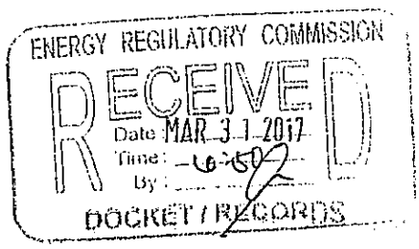
Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

IN THE MATTER OF THE APPLICATION: (A) TO CONFIRM THE GENERATION RATE OVER/UNDER RECOVERY (GOUR); TRANSMISSION RATE OVER/UNDER RECOVERY (TOUR); SYSTEM LOSS RATE OVER/UNDER RECOVERY (SLOUR); LIFELINE SUBSIDY OVER/UNDER RECOVERY (LSOUR); SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER/UNDER RECOVERY (SRDSOUR) PASS-THROUGH CHARGES FROM JANUARY 2014 TO DECEMBER 2016; AND REAL PROPERTY TAX PAYMENTS FROM JUNE 2014 TO DECEMBER 2016; AND (B) FOR AUTHORITY TO REFUND/RECOVER CONFIRMED OVER/UNDER RECOVERIES AND REAL PROPERTY TAX PAYMENTS, WITH PRAYER FOR PROVISIONAL AUTHORITY,



2017-060

ERC CASE NO. 2017-____ CF

MANILA ELECTRIC COMPANY (MERALCO),
Applicant.
x----------x

APPLICATION

Applicant **MANILA ELECTRIC COMPANY** ("**MERALCO**"), by counsel, respectfully states that:

1. MERALCO is a private corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office located at Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City. It may be served with notices and other processes of this Honorable Commission through its undersigned counsel at the address indicated herein.

2. MERALCO has a legislative franchise to construct, operate and maintain an electric power distribution system for the conveyance of electric power to the end-users in the cities and municipalities of Metro Manila, Bulacan, Cavite and Rizal, and certain cities/municipalities/barangays in Batangas, Laguna, Quezon and Pampanga, pursuant to Republic Act No. 9209.

3. Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 ("EPIRA"), allows Distribution Utilities (DUs), such as MERALCO, to recover just and reasonable costs to enable them to operate viably.

4. Under Article 5, Section 1 of ERC Resolution No. 16, Series of 2009, Distribution Utilities (DUs) must file their consolidated application to confirm their over/under recoveries on pass-through charges for the period January 2014 to December 2016 on or before 31 March 2017.[1]

5. This Application includes over/under recoveries of the following pass-through costs: (a) Generation Rate Over/Under Recovery (GOUR); (b) Transmission Rate Over/Under Recovery (TOUR); (c) System Loss Rate Over/Under Recovery (SLOUR); (d) Lifeline Subsidy Over/Under Recovery (LSOUR); (e) Senior Citizen Discounts and Subsidy Over/Under Recovery (SrDSOUR) for the period January 2014 to December 2016 and (f) payments on real property taxes, for the period June 2014 to December 2016.

6. Generation Charge over/under recovery occurs due to the lag in the recovery of generation costs from consumers. Basically, the rate used to compute for the generation charge in a current billing month is based on the generation cost incurred during the previous billing month, which is the supply month. Given the recovery lag and the monthly changing generation costs, over/under recoveries are expected as the generation cost for the current month is compared to the recoveries of the same month.

7. Using the formula provided in Section 2, Article 4 of Resolution No. 16, Series of 2009, MERALCO determined that it has net over recoveries in the Generation Charge in the amount of PhP4,919,162,892.94 for the period January 2014 until December

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[1] Article 5, Section1 of ERC Resolution No. 16, Series of 2009 provides:

> The period for filing of DUs for true-up adjustments for the period January 2011 to December 2013 is on March 31, 2014. Subsequently, the DUs shall file their respective consolidated applications every three (3) years following the sequence of period of filing prescribed above.

2016. The computation details of the Generation Over Recovery (GOR) are shown in ANNEX **"B"**, and made an integral part hereof.

8. The over/under recovery in Transmission Charge occurs because of the lag in the pass-on of transmission costs. When the actual transmission cost of the current month is compared to the transmission recoveries of the current month, which rates are computed based on previous month's cost, either an over or under recovery will result.

9. Using the formula provided in Section 3, Article 4 of Resolution No. 16, Series of 2009, MERALCO determined that it has net over recoveries in the Transmission Charge in the amount of PhP632,210,115.96 for the period January 2014 until December 2016. The computation details of the Transmission Over Recovery (TOR) are shown in ANNEX **"C"** and made an integral part hereof.

10. System Loss over/under recovery mainly occurs due to the difference between the actual average cost of system loss for a given year and the sum of the actual monthly system loss billings for that same year. As MERALCO's system loss percent (%) is already below the cap set by this Honorable Commission, the basis of its allowable cost of system loss is its actual system loss for a given year. Since the monthly system loss charge rates were computed using the previous month's average generation and transmission costs, and the latest 12 month moving system loss percentage (%), any difference from the actual annual data will result either in an over or under recovery in system loss.

11. Applying the formula contained in Section 4, Article 4 of Resolution No. 21, Series of 2010, MERALCO determined that it has a System Loss net Over Recovery in the amount of PhP1,242,760,988.35 covering the period January 2014 until December 2016. The computation details of the System Loss Over Recovery (SLOR) are shown in ANNEX **"D"**, and made an integral part hereof.

12. MERALCO incurred a net over recovery in the Lifeline Subsidy rate, given the lag in the billing of lifeline rate subsidies to non-lifeline consumers. The lifeline discount of the previous month is used to compute for the lifeline subsidy charge in the current billing month. Consequently, when the actual lifeline discount amount for the current month is compared to the lifeline subsidy amount for the same month, either an over or under recovery will result.

13. Applying the formula specified in Section 5, Article 4 of Resolution 16, Series of 2009, MERALCO determined a Lifeline Subsidy net over recovery in the amount of PhP130,627,106.04

covering the period January 2014 to December 2016. The computation details of the Lifeline Subsidy Over Recovery (LSOR) are shown in ANNEX **"E"**, and made an integral part hereof.

14. Relative to the Senior Citizen Subsidy and Discount, MERALCO incurred a net over recovery thereof due to the lag in the billing of senior citizen subsidy to non-senior citizen consumers. The senior citizen discount for the previous month is used to compute for the senior citizen subsidy charge in the current billing month. Consequently, when the actual senior citizen discount amount of the current month is compared to the senior citizen subsidy amount for the same month, either an over or under recovery will result.

15. Applying the formula provided under Article 7 of Resolution No. 23, Series of 2010, MERALCO determined a Senior Citizen Subsidy net over recovery in the amount of PhP2,325,583.09 covering the period January 2014 to December 2016. The computation details of the Senior Citizen Over Recovery (SrDSOR) are shown in ANNEX **"F"**, and made an integral part hereof.

16. The refund/collection of the over/under recoveries shall be made to both captive and contestable customers in accordance with ERC Resolution No. 16, Series of 2012.[2] Insofar as contestable customers are concerned, any generation over/under recoveries for the billing periods when they were still captive customers, will be refunded to and/or collected from them. These over/under recoveries shall be part of the DU's bill, as a separate line item, through the RES/Local RES/SOLR currently serving the contestable customers. Considering that the eligible customers opted for contestability on different dates starting July 2013, such is taken into consideration in the determination of the refundable generation cost to these customers.

17. In MERALCO's Application for the approval of its Annual Revenue Requirement (ARR) and Performance Incentive Scheme (PIS) for the Third Regulatory Period,[3] MERALCO proposed the forecasted real property tax to be paid during said period. In its Final Determination dated 6 June 2011, the Honorable Commission excluded real property tax payments from the ARR as follows:

> "The annual provision for real property tax that relates to poles and transformers, as shown in Table 4.6 above, is excluded from the annual revenue requirement. Taxes for which MERALCO's liability has not been confirmed should not be included. In the event of future imposition of

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2 Entitled "A Resolution Adopting the Transitory Rules for the Implementation of Open Access and Retail Competition".

3 Docketed as ERC Case No. 2010-069 RC.

additional real property taxes or should MERALCO become liable for taxes that are not included in the annual revenue requirement, Article XI of the RDWR allows for unexpected tax liabilities imposed during the Third Regulatory Period be means of a "Tax Event Pass Through".

18. Hence, while the Honorable Commission recognized the pass-through nature of real property taxes, it directed MERALCO to comply with the Tax Event Pass Through provision of the Rules for Setting Distribution Wheeling Rates (RDWR).

19. At the time the Final Determination was rendered, MERALCO's case relative to real property tax assessment was still pending before the appellate courts.

20. Thereafter, in 2014, citing the Local Government Code as basis, the City of Taguig assessed and imposed real property taxes on MERALCO's substations. MERALCO paid such assessment on 30 June 2014. Thereafter, the City of Valenzuela made a similar imposition on MERALCO's substation within its jurisdiction.

21. Subsequently, MERALCO received a Decision dated 5 August 2015 in G.R. No. 166102, entitled, *Manila Electric Company v. The City Assessor and City Treasurer of Lucena City* rendered by the Supreme Court which ruled that transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO are no longer exempted from real property tax and may qualify as "machinery" subject to real property tax under the Local Government Code. Nevertheless, the Supreme Court declared null and void the appraisal and assessment of said properties of MERALCO by the City Assessor in 1997 for failure to comply with the requirements of the Local Government Code and, thus, violating the right of MERALCO to due process. A copy of the Decision dated 5 August 2015 in G.R. No. 166102 is attached hereto as ANNEX **"G"**, and made an integral part hereof.

22. Hence, MERALCO intends to recover the payments it has made with respect to Real Property Tax (RPT) assessments for the afore-mentioned substations, and RPT assessments in accordance with the Supreme Court Decision. Copies of the assessment and official receipts evidencing payments are attached hereto as ANNEXES **"H and Series"**, and made integral parts hereof. However, MERALCO has no means of recovering said amount in the absence of the applicable rules to govern recovery. Thus, MERALCO deems it prudent to incorporate the recovery of its real property tax payments in the instant Application.

23. Applicant proposes that: (a) GOR, TOR, SLOR and LSOR be refunded to the customers for a period of thirty-six (36) months; (b) SrDSOR be refunded to the customers for a period of one (1) month; and (c) RPT payments be recovered from customers for a period of thirty-six (36), or until fully refunded/collected. This is consistent with previous decisions of the Honorable Commission wherein the recovery/refund period was equivalent to the period that the over/under recoveries were accumulated.

24. The computed total amount of the net over/under recoveries and proposed refund/recovery rates is summarized below:

Bill Component	Amount of (Over)/Under Recovery	Proposed (Refund)/Recovery Rate (PhP/kWh)*	Amortization Period
GOUR	(4,919,162,892.94)	(0.0502)	36 months
TOUR	(632,210,115.96)	(0.0051)	36 months
SLOUR	(1,242,760,988.35)	(0.0099)	36 months
LSOUR	(130,627,106.04)	(0.0017)	36 months
SrDSOUR	(2,325,583.09)	(0.0011)	1 month
Real Property Tax Payments	1,089,707,397.13	0.0087	36 months

25. Attached hereto as ANNEXES **"I", "J" "K", "L", "M" and "N"** are the detailed computation on how the amounts were translated into rates per kilowatt-hour.

26. In support of the instant Application, attached hereto as ANNEXES **"O"** and **"P"** and made integral parts hereof are the Judicial Affidavits of **MS. ARLYN I. DELA CRUZ**, Specialist, MERALCO's Purchased Power Pricing - Rates and Pricing, Regulatory Management Office (RMO) and **MR. GERARDO E. ESPIRIDION,** Head of MERALCO's Tax Management and Reporting Office.

PRAYER

WHEREFORE, it is respectfully prayed to this Honorable Commission that, the instant Application be APPROVED authorizing MERALCO to refund/recover to/from its customers, as applicable, the following amounts which represent the over/under recoveries for the generation, transmission, system loss, lifeline subsidy, senior citizen discount and subsidy, and real property tax payments as pass-through charges at the corresponding rate/kWh indicated in the table below and the proposed refund/recovery period.

Bill Component	Amount of (Over)/Under Recovery	Proposed (Refund)/Recovery Rate (PhP/kWh)	Amortization Period
GOUR	(4,919,162,892.94)	(0.0502)	36 months
TOUR	(632,210,115.96)	(0.0051)	36 months
SLOUR	(1,242,760,988.35)	(0.0099)	36 months
LSOUR	(130,627,106.04)	(0.0017)	36 months
SrDSOUR	(2,325,583.09)	(0.0011)	1 month
Real Property Tax Payments	1,089,707,397.13	0.0087	36 months

Pending hearing, MERALCO prays that a provisional authority be issued authorizing MERALCO to collect/refund the over/under recoveries.

MERALCO prays for such other relief just and equitable under the premises.

Pasig City, 30 March 2017.

MANILA ELECTRIC COMPANY (MERALCO)
Applicant
Lopez Building,
Ortigas Avenue,
Barangay Ugong, Pasig City

By:

FRANCIS DINO S. ANTONIO
Roll of Attorneys No. 48145
PTR No. 2684871; 01/27/17; Pasig City
IBP No. 1061089; 01/10/17; RSM
MCLE Compliance No. V-0004608; 6 November 2014

HAZEL ROSE B. SEE
Roll of Attorneys No. 48265
PTR No. 2684876; 01/27/17; Pasig City
IBP LRN No. 06460; 1/16/07; QC
MCLE Compliance No. VI-0000253; 11 July 2016

MONICA M. MARTIN
Roll of Attorneys No. 55693
PTR No. 2684873; 01/27/17; Pasig City
IBP No. 1061092; 01/10/17; RSM
MCLE Compliance No. VI-0000239; 11 July 2016

ADRIAN REX C. DIMALANTA
Roll of Attorneys No. 61149
PTR No. 2684874; 01/27/17; Pasig City
IBP No. 1061094; 01/10/17; PPLM
MCLE Compliance No. VI-0000233; 11 July 2016

7th Floor Lopez Building, Ortigas Avenue
Barangay Ugong, Pasig City
Telephone Number 1622-2260; Fax No. 1622-3550
Email address: regulatory.legal.admin@meralco.com.ph

REPUBLIC OF THE PHILIPPINES)
CITY OF PASIG)) S.S.

VERIFICATION and CERTIFICATION ON NON-FORUM SHOPPING

I, **JOSE RONALD V. VALLES,** Filipino, of legal age and with office address at 7th Floor, Lopez Building, MERALCO Center, Ortigas Avenue, Pasig City, after being sworn to in accordance with law, hereby depose and say, THAT-

1. I am the Vice President and Head, Regulatory Affairs Office of Manila Electric Company (MERALCO);

2. I caused the preparation of this Application and I have read and understood the allegations contained therein; and that all the facts stated therein are true and correct based on authentic records made available to me in the ordinary course of business of MERALCO;

3. I am duly authorized by the Board of Directors to certify that MERALCO has not heretofore commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other tribunal or agency. A copy of the Secretary's Certificate authorizing me to cause the preparation of the instant Application and to sign this verification and certification is attached as ANNEX **"A"** and made an integral part hereof;

4. To the best of my knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals, or any other tribunal or agency;

5. If I should hereafter learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or any other tribunal or agency, I undertake to report such fact within five (5) days therefrom to this Honorable Commission.

MAR 3 0 2017

IN WITNESS WHEREOF, I have hereunto affixed my signature this _th day of March 2017 at Pasig City, Philippines.

JOSE RONALD V. VALLES
Affiant

MAR 3 0 2017

SUBSCRIBED and SWORN to before me this ___ day of March 2017, at Pasig City, Philippines, affiant having exhibited to me his Social Security System ID bearing the number 33-10900088.

Doc. No. 50
Page No. 11
Book No. I
Series of 2017.

