



Republic of the Philippines
PROVINCE OF SURIGAO DEL SUR

Office of the Provincial Vice Governor



for information

1st Endorsement
April 25, 2025



Respectfully forwarded to Mr. Edgar G. Perez, II, J.D., Secretary to the Sangguniang Panlalawigan, the herein basic communication dated April 25, 2025 from Joceler M. Moralda, Acting General Manager, SURIGAO DEL SUR 1 ELECTRIC COOPERATIVE, INC. (SURSECO-1), San Fernando, Bislig City requesting the Order and Notice of Virtual Hearing in connection to the application for confirmation and approval of calculation of over or under recoveries in the implementation of automatic cost adjustment and true-up mechanism for the period 2022 to 2024 to be posted at the designated bulletin board of the Sangguniang Panlalawigan

For your information and guidance

Tanggapan ng Sangguniang Panlalawigan

SURIGAO DEL SUR



OSSP-SDS-2025-4633

Telephone No.: (086) - 211 - 5832
E-Mail: tspsurigaosur@yahoo.com

Date: _____
Time: _____
Received by: _____

[Signature]
MANUEL O. ALAMEDA, SR.
Vice Governor

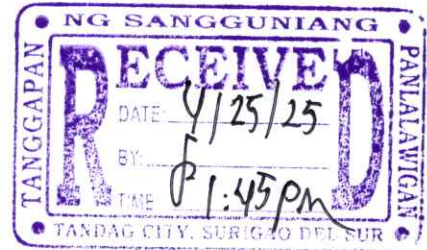


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For your information and guidance

MANUEL G. ALAMEDA, SR.
Vice Governor



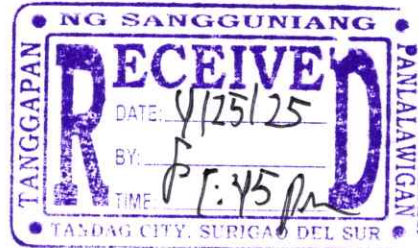
SURSECO-I

SURIGAO DEL SUR I ELECTRIC COOPERATIVE, INC.

VICE GOVERNOR'S OFFICE
(RECEIVED)
 DATE: 4/25/25 TIME: 1:11 PM BY: [Signature]

25 April 2025

HON. MANUEL O. ALAMEDA, SR.
 Presiding Officer
 Sangguniang Panlalawigan of Surigao del Sur



SUBJECT : ERC CASE NO. 2025-004 CF, SURIGAO DEL SUR I ELECTRIC COOPERATIVE, INC. (SURSECO I), APPLICATION FOR CONFIRMATION AND APPROVAL OF CALCULATIONS OF OVER OR UNDER RECOVERIES IN THE IMPLEMENTATION OF AUTOMATIC COST ADJUSTMENTS AND TRUE-UP MECHANISMS FOR THE PERIOD 2022 TO 2024, PURSUANT TO ERC RESOLUTION NO. 16, SERIES OF 2009, AS AMENDED BY RESOLUTION NO. 21, SERIES OF 2010, ERC RESOLUTION NO. 23, SERIES OF 2010, ERC RESOLUTION NO. 02, SERIES OF 2021, AND ERC RESOLUTION NO. 14, SERIES OF 2022

Sir:

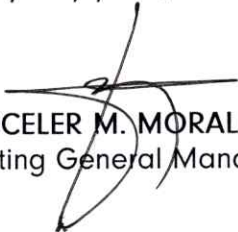
In compliance with the directives of the Energy Regulatory Commission (ERC) in connection with the above application, we are furnishing this Honorable Office the following:

1. ERC Order dated April 11, 2025
2. ERC Notice of Virtual Hearing dated April 11, 2025

Likewise, in compliance with the directives of the ERC, may we request that said Order and Notice be posted at the Bulletin Board of the Sangguniang Panlalawigan and thereafter, a Certification bearing the Dry Seal of your Office be issued as proof of posting.

