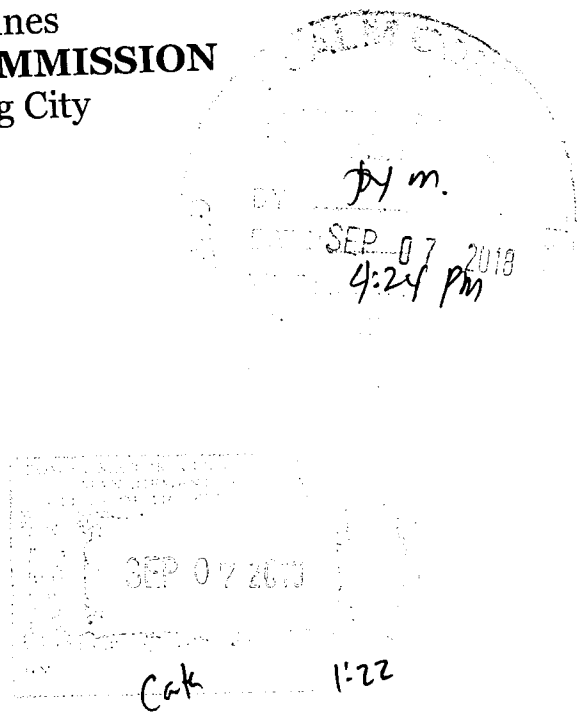


Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

**PETITION FOR THE
AVAILMENT OF THE
NATIONAL POWER
CORPORATION'S (NPC)
STRANDED CONTRACT
COSTS (SCC) PORTION OF
THE UNIVERSAL CHARGE
(UC) FOR CALENDAR YEAR
(CY) 2017 AND TRUE-UP
ADJUSTMENTS OF THE
NPC SCC PORTION OF THE
UC FOR CYs 2007-2013,
WITH PRAYER FOR
PROVISIONAL AUTHORITY**



ERC CASE NO. 2018-088 RC

**POWER SECTOR ASSETS
AND LIABILITIES
MANAGEMENT
CORPORATION (PSALM),
*Petitioner.***

D O C K E T E D
Date: SEP 05 2018
By: [Signature]

X-----X

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 31 July 2018, a *Petition* dated 24 July 2018 was filed by Petitioner Power Sector Assets and Liabilities Management Corporation (PSALM), seeking the Commission's approval for the availment of the National Power Corporation's (NPC) Stranded Contract Costs (SCC) Portion of the Universal Charge (UC) for Calendar Year (CY) 2017 and True-up Adjustments of the NPC SCC Portion of the UC for CYs 2007 to 2013, with prayer for the issuance of provisional authority.

In the said *Petition*, PSALM alleged among others, the following:

**I.
NATURE OF PETITION**

1. This is a Petition for the availment from the UC of the NPC; SCC for CY 2017 and submission of the True-Up Adjustment of the NPC SCC Portion of the UC for CYs 2007-2013 pursuant to Republic Act No. 9136 or the "Electric Power Industry Reform Act of 2001" (EPIRA), its Implementing Rules and Regulations (EPIRA-IRR) and the Amended Rules for Recovery of NPC Stranded Contract Costs and Stranded Debts Portion of the Universal Charge (Amended Rules for Recovery) as adopted by the Commission Resolution No. 02-2011 dated 07 February 2011.
2. Section 4(b), Rule 18 of the EPIRA-IRR provides that petitions for availment under the UC for the succeeding years shall be submitted to the Commission on or before 15 March of every year.
3. Under Article IV, Section 9 of the Amended Rules for Recovery, PSALM shall file the petition for availment from the UC for NPC's SCC in accordance with Section 4 (e), Rule 3 of the EPIRA-IRR and the Commission's Rules of Practice and Procedure.
4. Under Article II of the Amended Rules of Recovery, true up adjustments of the UC for NPC SCC for subsequent years shall be submitted to the Commission on or before the 15th of March every year thereafter. True up adjustments shall be done on an annual basis to be initiated by PSALM through submission of the Variance Analysis Report (VAR)¹ certified by an Independent Third Party auditor on or before the 15th day of March of every year.²