ATTY. GARRI T. CALABIO
Notary Public
Pasig, San Juan and Pateros
Issued on March 6, 2017 at Pasig City
Appointment No. 109 (2017-2018)
Roll No. 57925 / IBP No. 1062724; 1-9-2017 RSM Chapter
PTR No. 2682549; 01-25-2017 Pasig City
MCLE No. VI-0000227; 7-11-2016
8th Floor lopez Bldg. Ortigas Avenue, Pasig City

MERALCO

ORTIGAS AVENUE, PASIG CITY
0300 PHILIPPINES

ANNEX "A"

SECRETARY'S CERTIFICATE

I, WILLIAM S. PAMINTUAN, a duly elected, qualified and incumbent Assistant Corporate Secretary of the Manila Electric Company (MERALCO), a corporation duly organized and existing under and by virtue of the laws of the Philippines, do hereby certify that:

At the regular meeting of the Board of Directors of the Company duly convened and held on February 23, 2015, at which meeting a quorum was present, acted throughout and voted, the following resolution amending the resolution of the Board on January 27, 2014 on the same subject, was approved and that said amendatory resolution is in full force and effect on the date hereof:

"RESOLVED, that the Board of Directors of the Manila Electric Company (MERALCO) authorize, as it hereby authorizes, Messrs. MANUEL V. PANGILINAN, Chairman, OSCAR S. REYES, President & Chief Executive Officer, SIMEON KEN R. FERRER, Corporate Secretary, ALFREDO S. PANLILIO, Senior Vice President, Head, Customer Retail Services and Head, Corporate Communication, RAMON B. SEGISMUNDO, Senior Vice President & Head, Human Resources & Corporate Services, ROBERTO R. ALMAZORA, Senior Vice President, RAFAEL L. ANDRADA, First Vice President & Treasurer, RUBEN B. BENOSA, First Vice President & Head, Corporate Logistics, Ms. IVANNA G. DELA PEÑA, First Vice President & Head, Regulatory Management Office, WILLIAM S. PAMINTUAN, First Vice President, Assistant Corporate Secretary, Compliance Officer and Head, Legal and Corporate Governance, RONNIE L. APEROCHO, First Vice President & Head, Networks, MARTHYN S. CUAN, Vice President & Head, Corporate Information and Technology, JOSE RONALD V. VALLES, Vice President and Head, Regulatory Affairs, MARIA ZARAH R. VILLANUEVA-CASTRO, Senior Assistant Vice President & Head, Corporate Legal Services, HORATIO ENRICO M. BONA, Assistant Vice President & Head, Litigation Team 2, RAUL G. CORALDE, Assistant Vice President & Head, Litigation Team 1, MICHELLE O. DELOS SANTOS-BONA, Assistant Vice President & Head, Legal Operations Support, EUGENE JUDE DENIS GERARD E. ALABANZA, Senior Manager & Head, Litigation Team 3, CORNELIO MANUEL C. DICCION, Manager & Legal Counsel, and any lawyer or employee of MERALCO that any of them may designate, name or appoint:

(1) to represent the Company, in the institution, prosecution, and defense of any claim, complaint, action, proceeding, petition, application, protest, suit, or case, for or against the Company, before any court, prosecutor's office, regulatory, quasi-judicial, or administrative body, agency, or office of the national or any local government;

(2) to sign, execute, and deliver in connection therewith the necessary or appropriate complaint, petition, application, position paper, memorandum, all types of pleadings and motions, verifications, affidavit-complaint, counter-affidavit, affidavit of merit, affidavit of desistance, affidavit of witness, and all other affidavits of whatever nature, certificate of non-forum shopping,

powers of attorney, certifications, and all other instruments as may be necessary or proper;

(3) to represent the Company or to designate, name, and appoint a representative or an attorney-in-fact in behalf of the company during the investigation, inquest, preliminary investigation, preliminary conference, pre-trial, mediation, conciliation, arbitration, trial, execution, and all other stages of or incidents related to the case, proceeding or action; to negotiate, enter into, and agree to an amicable settlement, compromise agreement, plea bargaining, admissions or stipulations of fact or documents, simplification of issues, limitation on the number of witnesses, alternative modes of dispute resolution, withdrawal, dismissal or waiver of claim or action; and to perform and execute any and all actions or deeds as may aid in the prompt disposition of such cases, proceedings, or actions filed in behalf of or against the Company;

"RESOLVED, FURTHER, that any previous resolution of the Board of Directors on the same subject matter that is inconsistent herewith shall be deemed terminated, superseded and revoked."

Pursuant to the above resolutions, it is hereby certified that MERALCO is authorized to file the Application, entitled "IN THE MATTER OF THE APPLICATION: (A) TO CONFIRM THE GENERATION RATE OVER/UNDER RECOVERY (GOUR); TRANSMISSION RATE OVER/UNDER RECOVERY (TOUR); SYSTEM LOSS RATE OVER/UNDER RECOVERY (SLOUR); LIFELINE SUBSIDY OVER/UNDER RECOVERY (LSOUR); SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER/UNDER RECOVERY (SRDSOUR) PASS-THROUGH CHARGES FROM JANUARY 2014 TO DECEMBER 2016; AND REAL PROPERTY TAX PAYMENTS FROM JUNE 2014 TO DECEMBER 2016; AND (B) FOR AUTHORITY TO REFUND/RECOVER CONFIRMED OVER/UNDER RECOVERIES AND REAL PROPERTY TAX PAYMENTS, WITH PRAYER FOR PROVISIONAL AUTHORITY," with the Energy Regulatory Commission (ERC), and that Atty. Jose Ronald V. Valles, Vice President and Head, Regulatory Affairs, is an authorized representative and signatory of the Company with respect to the aforesaid Application.

WITNESS THE SIGNATURE of the undersigned as such officer of the Company and its corporate seal hereunto affixed on this 30 day of March 2017.

WILLIAM S. PAMINTUAN
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAR 30 2017 day of March 2017, affiant exhibited to me his Taxpayer Identification Number (TIN) 146-473-562, issued by the Bureau of Internal Revenue (BIR) as his competent evidence of identity.

Doc. No. 145;
Page No. 30;
Book No. III;
Series of 2017.

ATTY. MICHAEL DAVID B. AZUCENA
Notary Public
Pasig, San Juan, Taguig and Pateros
Issued on December 29, 2015 at Pasig City
Appointment No. 76 (2016-2017)
Roll No. 58433/ IBP No. 1062733/ 01-09-17 Makati Chapter
PTR No. 2682556/ 01-25-17 Pasig City
MCLE VI-0000223-07/11/16
8th Floor Lopez Bldg. Ortigas Avenue, Pasig City

Tribune
WITHOUT FEAR OR FAVOR

REPUBLIC OF THE PHILIPPINES)
MANILA)S.S.

AFFIDAVIT OF PUBLICATION

I, **Teresita Z. Sorsogon** legal age, Filipino and residing at c/o **THE TRIBUNE PUBLISHING CO., INC.** Room 101, Bel-Air Apartment, #1020 Roxas Blvd. Ermita, Manila, Philippines, after having been duly sworn to in accordance with the law, hereby declare and testify.

That I am the Advertising Coordinator of **THE DAILY TRIBUNE**, a newspaper which is published in English, edited and printed in Metro Manila, and circulated nationwide from Monday to Sunday with editorial and business address at Room 101, Bel-Air Apartment, #1020 Roxas Blvd. Ermita, Manila, Philippines,

That the

APPLICATION

APPLICANT/PETITIONER

MANILA ELECTRIC COMPANY (MERALCO)

text of which could be read/described as follows:

AS PER ATTACHED
has been published in **The Daily Tribune** in its isue
March 31, 2017

AFFIANT FURTHER SAYETH NAUGHT
Manila, Philippines

TERESITA Z. SORSOGON
Affiant

SUBSCRIBED and SWORN to before-me this MAR 31 2017 day of _____, at Manila, Philippines.

Affiant exhibited to me her Residence Certificate #00002863 issued in San Mateo, Rizal on January 03, 2017.

ATTY. LUCIA V. OLIVEROS
NOTARY PUBLIC UNTIL DEC. 31 2017
IBP No: [illegible] / JAN-3-2017
PTR No: [illegible] 1287
MCLE [illegible] 0017455 / 4-4-2016
COMMISSION No. : 2016-143

Doc. No. 441
Page No. 89
Book No. XXV
Series of 2017.

Republic of the Philippines)
Pasig City)) S.S.

AFFIDAVIT OF PROOF OF SERVICE

I, **ERWIN F. CIERVA**, Filipino, of legal age, and with office address at 7th Floor, Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City, after having been duly sworn to in accordance with law, hereby depose and say that:

1. I am an employee of MIESCOR Logistics, Inc. currently assigned at the Regulatory Legal Office of MERALCO.

2. I served a copy of the Application, entitled, "IN THE MATTER OF THE APPLICATION: (A) TO CONFIRM THE GENERATION RATE OVER/UNDER RECOVERY (GOUR); TRANSMISSION RATE OVER/UNDER RECOVERY (TOUR); SYSTEM LOSS RATE OVER/UNDER RECOVERY (SLOUR); LIFELINE SUBSIDY OVER/UNDER RECOVERY (LSOUR); SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER/UNDER RECOVERY (SRDSOUR) PASS-THROUGH CHARGES FROM JANUARY 2014 TO DECEMBER 2016; AND REAL PROPERTY TAX PAYMENTS FROM JUNE 2014 TO DECEMBER 2016; AND (B) FOR AUTHORITY TO REFUND/RECOVER CONFIRMED OVER/UNDER RECOVERIES AND REAL PROPERTY TAX PAYMENTS, WITH PRAYER FOR PROVISIONAL AUTHORITY", MANILA ELECTRIC COMPANY, APPLICANT," before filing the same to the Energy Regulatory Commission (ERC) to:

By Personal Service:

Office of the Sangguniang Panlungsod
City Government of Pasig

3. That I served a copy of the Application, with attached Annexes, upon the above-written address today, 31 March 2017, by personal service. Attached is a copy of the first page of the Application showing proof of receipt by the Office of the Sangguniang Panlungsod.

IN WITNESS WHEREOF, I have hereunto signed this Affidavit on this 31st day of March 2017 at Pasig City.

ERWIN F. CIERVA
Affiant

SUBSCRIBED AND SWORN to before me this 31 March 2017, affiant exhibiting to me his Social Security System ID bearing the number 3405722964.

Doc. No. 153;
Page No. 31;
Book No. III;
Series of 2017.

ATTY. MICHAEL DAVID B. AZUCENA
Notary Public
Pasig, San Juan, Taguig and Pateros
Issued on December 29, 2015 at Pasig City
Appointment No. 76 (2016-2017)
Roll No. 58133/ IBP No. 1002733/ 01-09-17 Makati Chapter
PTR No. 2682556/ 01-25-17 Pasig City
MCLE VI-0000223-07/11/16
8th Floor Lopez Bldg. Ortigas Avenue, Pasig City

MERALCO

RECEIVED
SECRETARIAT
PASIG CITY COUNCIL.

BY: Renjo Jose
DATE: 3-31-17 TIME: 1:16 p.m.

March 31, 2017

Office of the Sangguniang Panlungsod
City of Pasig

Gentlemen:

Attached is a copy of a verified Application entitled: "IN THE MATTER OF THE APPLICATION: (A) TO CONFIRM THE GENERATION RATE OVER/UNDER RECOVERY (GOUR); TRANSMISSION RATE OVER/UNDER RECOVERY (TOUR); SYSTEM LOSS RATE OVER/UNDER RECOVERY (SLOUR); LIFELINE SUBSIDY OVER/UNDER RECOVERY (LSOUR); SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER/UNDER RECOVERY (SRDSOUR) PASS-THROUGH CHARGES FROM JANUARY 2014 TO DECEMBER 2016; AND REAL PROPERTY TAX PAYMENTS FROM JUNE 2014 TO DECEMBER 2016; AND (B) FOR AUTHORITY TO REFUND/RECOVER CONFIRMED OVER/UNDER RECOVERIES AND REAL PROPERTY TAX PAYMENTS, WITH PRAYER FOR PROVISIONAL AUTHORITY," with attached Annexes, being served to your Office, prior to its filing with the Energy Regulatory Commission (ERC).

Please acknowledge receipt thereof in the suggested form attached.

Very truly yours,

FRANCIS DINO S. ANTONIO
Head, Regulatory Legal

/hrbs/mmm

Republic of the Philippines
SANGGUNIANG PANLUNGSOD
City Government of Pasig

ACKNOWLEDGEMENT

This is to acknowledge the receipt of a copy of Manila Electric Company (MERALCO) verified Application entitled **"IN THE MATTER OF THE APPLICATION: (A) TO CONFIRM THE GENERATION RATE OVER/UNDER RECOVERY (GOUR); TRANSMISSION RATE OVER/UNDER RECOVERY (TOUR); SYSTEM LOSS RATE OVER/UNDER RECOVERY (SLOUR); LIFELINE SUBSIDY OVER/UNDER RECOVERY (LSOUR); SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER/UNDER RECOVERY (SRDSOUR) PASS THROUGH CHARGES FROM JANUARY 2014 TO DECEMBER 2016; AND REAL PROPERTY TAX PAYMENTS FROM JUNE 2014 TO DECEMBER 2016; AND (B) FOR AUTHORITY TO REFUND/RECOVER CONFIRMED OVER/UNDER RECOVERIES AND REAL PROPERTY TAX PAYMENTS, WITH PRAYER FOR PROVISIONAL AUTHORITY,"** *with* ***attached Annexes,*** served by MERALCO, prior to its filing with the Energy Regulatory Commission (ERC).

This acknowledgement is being used upon the request of MERALCO for whatever legal intents and purpose it may serve.

Issued this **3rd** day of **April 2017** at Pasig City.

REYNALDO R. SAN BUENAVENTURA III
Acting City Council Secretary

NBI probes P74-M NPO print job scam

PAGE 4

Daily Tribune
WITHOUT FEAR OR FAVOR

Cloudy skies with light rains will be experienced over Cagayan Valley region. Partly cloudy to cloudy skies with isolated rainshowers or thunderstorms is expected over Metro Manila and the rest of the country. Moderate to strong winds blowing from the Northeast will prevail over Luzon and its coastal waters will be moderate to rough. Elsewhere, winds will be light to moderate coming from the East to Northeast with slight to moderate seas. Temperature range: 24.6°C to 32.8°C.

Jinggoy seeks furlough to attend Erap's 80th birthday

By Alvin Murcia

Former Sen. Jinggoy Estrada has asked the Sandiganbayan to allow him to leave detention to attend the 80th birthday celebration of his father, former President and incumbent Manila Mayor Joseph "Erap" Estrada, on April 19.

In a five-page motion, the younger Estrada requested the anti-graft court's Fifth Division that he be granted a 12-hour furlough from April 18 to 6 p.m. of April 19 "to join in the preparation and organizing of his father's birthday celebration under conditions to be set by the Court as in the other pass and

Turn to page 7

No. 343 Manila, Philippines • Friday, March 31, 2017 • http://www.tribune.net.ph • ISSN#1908-6432 12 pages • P18

ody blasts media, Church, EU

'Yellow' media, ABS-CBN, PDI named as unfair

By Ted Tuvera

Yesterday was a ranting day for President Duterte, as he blasted at least three institutions: The media, the Catholic Church and the European Union (EU), for their almost daily criticisms of him and his presidency.

However, he did not lump all of the media, as he zeroed in only on the television network ABS-CBN and the *Philippine Daily Inquirer*, both of which he said were owned by oligarchs.

Mr. Duterte lashed out at the two media entities on their running critical reports against him.

In his speech at the mass oath taking of newly appointed government officials, the Chief Executive pointed out that a national broadsheet and a major television network with alleged vested interests have never been fair to him and his administration.

"You know that the

Turn to page 7

Move to oust 'popular' DU30 unlikely to take off – Stratfor

Despite the scaled up efforts for his ouster, President Duterte, "less than a year into his term," still has enough support among the population, the legislature and the country's biggest power brokers to fend off threats to his rule, US-based strategic analysis and forecasting firm Stratfor said in a report

The report, issued yesterday and titled "In the Philippines, *'The Punisher' Takes a Beating,"* said challenges to Duterte's hold on power, "whether in the form of an impeachment or a coup, are unlikely to gain momentum while he remains popular."

It added, however, China's unrelenting attempts to extend its maritime boundaries will complicate its *detente* with the Philippines and "undermine Duterte's political support at home."

Stratfor added the president's contentious domestic agenda will test the mettle of his ruling coalition.

Stratfor is the same think tank that opponents of former President Joseph Estrada used to oust him from power.

On November 22, 1999, Stratfor issued a report called *"Philippine President's Days Are Numbered"* referring to Estrada.

"Whether removed by force or by the broad coalition arrayed against him, Estrada is unlikely to fulfill his six-year term in office," the report stated then.

The forecast was part of a "Global Intelligence Update" (or GIU) that Stratfor produced daily and sent to its registered subscribers for free.

The forecast was used by anti-Estrada forces to mobilize popular opposition. The Estrada administration, however, dismissed the Stratfor analysis as guesswork. "It's like the

Turn to page 3

ce brands impeach addendum as 'nonsense'

ildo

Rep. Gary Alejano ter an impeachment nst President Duterte plemental complaint sing the President of sert the country's reign rights over the nd refusing to protest or raise the issue over the plan of China to construct an environmental monitoring station in South China Sea which are issues the Palace called as "non-sense."

President Duterte's chief lawyer dismissed as irrelevant and immaterial the supplemental impeachment complaint of Alejano.

Chief Presidential Legal Counsel Salvador Panelo said Magdalo Partylist Rep. Gary Alejano was merely promoting himself to gain some prominence.