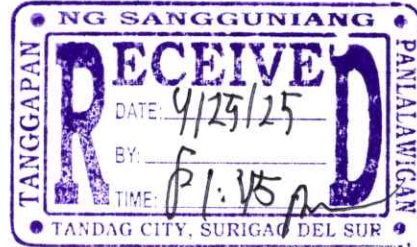
Thank you very much.

Very truly yours,


 JOCELER M. MORALDA
 Acting General Manager

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR CONFIRMATION AND APPROVAL OF CALCULATIONS OF OVER OR UNDER RECOVERIES IN THE IMPLEMENTATION OF AUTOMATIC COST ADJUSTMENTS AND TRUE-UP MECHANISMS FOR THE PERIOD 2022 TO 2024, PURSUANT TO ERC RESOLUTION NO. 16, SERIES OF 2009 AS AMENDED BY RESOLUTION NO. 21, SERIES OF 2010, ERC RESOLUTION NO. 23, SERIES OF 2010, ERC RESOLUTION NO. 02, SERIES OF 2021, AND ERC RESOLUTION NO. 14, SERIES OF 2022



ERC CASE NO. 2025-004 CF

**SURIGAO DEL SUR I
ELECTRIC COOPERATIVE,
INC. (SURSECO I),**

Applicant.

X-----X

Promulgated:
April 11, 2025

ORDER

On 02 April 2025, Surigao Del Sur I Electric Cooperative, Inc. (SURSECO I) filed an *Application* dated 04 March 2025, seeking the Commission's approval for its over or under recoveries in the implementation of automatic adjustments and true-up mechanisms during the period 2022 to 2024, pursuant to the Commission's Resolution No. 16, Series 2009, as amended by the Commission's Resolutions Nos. 21 and 23, Series of 2010, Commission's Resolution No. 02, Series of 2021, and Commission's Resolution No. 14, Series of 2022.

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

THE APPLICANT

1. SURSECO I is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of the laws of the Philippines, with principal office at San Fernando, Bislig City, Surigao del Sur;
2. SURSECO I is a holder of a franchise from the National Electrification Commission to operate an electric light and power distribution service in the city of Bislig and four (4) municipalities of Barobo, Tagbina, Hinatuan, and Lingig in the Province of Surigao del Sur.

LEGAL BASES FOR THE APPLICATION

3. ERC Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010 establishes the procedure for the automatic recovery or refund of pass-through costs and the confirmation process that would govern the automatic cost adjustment and true-up mechanisms approved by the Honorable Commission, with the objective of ensuring appropriate recovery of the pass-through costs in an efficient manner and to put in place a fair and transparent process for the confirmation of the automatic cost adjustments implemented by distribution utilities and the true-up of other pass-through charges, involving Generation Rate, Transmission Rate, System Loss Rate, and Lifeline Rate Recovery, as the case may be;
4. On the other hand, ERC Resolution 23, Series of 2010 adopts the rules implementing the discounts to qualified senior citizen end-users and subsidy from subsidizing end-users on electricity consumption;
5. Further, ERC Resolution No. 02, Series of 2021, provides for the recovery of all just and reasonable costs pertaining to current taxes (real property, local franchise, and business tax) that are levied by local government units within the distribution utilities' franchise area, subject to the post-validation and confirmation process mechanism of the Commission;
6. Finally, ERC Resolution No. 14, Series of 2022, directs the distribution utilities (DUs) to adopt the Revised Rules governing the automatic cost adjustment and true-up mechanisms and corresponding confirmation process for DUs with its revised Uniform Reportorial Requirement (URR) spreadsheet template.

7. Foregoing resolutions further require the distribution utilities to file their respective consolidated applications once every three (3) years.
8. Hence, the filing of the instant application, covering the period of January 2022 to December 2024.