**II.
TIMELINESS OF PETITION**

5. In a letter dated 02 February 2018, PSALM requested for an extension of the deadline to file/submit, among others, the : (i) the petition for the availment of the UC-SCC for CY 2017, (ii) the true-up adjustment of the UC-SCC for CYs 2007-2010; and (iii) the update/VAR on the implementation of the UC-SCC for CYs 2011-2013,

¹ Article VIII, Amended Rules for Recovery

² Article VIII, Section 1, Amended Rules for Recovery

from 15 March 2018 to 31 July 2018, on the ground that the 15 March original deadline is no longer feasible considering that the CY 2017 certified financial statements of PSALM which serve as the bases in calculating the UC-SCC is still subject for approval of the PSALM Board of Directors and the data contained in the financial statement needs to be analyzed and processed to identify and properly classify the components that are eligible for recovery under the UC-SCC. In a letter dated 13 March 2018, the Commission granted PSALM's request and directed it to file/submit the UC-SCC petition for CY 2017, true-up adjustments for CYs 2007-2010 and update/VAR on the implementation of the UC-SCC for CYs 2011-2013 on or before 31 July 2018.

6. Hence, the instant Petition and True-Up Adjustments is timely filed/submitted.

III. PETITIONER

7. PSALM is a government-owned and controlled corporation created by virtue of the EPIRA, with principal office address at 3/F National Transmission Corporation Building, Power Center, Quezon Avenue corner BIR Road, Diliman, Quezon City. It may be served with notices, orders, and other processes of the Commission through its counsel with office address of PSALM.
8. The principal mandate of PSALM is to manage the orderly sale, disposition, and privatization of NPC generation assets, real estate and other disposable assets, and Independent Power Producer IPP contracts with the objective of liquidating all NPC financial obligations and stranded contract costs in an optimal manner.³ To attain its objectives, PSALM shall, among others: (i) calculate the amount of the stranded contract costs of NPC which shall form the basis for the Commission in the determination of the universal charge, and (ii) liquidate the NPC stranded contract costs, utilizing the proceeds from sales and other property contributed to it, including the proceeds from the universal charge.⁴

³ Sec. 50, EPIRA

⁴ Sec. 51, EPIRA

**IV.
NPC'S STRANDED CONTRACT COSTS**

9. Stranded Contract Costs of NPC refer to the "excess of the contracted cost of electricity under eligible contracts over the actual selling price of the contracted energy output of such contracts in the market." Market as defined in the Amended Rules for Recovery refers to the "Wholesale Electricity Spot Market (WESM) where electricity traded includes, but is not limited to, Spot Sales, Transition Supply Contracts (TSCs), Bilateral Contracts, One Day Power Sale (ODPS), Default Wholesale Supplier (DWS) service, and Ancillary Services."⁵ To be eligible for recovery under the UC, such contracts shall have been approved by the Energy Regulatory Board as of 31 December 2000.⁶
10. For purposes of the UC-SCC calculation, IPP Contracts of NPC eligible for recovery under the UC-SCC (Eligible IPP Contracts) shall refer to "generation capacities developed under the Build-Operate-Transfer scheme and any such generation asset whose construction was not financed by NPC but whose output is bought by NPC under Purchase Power Agreements (PPAs), Energy Conversion Agreements (ECAs) or any other similar contractual relationship. The IPP Contracts shall also include Rehabilitate Operate Lease (ROL) and Rehabilitate Operate Maintain types of IPP Contracts."⁷ In accordance with Section 32 of the EPIRA, only contracts duly approved by the ERB as of 31 December 2000 shall be entitled for recovery through the UC-SCC.
11. On 26 December 2010, the commercial operation of the WESM in the Visayas Grid and its integration with the Luzon Grid commenced.⁸
12. Based on the above definition and for the purpose of this filing, the following are the Eligible IPP Contracts, which are eligible for recovery under UC-SCC:
 - a. Benguet Mini-Hydros (Ampohaw and Bakun);
 - b. Pagbilao I & II;

⁵ Article I, Section 2, Amended Rules for Recovery

⁶ Sec. 4 [uu] and Sec. 32, EPIRA

⁷ Article III, Amended Rules for Recovery

⁸ DOE Department Circular No. 2010-11-0012

- c. Sual I & II; and
- d. Unified Leyte (Leyte A and B)

13. The annual UC-SCC shall be computed as the difference between the Gross Annual Contract Costs (GACC) and combined amounts derived from the Revenues from the Sale of Contracted Energy of Eligible IPP Contracts (RSCE) and the Privatization proceeds of the Eligible IPP Contracts (PP).⁹

**IV - A.
 GROSS ANNUAL CONTRACT COSTS**

14. For purposes of this filing, the GACC is composed of capacity fees, fixed operating and maintenance fee (FOM)-other power supply (OPS), other Operating Expenses (OPEX), variable-OPS (when purchased power cost varies with volume of energy), and energy purchased from Philippine Electricity Market Corporation (EPPF).