"Alejano's supplemental impeachment complaint is nonsense geared for propaganda and publicity for himself," Panelo said.

Alejano, a former mutineer turned lawmaker, said in his complaint that Mr. Duterte failed to defend and assert the country's territorial and sovereign rights over Benham Rise and Panatag (Scarborough) Shoal against reported Chinese incursions.

The original impeachment case against the President, which was filed last March 16, cited the more than

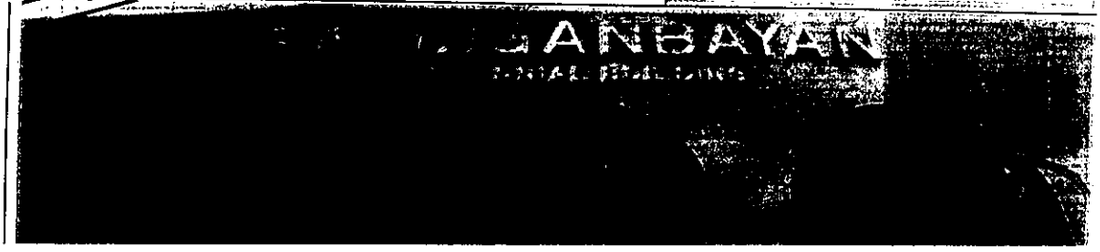
Turn to page 7

terte protection 'easier said than one' – solons

Rosales

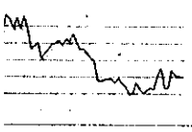
Rodrigo

Senators Panfilo Lacson and Francis Escudero noted the improbability of Mr.



DAILY • TRIBUNE
Business
Mario F. Fetalino Jr., *Asst. Editor*
Friday, March 31, 201

PESO-DOLLAR RATES



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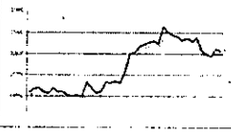
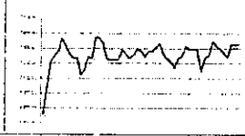
HIGH	50.21
LOW	50.17
CLOSE	50.20
AVE.	50.194
VOLUME	$137M

DOW JONES



▼ 42.18 pts.
20,659.32

PHISIX



▲ 8.59 pts
7,332.59

Index Summary As of March 30, 20

Index	Value	Change	% Change	
PSEi	7,332.59	8.59	0.12 ▲	Total Volume 864,734,453
All Shares	4,411.65	7.35	0.17 ▲	Total Trades 68,233
Financials	1,824.29	0.15	0.01 ▼	Total Value 7,637,779,938
Industrial	10,961.63	118.07	1.09 ▲	Advances 91
Holding Firms	7,494.02	0.26	0.00 ▲	Declines 92
Services	1,531.95	1.77	0.12 ▲	Unchanged 49
Mining and Oil	12,028.29	65.44	0.55 ▲	
Property	3,159.60	10.69	0.34 ▼	

I hate politics – Lopez

mhattled Environment Secretary Gina Lopez mently denied that her feisty stand against mining s is a strategy to clinch victory in the 2019 torial elections.

No way. I don't like politics," the secretary told *Daily Tribune*.

opez is back from the United States after an st three-week vacation.

he left the country last March 10, 2017, two days r her third bypass by the Commission on intments (CA).

opez said she is more of an "implementor" and politician.

"I don't like the working lives of senators and congressmen. I am more of an implementor," Lopez said.

The Department of Environment and Natural Resources (DENR) chief didn't reply when asked if the three bypasses she suffered from the CA hasn't waned her desire to serve the public.

Upon her return, Lopez was tough as ever, standing on her conviction that the 25 mining firms the DENR recommended for closure should remain.

She also hinted that she's having a hard time to hurdle the CA because majority of its members either have stakes on mining companies or received campaign donations from these firms.

A number of lawmakers have already admitted their interests and stakes in mining.

Some of them are Sen. Panfilo Lacson, who admitted receiving P5 million campaign funds from Nickel Asia; Rep. Butch Pichay, who has a 35 percent ownership of a mining business in his province in Surigao; Sen. Sherwin Gatchalian, whose family is a majority owner of Wellex Mining; and Sen. Ronaldo Zamora, whose brother, Manuel, is chairman of at least four major mining outfits.

However, sources are not buying the denial of Lopez about her political plans. "That's the safest reply for now," said a president of a listed nick mining firm in Surigao del Norte.

The miner said Lopez's populist stance only remin how Presidents Duterte and Trump won via th campaign strategy.

"She might become a president, who knows another miner said.

Meanwhile, Environmental Alliance Alyansa Ti Mina (ATM) is calling on Duterte to immediate reappoint Lopez.

Her reappointment is a necessary ingredient f genuine reforms in the DENR and to attain soci justice, the group said.

This is consistent with the challenge Duterte to bring change to Filipinos and protect the environment for future generatior they added.

ATM said the resistance against t confirmation of Lopez is led by busine interests, and articulated by DoF Secreta Carlos Dominguez.

"We call out the country's oligarchs as t biggest blocks to attaining genuine reforms the mining industry. The industry players w are backed by people in power, legislators wi mining links and even Secretary Carl Dominguez, are challenging recent refor efforts by Secretary Gina Lopez including t mining audit and orders of suspension ar closure," ATM said.

They said big people in the count consolidated their powers in business ar politics. A research of people behind the mini companies affected by Lopez's orders sho the same big names in politics and oth businesses, they added.

"There's the Romualdezes' Benguet Cor Zamora's Nickel Asia Corp., Pangilinan's Phil Mining Corp., Consunji's Zambales nickel mi and Gatchalian's Wellex Mining Corp.," the grou said.

Jaybee Garganera, ATM nation coordinator said, "We studied the mini companies that will be affected by closure a suspension orders of Secretay Lopez, includi the issuance of "show-cause orders" to mini projects in watershed areas. We found comm names and these are people with influence bo in business and politics. We surmise that the are the same powers that are blocking o reform initiatives."

He said, "However this is not really new the Philippines. The people in power are al the ones involved in businesses and in vario industries. What is sad is that the mini industry impacts the poorest of the poor in t rural communities and their enemies are th with big influences in business and politics.

"We hope that Secretary Lopez and Preside Duterte will continue to be our champio against the elite. We hope they will champi the interests of the poor against the intere of the elite," he said.

The campaign of the Chamber of Mines the Philippines against the appointment Secretary Lopez and the recent decision of t Commission on Appointments recent decisi to bypass her appointment show how th oligarchs succeed in preventing real change happen, according to ATM.

ATM said the push for a new mining l will be harder because of legislators w mining links who sell the idea that t Philippine Mining Act of 1995 (RA 7942) is b for their businesses and the Philippi economy.

Ed Velas

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

THE MATTER OF THE APPLICATION: (A) TO NFIRM THE GENERATION RATE OVER/UNDER COVERY (GOUR); TRANSMISSION RATE OVER/ DER RECOVERY (TOUR); SYSTEM LOSS RATE ER/UNDER RECOVERY (SLOUR); LIFELINE BSIDY OVER/UNDER RECOVERY (LSOUR); NIOR CITIZEN DISCOUNT AND SUBSIDY OVER/ DER RECOVERY (SRDSOUR) PASS-THROUGH ARGES FROM JANUARY 2014 TO DECEMBER 6; AND REAL PROPERTY TAX PAYMENTS FROM IE 2014 TO DECEMBER 2016; AND (B) FOR THORITY TO REFUND/RECOVER CONFIRMED ER/UNDER RECOVERIES AND REAL PROPERTY PAYMENTS, WITH PRAYER FOR PROVISIONAL THORITY,

ERC CASE NO. 2017-____ CF

NILA ELECTRIC COMPANY (MERALCO),

Applicant.

x

APPLICATION

Applicant **MANILA ELECTRIC COMPANY ("MERALCO")**, by counsel, respectfully states that:

1. MERALCO is a private corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office located at Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City. It may be served with notices and other processes of this Honorable Commission through its undersigned counsel at the address indicated herein.
2. MERALCO has a legislative franchise to construct, operate and maintain an electric power distribution system for the conveyance of electric power to the end-users in the cities and municipalities of Metro Manila, Bulacan, Cavite and Rizal, and certain cities/municipalities/barangays in Batangas, Laguna, Quezon and Pampanga, pursuant to Republic Act No. 9209.
3. Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 ("EPIRA"), allows Distribution Utilities (DUs), such as MERALCO, to recover just and reasonable costs to enable them to operate viably.
4. Under Article 5, Section 1 of ERC Resolution No. 16, Series of 2009, Distribution Utilities (DUs) must file their consolidated application to confirm their over/under recoveries on pass-through charges for the period January 2014 to December 2016 on or before 31 March 2017.
5. This Application includes over/under recoveries of the following pass-through costs: (a) Generation Rate Over/Under Recovery (GOUR); (b) Transmission Rate Over/Under Recovery (TOUR); (c) System Loss Rate Over/Under Recovery (SLOUR); (d) Lifeline Subsidy Over/Under Recovery (LSOUR); (e) Senior Citizen Discounts and Subsidy Over/Under Recovery (SrDSOUR) for the period January 2014 to December 2016 and (f) payments on real property taxes, for the period June 2014 to December 2016.
6. Generation Charge over/under recovery occurs due to the lag in the recovery of generation costs from consumers. Basically, the rate used to compute for the generation charge in a current billing month is based on the generation cost incurred during the previous billing month, which is the supply month. Given the recovery lag and the monthly changing generation costs, over/under recoveries are expected as the generation cost for the current month is compared to the recoveries of the same month.
7. Using the formula provided in Section 2, Article 4 of Resolution No. 16, Series of 2009, MERALCO determined that it has net over recoveries in the Generation Charge in the amount of PhP4,919,162,892.94 for the period January 2014 until December 2016. The computation details of the Generation Over Recovery (GOR) are shown in ANNEX "B", and made an integral part hereof.
8. The over/under recovery in Transmission Charge occurs because of the lag in the pass-on of transmission costs. When the actual transmission cost of the current month is compared to the transmission recoveries of the current month, which rates are computed based on previous month's cost, either an over or under recovery will result.
9. Using the formula provided in Section 3, Article 4 of Resolution No. 16, Series of 2009, MERALCO determined that it has net over recoveries in the Transmission Charge in the amount of PhP632,210,115.96 for the period January 2014 until December 2016. The computation details of the Transmission Over Recovery (TOR) are shown in ANNEX "C" and made an integral part hereof.
10. System Loss over/under recovery mainly occurs due to the difference between the actual average cost of system loss for a given year and the sum of the actual monthly system loss billings for that same year. As MERALCO's system loss percent (%) is already below the cap set by this Honorable Commission, the basis of its allowable cost of system loss is its actual system loss for a given year. Since the monthly system loss charge rates were computed using the previous month's average generation and transmission costs, and the latest 12 month moving system loss percentage (%), any difference from the actual annual data will result either in an over or under recovery in system loss.
11. Applying the formula contained in Section 4, Article 4 of Resolution No. 21, Series of 2010, MERALCO determined that it has a System Loss net Over Recovery in the amount of PhP1,242,760,988.35 covering the period January 2014 until December 2016. The computation details of the System Loss Over Recovery (SLOR) are shown in ANNEX "D", and made an integral part hereof.
12. MERALCO incurred a net over recovery in the Lifeline Subsidy rate, given the lag in the billing of lifeline rate subsidies to non-lifeline consumers. The lifeline discount of the previous month is used to compute for the lifeline subsidy charge in the current billing month. Consequently, when the actual lifeline discount amount for the current month is compared to the lifeline subsidy amount for the same month, either an over or under recovery will result.
13. Applying the formula specified in Section 5, Article 4 of Resolution 16, Series of 2009, MERALCO determined a Lifeline Subsidy net over recovery in the amount of PhP130,627,106.04 covering the period January 2014 to December 2016. The computation details of the Lifeline Subsidy Over Recovery ("LSOR") are shown in ANNEX "E", and made an integral part hereof.
22. Hence, MERALCO intends to recover the payments it has made with respect to Real Property Tax (RPT) assessments for the afore-mentioned substations, and RPT assessments in accordance with the Supreme Court Decision. Copies of the assessment and official receipts evidencing payments are attached hereto as ANNEXES "H and Series" and made integral parts hereof. However, MERALCO has no means of recovering said amount in the absence of the applicable rules to govern recovery. Thus, MERALCO deems it prudent to incorporate the recovery of its real property tax payments in the instant Application.
23. Applicant proposes that: (a) GOR, TOR, SLOR and LSOR be refunded to the customers for a period of thirty-six (36) months; (b) SrDSOR be refunded to the customers for a period of one (1) month; and (c) RPT payments be recovered from customers for a period of thirty-six (36), or until fully refunded/ collected. This is consistent with previous decisions of the Honorable Commission wherein the recovery/refund period was equivalent to the period that the over/under recoveries were accumulated.
24. The computed total amount of the net over/under recoveries and proposed refund/recovery rates is summarized below:

Bill Component	Amount of (Over)/ Under Recovery	Proposed (Refund) Recovery Rate (PhP kWh)	Amortization Period
GOUR	(4,919,162,892.94)	(0.0502)	36 months
TOUR	(632,210,115.96)	(0.0051)	36 months
SLOUR	(1,242,760,988.35)	(0.0099)	36 months
LSOUR	(130,627,106.04)	(0.0017)	36 months
SrDSOUR	(2,325,583.09)	(0.0011)	1 month
Real Property Tax Payments	1,089,707,397.13	0.0087	36 months

25. Attached hereto as ANNEXES "I", "J" "K", "L", "M" and "N" are the detailed computation on how the amounts were translated into rates per kilowatt-hour.
26. In support of the instant Application, attached hereto as ANNEXES "O" and "P" and made integral parts hereof are the Judicial Affidavits of **MS. ARLYN I. DELA CRUZ**, Specialist, MERALCO's Purchased Power Pricing - Rates and Pricing, Regulatory Management Office (RMO) and **MR. GERARDO E. ESPIRIDION**, Head of MERALCO's Tax Management and Reporting Office.

PRAYER

WHEREFORE, it is respectfully prayed to this Honorable Commission that, the instant Application be APPROVED authorizing MERALCO to refund/recover to/from its customers, as applicable, the following amounts which represent the over/under recoveries for the generation, transmission, system loss, lifeline subsidy, senior citizen discount and subsidy, and real property tax payments as pass-through charges at the corresponding rate/ kWh indicated in the table below and the proposed refund/recovery period.

Bill Component	Amount of (Over)/ Under Recovery	Proposed (Refund) Recovery Rate (PhP kWh)	Amortization Period
GOUR	(4,919,162,892.94)	(0.0502)	36 months
TOUR	(632,210,115.96)	(0.0051)	36 months
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SrDSOUR	(2,325,583.09)	(0.0011)	1 month
Real Property Tax Payments	1,089,707,397.13	0.0087	36 months

Pending hearing, MERALCO prays that a provisional authority be issued authorizing MERALCO to collect/ refund the over/under recoveries.

MERALCO prays for such other relief just and equitable under the premises.

Pasig City, 30 March 2017

MANILA ELECTRIC COMPANY (MERALCO)
Applicant
Lopez Building,
Ortigas Avenue,
Barangay Ugong, Pasig City

By:

FRANCIS DINO S. ANTONIO
Roll of Attorneys No. 48145
PTR No. 2684871; 01/27/17; Pasig City
IBP No. 1061089, 01/10/17; RSM
MCLE Compliance No. V-0004608; 6 November 2014

HAZEL ROSE B. SEE
Roll of Attorneys No. 48265
PTR No. 2684876; 01/27/17; Pasig City
IBP LRN No. 06460; 1/16/07; QC
MCLE Compliance No. VI-0000253; 11 July 2016

MONICA M. MARTIN
Roll of Attorneys No. 55693
PTR No. 2684873; 01/27/17; Pasig City
IBP No. 1061092; 01/10/17; RSM
MCLE Compliance No. VI-0000239, 11 July 2016

ADRIAN REX C. DIMALANTA
Roll of Attorneys No. 61149
PTR No. 2684874; 01/27/17, Pasig City
IBP No. 1061094, 01/10/17; PPLM

Local IT industry vows better servic

San Miguel Avenue, Pasig City

IN THE MATTER OF THE APPLICATION: (A) TO CONFIRM THE GENERATION RATE OVER/UNDER RECOVERY (GOUR); TRANSMISSION RATE OVER/ UNDER RECOVERY (TOUR); SYSTEM LOSS RATE OVER/UNDER RECOVERY (SLOUR); LIFELINE SUBSIDY OVER/UNDER RECOVERY (LSOUR); SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER/ UNDER RECOVERY (SRDSOUR) PASS-THROUGH CHARGES FROM JANUARY 2014 TO DECEMBER 2016; AND REAL PROPERTY TAX PAYMENTS FROM JUNE 2014 TO DECEMBER 2016; AND (B) FOR AUTHORITY TO REFUND/RECOVER CONFIRMED OVER/UNDER RECOVERIES AND REAL PROPERTY TAX PAYMENTS, WITH PRAYER FOR PROVISIONAL AUTHORITY,

ERC CASE NO. 2017- ____ CF

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Applicant.

x----------x

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13. Applying the formula specified in Section 5, Article 4 of Resolution 16, Series of 2009, MERALCO determined a Lifeline Subsidy net over recovery in the amount of PhP130,627,106.04 covering the period January 2014 to December 2016. The computation details of the Lifeline Subsidy Over Recovery (LSOR) are shown in ANNEX **"E"**, and made an integral part hereof.