OVER OR UNDER-RECOVERIES OF ALLOWABLE COSTS

9. Applying the formulae provided under Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010, Resolution No. 23, Series of 2010, Resolution No. 02, Series of 2021, and ERC Resolution No. 14, Series of 2022, respectively, SURSECO I made calculations of the over-recoveries charged or under-recoveries incurred as against its member-consumer-owners, in the implementation of certain automatic cost adjustments and true-up mechanisms, covering the period of January 2022 to December 2024;
10. The results of its calculations are presented hereunder, as follows:

Mechanism	Recoverable Cost (PhP)	Actual Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation	1,818,112,833.13	1,790,966,637.22	27,146,195.91
Transmission	220,702,727.65	221,051,713.98	(348,986.33)
System Loss	234,716,526.52	235,550,373.71	(833,847.19)
Lifeline Subsidy/ Discount	22,998,479.07	23,073,898.79	(75,419.72)
Senior Citizen Subsidy/ Discount	168,617.17	166,993.37	1,623.80
Local Franchise Tax Recovery	3,455,928.24	3,314,476.07	141,452.17
Real Property Tax Recovery	10,946,944.09	7,316,675.17	3,630,268.92
Total			29,661,287.56

REASONS FOR THE OVER OR UNDER-RECOVERIES

11. The under-recovery of the generation cost was due to timing difference. In the computation of the actual implemented generation rate for the current months billing/sales, the previous months data (total generation cost and kWh purchased) was used as prescribed in the formula.
12. Any increase or decrease in kWh/kW sales in a given billing period, due to timing differences, results in the over-recovery costs for Transmission Rate.
13. The over-recovery of the System Loss was the result of the under and over recoveries in the Generation and

Transmission Costs respectively; both of which are major components in the computation of System Loss Rate.

14. The over-recovery of the Lifeline Subsidy/Discount was due to timing difference which follows a one-month lag approach. There is a variation in the monthly calculated Lifeline Rate which is affected by the actual kWh consumption of Lifeliners and Non-lifeliners.
15. With respect to Senior Citizen Subsidy/Discount, the amount subsidized by customers other than senior citizens is lower than the discount granted to qualified senior citizens, resulting in under-recovery for the Senior Citizen Rate.
16. Likewise, with respect to Senior Citizen Subsidy/Discount, the under-recovery was due to timing difference. Any increase/decrease in the kWh sales in a given billing period affects the amount of cost recovery.
17. The under-recovery of the Local Franchise Tax was due to the under-collection of the Franchise tax paid as the percentage rate used was fixed by the local government unit within the franchise area.
18. Finally, the under-recovery of the Real-Property Tax rate was due to the increase/decrease of the actual kWh sales as against the projected kWh sales as prescribed in the formula.

SUPPORTING DATA AND DOCUMENTS

19. In support of foregoing calculations, SURSECO I is submitting the following data and documents covering the period of January 2022 to December 2024, attached hereto and made integral parts hereof, as follows:

FOLDER NO.	ANNEX MARKINGS	DESCRIPTION OF DOCUMENTS
Folder 1	Annex A	Supplier/ Generation and Transmission Data Sheet Per Year
	Annex B	System Loss and Statistical Data Sheet Per Year
	Annex C	Lifeline Discount/Data Sheet Per Year
	Annex D	Senior Citizen Discount/Data Sheet Per [Year]
	Annex E	Actual Implemented Rates Sheet Per Year
	Annex F	Additional Statistical Data Sheet Per Year
	Annex G	Summary of Over/Under-Recoveries Computation
	Annex H	Proposed Refund/Collect Scheme
Folder 2	SUPPLIER AND TRANSMISSION DATA	
	Annex I	Power Bills from Suppliers
Folder 3	STATISTICAL DATA	
	Annex J	Manifestation of No Pilferage Cost Recoveries
	Annex K	Report on the Implemented Orders/Decisions
	Annex L	MFSR – Sections B and E
	Annex M	Demand (kW) Sales Summary Report /
Folder 4	ACTUAL IMPLEMENTED RATES DATA	
	Annex N	Consumer Bills per Customer Class (Non-Lifeliner)
	Annex O	Consumer Bills per Lifeline Bracket (Lifeliner)
	Annex P	Lifeliner Consumer Bills per Level

