months	(0.0261)	
Low Voltage	(2,232,512.51)	36 months	(0.0224)	
Higher Voltage	(33,096,062.67)	36 months		(39.4419)
System Loss	(60,333,308.31)	36 months	(0.1060)	
Lifeline Discount	(612,450.03)	12 months	(0.0031)	
Senior Citizen	(26,304.97)	1 month	(0.0016)	

**PRAYER**

WHEREFORE, foregoing premises considered, it is most respectfully prayed of this Honorable 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 has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>3</sup> dated 24 September 2020 and

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<sup>3</sup> A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

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Resolution No. 01, Series of 2021 dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):<sup>4</sup>

<b>Date</b>	<b>Platform</b>	<b>Activity</b>
<b>31 May 2022</b> (Tuesday) at nine o'clock in the morning (9:00 A.M.)	<b>Microsoft Teams</b>	Determination of compliance with the jurisdictional requirements and expository presentation
<b>07 June 2022</b> (Tuesday) at nine o'clock in the morning (9:00 A.M.)	<b>Microsoft Teams</b>	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 virtual hearing, via electronic mail (e-mail) at [doCKET@erc.ph](mailto:doCKET@erc.ph), 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), copy furnish 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 and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating 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.

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<sup>4</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

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), 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 and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure. 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.

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), with 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 12<sup>th</sup> day of April 2022 in Pasig City.

  
**AGNES VST DEVANADERA**  
*Chairperson and CEO*

  
LS: KACF/SQD/LSP/MCCG