14. Relative to the Senior Citizen Subsidy and Discount, MERALCO incurred a net over recovery thereof due to the lag in the billing of senior citizen subsidy to non-senior citizen consumers. The senior citizen discount for the previous month is used to compute for the senior citizen subsidy charge in the current billing month. Consequently, when the actual senior citizen discount amount of the current month is compared to the senior citizen subsidy amount for the same month, either an over or under recovery will result.

15. Applying the formula provided under Article 7 of Resolution No. 23, Series of 2010, MERALCO determined a Senior Citizen Subsidy net over recovery in the amount of PhP2,325,583.09 covering the period January 2014 to December 2016. The computation details of the Senior Citizen Over Recovery (SrDSOR) are shown in ANNEX **"F"**, and made an integral part hereof.

16. The refund/collection of the over/under recoveries shall be made to both captive and contestable customers in accordance with ERC Resolution No. 16, Series of 2012.[2] Insofar as contestable customers are concerned, any generation over/under recoveries for the billing periods when they were still captive customers, will be refunded to and/or collected from them. These over/under recoveries shall be part of the DU's bill, as a separate line item, through the RES/Local RES/SOLR currently serving the contestable customers. Considering that the eligible customers opted for contestability on different dates starting July 2013, such is taken into consideration in the determination of the refundable generation cost to these customers.

17. In MERALCO's Application for the approval of its Annual Revenue Requirement (ARR) and Performance Incentive Scheme (PIS) for the Third Regulatory Period,[3] MERALCO proposed the forecasted real property tax to be paid during said period. In its Final Determination dated 8 June 2011, the Honorable Commission excluded real property tax payments from the ARR as follows:

> "The annual provision for real property tax that relates to poles and transformers, as shown in Table 4.6 above, is excluded from the annual revenue requirement. Taxes for which MERALCO's liability has not been confirmed should not be included. In the event of future imposition of additional real property taxes or should MERALCO become liable for taxes that are not included in the annual revenue requirement, Article XI of the RDWR allows for unexpected tax liabilities imposed during the Third Regulatory Period be means of a "Tax Event Pass Through".

18. Hence, while the Honorable Commission recognized the pass-through nature of real property taxes, it directed MERALCO to comply with the Tax Event Pass Through provision of the Rules for Setting Distribution Wheeling Rates (RDWR).

19. At the time the Final Determination was rendered, MERALCO's case relative to real property tax assessment was still pending before the appellate courts.

20. Thereafter, in 2014, citing the Local Government Code as basis, the City of Taguig assessed and imposed real property taxes on MERALCO's substations. MERALCO paid such assessment on 30 June 2014. Thereafter, the City of Valenzuela made a similar imposition on MERALCO's substation within its jurisdiction.

21. Subsequently, MERALCO received a Decision dated 5 August 2015 in G.R. No. 166102, entitled, *Manila Electric Company v. The City Assessor and City Treasurer of Lucena City* rendered by the Supreme Court which ruled that transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO are no longer exempted from real property tax and may qualify as "machinery" subject to real property tax under the Local Government Code. Nevertheless, the Supreme Court declared null and void the appraisal and assessment of said properties of MERALCO by the City Assessor in 1997 for failure to comply with the requirements of the Local Government Code and, thus, violating the right of MERALCO to due process. A copy of the Decision dated 5 August 2015 in G.R. No. 166102 is attached hereto as ANNEX **"G"**, and made an integral part hereof.

22. Attached hereto as ANNEXES **"H and Series"**, and made integral parts hereof. However, MERALCO has no means of recovering said amount in the absence of the applicable rules to govern recovery. Thus, MERALCO deems it prudent to incorporate the recovery of its real property tax payments in the instant Application.

23. Applicant proposes that (a) GOR, TOR, SLOR and LSOR be refunded to the customers for a period of thirty-six (36) months; (b) SrDSOR be refunded to the customers for a period of one (1) month, and (c) RPT payments be recovered from customers for a period of thirty-six (36), or until fully refunded/ collected. This is consistent with previous decisions of the Honorable Commission wherein the recovery/refund period was equivalent to the period that the over/under recoveries were accumulated.

24. The computed total amount of the net over/under recoveries and proposed refund/recovery rates is summarized below:

Bill Component	Amount of (Over)/ Under Recovery	Proposed (Refund) Recovery Rate (PhP/kWh)	Amortization Period
GOUR	(4,919,162,892.94)	(0.0502)	36 months
TOUR	(632,210,115.96)	(0.0051)	36 months
SLOUR	(1,242,760,988.35)	(0.0099)	36 months
LSOUR	(130,627,106.04)	(0.0017)	36 months
SrDSOUR	(2,325,583.09)	(0.0011)	1 month
Real Property Tax Payments	1,089,707,397.13	0.0087	36 months

25. Attached hereto as ANNEXES **"I"**, **"J"** **"K"**, **"L"**, **"M"** and **"N"** are the detailed computation on how the amounts were translated into rates per kilowatt-hour.

26. In support of the instant Application, attached hereto as ANNEXES **"O"** and **"P"** and made integral parts hereof are the Judicial Affidavits of **MS. ARLYN I. DELA CRUZ**, Specialist, MERALCO's Purchased Power Pricing - Rates and Pricing, Regulatory Management Office (RMO) and **MR. GERARDO E. ESPIRIDION**, Head of MERALCO's Tax Management and Reporting Office.

PRAYER

WHEREFORE, it is respectfully prayed to this Honorable Commission that, the instant Application be APPROVED authorizing MERALCO to refund/recover to/from its customers, as applicable, the following amounts which represent the over/under recoveries for the generation, transmission, system loss, lifeline subsidy, senior citizen discount and subsidy, and real property tax payments as pass-through charges at the corresponding rate/ kWh indicated in the table below and the proposed refund/recovery period.

Bill Component	Amount of (Over)/ Under Recovery	Proposed (Refund)/ Recovery Rate (PhP/kWh)	Amortization Period
GOUR	(4,919,162,892.94)	(0.0502)	36 months
TOUR	(632,210,115.96)	(0.0051)	36 months
SLOUR	(1,242,760,988.35)	(0.0099)	36 months
LSOUR	(130,627,106.04)	(0.0017)	36 months
SrDSOUR	(2,325,583.09)	(0.0011)	1 month
Real Property Tax Payments	1,089,707,397.13	0.0087	36 months

Pending hearing, MERALCO prays that a provisional authority be issued authorizing MERALCO to collect/ refund the over/under recoveries.

MERALCO prays for such other relief just and equitable under the premises.

Pasig City, 30 March 2017

MANILA ELECTRIC COMPANY (MERALCO)
Applicant
Lopez Building,
Ortigas Avenue,
Barangay Ugong, Pasig City

By:

FRANCIS DINO S. ANTONIO
Roll of Attorneys No. 48145
PTR No. 2684871, 01/27/17, Pasig City
IBP No. 1061089; 01/10/17; RSM
MCLE Compliance No. V-0004606; 6 November 2014

HAZEL ROSE B. SEE
Roll of Attorneys No. 48265
PTR No. 2684876; 01/27/17, Pasig City
IBP LRN No. 06460, 1/16/07, QC
MCLE Compliance No. VI-0000253; 11 July 2016

MONICA M. MARTIN
Roll of Attorneys No. 55693
PTR No. 2684873; 01/27/17, Pasig City
IBP No. 1061092; 01/10/17, RSM
MCLE Compliance No. VI-0000239; 11 July 2016

ADRIAN REX C. DIMALANTA
Roll of Attorneys No. 61149
PTR No. 2684874; 01/27/17; Pasig City
IBP No. 1061094, 01/10/17, PPLM
MCLE Compliance No. VI-0000233, 11 July 2016

7th Floor Lopez Building, Ortigas Avenue
Barangay Ugong, Pasig City
Telephone Number 1622-2260, Fax No. 1622-3550
Email address: regulatory.legal.admin@meralco.com.ph

REPUBLIC OF THE PHILIPPINES)
CITY OF PASIG) S.S.

VERIFICATION and CERTIFICATION ON NON-FORUM SHOPPING

I, **JOSE RONALD V. VALLES**, Filipino, of legal age and with office address at 7th Floor, Lopez Building, MERALCO Center, Ortigas Avenue, Pasig City, after being sworn to in accordance with law, hereby depose and say, THAT:

1. I am the Vice President and Head, Regulatory Affairs Office of Manila Electric Company (MERALCO);
2. I caused the preparation of this Application and I have read and understood the allegations contained therein, and that all the facts stated therein are true and correct based on authentic records made available to me in the ordinary course of business of MERALCO;
3. I am duly authorized by the Board of Directors to certify that MERALCO has not heretofore commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other tribunal or agency. A copy of the Secretary's Certificate authorizing me to cause the preparation of the instant Application and to sign this verification and certification is attached as ANNEX **"A"** and made an integral part hereof;
4. To the best of my knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals, or any other tribunal or agency;
5. If I should hereafter learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or any other tribunal or agency, I undertake to report such fact within five (5) days therefrom to this Honorable Commission.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 30th day of March 2017 at Pasig City, Philippines.

JOSE RONALD V. VALLES
Affiant

SUBSCRIBED and SWORN to before me this 30th day of March 2017, at Pasig City, Philippines, affiant having exhibited to me his Social Security System ID bearing the number 33-10900088.

Doc. No. 50
Page No. 11
Book No. I
Series of 2017

ATTY. ROBERT C. CALADO
Notary Public
Pasig, San Juan and Pateros
Appointment No. 199 (2016-2017)
Roll No. 37814/ IBP No. 1019732/ 1/06/2016 Pateros
PTR No. 5552648/ 01-03-2017/ Pasig City
MCLE No. V-0018607/ 3-11-2013
28 Floor Lopez Bldg., Ortigas Avenue, Pasig City

1 Article 5, Section 1 of ERC Resolution No. 16, Series of 2009 provides:
"The period for filing of DUs for true-up adjustments for the period January 2011 to December 2013 is on March 31, 2014. Subsequently, the DUs shall file their respective consolidated applications every three (3) years following the sequence of period of filing prescribed above."

2 Entitled "A Resolution Adopting the Transitory Rules for the Implementation of Open Access and Retail Competition"

3 Docketed as ERC Case No. 2010-160 RC

ATM said the resistance agair
confirmation of Lopez is led by bi
interests, and articulated by DoF Se
Carlos Dominguez.

"We call out the country's oligarch
biggest blocks to attaining genuine ref
the mining industry. The industry play
are backed by people in power, legislat
mining links and even Secretary
Dominguez, are challenging recent
efforts by Secretary Gina Lopez includ
mining audit and orders of suspensi
closure," ATM said.

They said big people in the c
consolidated their powers in busine
politics. A research of people behind the
companies affected by Lopez's order
the same big names in politics and
businesses, they added.

"There's the Romualdezes' Benguet
Zamora's Nickel Asia Corp., Pangilinan's
Mining Corp., Consunji's Zambales nicke
and Gatchalian's Wellex Mining Corp.," the
said.

Jaybee Garganera, ATM nat
coordinator said, "We studied the n
companies that will be affected by closu
suspension orders of Secretay Lopez, incl
the issuance of "show-cause orders" to n
projects in watershed areas. We found co
names and these are people with influenc
in business and politics. We surmise that
are the same powers that are blockin
reform initiatives."

He said, "However this is not really n
the Philippines. The people in power ar
the ones involved in businesses and in va
industries. What is sad is that the m
industry impacts the poorest of the poor
rural communities and their enemies are
with big influences in business and politi

"We hope that Secretary Lopez and Pres
Duterte will continue to be our champ
against the elite. We hope they will cham
the interests of the poor against the inte
of the elite," he said.

The campaign of the Chamber of Min
the Philippines against the appointme
Secretary Lopez and the recent decision
Commission on Appointments recent dec
to bypass her appointment show how t
oligarchs succeed in preventing real chan
happen, according to ATM.

ATM said the push for a new mining
will be harder because of legislators
mining links who sell the idea that
Philippine Mining Act of 1995 (RA 7942) is
for their businesses and the Philip
economy. **Ed Vela**

Local IT industry vows better servic

Stakeholders in the data and informa
technology (IT) industry agree that they n
buckle up to make them more preparec
providing digitally enhanced products for n
ventures regardless of size.

The stakeholders vowed to further impr
their services and offers soon after the launc
of a tech roadshow called "IT Infrastruct
Summit 2017" held in Jakarta, Indonesia rece

Teddy Sumulong, managing director
Computrade Technology Philippines Inc. (C
said the world is geared towards a full dig
setup, with thousands of firms relying on d
to support day-to-day operations.

"Our new partners' solutions complem
our current products and services. Th
offerings respond squarely to the grow
demands for best-of-breed solutions.

Computrade's newly expanded portfolio
help companies begin their digi
transformation journey as well as consider
wide range of applications made by mach
learning," Sumulong told select business a
IT reporters in a briefing at Makati Diamo
Residences recently.

Siva Belasamy, chief executive officer of De
Identity, said very few people know how mu
data are being processed, relayed and us
everyday to support businesses and individu
who rely on data in their everyday lives.

"It's roughly 2.5 quintillion bites a day o
rough estimate," Belasamy said. A quintilli
is a 19-digit count or equivalent to 1,0
quadrillion. The official said this da
requirement doubles every one-and-a-half ye

"How are we going to manage this volume
those in the IT business will stop in investin
he asked. The official said the huge volume
data needed to be pressed each day prompt
them to partner with CTP. **Ed Velas**

MERALCO

ORTIGAS AVENUE, PASIG CITY
0300 PHILIPPINES

ANNEX "A"

SECRETARY'S CERTIFICATE

I, WILLIAM S. PAMINTUAN, a duly elected, qualified and incumbent Assistant Corporate Secretary of the Manila Electric Company (MERALCO), a corporation duly organized and existing under and by virtue of the laws of the Philippines, do hereby certify that:

At the regular meeting of the Board of Directors of the Company duly convened and held on February 23, 2015, at which meeting a quorum was present, acted throughout and voted, the following resolution amending the resolution of the Board on January 27, 2014 on the same subject, was approved and that said amendatory resolution is in full force and effect on the date hereof:

"RESOLVED, that the Board of Directors of the Manila Electric Company (MERALCO) authorize, as it hereby authorizes, Messrs. MANUEL V. PANGILINAN, Chairman, OSCAR S. REYES, President & Chief Executive Officer, SIMEON KEN R. FERRER, Corporate Secretary, ALFREDO S. PANLILIO, Senior Vice President, Head, Customer Retail Services and Head, Corporate Communication, RAMON B. SEGISMUNDO, Senior Vice President & Head, Human Resources & Corporate Services, ROBERTO R. ALMAZORA, Senior Vice President, RAFAEL L. ANDRADA, First Vice President & Treasurer, RUBEN B. BENOSA, First Vice President & Head, Corporate Logistics, Ms. IVANNA G. DELA PEÑA, First Vice President & Head, Regulatory Management Office, WILLIAM S. PAMINTUAN, First Vice President, Assistant Corporate Secretary, Compliance Officer and Head, Legal and Corporate Governance, RONNIE L. APEROCHO, First Vice President & Head, Networks, MARTHYN S. CUAN, Vice President & Head, Corporate Information and Technology, JOSE RONALD V. VALLES, Vice President and Head, Regulatory Affairs, MARIA ZARAH R. VILLANUEVA-CASTRO, Senior Assistant Vice President & Head, Corporate Legal Services, HORATIO ENRICO M. BONA, Assistant Vice President & Head, Litigation Team 2, RAUL G. CORALDE, Assistant Vice President & Head, Litigation Team 1, MICHELLE O. DELOS SANTOS-BONA, Assistant Vice President & Head, Legal Operations Support, EUGENE JUDE DENIS GERARD E. ALABANZA, Senior Manager & Head, Litigation Team 3, CORNELIO MANUEL C. DICCION, Manager & Legal Counsel, and any lawyer or employee of MERALCO that any of them may designate, name or appoint:

(1) to represent the Company, in the institution, prosecution, and defense of any claim, complaint, action, proceeding, petition, application, protest, suit, or case, for or against the Company, before any court, prosecutor's office, regulatory, quasi-judicial, or administrative body, agency, or office of the national or any local government;

(2) to sign, execute, and deliver in connection therewith the necessary or appropriate complaint, petition, application, position paper, memorandum, all types of pleadings and motions, verifications, affidavit-complaint, counter-affidavit, affidavit of merit, affidavit of desistance, affidavit of witness, and all other affidavits of whatever nature, certificate of non-forum shopping,

powers of attorney, certifications, and all other instruments as may be necessary or proper;

(3) to represent the Company or to designate, name, and appoint a representative or an attorney-in-fact in behalf of the company during the investigation, inquest, preliminary investigation, preliminary conference, pre-trial, mediation, conciliation, arbitration, trial, execution, and all other stages of or incidents related to the case, proceeding or action; to negotiate, enter into, and agree to an amicable settlement, compromise agreement, plea bargaining, admissions or stipulations of fact or documents, simplification of issues, limitation on the number of witnesses, alternative modes of dispute resolution, withdrawal, dismissal or waiver of claim or action; and to perform and execute any and all actions or deeds as may aid in the prompt disposition of such cases, proceedings, or actions filed in behalf of or against the Company;

"RESOLVED, FURTHER, that any previous resolution of the Board of Directors on the same subject matter that is inconsistent herewith shall be deemed terminated, superseded and revoked."

