

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

**IN THE MATTER OF THE  
APPLICATION FOR  
APPROVAL OF OVER/UNDER  
RECOVERIES BASED ON THE  
FORMULA ON THE VARIOUS  
AUTOMATIC COST  
ADJUSTMENT AND TRUE-UP  
MECHANISMS AND  
CORRESPONDING  
CONFIRMATION PROCESS  
PURSUANT TO ERC  
RESOLUTION NO. 16, SERIES  
OF 2009, AS AMENDED BY  
RESOLUTION NO. 21, SERIES  
OF 2010, AND ERC  
RESOLUTION NO. 23, SERIES  
OF 2010**

**ERC CASE NO. 2023-054 CF**

**ZAMBALES II ELECTRIC  
COOPERATIVE, INC.  
(ZAMECO II),**

*Applicant.*

**Promulgated:**

July 17, 2023

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**NOTICE OF VIRTUAL HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 03 July 2023, the Zambales II Electric Cooperative, Inc. (ZAMECO II) filed an *Application* dated 08 May 2023, seeking the Commission's approval of its over- or under-recoveries based on the formula on the various automatic cost adjustment and true-up mechanisms and corresponding confirmation process for the period 2020 to 2023, 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.

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



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1. Applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines, with the principal office at Barangay Nagbunga, Castillejos, Zambales, where it may be served with summons and other legal processes, represented in this instance by its General Manager, ENGR. **ROMWIL F. DE JESUS**, of legal age, Filipino, and with office address also at ZAMECO II main office;
2. Herein applicant is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate an electric light and power services in the municipalities of the province of Zambales, namely: Subic, Castillejos, San Marcelino, San Antonio, San Narciso, San Felipe and Cabangan.
3. Pursuant to ERC Resolution No. 16, Series of 2009, as amended by ERC Resolution No. 21, Series of 2010, more specifically Article 5, Section 1 (Filing) thereof, and ERC Resolution No. 23, Series of 2010, all Luzon Distribution Utilities (Du's) shall file their respective consolidated applications, on or before May 31, 2014, for the (over)/under recoveries on their implementation of various automatic cost adjustment and true-up mechanisms. Subsequently, the DUs shall file their respective consolidated applications every three (3) years following the sequence of period of prescribed filing;
4. For purposes of compliance with the said ERC Resolution No. 16, Series of 2009, as amended, herein applicant adopted the formulae on Generation Rate, Transmission Rate, System Loss Rate, Lifeline Subsidy Rate and Senior Citizen Subsidy Rate, together with the specific definitions and sub-formulae for each item thereof;
5. Applicant ZAMECO II hereby submits its proposed application for approval of automatic cost adjustment and true-up mechanisms and corresponding confirmation process pursuant to the aforesaid resolution, as amended, as well as the attached summary of computations and actual calculations of (over)/under recoveries for 2020 to 2023 and the proposed scheme of refund for three (3) years using the latest kwh sales, duly marked as Annex "A", and form as part and parcel of this application;
6. In support of this application, herein applicant attached the following required documents contained in the guidelines issued by the Honorable Energy Regulatory Commission, to wit:
  - a. Power Supply Data Sheet;
  - b. Statistical Data Sheet;
  - c. Implemented Rates;
  - d. Power Bills of Power Supplier/s;
  - e. Official Receipts issued by Power Supplier/s;
  - f. Debit/Credit Memo of Power Supplier/s;
  - g. NGCP Invoices;
  - h. Official Receipts issued by NGCP;
  - i. Debit/Credit Memo of NGCP;
  - j. DU/MO1 and DU-MO2, MFSR;



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- k. Consumer bills of Lifeline (per level) and Non-Lifeline as per customer class;
  - l. URR Computation of Generation Rate;
  - m. URR Computation of Transmission Rate;
  - n. URR Computation of System Loss Rate;
  - o. URR Computation of Lifeline Rate;
  - p. URR Computation of Senior Citizen Subsidy Rate;
  - q. Computation of (Over)/Under Recoveries;
  - r. Summary of Implementation of approved other charges (or Summary of Pilferage Cost Recoveries); and
  - s. Computation of (Over)/Under Recoveries Business Tax;
  - t. Computation of (Over)/Under Recoveries of Real Property Tax;
7. The summary of Actual Revenue vis-à-vis allowed Cost Recoveries and (Over)/Under Recoveries for Generation, Transmission, System Loss, Lifeline, Senior Citizen Rates, Business Tax and Real Property Tax as follows, to wit:

PARTICULARS	PASS THROUGH COST	ACTUAL REVENUE	(OVER)/UNDER RECOVERIES
GENERATION	Php 3,851,574,275.65	P 3,768,890,363.43	P 82,683,912.22
TRANSMISSION	460,829,001.47	463,354,712.88	(2,525,711.41)
SYSTEM LOSS	428,234,974.45	426,286,342.32	1,948,632.13
LIFELINE	23,847,649.32	23,685,732.56	161,916.76
SENIOR CITIZEN	214,316.82	190,047.69	24,269.13
BUSINESS TAX	1,200,293.00	900,219.75	300,073.25
REAL PROPERTY TAX	866,979.52	251,534.64	615,444.88
<b>GRAND TOTAL</b>	<b>Php 4,766,767,490.23</b>	<b>P 4,683,558,953.27</b>	<b>P 83,208,536.96</b>

**PRAYER**

**WHEREFORE**, premises considered, applicant Zambales II Electric Cooperative, Inc. (ZAMECO II) respectfully prays of this Honorable Commission that, after due notice and hearing and consideration, this application be approved and, upon approval thereof, the applicant be directed to submit the scheme on how to implement the said approval.

Other relief, just or equitable, is likewise prayed for.

The Commission sets 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,



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pursuant to Resolution No. 09, Series of 2020<sup>1</sup> and Resolution No. 01, Series of 2021 (ERC Revised Rules of Practice and Procedure):<sup>2</sup>

<b>Date</b>	<b>Platform</b>	<b>Activity</b>
<b>12 September 2023</b> (Tuesday) at two o'clock in the afternoon (2:00 PM)	<b>Microsoft Teams or Zoom Application</b>	Determination of compliance with the jurisdictional requirements and expository presentation
<b>19 September 2023</b> (Tuesday) at two o'clock in the afternoon (2:00 PM)		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 person who has 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:

- 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>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.



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 **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* through the Commission's official website at [www.erc.gov.ph](http://www.erc.gov.ph).

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Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, through [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.

**WITNESS**, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 17<sup>th</sup> day of July 2023 in Pasig City.

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

*LS: MND/ARG/MCCG*  
LS: MND/ARG/MCCG

**ERC**

Office of the Chairperson and CEO



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