15. For CY 2017, the GACC amounted to a total of PhP34.029 Billion with details as follows:

GACC Component	Benguet Mini-Hydros (in PhP)	Unified Leyte (in PhP)	Pagbilao (in PhP)	Sual (in PhP)	TOTAL (in (PhP))
Capacity Fees	-	-	9,564,078,157.27	8,268,288,013.15	17,832,366,170.42
FOM-OPS	-	6,918,356,436.62	1,503,494,836.59	1,349,139,884.02	9,770,991,157.23
Other OPEX	1,026,240.27	76,418,867.78	76,146,941.91	120,143,363.04	273,735,413.00
Sub-Total, Fixed Fees	1,026,240.27	6,994,775,304.40	11,143,719,935.77	9,737,571,260.21	27,877,092,740.65
Variable - OPS	569,720,636.73	4,413,926,377.46	668,005,395.37	462,396,488.21	6,114,048,897.77
EPPF (to meet TSC)	37,470,424.36	-	-	-	37,470,424.36
EPPF (Station Use)	0.37	815,628.48	-	-	815,628.85
Sub-Total, Variable Fees	607,191,061.46	4,414,742,005.94	668,005,395.37	462,396,488.21	6,152,334,950.98
TOTAL	608,217,301.73	11,409,517,310.34	11,811,725,331.14	10,199,967,748.42	34,029,427,691.63

Table 1. Gross Annual Contract Costs

16. For Benguet Mini Hydros, the components of GACC were lifted from the Operating Results of Eligible IPPS or Results of Operation (ROO). As to Unified Leyte, the FOM-OPS was lifted from the ROO, the

⁹ Article IV, Section 6 in relation to Sections 3, 4 and 5, Amended Rules for Recovery

Variable-OPS was sourced from the monthly IPP payment vouchers less the FOM-OPS, while Other OPEX was lifted from the ROO and Other OPEX of Eligible Plants under IPP Administrator Agreement (IPPAA). For Sual and Pagbilao, which are under IPPAA, components of GACC were sourced from the monthly IPP payment vouchers and Other OPEX of Eligible Plants under IPPA.

IV- B.
REVENUES FROM THE SALE OF CONTRACTED ENERGY OF ELIGIBLE IPP CONTRACTS

17. For purposes of this filing, the RSCE refers to the following sources of revenue: (i) Sales in WESM, including net settlement surplus (NSS); and (ii) Sales under Transition Supply Contracts (TSC), including penalties imposed on customers which drew power lower than or in excess of their contracted level of energy.

18. For CY 2017, the RSCE amounted to a total of PhP5.333 Billion with details as follows:

RSCE Component (in PhP)	Benguet Mini-Hydros (in PhP)	Unified Leyte (in PhP)	TOTAL (in PhP)
Sales in WESM	319,474,554.90	4,895,364,190.65	5,214,838,745.55
Sales in TSC	95,340,556.94	22,762,299.53	118,102,856.47
Total	414,815,111.84	4,918,126,490.18	5,332,941,602.02

Table 2. Revenues from the Sale of Contracted Energy

19. Components of the RSCE were lifted from the Net Utility Revenue portion of the ROO. RSCE excludes the Power Act Reduction and Prompt Payment Discount adjustments which have been disallowed for recovery by the Commission in its Decision dated 28 January 2013 in ERC Case No. 2011-091 RC.

IV - C.
PROCEEDS FROM PRIVATIZATION OF ELIGIBLE IPP CONTRACTS

20. For purposes of this filing, the PP includes cash inflows arising from the IPPAA, namely, monthly payments and generation payments/energy fee of Unified Leyte Strips, Pagbilao and Sual IPP

Administrators. This also includes the forfeiture of Performance Bond in relation to the termination of IPPAA between FDC Utilities, Inc. and PSALM for 40 MW UL Strips on 04 September 2017.