Pursuant to the above resolutions, it is hereby certified that MERALCO is authorized to file the Application, entitled "IN THE MATTER OF THE APPLICATION: (A) TO CONFIRM THE GENERATION RATE OVER/UNDER RECOVERY (GOUR); TRANSMISSION RATE OVER/UNDER RECOVERY (TOUR); SYSTEM LOSS RATE OVER/UNDER RECOVERY (SLOUR); LIFELINE SUBSIDY OVER/UNDER RECOVERY (LSOUR); SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER/UNDER RECOVERY (SRDSOUR) PASS-THROUGH CHARGES FROM JANUARY 2014 TO DECEMBER 2016; AND REAL PROPERTY TAX PAYMENTS FROM JUNE 2014 TO DECEMBER 2016; AND (B) FOR AUTHORITY TO REFUND/RECOVER CONFIRMED OVER/UNDER RECOVERIES AND REAL PROPERTY TAX PAYMENTS, WITH PRAYER FOR PROVISIONAL AUTHORITY," with the Energy Regulatory Commission (ERC), and that Atty. Jose Ronald V. Valles, Vice President and Head, Regulatory Affairs, is an authorized representative and signatory of the Company with respect to the aforesaid Application.

WITNESS THE SIGNATURE of the undersigned as such officer of the Company and its corporate seal hereunto affixed on this MAR 30 2017 day of March 2017.

WILLIAM S. PAMINTUAN
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAR 30 2017 day of March 2017, affiant exhibited to me his Taxpayer Identification Number (TIN) 146-473-562, issued by the Bureau of Internal Revenue (BIR) as his competent evidence of identity.

Doc. No. 145;
Page No. 30;
Book No. III;
Series of 2017.

ATTY. MICHAEL DAVID B. AZUCENA
Notary Public
Pasig, San Juan, Taguig and Pateros
Issued on December 29, 2015 at Pasig City
Appointment No. 76 (2016-2017)
Roll No. 58433/ IBP No. 1062733/ 01-09-17 Makati Chapter
PTR No. 2682556/ 01-25-17 Pasig City
MCLE VI-0000223-07/11/16
8th Floor Lopez Bldg. Ortigas Avenue, Pasig City

GENERATION (OVER)/UNDER RECOVERY (GOUR)
JANUARY 2014 - DECEMBER 2016

ANNEX 66 B 99

	2014	2015	2016	TOTAL
Allowable Generation Cost	145,385,044,220.23	127,072,342,969.14	119,584,266,613.05	392,041,653,802.42
Generation Revenues Billed	147,381,427,249.97	129,493,407,772.74	120,085,981,672.65	396,960,816,695.36
GENERATION (OVER)/UNDER RECOVERY	**(1,996,383,029.74)**	**(2,421,064,803.60)**	**(501,715,059.60)**	**(4,919,162,892.94)**

PREPARED BY:

RODELYN M. SOGUILON

APPROVED BY:

ARLYN I. DELA CRUZ

GENERATION (OVER)/UNDER RECOVERY
January to December 2014

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014
Allowable Generation Cost (Schedule 1)	11,304,510,742.15	10,850,308,900.36	11,763,479,166.40	13,924,260,006.17	12,918,667,977.11	14,026,930,945.30	12,913,962,155.42	11,617,254,490.73	12,512,324,522.88	11,576,214,402.24	11,535,890,400.64	10,441,240,510.83	145,385,044,220.23
Generation Revenues Billed (Schedule 2)	11,483,455,024.18	11,369,181,786.41	10,330,281,424.23	13,678,544,426.16	14,490,954,490.32	13,678,959,952.58	12,411,889,116.43	12,783,816,676.42	12,104,272,790.66	12,215,776,846.92	11,845,141,775.29	10,989,152,940.37	147,381,427,249.97
GENERATION (OVER)/UNDER RECOVERY	**(178,944,282.03)**	**(518,872,886.05)**	**1,433,197,742.17**	**245,715,580.01**	**(1,572,286,513.21)**	**347,970,992.72**	**502,073,038.99**	**(1,166,562,185.69)**	**408,051,732.22**	**(639,562,444.68)**	**(309,251,374.65)**	**(547,912,429.54)**	**(1,996,383,029.74)**

SCHEDULE 1: TOTAL ALLOWABLE GENERATION COST (AGC)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014
Total Generation Cost for Non-TOU and TOU	11,672,277,441.88	11,658,665,054.33	12,538,268,558.32	15,014,048,938.96	14,000,593,990.76	14,786,056,718.86	13,123,511,611.19	12,555,723,667.49	13,167,925,567.79	12,249,756,267.43	12,147,059,358.53	10,617,968,966.56	153,531,856,142.09
Add: Compensation for Deloaded kWhs of ILP Participating Customers	-	-	-	-	423,311.78	-	1,790,714.05	-	1,357,101.24	-	-	-	3,571,127.07
Less: Pilferage Recovery	(42,094,551.89)	(35,585,557.83)	(37,538,010.19)	(38,478,927.36)	(35,476,541.92)	(34,392,233.48)	(36,247,514.25)	(32,002,500.42)	(37,441,253.37)	(34,912,949.79)	(32,833,300.53)	(30,050,371.61)	(427,053,712.64)
Net Generation Cost	11,630,182,889.99	11,623,079,496.50	12,500,730,548.13	14,975,570,011.60	13,965,540,760.62	14,751,664,485.38	13,089,054,810.99	12,523,721,167.07	13,131,841,415.66	12,214,843,317.64	12,114,226,058.00	10,587,918,594.95	153,108,373,556.52
Total kWh Purchased and Generated for Non-TOU and TOU	2,154,988,752	2,278,820,803	2,176,368,503	2,560,040,803	2,703,079,383	2,782,511,413	2,397,064,839	2,526,841,991	2,519,057,211	2,488,646,807	2,515,565,577	2,340,706,675	29,443,692,758
Average Generation Cost Per kWh	5.3969	5.1005	5.7438	5.8497	5.1665	5.3016	5.4605	4.9563	5.2130	4.9082	4.8157	4.5234	5.2000
kWh Sales at Non-TOU and TOU rate	2,015,824,098	2,043,646,818	1,973,710,510	2,307,559,110	2,417,867,845	2,565,272,965	2,287,054,490	2,257,920,792	2,318,381,604	2,271,623,509	2,306,980,131	2,214,121,843	26,979,963,715
Generation Cost of TOU and Non-TOU	10,879,130,070.65	10,423,579,335.06	11,336,693,777.30	13,498,618,054.77	12,491,986,788.21	13,599,960,782.30	12,488,348,703.92	11,190,874,030.53	12,085,719,782.78	11,149,643,718.44	11,109,739,721.74	10,015,326,602.23	140,269,621,367.94
High Load Factor Discount	345,601.20	1,694,495.00	1,750,318.80	606,881.10	1,646,118.60	1,935,092.70	578,381.20	1,345,389.90	1,569,669.80	1,535,613.50	1,115,608.60	878,838.30	15,002,008.70
NPC GRAM	425,035,070.30	425,035,070.30	425,035,070.30	425,035,070.30	425,035,070.30	425,035,070.30	425,035,070.30	425,035,070.30	425,035,070.30	425,035,070.30	425,035,070.30	425,035,070.30	5,100,420,843.60
TOTAL ALLOWABLE GENERATION COST	**11,304,510,742.15**	**10,850,308,900.36**	**11,763,479,166.40**	**13,924,260,006.17**	**12,918,667,977.11**	**14,026,930,945.30**	**12,913,962,155.42**	**11,617,254,490.73**	**12,512,324,522.88**	**11,576,214,402.24**	**11,535,890,400.64**	**10,441,240,510.83**	**145,385,044,220.24**

SCHEDULE 2: GENERATION REVENUES BILLED (GRR)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014
kWh Sales to Non-TOU	1,928,587,229	1,949,443,084	1,882,686,414	2,213,986,467	2,322,852,373	2,463,976,623	2,197,022,279	2,161,617,836	2,221,223,145	2,173,867,614	2,204,613,254	2,115,811,873	25,835,688,191
Generation Charge Rate at Non-TOU	5.6673	5.5359	5.2064	5.8995	5.9703	5.3105	5.4072	5.6352	5.1937	5.3523	5.1072	4.9372	5.4373
GENERATION REVENUES BILLED TO NON-TOU	**10,929,882,402.91**	**10,791,921,968.72**	**9,802,018,545.85**	**13,061,413,162.07**	**13,868,125,522.52**	**13,084,947,856.44**	**11,879,738,867.01**	**12,181,148,829.43**	**11,536,366,648.19**	**11,635,191,630.41**	**11,259,400,810.83**	**10,446,186,379.38**	**140,476,342,623.75**
Average Basic TOU Generation Charge	5.3834	5.4137	5.3986	5.4072	5.3940	5.4202	5.2822	5.2806	5.3126	5.3008	5.3156	5.3128	
Generation Charge Adjustment	0.0661	(0.1814)	(0.5020)	0.1915	0.2645	(0.3937)	(0.1690)	0.0535	(0.3892)	(0.2292)	(0.4748)	(0.6445)	
Generation Charge Rate at TOU	5.4495	5.2323	4.8966	5.5987	5.6585	5.0265	5.1132	5.3341	4.9234	5.0716	4.8408	4.6683	5.1451
kWh Sales to TOU	87,236,869	94,203,734	91,024,096	93,572,643	95,015,472	101,296,342	90,032,211	96,302,956	97,158,459	97,755,895	102,366,877	98,309,970	1,144,275,524
GENERATION REVENUES BILLED TO TOU	**475,394,638.34**	**492,901,823.00**	**445,712,846.77**	**523,882,034.42**	**537,643,291.00**	**509,165,912.11**	**460,356,856.72**	**513,692,488.09**	**478,352,391.94**	**495,776,185.15**	**495,541,051.62**	**458,941,140.99**	**5,887,360,660.15**
kWh Sales to RES with NPC GRAM rate	497,315,413	536,628,465	501,214,521	543,093,941	571,332,507	596,248,658	534,177,029	590,413,795	600,226,210	582,479,611	605,775,103	575,911,035	6,734,816,288
NPC GRAM rate	0.1572	0.1572	0.1647	0.1717	0.1491	0.1423	0.1344	0.1507	0.1492	0.1456	0.1489	0.1459	0.1511
GRAM/ICERA REVENUES BILLED TO RES	**78,177,982.92**	**84,357,994.70**	**82,550,031.61**	**93,249,229.67**	**85,185,676.79**	**84,846,184.03**	**71,793,392.70**	**88,975,358.91**	**89,553,750.53**	**84,809,031.36**	**90,199,912.84**	**84,025,420.01**	**1,017,723,966.07**
TOTAL GENERATION REVENUES BILLED	**11,483,455,024.18**	**11,369,181,786.41**	**10,330,281,424.23**	**13,678,544,426.16**	**14,490,954,490.32**	**13,678,959,952.58**	**12,411,889,116.43**	**12,783,816,676.42**	**12,104,272,790.66**	**12,215,776,846.92**	**11,845,141,775.29**	**10,989,152,940.37**	**147,381,427,249.96**

GENERATION (OVER)/UNDER RECOVERY
January to December 2015

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015
Allowable Generation Cost (Schedule 1)	10,204,579,041.55	10,909,673,897.66	11,006,676,602.17	11,101,704,215.90	11,016,539,674.69	12,604,657,268.35	10,598,133,127.54	10,408,755,764.42	9,954,145,893.83	9,789,261,678.50	10,193,471,875.70	9,284,743,928.83	127,072,342,969.14
Generation Revenues Billed (Schedule 2)	9,215,545,755.27	11,046,630,393.41	10,574,181,210.95	12,502,718,881.96	12,032,576,212.41	11,768,728,961.22	11,390,613,872.53	11,339,050,906.22	10,170,549,073.22	9,637,578,026.88	10,128,805,150.40	9,686,429,328.27	129,493,407,772.74
GENERATION (OVER)/UNDER RECOVERY	**989,033,286.28**	**(136,956,495.75)**	**432,495,391.22**	**(1,401,014,666.06)**	**(1,016,036,537.72)**	**835,928,307.13**	**(792,480,744.99)**	**(930,295,141.80)**	**(216,403,179.39)**	**151,683,651.62**	**64,666,725.30**	**(401,685,399.44)**	**(2,421,064,803.60)**

SCHEDULE 1: TOTAL ALLOWABLE GENERATION COST (AGC)

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015
Total Generation Cost for Non-TOU and TOU	10,634,766,706.43	11,663,297,166.64	11,714,108,713.74	12,187,178,642.56	11,913,409,450.71	13,727,901,966.84	11,439,458,157.97	11,274,004,784.19	10,967,749,919.31	10,625,086,627.28	11,144,544,904.84	9,854,942,759.71	137,146,449,800.22
Less: Pilferage Recovery	(32,429,389.19)	(31,275,743.50)	(39,309,966.91)	(33,913,598.19)	(34,764,007.42)	(35,595,214.41)	(34,737,665.54)	(30,732,113.59)	(34,280,347.67)	(37,890,620.86)	(28,496,163.06)	(37,557,641.62)	(410,982,471.96)
Net Generation Cost	10,602,337,317.24	11,632,021,423.14	11,674,798,746.83	12,153,265,044.37	11,878,645,443.29	13,692,306,752.43	11,404,720,492.43	11,243,272,670.60	10,933,469,571.64	10,587,196,006.42	11,116,048,741.78	9,817,385,118.09	136,735,467,328.26
Total kWh Purchased and Generated for Non-TOU and TOU	2,105,132,742	2,324,193,501	2,227,853,752	2,585,766,596	2,763,195,336	2,892,961,422	2,619,232,157	2,726,186,472	2,743,154,305	2,648,900,197	2,744,339,637	2,516,817,777	30,897,733,893
Average Generation Cost Per kWh	5.0364	5.0048	5.2404	4.7001	4.2989	4.7330	4.3542	4.1242	3.9857	3.9968	4.0505	3.9007	4.4254
kWh Sales at Non-TOU and TOU rate	1,941,648,096	2,094,398,854	2,018,119,907	2,297,962,006	2,492,767,950	2,662,816,623	2,433,732,042	2,523,607,715	2,497,197,227	2,448,939,687	2,516,226,274	2,379,904,080	28,307,320,461
Generation Cost of TOU and Non-TOU	9,778,959,612.85	10,481,955,281.38	10,575,713,839.74	10,800,565,433.85	10,716,110,536.95	12,603,037,757.95	10,597,011,654.34	10,407,802,234.52	9,953,151,320.63	9,787,988,428.20	10,192,067,165.30	9,283,324,011.03	125,177,687,276.74
High Load Factor Discount	584,358.40	1,639,775.70	1,574,926.70	1,126,242.80	1,085,926.10	1,619,510.40	1,121,473.20	953,529.90	994,573.20	1,273,250.30	1,404,710.40	1,419,917.80	14,798,194.90
NPC GRAM	425,035,070.30	425,035,070.30	425,035,070.30	299,343,211.64	299,343,211.64	-	-	-	-	-	-	-	1,873,791,634.18
Compensation for Deloaded kWhs of ILP Participating Customers	-	1,043,770.28	4,352,765.43	669,327.61	-	-	-	-	-	-	-	-	6,065,863.32
TOTAL ALLOWABLE GENERATION COST	**10,204,579,041.55**	**10,909,673,897.66**	**11,006,676,602.17**	**11,101,704,215.90**	**11,016,539,674.69**	**12,604,657,268.35**	**10,598,133,127.54**	**10,408,755,764.42**	**9,954,145,893.83**	**9,789,261,678.50**	**10,193,471,875.70**	**9,284,743,928.83**	**127,072,342,969.14**