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	Annex Q	Senior Citizen Consumer Bills
Folder 5	OTHER DOCUMENTS	
	Annex R	Submitted Monthly URR per Reso. 17, Series of 2009, Reso.14, Series of 2022
	Annex S	Submitted Monthly URR Addendum
	Annex T	Single Line Diagram
	Annex U	Power Supply Contracts with Generation Companies
Folder 6	LOCAL FRANCHISE, BUSINESS, AND REAL PROPERTY TAXES	
	Annex V and Series	a) Local Franchise Tax Local Tax Ordinance, Tax Receipts for payments made, Actual Distribution Revenues, Breakdown of Gross Sales/Receipts; Appendix B
	Annex W	b) Consumer Bills
	Annex X And Series	Real Property Tax a) Local Tax Ordinance; Tax Declarations; Tax Assessments; Statements of Account; Official Receipts; Appendix A
	Annex Y	b) Consumer Bills
	Annex Z	Computations on how the implemented pass-through taxes were derived

20. Further, in compliance with the pre-filing requirements under the Revised ERC Rules of Practice and Procedure, herein applicant is submitting the following documents to form integral parts hereof, as follows, to wit:

ANNEX MARKINGS	DESCRIPTION OF THE DOCUMENTS
Annexes AA and series	Proof of furnishing copies of the Application to the Offices of the Mayor and Sangguniang Panlungsod of Bislig City and Governor and Sangguniang Panlalawigan of Surigao del Sur.
Annexes BB and series	Proof of publication of the undocketed Application in a newspaper of general circulation covering the franchise area of SURSECO I or where it principally operates

21. Considering the foregoing, it is respectfully prayed that SURSECO I's calculations of over or under-recoveries in the implementation of subject automatic cost adjustments and true-up mechanisms be confirmed and approved, and the cooperative be allowed to refund the over-recoveries or collect the under-recoveries, as the case may be, to or from its member-consumer-owners.

PRAYER

WHEREFORE, premises considered, Applicant, Surigao del Sur I Electric Cooperative, Inc. (SURSECO I), respectfully prays of this Honorable Commission, after due notice and hearing, to confirm and approve its calculations of over or under-recoveries in the implementation of subject automatic cost adjustments and true-up mechanisms covering the period of January 2022 to December 2024, and allow the cooperative to refund the over-recoveries or collect the under-recoveries, as the case maybe, to or from its member-consumer-owners, based on the following refund/collect scheme, to wit:

MECHANISM	NO. OF MONTHS TO REFUND/ COLLECT	2026-2028 FORECASTED KWH/KW SALES		(OVER)/UNDER RECOVERIES	
				IN PHP	PHP/KWH or PHP/KW
Generation	36		299,071,324	27,146,195.91	0.0908
Transmission					
Residential	36	167,614,248		(222,230.95)	(0.0013)
Low Voltage	36	39,420,747		(41,819.65)	(0.0011)
High Voltage	36	369,846		(84,935.73)	(0.2297)
System Loss	36		299,071,324	(833,847.19)	(0.0028)
Lifeline Subsidy	36		299,071,324	(75,419.72)	(0.0003)
Sr. Citizen Subsidy	1		6,909,197	1,623.80	0.0002
Local Franchise Tax	36		299,071,324	141,452.17	0.0005
Real Property Tax	36		299,071,324	3,630,268.92	0.0121
TOTAL				29,661,287.56	

Other kinds of relief, just and equitable in the premises, are likewise prayed for.

Finding the said *Application* to be sufficient in form and with the required fees having been paid, the Commission hereby sets the same for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **28 May 2025 (Wednesday), at two o'clock in the afternoon (2:00 P.M.) via Microsoft Teams Application** as the online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020¹ and Resolution No. 01, Series of 2021² (ERC Revised Rules of Practice and Procedure).