21. For CY 2017, PP amounted to a total of PhP23.468 Billion with details as follows:

Privatization Proceeds	Unified Leyte (in PhP)	Pagbilao (in PhP)	Sual (in PhP)	Total (in PhP)
Monthly Payments of IPPA	-	6,936,051,228.16	7,593,314,684.32	14,529,365,912.48
Forfeiture of Performance Bond	151,200,200.00	-	-	151,200,200.00
Generation Payments/Energy Fee	7,656,123,656.62	668,683,219.34	462,434,744.71	8,787,241,620.67
TOTAL	7,807,323,856.62	7,604,734,447.50	8,055,749,429.03	23,467,807,733.15

Table 3. Privatization Proceeds

22. For Pagbilao and Sual, Monthly Payments from its IPPAs which are Therma Luzon, Inc. and San Miguel Energy Corporation, respectively, were lifted from the Schedule of IPPAA Monthly Payment while Energy Fees are based on the Summary of IPPA Billings—Energy Fees. For Unified Leyte, Generation Payments from its IPPAs or the Strip Owners which are Aboitiz Energy Solutions, Inc., FDC Utilities, Inc., Good Friends Hydro Resources Corporation, Phinma Energy Corporation, Unified Leyte Geothermal Energy, Inc., Vivant Energy Corporation and Waterfront Mactan Casino Hotel, Inc. were lifted from the Summary of IPPA Billings – UL Strips Generation Payments.
23. The PP is net of Value Added Tax (VAT), consistent with the Bureau of Internal Revenue (BIR) Revenue Memorandum Circular No. 11-2012¹⁰ which states, among others, that: “[c]onsidering that the sale of electricity is now subject to VAT, the real properties sold by PSALM are regarded as real properties *used in the trade or business*. While it is clear under the Tax Code of 1997 that such sale is not subject to income tax, there is no provision under the same Code that exempts it from VAT nor subject it to VAT at zero rate.”

¹⁰ Tax Consequences of Power Sector Assets and Liabilities Management Corporation (PSALM) Transactions

24. Considering further that the IPPAAs between PSALM and the IPP Administrators provide that, “[i]n the event that the Monthly Payments are determined with finality to be subject to value added tax, all applicable value added tax on such payments shall be for the account of PSALM...”, for purposes of SCC calculations, the IPP Administrator Monthly Payments received by PSALM were reduced by the VAT shouldered by PSALM.

V.
NPC’s STRANDED CONTRACT COSTS

25. Based on the foregoing, the SCC for CY 2017 amounts to PhP5.229 Billion computed as the difference between the GACC and the combined amounts derived from the RSCE and PP, with details as follows:

2017 UC-SCC	Benguet Mini-Hydros (in PhP)	Unified Leyte (in PhP)	Pagbilao (in PhP)	Sual (in PhP)	TOTAL (in PhP)
GACC	608,217,301.73	11,409,517,310.34	11,811,725,331.14	10,199,967,748.42	34,029,427,691.63
Less: RSCE	414,815,111.84	4,918,126,490.18	-	-	5,332,941,602.02
Less: PP	-	7,807,323,856.62	7,604,734,447.50	8,055,749,429.03	23,467,807,735.15
SCC	193,402,189.89	(1,315,933,036.46)	4,206,990,883.64	2,144,218,319.39	5,228,678,356.46

Table 4. Details of Stranded Contract Cost

26. Consistent with the Commission’s Decision in ERC Case No. 2011-091 RC mentioned above, wherein the Commission used four (4) years’ forecast of electricity sales based on the Department of Energy’s (DOE) Power Development Plan (PDP) in determining the four (4) year 2007-2010 UC-SCC rate, the UC-SCC rate for CY 2017 is derived by dividing the calculated CY 2017 SCC by one (1) year Electricity Sales Forecast for CY 2019 based on the PDP (2016-2030). The calculated SCC rate is PhP0.0582/kWh with details as follows:

UC-SCC For CY 2016 (in PhP)	Energy Sales Forecast (GWh)	UC-SCC Rate (PhP/kWh)
5,228,678,356.46	89,767	0.0582