SCHEDULE 2: GENERATION REVENUES BILLED (GRR)

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015
kWh Sales to Non-TOU	1,856,662,688	1,997,583,987	1,926,597,594	2,199,001,151	2,391,098,769	2,551,412,099	2,330,717,892	2,413,520,772	2,387,725,429	2,341,585,151	2,404,795,658	2,272,968,143	27,073,669,333
Generation Charge Rate at Non-TOU	4.7182	5.2384	5.2097	5.4121	4.8131	4.4070	4.6912	4.5041	4.0839	3.9469	4.0353	4.0813	4.5688
GENERATION REVENUES BILLED TO NON-TOU	**8,760,105,894.52**	**10,464,143,957.50**	**10,036,995,485.46**	**11,901,214,129.33**	**11,508,597,485.07**	**11,244,073,120.29**	**10,933,863,774.95**	**10,870,738,909.17**	**9,751,231,879.49**	**9,242,002,432.48**	**9,704,071,918.73**	**9,276,664,882.03**	**123,693,703,869.02**
Average Basic TOU Generation Charge	5.3904	5.4229	5.4152	5.4152	5.4301	5.4437	5.3174	5.3296	5.3273	5.3175	5.3577	5.3296	
Generation Charge Adjustment	(0.9932)	(0.4692)	(0.4970)	(0.2948)	(0.8931)	(1.2979)	(0.8842)	(1.0769)	(1.4969)	(1.6327)	(1.5461)	(1.4984)	
Generation Charge Rate at TOU	4.3972	4.9537	4.9182	5.1204	4.5370	4.1458	4.4332	4.2527	3.8304	3.6848	3.8116	3.8312	4.3022
kWh Sales to TOU	84,985,408	96,814,867	91,522,313	98,960,855	101,669,181	111,404,524	103,014,150	110,086,943	109,471,798	107,354,536	111,430,616	106,935,937	1,233,651,128
GENERATION REVENUES BILLED TO TOU	**373,699,014.56**	**479,595,746.99**	**450,124,379.55**	**506,719,983.57**	**461,274,574.87**	**461,864,722.18**	**456,680,673.27**	**468,167,586.40**	**419,317,193.73**	**395,575,594.39**	**424,733,231.67**	**409,696,857.74**	**5,307,449,558.93**
kWh Sales to RES with NPC GRAM rate	536,709,430	599,945,708	551,719,556	573,063,900	601,190,340	638,140,941							3,500,769,875
NPC GRAM rate	0.1523	0.1715	0.1578	0.1654	0.1043	0.0968							0.1402
GRAM/ICERA REVENUES BILLED TO RES	**81,740,846.19**	**102,890,688.92**	**87,061,345.94**	**94,784,769.06**	**62,704,152.46**	**61,772,043.09**	**-**	**-**	**-**	**-**	**-**	**-**	**490,953,845.66**
kWh Sales to RES and Sunpower						727,911,183	694,243,156	722,053,236	733,051,008	711,058,400	729,746,914	675,885,025	4,993,948,922
ILP Recovery rate						0.0014	0.0001	0.0002				0.0001	0.0003
ILP RECOVERY BILLED TO RES						**1,019,075.66**	**69,424.32**	**144,410.65**	**-**	**-**	**-**	**67,588.50**	**1,300,499.12**
TOTAL GENERATION REVENUES BILLED	**9,215,545,755.27**	**11,046,630,393.41**	**10,574,181,210.95**	**12,502,718,881.96**	**12,032,576,212.41**	**11,768,728,961.22**	**11,390,613,872.53**	**11,339,050,906.22**	**10,170,549,073.22**	**9,637,578,026.88**	**10,128,805,150.40**	**9,686,429,328.27**	**129,493,407,772.73**

GENERATION (OVER)/UNDER RECOVERY
January to December 2016

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
Allowable Generation Cost (Schedule 1)	9,064,191,554.50	9,444,905,750.63	9,470,533,002.14	10,084,060,975.12	10,182,579,132.15	11,298,786,496.67	10,110,559,594.15	10,708,031,992.54	10,174,597,397.25	9,905,892,862.58	10,048,021,498.94	9,092,106,356.38	119,584,266,613.05
Generation Revenues Billed (Schedule 2)	8,594,102,976.25	9,799,732,263.47	9,110,461,299.16	10,723,424,750.55	10,689,342,234.99	10,370,104,310.71	10,502,784,179.01	10,323,279,202.29	10,441,031,884.18	9,906,376,041.35	9,912,813,761.90	9,712,528,768.79	120,085,981,672.65
GENERATION (OVER)/UNDER RECOVERY	**470,088,578.25**	**(354,826,512.84)**	**360,071,702.98**	**(639,363,775.43)**	**(506,763,102.84)**	**928,682,185.96**	**(392,224,584.86)**	**384,752,790.25**	**(266,434,486.93)**	**(483,178.77)**	**135,207,737.04**	**(620,422,412.41)**	**(501,715,059.60)**

SCHEDULE 1: TOTAL ALLOWABLE GENERATION COST (AGC)

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
Total Generation Cost for Non-TOU and TOU	10,150,489,028.55	10,236,169,395.56	10,503,549,539.36	11,313,179,596.26	11,148,356,027.42	12,349,190,151.61	10,887,301,201.58	11,591,228,919.96	11,110,864,295.80	10,803,793,847.25	10,839,172,862.76	9,663,140,410.67	130,596,435,276.77
Less: Pilferage Recovery	(31,164,836.07)	(29,605,520.15)	(30,186,702.91)	(29,301,519.19)	(45,821,814.78)	(28,272,349.87)	(29,918,940.80)	(33,341,577.33)	(29,214,361.33)	(28,717,860.62)	(30,328,207.88)	(31,746,025.07)	(377,619,716.00)
Net Generation Cost	10,119,324,192.48	10,206,563,875.41	10,473,362,836.45	11,283,878,077.07	11,102,534,212.64	12,320,917,801.74	10,857,382,260.78	11,557,887,342.63	11,081,649,934.47	10,775,075,986.63	10,808,844,654.88	9,631,394,385.60	130,218,815,560.77
Total kWh Purchased and Generated for Non-TOU and TOU	2,483,968,766	2,578,279,911	2,558,261,466	2,973,519,465	3,049,443,721	3,089,647,367	2,821,914,299	2,911,949,251	2,911,090,795	2,794,627,255	2,802,002,287	2,640,475,876	33,615,180,458
Average Generation Cost Per kWh	4.0739	3.9587	4.0939	3.7948	3.6408	3.9878	3.8475	3.9691	3.8067	3.8556	3.8575	3.6476	3.8738
kWh Sales at Non-TOU and TOU rate	2,224,881,783	2,385,456,481	2,313,009,803	2,656,996,768	2,796,316,462	2,832,825,623	2,626,670,688	2,696,959,660	2,672,300,079	2,568,703,735	2,604,300,017	2,492,262,450	30,870,683,549
Generation Cost of TOU and Non-TOU	9,063,841,848.70	9,443,239,208.23	9,469,317,828.94	10,082,741,321.92	10,180,938,567.55	11,296,762,219.67	10,106,177,832.16	10,704,567,019.90	10,172,645,267.87	9,903,996,278.78	10,046,199,622.04	9,090,771,397.88	119,561,198,413.64
High Load Factor Discount	349,705.80	1,666,542.40	1,215,173.20	1,319,653.20	1,640,564.60	2,024,277.00	1,290,659.30	1,143,395.50	1,638,297.10	1,896,583.80	1,821,876.90	1,334,958.50	17,341,687.30
Compensation for Deloaded kWhs of ILP Participating Customers	-	-	-	-	-	-	3,091,102.69	2,321,577.14	313,832.28	-	-	-	5,726,512.11
TOTAL ALLOWABLE GENERATION COST	**9,064,191,554.50**	**9,444,905,750.63**	**9,470,533,002.14**	**10,084,060,975.12**	**10,182,579,132.15**	**11,298,786,496.67**	**10,110,559,594.15**	**10,708,031,992.54**	**10,174,597,397.25**	**9,905,892,862.58**	**10,048,021,498.94**	**9,092,106,356.38**	**119,584,266,613.05**

SCHEDULE 2: GENERATION REVENUES BILLED (GRR)

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
kWh Sales to Non-TOU	2,132,658,241	2,277,064,581	2,210,025,466	2,543,254,550	2,678,469,698	2,710,913,744	2,516,735,946	2,582,285,097	2,560,308,260	2,458,001,657	2,493,280,037	2,383,677,993	29,546,675,270
Generation Charge Rate at Non-TOU	3.8752	4.1205	3.9518	4.0480	3.8331	3.6721	4.0118	3.8387	3.9173	3.8672	3.8170	3.9085	3.9015
GENERATION REVENUES BILLED TO NON-TOU	**8,264,477,215.52**	**9,382,644,606.01**	**8,733,578,636.54**	**10,295,094,418.40**	**10,266,842,199.40**	**9,954,746,359.34**	**10,096,641,268.16**	**9,912,617,801.85**	**10,029,495,546.90**	**9,505,584,007.95**	**9,516,849,901.23**	**9,316,605,435.64**	**115,275,177,396.95**
Average Basic TOU Generation Charge	5.4098	5.4333	5.4138	5.4245	5.4578	5.4384	5.2584	5.3218	5.3176	5.3289	5.3304	5.3175	
Generation Charge Adjustment	(1.8356)	(1.5853)	(1.7542)	(1.6587)	(1.8726)	(2.0320)	(1.5640)	(1.7412)	(1.6429)	(1.7138)	(1.7638)	(1.6726)	
Generation Charge Rate at TOU	3.5742	3.8480	3.6596	3.7658	3.5852	3.4064	3.6944	3.5806	3.6747	3.6151	3.5666	3.6449	3.6329
kWh Sales to TOU	92,223,542	108,391,900	102,984,337	113,742,218	117,846,764	121,911,879	109,934,742	114,674,563	111,991,819	110,702,078	111,019,980	108,584,457	1,324,008,279
GENERATION REVENUES BILLED TO TOU	**329,625,760.72**	**417,087,657.46**	**376,882,662.62**	**428,330,332.15**	**422,500,035.59**	**415,282,858.51**	**406,142,910.84**	**410,603,740.28**	**411,536,337.28**	**400,199,082.18**	**395,963,860.67**	**395,779,487.32**	**4,809,934,725.62**
kWh Sales to RES and Sunpower	635,940,317	707,931,035	663,966,816	726,367,104	720,299,982	750,928,623	723,406,610	760,388,296	752,915,271	741,189,028	758,323,086	719,229,163	8,660,885,332
ILP Recovery rate	-	-	-	-	-	0.0001		0.0001		0.0008		0.0002	0.0001
ILP RECOVERY BILLED TO RES	-	-	-	-	-	75,092.86	-	57,660.15	-	592,951.22	-	143,845.83	869,550.07
TOTAL GENERATION REVENUES BILLED	**8,594,102,976.25**	**9,799,732,263.47**	**9,110,461,299.16**	**10,723,424,750.55**	**10,689,342,234.99**	**10,370,104,310.71**	**10,502,784,179.01**	**10,323,279,202.29**	**10,441,031,884.18**	**9,906,376,041.35**	**9,912,813,761.90**	**9,712,528,768.79**	**120,085,981,672.65**

TRANSMISSION (OVER)/UNDER RECOVERY (TOUR)
JANUARY 2014 - DECEMBER 2016

ANNEX "C"

	2014	2015	2016	TOTAL
Actual Transmission Cost	31,429,970,007.94	31,354,919,137.33	33,100,015,745.33	95,884,904,890.60
Transmission Cost Recoveries	31,615,831,203.19	31,500,535,945.82	33,400,747,857.55	96,517,115,006.56
TRANSMISSION (OVER)/UNDER RECOVERY	**(185,861,195.25)**	**(145,616,808.49)**	**(300,732,112.22)**	**(632,210,115.96)**

PREPARED BY:

RODELYN M. SOGUILON

APPROVED BY:

ARLYN I. DELA CRUZ

TRANSMISSION (OVER)/UNDER RECOVERY
January to December 2014

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014
Actual Transmission Cost (Schedule 1)	2,491,867,288.99	2,520,992,229.58	2,630,951,456.50	2,697,844,833.88	2,739,739,341.22	3,101,263,090.62	2,879,031,525.54	2,674,188,338.12	2,556,280,929.16	2,291,526,654.24	2,351,462,088.25	2,494,822,231.84	31,429,970,007.94
Transmission Cost Recoveries (Schedule 2)	2,484,543,292.40	2,445,288,569.53	2,520,289,336.51	2,933,831,786.84	2,851,025,915.72	2,769,607,780.17	2,963,520,852.08	2,802,403,693.17	2,707,018,667.86	2,541,147,972.37	2,290,774,339.91	2,306,378,996.63	31,615,831,203.19
TRANSMISSION (OVER)/UNDER RECOVERY	**7,323,996.59**	**75,703,660.05**	**110,662,119.99**	**(235,986,952.96)**	**(111,286,574.50)**	**331,655,310.45**	**(84,489,326.54)**	**(128,215,355.05)**	**(150,737,738.70)**	**(249,621,318.13)**	**60,687,748.34**	**188,443,235.21**	**(185,861,195.25)**

SCHEDULE 1: ACTUAL TRANSMISSION COST (ATC)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014
Total Transmission Cost for customers with reg TC	2,627,963,999.51	2,745,317,264.61	2,841,662,037.81	2,932,082,121.11	2,996,234,328.67	3,310,151,683.50	2,989,004,394.71	2,921,211,904.73	2,728,189,394.88	2,462,468,049.36	2,516,219,945.66	2,605,731,049.30	33,676,236,173.85
kWh Purchases for customers with regular TC	2,688,743,256	2,879,285,241	2,734,241,793	3,161,291,333	3,332,532,714	3,443,837,495	2,991,907,894	3,181,015,383	3,185,997,781	3,127,376,788	3,186,753,552	2,975,607,745	36,888,590,975.71
Average Transmission Cost Per KWh	0.9774	0.9535	1.0393	0.9275	0.8991	0.9612	0.9990	0.9183	0.8563	0.7874	0.7896	0.8757	0.9129
kWh Sales to Customers with regular Transmission Charge	2,549,498,916	2,644,013,431	2,531,496,474	2,908,743,050	3,047,248,640	3,226,512,600	2,881,828,198	2,912,022,311	2,985,241,927	2,910,278,275	2,978,090,280	2,848,955,712	34,423,929,812.76
ACTUAL TRANSMISSION COST	**2,491,867,288.99**	**2,520,992,229.58**	**2,630,951,456.50**	**2,697,844,833.88**	**2,739,739,341.22**	**3,101,263,090.62**	**2,879,031,525.54**	**2,674,188,338.12**	**2,556,280,929.16**	**2,291,526,654.24**	**2,351,462,088.25**	**2,494,822,231.84**	**31,429,970,007.94**

