

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

IN THE MATTER OF THE
APPLICATION FOR THE APPROVAL
OF THE CALCULATIONS FOR THE
AUTOMATIC COST ADJUSTMENT
AND TRUE UP MECHANISMS FOR
THE (A) GENERATION RATE, (B)
TRANSMISSION RATE, (C) SYSTEM
LOSS RATE, (D) LIFELINE SUBSIDY
RATE, AND (E) SENIOR CITIZEN
RATE UNDER ERC RESOLUTION
NO. 16, SERIES OF 2009, AS
AMENDED

ERC CASE NO. _____

MACTAN ELECTRIC COMPANY,
INC. (MECO),

Applicant.

x-----x

APPLICATION

Applicant MACTAN ELECTRIC COMPANY, INC. (MECO), by
counsel, respectfully states:

1. MECO is a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office at MECO Building, Sangi Road, Pajo, Lapu-Lapu City, Cebu. It has legislative franchise and Certificate of Public Convenience and Necessity as a distribution utility to operate the electric light and power distribution service in Lapu-Lapu City and in the Municipality of Cordova.

2. This application is filed pursuant to the following Resolutions of the Energy Regulatory Commission (ERC): (a) Resolution No. 16, Series of 2009, entitled, "A Resolution Adopting the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities," (b) Resolution No. 21, Series of 2010, entitled, "A Resolution Amending Section 4 of Article 4 and Section 1 of Article 5 of the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities," and (c) Resolution No. 23, Series of 2010, entitled, "A Resolution Adopting the Rules Implementing the

Discounts to Qualified Senior Citizen End-Users and Subsidy from the Subsidizing End-Users on Electricity Consumption Under Sections 4 & 5 of Republic Act No. 9994.”

3. MECO had similar applications under the aforesaid ERC Resolutions covering the following periods: (a) March 2005 to December 2011, which was resolved in a Decision dated September 2, 2014 (docketed on November 20, 2014) in ERC Case No. 2012-034 CF; and (b) January 2012 to December 2014, which was resolved in a Decision dated November 15, 2016 (docketed on May 8, 2017) in ERC Case No. 2015-030 CF. MECO has a pending motion for reconsideration of the Decision dated November 15, 2016.

4. The present application covers the period January 2015 to December 2017, and the (over)/under recoveries of MECO calculated based on the formulae and other relevant provisions of the said ERC Resolutions are as follows:

Generation Rate	
Allowable Generation Revenue	PhP 6,632,005,972.16
Actual Generation Revenue	6,611,154,570.19
Under Recovery	20,851,401.97
Transmission Rate	
Allowable Transmission Revenue	PhP 917,946,805.36
Actual Transmission Revenue	945,606,785.01
Over Recovery	(27,659,979.65)
System Loss Rate	
Allowable System Loss Revenue	PhP 756,067,031.87
Actual System Loss Revenue	725,867,108.57
Under Recovery	30,199,923.30
Lifeline Rate	
Lifeline Discount	41,836,012.29
Lifeline Subsidy	44,012,710.05
Over Recovery	(2,176,697.76)
Senior Citizen Discount	
Senior Citizen Discount	1,175,654.66
Senior Citizen Subsidy	0
Under Recovery	1,175,654.66

5. In support of this application, MECO submits herewith the following documents:

Schedules 1, 2, 3, 4, 5	Supplier and Transmission Data
Schedules 6, 7, 8, 9, 10, 11	Statistical Data
Schedules 12, 13, 14, 15, 16, 17	Actual Implemented Rates
Annex A	Computation of (Over)/Under Recoveries for 2015

Annex B	Computation of (Over)/Under Recoveries for 2016
Annex C	Computation of (Over)/Under Recoveries for 2017
Annex D	Detailed Computation of (Over)/Under Recoveries for Lifeline
Annex E	Detailed Computation of (Over)/Under Recoveries for Senior Citizen
Annex F	Summary of Amount Collected/Refunded as per ERC Case No. 2012-034 CF and ERC Case No. 2015-030 CF
Annex G	Summary of (Over)/Under Recoveries from 2015-2017

6. By way of this application, MECO seeks the Honorable Commission (a) to confirm its calculations of (over)/under recoveries, and (b) to allow it to refund its consumers or collect from them, as the case may be, the said (over)/under recoveries.

RELIEF

MECO prays that the Honorable Commission APPROVE this application, and GRANT other equitable relief.