Accordingly, SURSECO I is hereby directed to mirror the virtual hearing to be hosted by the Commission at at **SURSECO I's principal office located at San Fernando, Bislig City, Surigao Del Sur**, as the designated venue for the conduct thereof and ensure that the same is open to the public. Moreover, SURSECO I shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

¹ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

² A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

RELATIVE THERETO, SURSECO I is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* once (1x) in a newspaper of nationwide circulation in the Philippines at its own expense, at least ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Offices of the Provincial Governor, the Mayors, and the Local Government Unit (LGU) Legislative Bodies within SURSECO I's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within SURSECO I's franchise area, by any other means available and appropriate, of the filing of the *Application*, its reasons therefor, and of the scheduled virtual hearing thereon;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing*, 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 and attend the scheduled hearing; and
- 5) Furnish with copies of the *Application* and its attachments, except those subject of a motion for confidential treatment of information, all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

Within five (5) calendar days prior to the date of the virtual hearing, SURSECO I must submit to the Commission via electronic mail (e-mail) at docket@erc.ph, and copy furnish the Legal Service through legal@erc.ph, the scanned copies of its written compliance with the aforementioned jurisdictional requirements, attaching the following methodically arranged and duly marked documents:

- 1) The evidence of publication of the attached *Notice of Virtual Hearing* consisting of an affidavit of the Editor or Business Manager of the newspaper where the said *Notice of Virtual Hearing* was published, and the complete issue of the said newspaper;

- 2) The evidence of the actual posting of this *Order* and the attached *Notice of Virtual Hearing* consisting of certifications issued to that effect, signed by the aforementioned Governor, Mayors, and LGU legislative body or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by SURSECO I to inform the consumers within its franchise area 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 Virtual 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, except those subject of a motion for confidential treatment of information, if any, by all those making requests therefor; and
- 6) Such other proof of compliance with the requirements of the Commission.

Moreover, SURSECO I is hereby required to post on its bulletin boards, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publications and certifications issued by the concerned Offices of the Governor, Mayors, and Local Legislative Bodies, and to submit proof of posting thereof.

Applicant SURSECO I and all interested parties are also required to submit via e-mail at doCKET@erc.ph, and copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** before the date of the scheduled virtual 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 therefor, which should also be attached to the Pre-trial Brief; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

Applicant SURSECO I must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission **at least five (5) calendar days** before the date of the scheduled initial virtual hearing and Pre-Trial Conference, pursuant to the preceding paragraph.

Failure of SURSECO I to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing.

Applicant SURSECO I 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, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, the nature of the *Application*. Relevant information and pertinent details substantiating the reasons and justifications for the *Application* must be cited in support thereof.

Applicant SURSECO I is hereby directed to file a copy of its Expository Presentation via e-mail at docket@erc.ph, and copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** prior to the scheduled virtual hearing. SURSECO I shall also be required, upon the request of any stakeholder, to provide an advance copy of its expository presentation, **at least five (5) calendar days** prior to the scheduled virtual hearing.

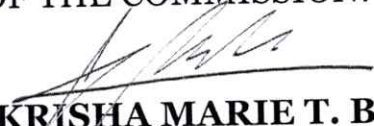
Applicant SURSECO I is further directed to submit, either through personal service, registered mail or ordinary mail/private courier, one (1) set of the original or certified true hard copies of its Jurisdictional Compliance, Expository Presentation, Pre-trial Brief, and Judicial Affidavits of witnesses, **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.

Finally, SURSECO I, including its authorized representatives and witnesses, are hereby directed to provide the Commission, thru legal.virtualhearings@erc.ph, their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

SO ORDERED.

Pasig City, 11 April 2025.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ATTY. KRISHA MARIE T. BUELA
Director III, Legal Service


LS: VMA/LSP

ERC CASE NO. 2025-004 CF
ORDER/ 11 APRIL 2025
PAGE 11 OF 11

Copy Furnished:

1. Surigao del Sur I Electric Cooperative, Inc. (SURSECO I)
Applicant
San Fernando, Bislig City, Surigao del Sur
surseco_1@yahoo.com
surseco1main@gmail.com
2. Dechavez Lerios-Amboy and Evangelista Law Offices
Atty. Marie Ann Claire D. Marqueda
Counsel for SURSECO I
Unit 2008, Tycoon Centre, Pearl Drive, Ortigas Center, Pasig City 1605
powerlawfirm@gmail.com
3. Office of the Solicitor General (OSG)
134 Amorsolo Street, Legaspi Village, Makati City
docket@osg.gov.ph
4. Commission on Audit (COA)
Commonwealth Avenue, Quezon City
citizensdesk@coa.gov.ph
5. Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City
senateenergycommittee@gmail.com
6. House Committee on Energy
Batasan Hills, Quezon City
committee.energy@house.gov.ph
7. Office of the Governor
Province of Surigao del Sur
8. Office of the LGU Legislative Body
Province of Surigao del Sur
9. Office of the Mayor
Bislig City, Surigao del Sur
10. Office of the LGU Legislative Body
Bislig City, Surigao del Sur
11. Office of the Mayor
Barobo, Surigao del Sur
12. Office of the LGU Legislative Body
Barobo, Surigao del Sur
13. Office of the Mayor
Tagbina, Surigao del Sur
14. Office of the LGU Legislative Body
Tagbina, Surigao del Sur
15. Office of the Mayor
Hinatuan, Surigao del Sur
16. Office of the LGU Legislative Body
Hinatuan, Surigao del Sur
17. Office of the Mayor
Lingig, Surigao del Sur
18. Office of the LGU Legislative Body
Lingig, Surigao del Sur
19. Regulatory Operations Service (ROS)
Energy Regulatory Commission
14th Floor, Exquadra Tower, 1 Jade Drive,
San Antonio, Ortigas Center, Pasig City
ros@erc.ph

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR
CONFIRMATION AND
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ERC CASE NO. 2025-004 CF

**SURIGAO DEL SUR I
ELECTRIC COOPERATIVE,
INC. (SURSECO I),**

Applicant.

X-----X

Promulgated:
April 11, 2025

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 02 April 2025, Surigao Del Sur I Electric Cooperative, Inc. (SURSECO I) filed an *Application* dated 04 March 2025, seeking the Commission's approval for its over or under recoveries in the implementation of automatic adjustments and true-up mechanisms during the period 2022 to 2024, pursuant to the Commission's Resolution No. 16, Series 2009, as amended by the Commission's Resolutions Nos. 21 and 23, Series of 2010,

ERC CASE NO. 2025-004 CF
NOTICE OF VIRTUAL HEARING/ 11 APRIL 2025
PAGE 2 OF 8

Commission's Resolution No. 02, Series of 2021, and Commission's Resolution No. 14, Series of 2022.

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

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1. SURSECO I is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of the laws of the Philippines, with principal office at San Fernando, Bislig City, Surigao del Sur;
2. SURSECO I is a holder of a franchise from the National Electrification Commission to operate an electric light and power distribution service in the city of Bislig and four (4) municipalities of Barobo, Tagbina, Hinatuan, and Lingig in the Province of Surigao del Sur.

LEGAL BASES FOR THE APPLICATION

3. ERC Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010 establishes the procedure for the automatic recovery or refund of pass-through costs and the confirmation process that would govern the automatic cost adjustment and true-up mechanisms approved by the Honorable Commission, with the objective of ensuring appropriate recovery of the pass-through costs in an efficient manner and to put in place a fair and transparent process for the confirmation of the automatic cost adjustments implemented by distribution utilities and the true-up of other pass-through charges, involving Generation Rate, Transmission Rate, System Loss Rate, and Lifeline Rate Recovery, as the case may be;
4. On the other hand, ERC Resolution 23, Series of 2010 adopts the rules implementing the discounts to qualified senior citizen end-users and subsidy from subsidizing end-users on electricity consumption;
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ERC CASE NO. 2025-004 CF
NOTICE OF VIRTUAL HEARING/ 11 APRIL 2025
PAGE 3 OF 8

with its revised Uniform Reportorial Requirement (URR) spreadsheet template.

7. Foregoing resolutions further require the distribution utilities to file their respective consolidated applications once every three (3) years.
8. Hence, the filing of the instant application, covering the period of January 2022 to December 2024.