Table 5. UC-SCC for CY 2017

VI.
VARIANCE ANALYSIS REPORT FOR CYs 2007-2013

28. Article VIII of the Amended Rules for Recovery provides, among others, that true-up adjustments shall be done on an annual basis to be initiated by PSALM through submission to the Commission of a detailed VAR certified by an Independent Third Party auditor. The VAR shall be the basis by which the Commission will approve inclusion of any under recovery in the current year's level of UC-SCC or mandate a reimbursement due to over recovery by way of reduction in the current year's level of UC-SCC.¹¹
29. Under Section 2, Article VIII of the Amended Rules for Recovery, the VAR to be submitted by the PSALM to the Commission for the UC-SCC recovery shall contain, at the minimum, the following:
- a. The variance analysis that would show a positive or negative Quantity Variance (QV), which refers to the difference between the energy sales used in determining the ERC-approved level of NPC SCC in PhP/kWh (billing determinant) and the actual energy (kWh) sales to end-users; and
 - b. The over or under recovery for the stranded contract costs which shall be calculated by multiplying the QV by the PhP/kWh SCC approved by the ERC.

VI - A.
**CYS 2007-2010 UC-SCC QV AND UNDER/(OVER)
RECOVERY FOR THE REMITTANCE PERIOD 01
APRIL 2013 - 31 JULY 2017**

30. In the Commission's Decision dated 28 January 2013 in ERC Case No. 2011-091 RC¹², PSALM was authorized to recover the total UC-SCC for CYs 2007-2010 amounting to PhP53.851 Billion, equivalent to PhPo.1938/kWh for the Luzon, Visayas and Mindanao Grids, to be collected from the consumers

¹¹ Section 1

¹² In the Matter of the Petition for the Recovery of NPC's SCC Portion of the UC, With Prayer for Provisional Authority

starting March 2013 billing period (26 February 2013 - 25 March 2013).

31. The billing determinant utilized by the Commission is 277,875 GWh, which corresponds to the four (4) year electricity sales under the DOE's PDP.
32. On 22 February 2017, PSALM filed an Urgent Motion for the continuous implementation of the ERC-approved UC-SCC for CYs 2007-2010 considering that there is still an under recovery amounting to PhP5,476,093,375.50 as of 15 February 2017 which is the end of the four (4)-year implementation of UC-SCC for CYs 2007-2010. Further, uninterrupted implementation of the UC-SCC rate would ensure continuous revenue streams for PSALM; otherwise, It may be forced to resort to borrowings to finance portion of its maturing obligations which cannot be covered by its privatization proceeds and revenues from operations.
33. The Commission, in its Order dated 06 March 2017, granted Petitioner's Motion and authorized PSALM to continuously implement the UC-SCC rate of PhPo.1938/kWh until the approved amount of PhP53.851 Billion UC-SCC is fully recovered.
34. For the period 01 April 2013 to 31 July 2017, the total UC-SCC remittances made by the collecting entities to PSALM amounted to PhP54,350,777,897.18 with an equivalent energy sales billed/remitted of 280,453.89 GWh which was derived by dividing the remittance amount of PhP54,350,777,897.18 by the ERC-approved UC-SCC rate of PhPo.1938/kWh (PhP53.851 Billion/277,875 GWh).
35. In accordance with the Amended Rules for Recovery, the QV, calculated as the difference between the billing determinant (277,875.00 GWh) and the equivalent energy sales billed/remitted (280,453.89 GWh), is negative 2,578.89 GWh.
36. The under/over recovery, pursuant to the Amended Rules for Recovery, is calculated by multiplying the QV of negative 2,578.89 GWh by the PhPo.1938/kWh SCC rate approved by the Commission (PhP53.851 Billion/277,875.47 GWh). The result is an over recovery of PhP499,777,897.18 for the CYs 2007-2010

UC-SCC for the period of 01 April 2013 to 31 July 2017, with details as follows:

PARTICULARS	QUANTITY VARIANCE (GWh)	AMOUNT (PhP)	RATE (PhP/kWh)
Billing Determinant and Approved Level of CYs 2007-2010 UC-SCC	277,875.00	53,851,000,000.00	0.1938
Less: Energy Sales Billed/Remitted covering 1 April 2013 to 31 July 2017 Remittance Period	280,453.89	54,350,777,897.18	0.1938
True-Up Adjustments/Under or (Over) Recovery	(2,578.89)	(499,777,897.18)	0.1938