Muntinlupa City for Pasig City, March 18, 2018.

ANCHETA & ASSOCIATES

Attorneys-at-Law

Counsel for MECO

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By:

REMIGIO MICHAEL A. ANCHETA II

PTR No. MCF 2801989; 01.05.18; Muntinlupa

IBP Lifetime Roll No. 05578; Ilocos Norte

Roll of Attorneys No. 45304

MCLE Compliance No. V-0023307; valid until 04.14.19

Copy Furnished:

1. Office of the Governor
Province of Cebu
2. Office of the Sangguniang Panlalawigan
Province of Cebu
3. Office of the Mayor
City of Lapu-Lapu, Cebu
4. Office of the Sangguniang Panlungsod
City of Lapu-Lapu, Cebu
5. Office of the Mayor
Municipality of Cordova, Cebu
6. Office of the Sangguniang Bayan
Municipality of Cordova, Cebu


**VERIFICATION AND CERTIFICATION
AGAINST FORUM- SHOPPING**

I, **GILBERT A. PAGOBO**, of legal age, Filipino, with business address at MECO Building, Sangi Road, Lapu-Lapu City, Cebu, hereby state under oath that:

1. I am the authorized representative of Mactan Electric Company, Inc. (MECO) in this application as shown by the attached Secretary's Certificate. In such capacity, I caused the preparation of this application and I read its contents, which are true and correct based on my personal knowledge and on authentic records at hand.

2. MECO and I have not heretofore commenced any action or filed any claim involving the same issues in any court, tribunal, or quasi-judicial agency, and to the best of my knowledge, no such other action or claim is pending therein.

3. If I should hereafter learn that the same or similar action or claim has been filed or is pending, I shall report such fact to the Commission within five (5) days from learning.


GILBERT A. PAGOBO

SUBSCRIBED AND SWORN to before me this March 19, 2018, affiant exhibiting to me his competent evidence of identity: Philippine Driver's License with No. 606-92-019177, bearing his photograph and signature.


JUAN VEROLA
Notary Public
Notary No. 445-L
Notary Office
Mar 21, 2018
116 Osmeña Sr. Cor. Cebu-Lapu-Lapu City
Roll of Attorneys No. 53227/3415.11
ICP Lifetime Member No. 012505
PTR No. 870390 / 013413

Doc. No. 460 ;
Page No. 93 ;
Book No. 6 ;
Series of 2018.

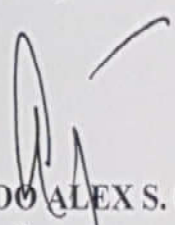
SECRETARY'S CERTIFICATE

I, **ALFREDO ALEX S. CRUZ III**, Filipino, of legal age, with address at Unit 204 AIC Gold Tower Condominium, F. Ortigas Jr. Road, Ortigas Center, Pasig City, the duly elected Corporate Secretary of **MACTAN ELECTRIC COMPANY, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines with business address at Sangi, Lapu-Lapu City, under oath, hereby certify that during a Special Meeting of the Board of Directors held on 22 May 2008, the following resolutions were unanimously adopted:

"RESOLVED, that the Corporation's General Manager, Engr. Gilbert A. Pagobo, be, as he is hereby authorized, to represent the Corporation in any and all proceedings with the Energy Regulatory Commission (ERC);

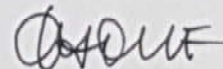
"RESOLVED, FURTHER, that Mr. Pagobo be, as he is hereby authorized, to sign the verification and certification portion against forum shopping in all the pleadings to be filed with the ERC under Rule 111 Section 4 of the ERC's Rules of Practice and Procedure."

IN WITNESS WHEREOF, I have hereunto set my hand and signed this 8th day of June 2010 at Parañaque City.


ALFREDO ALEX S. CRUZ III
Secretary

SUBSCRIBED AND SWORN TO BEFORE ME this 8th day of June 2010, affiant exhibiting to me his Community Tax Certificate No. 15595823 issued on 8 January 2010 at Pasig City, and identified through his officially issued driver's license as competent identity.

Doc. No. 200
Page No. 39
Book No. 04
Series of 2010.


ATTY. VILMA HILDA VILLANUEVA-FABELLA
Notary Public
Until 31 December 2010
PTR No. 9009783 / 8 January 2010 / Parañaque City
IBP No. 812586 / 14 January 2010 / PPLM
Roll No. 41901
Not. Com. No. 47-2008