OVER OR UNDER-RECOVERIES OF ALLOWABLE COSTS

9. Applying the formulae provided under Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010, Resolution No. 23, Series of 2010, Resolution No. 02, Series of 2021, and ERC Resolution No. 14, Series of 2022, respectively, SURSECO I made calculations of the over-recoveries charged or under-recoveries incurred as against its member-consumer-owners, in the implementation of certain automatic cost adjustments and true-up mechanisms, covering the period of January 2022 to December 2024;
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Senior Citizen Subsidy/ Discount	168,617.17	166,993.37	1,623.80
Local Franchise Tax Recovery	3,455,928.24	3,314,476.07	141,452.17
Real Property Tax Recovery	10,946,944.09	7,316,675.17	3,630,268.92
Total			29,661,287.56

REASONS FOR THE OVER OR UNDER-RECOVERIES

11. The under-recovery of the generation cost was due to timing difference. In the computation of the actual implemented generation rate for the current months billing/sales, the previous months data (total generation cost and kWh purchased) was used as prescribed in the formula.
12. Any increase or decrease in kWh/kW sales in a given billing period, due to timing differences, results in the over-recovery costs for Transmission Rate.

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13. The over-recovery of the System Loss was the result of the under and over recoveries in the Generation and Transmission Costs respectively; both of which are major components in the computation of System Loss Rate.
14. The over-recovery of the Lifeline Subsidy/Discount was due to timing difference which follows a one-month lag approach. There is a variation in the monthly calculated Lifeline Rate which is affected by the actual kWh consumption of Lifeliners and Non-lifeliners.
15. With respect to Senior Citizen Subsidy/Discount, the amount subsidized by customers other than senior citizens is lower than the discount granted to qualified senior citizens, resulting in under-recovery for the Senior Citizen Rate.
16. Likewise, with respect to Senior Citizen Subsidy/Discount, the under-recovery was due to timing difference. Any increase/decrease in the kWh sales in a given billing period affects the amount of cost recovery.
17. The under-recovery of the Local Franchise Tax was due to the under-collection of the Franchise tax paid as the percentage rate used was fixed by the local government unit within the franchise area.
18. Finally, the under-recovery of the Real-Property Tax rate was due to the increase/decrease of the actual kWh sales as against the projected kWh sales as prescribed in the formula.

SUPPORTING DATA AND DOCUMENTS

19. In support of foregoing calculations, SURSECO I is submitting the following data and documents covering the period of January 2022 to December 2024, attached hereto and made integral parts hereof, as follows:

FOLDER NO.	ANNEX MARKINGS	DESCRIPTION OF DOCUMENTS
Folder 1	Annex A	Supplier/ Generation and Transmission Data Sheet Per Year
	Annex B	System Loss and Statistical Data Sheet Per Year
	Annex C	Lifeline Discount/Data Sheet Per Year
	Annex D	Senior Citizen Discount/Data Sheet Per [Year]
	Annex E	Actual Implemented Rates Sheet Per Year
	Annex F	Additional Statistical Data Sheet Per Year
	Annex G	Summary of Over/Under-Recoveries Computation
	Annex H	Proposed Refund/Collect Scheme
Folder 2	SUPPLIER AND TRANSMISSION DATA	
	Annex I	Power Bills from Suppliers
Folder 3	STATISTICAL DATA	
	Annex J	Manifestation of No Pilferage Cost Recoveries
	Annex K	Report on the Implemented Orders/Decisions
	Annex L	MFSR – Sections B and E
	Annex M	Demand (kW) Sales Summary Report /
Folder 4	ACTUAL IMPLEMENTED RATES DATA	

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	Annex N	Consumer Bills per Customer Class (Non-Lifeline)
	Annex O	Consumer Bills per Lifeline Bracket (Lifeline)
	Annex P	Lifeline Consumer Bills per Level
	Annex Q	Senior Citizen Consumer Bills
Folder 5	OTHER DOCUMENTS	
	Annex R	Submitted Monthly URR per Reso. 17, Series of 2009, Reso.14, Series of 2022
	Annex S	Submitted Monthly URR Addendum
	Annex T	Single Line Diagram
	Annex U	Power Supply Contracts with Generation Companies
Folder 6	LOCAL FRANCHISE, BUSINESS, AND REAL PROPERTY TAXES	
	Annex V and Series	a) Local Franchise Tax Local Tax Ordinance, Tax Receipts for payments made, Actual Distribution Revenues, Breakdown of Gross Sales/Receipts; Appendix B
	Annex W	b) Consumer Bills
	Annex X And Series	Real Property Tax a) Local Tax Ordinance; Tax Declarations; Tax Assessments; Statements of Account; Official Receipts; Appendix A
	Annex Y	b) Consumer Bills
	Annex Z	Computations on how the implemented pass-through taxes were derived