Table 6. CYs 2007-2010 UC-SCC VAR

VI – B.
CYS 2011-2013 UC-SCC QV AND UNDER/(OVER) RECOVERY FOR THE REMITTANCE PERIOD 01 AUGUST 2017 - 31 DECEMBER 2017

37. In the Commission’s Decision dated 06 July 2017 in ERC Case Nos. 2013-160 RC¹³ and 2014-111 RC¹⁴, PSALM was authorized to recover the UC-SCC for CYs 2011-2013 amounting to PhP12.878 Billion, at the rate of PhP0.1938/kWh for the Luzon, Visayas and Mindanao Grids to be collected from the consumers for a period of ten (10) months starting July 2017 billing period (26 June 2017 - 25 July 2017).
38. The equivalent billing determinant of the ERC-approved CYs 2011-2013 UC-SCC is 66,449.17 GWh which was derived by dividing the approved amount of PhP 12,877.85 Million by the rate of PhP 0.1938/kWh.
39. Section 3, Article VII of the Amended Rules for Recovery provides that “[i]n the event that the total amount collected for the NPC SCC is greater than actual disbursements from the proceeds of the corresponding share in the UC, PSALM shall retain the balance within the specific Special Trust Fund to pay for periods where a shortfall occurs. However, in cases where over-recovery occurs, PSALM shall use the previous year’s plus amount to reduce the corresponding required NPC SCC in the UC for the current year.”

¹³ Petition for True-Up Adjustments for the NPC’s SCC Portion of the UC for CYs 2011 and 2012

¹⁴ Petition for the Availment of the NPC’s SCC Portion of the UC for CY 2013 and True-Up Adjustments for the NPC’s SCC Portion of the UC for CYs 2007-2010

40. Considering that the remittance of UC-SCC for CYs 2007-2010 posted an over-recovery amounting to PhP499,777,897.18, said over-recovery was used to reduce the CYs 2011-2013 UC-SCC from PhP12,877,850,000.00 to PhP12,378,072,102.82. Accordingly, the billing determinant for the CYs 2011-2013 UC-SCC was also reduced from 66,449.17 GWh to 63,870.28 GWh.
41. For the period 01 August 2017 to 31 December 2017, the total UC remittances made by the collecting entities to PSALM amounted to PhP6,424,786,029.55 with an equivalent energy sales billed/remitted of 33,151.63 GWh which was derived by dividing the remittance amount of PhP6,424,786,029.55 by the ERC-approved UC-SCC rate of PhP0.1938/kWh.
42. In accordance with the Amended Rules for Recovery, the QV, calculated as the difference between the billing determinant (63,870.28 GWh) and the equivalent energy sales billed/remitted (33,151.63), is 30,718.65 GWh.
43. The over/under recovery pursuant to the Amended Rules for Recovery, is calculated by multiplying the QV of 30,718.65 GWh by the PhP0.1938/kWh SCC rate approved by the Commission; thus, resulting to an under-recovery for the CYs 2011-2013 UC-SCC amounting to PhP5,953,286,073.27, details of which are shown below:

PARTICULARS	QUANTITY VARIANCE (GWh)	AMOUNT (PhP)	RATE (PhP/kWh)
Billing Determinant and Approved Level of CYs 2011-2013 SCC	66,449.17	12,877,850,000.00	0.1938
Less: Over Recovery from CYs 2007-2010 UC-SCC Remittances	2,578.89	499,777,897.18	0.1938
UC-SCC for CYs 2011-2013	63,870.28	12,378,072,102.82	0.1938
Less: Energy Sales Billed/Remitted covering 01 August 2017 to 31 December 2017 Remittance Period	33,151.63	6,424,786,029.55	0.1938
True-Up Adjustment /Under or (Over) Recovery	30,718.65	5,953,286,073.27	0.1938

Table 7. CYs 2011-2013 UC-SCC VAR

44. In compliance with Section 4(e) of Rule 3 of the EPIRA-IRR and Rule 6 of the ERC Resolution No. 38-2006, a copy of the instant Petition (including Annexes) was furnished the Sangguniang Panlungsod

of Quezon City. A copy of the Certification of Posting/Affidavit of Service is attached and made an integral part of the instant Petition. The Petition (excluding Annexes) was also published in a newspaper of general circulation. A copy of the Affidavit of Publication was also attached and made an integral part of the Petition.