SCHEDULE 2: TRANSMISSION COST RECOVERIES (TRR)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014
kWh Sales to Residential	777,692,354	726,598,277	703,273,789	909,749,776	992,243,565	1,035,351,705	895,234,994	862,440,165	890,995,501	869,348,382	870,858,259	826,695,191	10,360,481,958
Transmission Charge Per kWh	0.9333	0.9467	0.9904	1.0165	0.9339	0.8928	0.9774	0.9664	0.9225	0.8687	0.7855	0.8029	0.9188
Transmission Cost Recoveries from Residential	725,820,273.99	687,870,588.84	696,522,360.63	924,760,647.30	926,656,265.35	924,362,002.22	875,002,683.14	833,462,175.46	821,943,349.67	755,202,939.44	684,059,162.44	663,753,568.85	9,519,416,017.34
kWh Sales to General Service A	89,183,727	89,350,976	85,052,292	101,253,895	105,189,702	112,385,100	101,467,929	98,712,009	101,915,484	99,817,666	101,066,987	97,852,685	1,183,248,452
Transmission Charge Per kWh	0.9333	0.9467	0.9904	1.0165	0.9339	0.8928	0.9774	0.9664	0.9225	0.8687	0.7855	0.8029	0.9185
Transmission Cost Recoveries from General Service A	83,235,172.41	84,588,568.98	84,235,790.00	102,924,584.27	98,236,662.70	100,337,417.28	99,174,753.80	95,395,285.50	94,017,033.99	86,711,606.45	79,388,118.29	78,565,920.79	1,086,810,914.45
kWh Sales to GHMSCI	16,772,877	16,992,338	15,837,278	18,145,644	18,355,321	19,344,904	17,688,799	17,661,698	18,014,773	17,574,008	18,153,056	17,708,288	212,248,984
Transmission Charge Per kWh	1.0762	1.1135	1.0819	1.2229	1.0478	1.0439	1.0873	1.1405	1.0633	0.9611	0.9010	0.8845	1.0514
Transmission Cost Recoveries from GHMSCI	18,050,970.23	18,920,968.36	17,134,351.07	22,190,308.05	19,232,705.34	20,194,145.29	19,233,031.15	20,143,166.57	19,155,108.13	16,890,379.09	16,355,903.46	15,664,751.56	223,165,788.30
kWh Sales to Flat Streetlights	10,777,704	10,796,863	10,829,062	10,848,668	10,855,694	10,845,121	10,853,384	10,887,428	10,895,760	10,805,174	10,416,308	11,400,181	130,211,347
Transmission Charge Per kWh	0.9392	0.9496	1.0012	1.0188	0.9461	0.9036	1.0034	0.9757	0.9292	0.8787	0.7916	0.8118	0.9290
Transmission Cost Recoveries from Flat Streetlights	10,122,419.60	10,252,701.10	10,842,056.87	11,052,622.96	10,270,572.09	9,799,651.34	10,890,285.51	10,622,863.50	10,124,340.19	9,494,506.39	8,245,549.41	9,254,666.94	120,972,235.90
kW Demand of General Service B	643,469	649,826	622,930	665,173	673,614	593,973	681,108	672,106	669,769	673,097	673,296	667,989	7,886,350
Transmission Charge Per kW	279.60	275.05	269.01	310.58	276.98	268.94	316.96	299.68	277.35	252.67	234.59	233.09	274.64
Transmission Cost Recoveries from General Service B	179,913,932.40	178,734,641.30	167,574,399.30	206,589,430.34	186,577,605.72	159,743,098.62	215,883,991.68	201,416,726.08	185,760,432.15	170,071,418.99	157,948,508.64	155,701,556.01	2,165,915,741.23
kW Demand of GP-Secondary	2,173,665	2,185,029	2,211,116	2,299,826	2,420,513	2,426,969	2,378,651	2,337,384	2,334,658	2,349,969	2,327,779	2,328,009	27,773,568
Transmission Charge Per kW	318.52	305.36	315.10	345.02	315.24	300.11	340.24	331.77	315.44	292.92	267.59	271.31	309.84
Transmission Cost Recoveries from GP-Secondary	692,355,775.80	667,220,455.44	696,722,651.60	793,485,966.52	763,042,518.12	728,357,666.59	809,312,216.24	775,473,889.68	736,444,519.52	688,352,919.48	622,890,382.61	631,612,121.79	8,605,271,083.39
kW Demand of GP-Below 13.2kV	3,544	4,026	3,830	3,895	4,240	4,538	4,381	4,315	4,027	3,484	3,160	3,199	46,639
Transmission Charge Per kW	337.22	334.39	334.25	352.69	331.29	313.36	359.26	341.03	330.53	317.88	281.54	293.14	328.77
Transmission Cost Recoveries from GP-Below 13.2kV	1,195,107.68	1,346,254.14	1,280,177.50	1,373,727.55	1,404,669.60	1,422,027.68	1,573,918.06	1,471,544.45	1,331,044.31	1,107,493.92	889,666.40	937,754.86	15,333,386.15
kW Demand of GP-13.2/13.8kV	58,007	58,439	59,636	63,239	63,110	63,679	63,610	63,410	62,597	63,748	64,432	64,232	748,139
Transmission Charge Per kW	337.22	334.39	334.25	352.69	331.29	313.36	359.26	341.03	330.53	317.88	281.54	293.14	326.95
Transmission Cost Recoveries from GP-13.2/13.8kV	19,561,120.54	19,541,417.21	19,933,333.00	22,303,762.91	20,907,711.90	19,954,451.44	22,852,528.60	21,624,712.30	20,690,186.41	20,264,214.24	18,140,185.28	18,828,968.48	244,602,592.31
kW Demand of GP-34.5kV	1,871,296	1,898,497	1,915,283	1,998,579	2,064,484	2,078,127	2,042,917	2,022,908	2,022,198	2,021,571	2,030,019	2,015,046	23,980,925
Transmission Charge Per kW	371.06	373.63	393.44	386.66	365.51	355.77	408.14	381.84	368.46	357.76	316.69	332.27	367.41
Transmission Cost Recoveries from GP-34.5kV	694,363,093.76	709,335,434.11	753,548,943.52	772,770,556.14	754,589,546.84	739,335,242.79	833,796,144.38	772,427,190.72	745,099,075.08	723,237,240.96	642,886,717.11	669,539,334.42	8,810,928,519.83
kW Demand of GP-69/115kV	207,930	232,065	233,419	251,416	248,037	242,212	233,034	235,354	253,689	253,966	256,469	250,673	2,898,264
Transmission Charge Per kW	288.20	290.77	310.58	303.80	282.65	272.91	325.28	298.98	285.60	274.90	233.83	249.41	284.11
Transmission Cost Recoveries from GP-69/115kV	59,925,426.00	67,477,540.05	72,495,273.02	76,380,180.80	70,107,658.05	66,102,076.92	75,801,299.52	70,366,138.92	72,453,578.40	69,815,253.40	59,970,146.27	62,520,352.93	823,414,924.28
TOTAL TRANSMISSION COST RECOVERIES	**2,484,543,292.40**	**2,445,288,569.53**	**2,520,289,336.51**	**2,933,831,786.84**	**2,851,025,915.72**	**2,769,607,780.17**	**2,963,520,852.08**	**2,802,403,693.17**	**2,707,018,667.86**	**2,541,147,972.37**	**2,290,774,339.91**	**2,306,378,996.63**	**31,615,831,203.18**

TRANSMISSION (OVER)/UNDER RECOVERY
January to December 2015

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015
Actual Transmission Cost[Schedule 1]	2,600,286,106.27	2,516,728,239.10	2,514,772,827.71	2,888,293,616.30	2,845,483,057.03	2,820,028,684.75	2,538,433,591.93	2,481,686,093.53	2,473,723,971.12	2,531,191,137.96	2,570,694,421.50	2,573,597,390.13	31,354,919,137.33
Transmission Cost Recoveries[Schedule 2]	2,348,937,438.80	2,604,384,156.47	2,543,385,796.08	2,744,426,085.29	3,051,445,531.81	2,969,414,248.88	2,686,440,018.64	2,567,690,247.86	2,466,001,972.48	2,461,535,262.44	2,548,153,106.09	2,508,722,080.98	31,500,535,945.82
TRANSMISSION (OVER)/UNDER RECOVERY	**251,348,667.47**	**(87,655,917.37)**	**(28,612,968.37)**	**143,867,531.01**	**(205,962,474.78)**	**(149,385,564.13)**	**(148,006,426.71)**	**(86,004,154.33)**	**7,721,998.64**	**69,655,875.52**	**22,541,315.41**	**64,875,309.15**	**(145,616,808.49)**

SCHEDULE 1: ACTUAL TRANSMISSION COST (ATC)

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015
Total Transmission Cost for customers with reg TC	2,768,152,206.99	2,726,466,035.25	2,715,350,347.04	3,171,486,632.89	3,089,089,293.49	3,012,653,019.19	2,689,962,637.19	2,637,596,993.83	2,663,302,519.83	2,692,407,476.85	2,752,537,753.83	2,689,695,130.05	33,608,700,046.43
kWh Purchases for customers with regular TC	2,696,755,024	2,987,965,358	2,840,160,867	3,220,183,246	3,430,243,637	3,600,813,873	3,294,292,884	3,428,414,595	3,456,702,558	3,340,799,813	3,454,315,287	3,173,608,126	38,924,255,267.18
Average Transmission Cost Per KWh	1.0265	0.9125	0.9561	0.9849	0.9005	0.8367	0.8165	0.7693	0.7705	0.8059	0.7968	0.8475	0.8634
kWh Sales to Customers with regular Transmission Charge	2,533,218,587	2,758,111,304	2,630,363,844	2,932,641,941	3,159,733,896	3,370,583,451	3,108,721,141	3,225,757,704	3,210,648,402	3,140,758,950	3,226,109,806	3,036,622,812	36,333,271,836.95
ACTUAL TRANSMISSION COST	2,600,286,106.27	2,516,728,239.10	2,514,772,827.71	2,888,293,616.30	2,845,483,057.03	2,820,028,684.75	2,538,433,591.93	2,481,686,093.53	2,473,723,971.12	2,531,191,137.96	2,570,694,421.50	2,573,597,390.13	31,354,919,137.33

SCHEDULE 2: TRANSMISSION COST RECOVERIES (TRR)

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015
kWh Sales to Residential	767,481,704	751,527,017	742,063,443	917,725,744	1,016,160,153	1,092,351,941	970,785,268	991,235,387	987,267,344	965,806,518	987,197,836	927,087,122	11,116,689,477
Transmission Charge Per kWh	0.8650	0.9915	0.9465	0.9386	0.9903	0.9009	0.8494	0.8084	0.7718	0.7843	0.8036	0.8106	0.8684
Transmission Cost Recoveries from Residential	663,871,673.96	745,139,037.36	702,363,048.80	861,377,383.32	1,006,303,399.52	984,099,863.65	824,585,006.64	801,314,686.85	761,972,936.10	757,482,052.07	793,312,181.01	751,496,821.09	9,653,318,090.36
kWh Sales to General Service A	86,704,572	91,097,217	88,179,815	100,123,335	108,363,606	116,904,561	107,369,132	111,061,646	110,072,331	107,833,715	110,436,409	105,513,401	1,243,659,740
Transmission Charge Per kWh	0.8650	0.9915	0.9465	0.9386	0.9903	0.9009	0.8494	0.8084	0.7718	0.7843	0.8036	0.8106	0.8685
Transmission Cost Recoveries from General Service A	74,999,454.78	90,322,890.66	83,462,194.90	93,975,762.23	107,312,479.02	105,319,319.00	91,199,340.72	89,782,234.63	84,953,825.07	84,573,982.67	88,746,698.27	85,529,162.85	1,080,177,344.80
kWh Sales to GHMSCI	16,147,289	16,929,041	15,983,149	17,898,768	18,674,250	19,787,128	18,541,817	18,866,608	19,064,938	18,712,555	19,335,603	18,463,426	218,404,572
Transmission Charge Per kWh	1.0030	1.2031	1.0041	1.1277	1.1304	1.0190	0.9242	0.9405	0.8787	0.8644	0.9244	0.8896	0.9898
Transmission Cost Recoveries from GHMSCI	16,195,730.87	20,367,329.23	16,048,679.91	20,184,440.67	21,109,372.20	20,163,083.43	17,136,347.27	17,744,044.82	16,752,361.02	16,175,132.54	17,873,831.41	16,425,063.77	216,175,417.15
kWh Sales to Flat Streetlights	10,948,884	10,979,189	10,914,827	10,986,894	10,870,028	10,841,536	10,993,823	11,080,278	11,050,836	10,983,141	11,001,835	11,065,561	131,716,832
Transmission Charge Per kWh	0.8721	0.9928	0.9573	0.9403	1.0031	0.9139	0.8628	0.8182	0.7835	0.7953	0.8133	0.8221	0.8809
Transmission Cost Recoveries from Flat Streetlights	9,548,521.74	10,900,138.84	10,448,763.89	10,330,976.43	10,903,725.09	9,908,079.75	9,485,470.48	9,065,883.46	8,658,330.01	8,734,892.04	8,947,792.41	9,096,997.70	116,029,571.82
kW Demand of General Service B	644,144	643,792	659,575	678,713	688,925	710,212	703,814	703,113	701,156	704,209	705,929	703,737	8,247,319
Transmission Charge Per kW	266.55	292.95	254.52	282.89	295.47	277.98	251.58	249.67	242.80	231.44	247.04	239.21	260.66
Transmission Cost Recoveries from General Service B	171,696,583.20	188,598,866.40	167,875,029.00	192,001,120.57	203,556,669.75	197,424,731.76	177,065,526.12	175,546,222.71	170,240,676.80	162,982,130.96	174,392,700.16	168,340,927.77	2,149,721,185.20
kW Demand of GP-Secondary	2,187,627	2,198,784	2,270,166	2,342,404	2,403,935	2,497,205	2,472,176	2,465,512	2,456,231	2,452,259	2,448,788	2,432,874	28,627,961
Transmission Charge Per kW	298.36	319.81	307.66	315.29	331.30	313.37	290.87	277.46	271.11	265.57	276.77	275.72	294.84
Transmission Cost Recoveries from GP-Secondary	652,700,391.72	703,193,111.04	698,439,271.56	738,536,557.16	796,423,665.50	782,549,130.85	719,081,833.12	684,080,959.52	665,908,786.41	651,246,422.63	677,751,054.76	670,792,019.28	8,440,703,203.55
kW Demand of GP-Below 13.2kV	3,003	3,160	3,211	3,286	3,400	3,653	3,394	3,423	3,518	3,511	3,294	3,305	40,158
Transmission Charge Per kW	316.27	348.83	334.33	322.13	341.66	318.88	305.50	290.67	282.80	281.03	290.19	298.28	310.42
Transmission Cost Recoveries from GP-Below 13.2kV	949,758.81	1,102,302.80	1,073,533.63	1,058,519.18	1,161,644.00	1,164,868.64	1,036,867.00	994,963.41	994,890.40	986,696.33	955,885.86	985,815.40	12,465,745.46
kW Demand of GP-13.2/13.8kV	60,807	61,555	62,946	64,967	65,635	67,339	68,521	69,988	68,270	68,782	68,852	67,605	795,267
Transmission Charge Per kW	316.27	348.83	334.33	322.13	341.66	318.88	305.50	290.67	282.80	281.03	290.19	298.28	310.13
Transmission Cost Recoveries from GP-13.2/13.8kV	19,231,429.89	21,472,230.65	21,044,736.18	20,927,819.71	22,424,854.10	21,473,060.32	20,933,165.50	20,343,411.96	19,306,756.00	19,329,805.46	19,980,161.88	20,165,219.40	246,632,651.05
kW Demand of GP-34.5kV	1,919,502	1,948,420	1,983,218	2,064,707	2,122,548	2,151,168	2,124,231	2,159,985	2,131,672	2,142,099	2,135,550	2,121,786	25,004,886
Transmission Charge Per kW	350.50	383.91	386.85	360.38	382.02	360.98	356.62	327.96	318.39	324.98	328.59	338.14	351.11
Transmission Cost Recoveries from GP-34.5kV	672,785,451.00	748,017,922.20	767,207,883.30	744,079,108.66	810,855,786.96	776,528,624.64	757,543,259.22	708,388,680.60	678,703,048.08	696,139,333.02	701,720,374.50	717,460,718.04	8,779,430,190.22
kW Demand of GP-69/115kV	250,181	250,026	248,109	223,243	238,648	254,507	249,756	246,549	248,420	263,856	262,371	268,056	3,003,722
Transmission Charge Per kW	267.64	301.05	303.99	277.52	299.16	278.12	273.76	245.10	235.53	242.12	245.73	255.28	268.29
Transmission Cost Recoveries from GP-69/115kV	66,958,442.84	75,270,327.30	75,422,654.91	61,954,397.36	71,393,935.68	70,783,486.84	68,373,202.56	60,429,159.90	58,510,362.60	63,884,814.72	64,472,425.83	68,429,335.68	805,882,546.22
TOTAL TRANSMISSION COST RECOVERIES	**2,348,937,438.80**	**2,604,384,156.47**	**2,543,385,796.08**	**2,744,426,085.29**	**3,051,445,531.81**	**2,969,414,248.88**	**2,686,440,018.64**	**2,567,690,247.86**	**2,466,001,972.48**	**2,461,535,262.44**	**2,548,153,106.09**	**2,508,722,080.98**	**31,500,535,945.83**

TRANSMISSION (OVER)/UNDER RECOVERY
January to December 2016

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
Actual Transmission Cost (Schedule 1)	2,658,320,455.62	2,823,247,356.57	2,865,974,452.48	2,821,642,057.50	3,199,135,995.42	2,928,880,723.10	3,078,423,050.38	2,796,988,248.64	2,559,729,004.24	2,451,640,421.72	2,479,357,409.91	2,436,676,569.75	33,100,015,745.33
Transmission Cost Recoveries (Schedule 2)	2,498,949,773.09	2,674,293,931.79	2,864,614,782.42	3,137,145,186.15	2,919,719,182.96	3,201,101,959.28	2,815,881,666.19	3,106,219,011.82	2,786,472,366.06	2,502,504,897.69	2,482,663,543.02	2,411,181,557.08	33,400,747,857.55
TRANSMISSION (OVER)/UNDER RECOVERY	**159,370,682.53**	**148,953,424.78**	**1,359,670.06**	**(315,503,128.65)**	**279,416,812.46**	**(272,221,236.18)**	**262,541,384.19**	**(309,230,763.18)**	**(226,743,361.82)**	**(50,864,475.97)**	**(3,306,133.11)**	**25,495,012.67**	**(300,732,112.22)**