20. Further, in compliance with the pre-filing requirements under the Revised ERC Rules of Practice and Procedure, herein applicant is submitting the following documents to form integral parts hereof, as follows, to wit:

ANNEX MARKINGS	DESCRIPTION OF THE DOCUMENTS
Annexes AA and series	Proof of furnishing copies of the Application to the Offices of the Mayor and Sangguniang Panlungsod of Bislig City and Governor and Sangguniang Panlalawigan of Surigao del Sur.
Annexes BB and series	Proof of publication of the undocketed Application in a newspaper of general circulation covering the franchise area of SURSECO I or where it principally operates

21. Considering the foregoing, it is respectfully prayed that SURSECO I's calculations of over or under-recoveries in the implementation of subject automatic cost adjustments and true-up mechanisms be confirmed and approved, and the cooperative be allowed to refund the over-recoveries or collect the under-recoveries, as the case may be, to or from its member-consumer-owners.

PRAYER

WHEREFORE, premises considered, Applicant, Surigao del Sur I Electric Cooperative, Inc. (SURSECO I), respectfully prays of this Honorable Commission, after due notice and hearing, to confirm and approve its calculations of over or under-recoveries in the implementation of subject automatic cost adjustments and true-up mechanisms covering the period of January 2022 to December 2024, and allow the cooperative to refund the over-recoveries or collect the under-recoveries, as the case maybe, to or from its member-

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consumer-owners, based on the following refund/collect scheme, to wit:

MECHANISM	NO. OF MONTHS TO REFUND/ COLLECT	2026-2028 FORECASTED KWH/KW SALES		(OVER)/UNDER RECOVERIES	
				IN PHP	PHP/KWH or PHP/KW
Generation	36		299,071,324	27,146,195.91	0.0908
Transmission					
Residential	36	167,614,248		(222,230.95)	(0.0013)
Low Voltage	36	39,420,747		(41,819.65)	(0.0011)
High Voltage	36	369,846		(84,935.73)	(0.2297)
System Loss	36		299,071,324	(833,847.19)	(0.0028)
Lifeline Subsidy	36		299,071,324	(75,419.72)	(0.0003)
Sr. Citizen Subsidy	1		6,909,197	1,623.80	0.0002
Local Franchise Tax	36		299,071,324	141,452.17	0.0005
Real Property Tax	36		299,071,324	3,630,268.92	0.0121
TOTAL				29,661,287.56	

Other kinds of relief, just and equitable in the premises, are likewise prayed for.

The Commission hereby sets the instant *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **28 May 2025 (Wednesday), at two o'clock in the afternoon (2:00 P.M.) via Microsoft Teams Application** as the online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020¹ and Resolution No. 01, Series of 2021² (ERC Revised Rules of Practice and Procedure).

Accordingly, SURSECO I is hereby directed to mirror the virtual hearing to be hosted by the Commission at **SURSECO I's principal office located at San Fernando, Bislig City, Surigao Del Sur**, as the designated venue for the conduct thereof and ensure that the same is open to the public. Moreover, SURSECO I shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

¹ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

² A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

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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, and copy furnish the Legal Service through 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, and copy furnishing the Legal Service through 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.

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, and copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon **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.

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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 person mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at www.erc.gov.ph.

Finally, all interested persons may be allowed to join the scheduled initial virtual hearing by providing the Commission, thru 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 hearing.

WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 11th day of April 2025 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ATTY. KRISHA MARIE T. BUELA
Director III, Legal Service


LS: VMA/LSP