VII.
ALLEGATIONS IN SUPPORT OF
THE ISSUANCE OF PROVISIONAL AUTHORITY

45. The instant petition covers the UC-SCC for CY 2017. The issuance of provisional authority for this petition would enable PSALM to immediately recover SCC, and use the UC-SCC proceeds to service maturing loan obligations that were incurred for the eligible IPP contracts. Provisional approval of this SCC will also reduce refinancing requirements of PSALM to service these maturing obligations, thus lessening additional borrowing costs.
46. Pursuant to the Commission's Rules of Practice and Procedure, the Commission may exercise its discretion by granting provisional authority (PA) or interim relief prior to a final decision.
47. In support of the prayer for the issuance of Provisional Authority, the Affidavit of Ms. Luisa A. Esteban, Manager of PSALM's Universal Charge and Administration Department, establishing certain facts and circumstances that would justify the Commission's exercise of discretion by granting PA or interim relief prior to a final decision is attached and made an integral part of the instant Petition.
48. It is understood that the interim relief sought by PSALM, that may be granted by the Commission, shall be subject to adjustments and other conditions that the Commission may impose after hearing and final determination of the Commission.

PRAYER

49. PSALM prays that, after due notice and hearing, the Commission approves the following:

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1. The calculated NPC SCC Portion of the UC for CY 2017 in the amount of PhP5,228,678,356.46, which is equivalent to PhP0.0582/kWh covering a one-year recovery period;
2. The True-Up Adjustment of the NPC SCC Portion of the UC for CYs 2007-2013 which resulted to an under recovery in the amount of PhP5,953,286,073.27 for the remittance period 01 April 2013 to 31 December 2017; and
3. Provisional Authority or interim relief allowing it to charge and collect the computed NPC SCC Portion of the UC for CY 2017 or such amount determined by the Commission.

The Commission has set the *Petition* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and venues:

Date and Time	Venue	Particulars
	LUZON	
02 October 2018 (Tuesday) at two o'clock in the afternoon (2:00 P.M.)	ERC Hearing Room, 15 th Floor, Pacific Center Building, San Miguel Avenue	Jurisdictional and Expository Presentation
	VISAYAS	
09 October 2018 (Tuesday) at two o'clock in the afternoon (2:00 P.M.)	ERC Visayas Field Office (VFO), St. Mary's Drive, Banilad, Cebu City	Expository Presentation and Pre-Trial Conference
	MINDANAO	
23 October 2018 (Tuesday) at two o'clock in the afternoon (2:00 P.M.)	ERC Mindanao Field Office (MFO), Mezzanine Floor, Mintrade Building, Monteverde Avenue cor. Sales Street, Davao City	Expository Presentation and Pre-Trial Conference
	LUZON	
30 October 2018 (Tuesday) at two o'clock in the afternoon (2:00 P.M.)	ERC Hearing Room, 15 th Floor, Pacific Center Building, San Miguel Avenue	Pre-trial Conference and Evidentiary Hearing

All persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission a verified Petition to Intervene at least five (5) days prior to the initial hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name and 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.

All other persons who may want their views known to the Commission with respect to the subject matter of the case may file their Opposition or Comment thereon at any stage of the proceeding before Petitioner rests its case, subject to the requirements under Rule 9 of the 2006 ERC 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 and address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

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All such persons who wish to have a copy of the *Petition* may request from Petitioner that it be furnished with the same, prior to the date of the initial hearing. Petitioner is hereby directed to furnish all those making such request with copies of the *Petition* and its attachments, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Petition* and other pertinent records filed with the Commission during the standard office hours.

Pasig City, 20 August 2018.

FOR AND BY AUTHORITY
OF THE COMMISSION:

Maria Corazon C. Gines
MARIA CORAZON C. GINES
OIC-Office of the Chairperson and CEO

W

[Signature]
LS: [unclear]/MCC/BSA/GLO