SCHEDULE 1: ACTUAL TRANSMISSION COST (ATC)

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
Total Transmission Cost for customers with reg TC	2,900,770,783.06	3,000,434,733.88	3,103,654,777.43	3,087,290,773.99	3,430,830,565.96	3,140,138,692.50	3,259,124,115.38	2,972,197,105.00	2,739,506,664.16	2,620,056,232.54	2,625,825,028.74	2,549,520,256.68	35,429,349,729.32
kWh Purchases for customers with regular TC	3,100,500,834	3,266,243,737	3,203,235,395	3,679,318,650	3,749,267,647	3,818,631,494	3,522,719,420	3,648,794,496	3,640,602,312	3,516,152,292	3,545,389,852	3,349,656,117	42,040,512,245.45
Average Transmission Cost Per KWh	0.9356	0.9186	0.9689	0.8391	0.9151	0.8223	0.9252	0.8146	0.7525	0.7451	0.7406	0.7611	0.8427
kWh Sales to Customers with regular Transmission Charge	2,841,356,800	3,073,359,301	2,957,929,108	3,362,728,361	3,496,068,038	3,561,726,811	3,327,403,400	3,433,700,716	3,401,691,061	3,290,135,906	3,347,629,223	3,201,397,814	39,295,126,539.69
ACTUAL TRANSMISSION COST	2,658,320,455.62	2,823,247,356.57	2,865,974,452.48	2,821,642,057.50	3,199,135,995.42	2,928,880,723.10	3,078,423,050.38	2,796,988,248.64	2,559,729,004.24	2,451,640,421.72	2,479,357,409.91	2,436,676,569.75	33,100,015,745.33

SCHEDULE 2: TRANSMISSION COST RECOVERIES (TRR)

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
kWh Sales to Residential	903,595,127	904,274,626	904,827,630	1,095,967,542	1,183,556,261	1,178,729,219	1,070,108,188	1,084,695,208	1,082,495,560	1,017,934,817	1,038,754,145	974,254,801	12,439,193,124
Transmission Charge Per kWh	0.8339	0.9160	0.9410	0.9527	0.8516	0.9175	0.8376	0.9197	0.8197	0.7639	0.7462	0.7493	0.8546
Transmission Cost Recoveries from Residential	753,507,976.41	828,315,557.42	851,442,799.83	1,044,128,277.26	1,007,916,511.87	1,081,484,058.43	896,322,618.27	997,594,182.80	887,321,610.53	777,600,406.71	775,118,343.00	730,009,122.39	10,630,761,464.91
kWh Sales to General Service A	98,876,394	104,883,079	102,082,459	115,269,394	121,260,801	122,689,296	115,747,487	118,856,464	117,626,863	112,877,961	113,737,508	110,674,798	1,354,582,504
Transmission Charge Per kWh	0.8339	0.9160	0.9410	0.9527	0.8516	0.9175	0.8376	0.9197	0.8197	0.7639	0.7462	0.7493	0.8541
Transmission Cost Recoveries from General Service A	82,453,024.96	96,072,900.36	96,059,593.92	109,817,151.66	103,265,698.13	112,567,429.08	96,950,095.11	109,312,289.94	96,418,739.60	86,227,474.41	84,870,928.47	82,928,626.14	1,156,943,951.79
kWh Sales to GHMSCI	17,985,331	18,695,474	17,777,173	19,666,750	19,878,004	19,982,076	19,137,282	19,728,478	20,135,904	19,498,754	19,669,796	19,462,991	231,618,013
Transmission Charge Per kWh	0.9733	1.0793	1.0080	1.1356	0.9488	1.0273	0.9076	1.0579	0.9225	0.8342	0.8475	0.8261	0.9635
Transmission Cost Recoveries from GHMSCI	17,505,122.66	20,178,025.09	17,919,390.38	22,333,561.30	18,860,250.20	20,527,586.67	17,368,997.14	20,870,756.88	18,575,371.44	16,265,860.59	16,670,152.11	16,078,376.87	223,153,451.33
kWh Sales to Flat Streetlights	11,070,247	11,072,393	11,199,554	11,221,266	11,000,375	10,959,841	11,141,737	11,145,637	11,116,678	11,160,303	11,141,411	11,117,627	133,347,069
Transmission Charge Per kWh	0.8426	0.9232	0.9541	0.9615	0.8663	0.9341	0.8520	0.9332	0.8329	0.7758	0.7560	0.7597	0.8659
Transmission Cost Recoveries from Flat Streetlights	9,327,790.12	10,222,033.22	10,685,494.47	10,789,247.26	9,529,624.86	10,237,587.48	9,492,759.92	10,401,108.45	9,259,081.11	8,658,163.07	8,422,906.72	8,446,061.23	115,471,857.90
kW Demand of General Service B	689,260	691,020	700,680	717,377	724,784	728,896	726,765	729,158	725,940	722,477	726,440	723,149	8,605,946
Transmission Charge Per kW	258.24	272.97	267.66	295.14	256.37	287.71	250.22	286.50	256.30	226.78	229.86	219.47	258.86
Transmission Cost Recoveries from General Service B	177,994,502.40	188,627,729.40	187,544,008.80	211,726,647.78	185,812,874.08	209,710,668.16	181,851,138.30	208,903,767.00	186,058,422.00	163,843,334.06	166,979,498.40	158,709,511.03	2,227,762,101.41
kW Demand of GP-Secondary	2,342,258	2,365,355	2,427,558	2,499,093	2,524,989	2,544,073	2,537,881	2,545,218	2,526,089	2,505,965	2,515,267	2,487,153	29,820,899
Transmission Charge Per kW	286.50	298.48	314.71	324.96	288.02	322.72	288.48	318.89	287.59	259.58	258.33	251.67	291.67
Transmission Cost Recoveries from GP-Secondary	671,056,917.00	706,011,160.40	763,976,778.18	812,105,261.28	727,247,331.78	821,023,238.56	732,127,910.88	811,644,568.02	726,477,935.51	650,498,394.70	649,768,924.11	625,941,795.51	8,697,880,215.93
kW Demand of GP-13.8 kV and below	70,528	71,624	74,628	75,960	74,352	73,028	73,003	75,960	76,383	73,972	75,642	74,459	889,539
Transmission Charge Per kW	302.14	320.88	342.56	331.24	302.67	331.67	305.48	330.97	299.51	272.90	266.59	266.61	306.08
Transmission Cost Recoveries from GP-Below 13.2kV	21,309,329.92	22,982,709.12	25,564,567.68	25,160,990.40	22,504,119.84	24,221,196.76	22,300,956.44	25,140,481.20	22,877,472.33	20,186,958.80	20,165,400.78	19,851,513.99	272,265,697.26
kW Demand of GP-34.5kV	2,075,453	2,072,932	2,122,174	2,238,420	2,264,566	2,256,913	2,227,092	2,249,314	2,244,119	2,245,311	2,287,054	2,257,106	26,540,454
Transmission Charge Per kW	337.80	352.72	390.58	367.60	340.94	373.45	353.30	374.96	342.58	317.51	305.86	312.75	347.25
Transmission Cost Recoveries from GP-34.5kV	701,088,023.40	731,164,575.04	828,878,720.92	822,843,192.00	772,081,132.04	842,844,159.85	786,831,603.60	843,402,777.44	768,790,287.02	712,908,695.61	699,518,336.44	705,909,901.50	9,216,261,404.86
kW Demand of GP-69/115kV	253,813	262,059	268,242	274,780	280,927	270,092	268,583	270,281	272,191	282,615	274,211	275,378	3,253,172
Transmission Charge Per kW	254.94	269.86	307.72	284.74	258.08	290.59	270.44	292.10	259.72	234.65	223.00	229.89	264.43
Transmission Cost Recoveries from GP-69/115kV	64,707,086.22	70,719,241.74	82,543,428.24	78,240,857.20	72,501,640.16	78,486,034.28	72,635,586.52	78,949,080.10	70,693,446.52	66,315,609.75	61,149,053.00	63,306,648.42	860,247,712.15
TOTAL TRANSMISSION COST RECOVERIES	**2,498,949,773.09**	**2,674,293,931.79**	**2,864,614,782.42**	**3,137,145,186.15**	**2,919,719,182.96**	**3,201,101,959.28**	**2,815,881,666.19**	**3,106,219,011.82**	**2,786,472,366.06**	**2,502,504,897.69**	**2,482,663,543.02**	**2,411,181,557.08**	**33,400,747,857.54**

ANNEX 66 D 99

SYSTEM LOSS (OVER)/UNDER RECOVERY (SLOUR)
JANUARY 2014 - DECEMBER 2016

	2014	2015	2016	TOTAL
Allowable System Loss Cost	14,719,790,757.03	13,404,505,830.62	12,671,013,924.96	40,795,310,512.61
Actual System Loss Recoveries	15,268,178,945.47	13,759,569,904.11	13,010,322,651.38	42,038,071,500.96
SYSTEM LOSS (OVER)/UNDER RECOVERY	**(548,388,188.44)**	**(355,064,073.49)**	**(339,308,726.42)**	**(1,242,760,988.35)**

PREPARED BY:

RODELYN M. SOGUILON

APPROVED BY:

ARLYN I. DELA CRUZ

SYSTEM LOSS (OVER)/UNDER RECOVERY (SLOUR)

January to December 2014

	2014
Allowable System Loss Cost$_{ASLC\ (Schedule\ 1)}$	14,719,790,757.03
Actual System Loss Recoveries$_{ASLR\ (Schedule\ 2)}$	15,268,178,945.47
SYSTEM LOSS (OVER)/UNDER RECOVERY	**(548,388,188.44)**

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014
Allowable System Loss Cost$_{(Schedule\ 1)}$	1,073,896,049.59	1,149,487,576.39	1,091,363,037.12	1,261,549,556.98	1,329,310,793.85	1,373,778,624.36	1,192,956,858.29	1,269,461,768.88	1,271,335,852.84	1,247,508,380.78	1,271,659,580.60	1,187,482,677.36	14,719,790,757.04
Actual System Loss Recoveries$_{(Schedule\ 2)}$	1,204,152,550.18	1,198,192,118.09	1,076,056,471.64	1,405,573,958.95	1,442,729,538.28	1,433,872,313.09	1,308,362,304.70	1,303,282,284.72	1,295,191,704.17	1,265,165,637.28	1,209,877,477.56	1,125,722,586.81	15,268,178,945.47
SYSTEM LOSS (OVER)/UNDER RECOVERY	**(130,256,500.59)**	**(48,704,541.70)**	**15,306,565.48**	**(144,024,401.97)**	**(113,418,744.43)**	**(60,093,688.73)**	**(115,405,446.41)**	**(33,820,515.84)**	**(23,855,851.33)**	**(17,657,256.50)**	**61,782,103.04**	**61,760,090.55**	**(548,388,188.43)**

SCHEDULE 1: ALLOWABLE SYSTEM LOSS COST (ASLC)

	2014
Average Generation Rate$_{AGR2014}$	5.2000
Average Transmission Rate$_{ATR2014}$	0.9129
Average Purchased Power Cost Per kWh	6.1130
Gross Up Factor$_{U}$	0.0695
Total 2014 kWh Sales	34,649,437,221
ALLOWABLE SYSTEM LOSS COST$_{ASLC}$	**14,719,790,757.03**

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014
Total Generation Rate	5.2000	5.2000	5.2000	5.2000	5.2000	5.2000	5.2000	5.2000	5.2000	5.2000	5.2000	5.2000	5.2000
Average Transmission Rate	0.9129	0.9129	0.9129	0.9129	0.9129	0.9129	0.9129	0.9129	0.9129	0.9129	0.9129	0.9129	0.9129
Average Purchased Power Cost Per kWh	**6.1130**	**6.1130**	**6.1130**	**6.1130**	**6.1130**	**6.1130**	**6.1130**	**6.1130**	**6.1130**	**6.1130**	**6.1130**	**6.1130**	**6.1130**
Total kWh Purchased and Generated	2,707,693,628	2,898,288,142	2,751,734,437	3,180,838,311	3,351,689,735	3,463,809,769	3,007,890,461	3,200,787,957	3,205,513,224	3,145,435,254	3,206,329,462	2,994,088,003	37,114,098,384
System Loss Percentage	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%	6.49%
Allowable System Loss kWhs	**175,675,376.11**	**188,041,163.20**	**178,532,747.28**	**206,373,040.48**	**217,457,894.34**	**224,732,250.97**	**195,152,170.31**	**207,667,375.06**	**207,973,950.74**	**204,076,087.33**	**208,026,908.37**	**194,256,665.77**	**2,407,965,629.96**
ALLOWABLE SYSTEM LOSS COST	**1,073,896,049.59**	**1,149,487,576.39**	**1,091,363,037.12**	**1,261,549,556.98**	**1,329,310,793.85**	**1,373,778,624.36**	**1,192,956,858.29**	**1,269,461,768.88**	**1,271,335,852.84**	**1,247,508,380.78**	**1,271,659,580.60**	**1,187,482,677.36**	**14,719,790,757.03**

SYSTEM LOSS (OVER)/UNDER RECOVERY (SLOUR)

January to December 2014

SCHEDULE 2: AMOUNT OF SYSTEM LOSS RECOVERIES (ASLR)

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014
kWh Sales to Residential	777,692,354	726,598,277	703,273,789	909,749,776	992,243,565	1,035,351,705	895,234,994	862,440,165	890,995,501	869,348,382	870,858,259	826,695,191	10,360,481,958
System Loss Charge Per kWh	0.6062	0.5954	0.5502	0.6133	0.5994	0.5589	0.5776	0.5781	0.5566	0.5621	0.5272	0.5105	0.5698
Actual System Loss Recoveries from Residential	471,437,104.99	432,616,614.13	386,941,238.71	557,949,537.62	594,750,792.86	578,658,067.92	517,087,732.53	498,576,659.39	495,928,095.86	488,660,725.52	459,116,474.14	422,027,895.01	5,903,750,938.68
kWh Sales to General Service A	89,183,727	89,350,976	85,052,292	101,253,895	105,189,702	112,385,100	101,467,929	98,712,009	101,915,484	99,817,666	101,066,987	97,852,685	1,183,248,452
System Loss Charge Per kWh	0.6062	0.5954	0.5502	0.6133	0.5994	0.5589	0.5776	0.5781	0.5566	0.5621	0.5272	0.5105	0.5694
Actual System Loss Recoveries from General Service A	54,063,175.31	53,199,571.11	46,795,771.06	62,099,013.80	63,050,707.38	62,812,032.39	58,607,875.79	57,065,412.40	56,726,158.39	56,107,510.06	53,282,515.55	49,953,795.69	673,763,538.93
kWh Sales to GHMSCI	16,772,877	16,992,338	15,837,278	18,145,644	18,355,321	19,344,904	17,688,799	17,661,698	18,014,773	17,574,008	18,153,056	17,708,288	212,248,984
System Loss Charge Per kWh	0.6062	0.5954	0.5502	0.6133	0.5994	0.5589	0.5776	0.5781	0.5566	0.5621	0.5272	0.5105	0.5695
Actual System Loss Recoveries from GHMSCI	10,167,718.04	10,117,238.05	8,713,670.36	11,128,723.47	11,002,179.41	10,811,866.85	10,217,050.30	10,210,227.61	10,027,022.65	9,878,349.90	9,570,291.12	9,040,081.02	120,884,418.77
kWh Sales to Flat Streetlights	10,777,704	10,796,863	10,829,062	10,848,668	10,855,694	10,845,121	10,853,384	10,887,428	10,895,760	10,805,174	10,416,308	11,400,181	130,211,347
System Loss Charge Per kWh	0.6062	0.5954	0.5502	0.6133	0.5994	0.5589	0.5776	0.5781	0.5566	0.5621	0.5272	0.5105	0.5695
Actual System Loss Recoveries from Flat Streetlights	6,533,444.16	6,428,452.23	5,958,149.91	6,653,488.08	6,506,902.98	6,061,338.13	6,268,914.60	6,294,022.13	6,064,580.02	6,073,588.31	5,491,477.58	5,819,792.40	74,154,150.53
kWh Sales to General Service B	135,770,535	143,071,111	133,299,829	152,211,980	154,594,713	165,274,106	152,909,039	148,886,332	154,032,127	150,925,105	155,423,218	150,758,668	1,797,156,763
System Loss Charge Per kWh	0.6062	0.5954	0.5502	0.6133	0.5994	0.5589	0.5776	0.5781	0.5566	0.5621	0.5272	0.5105	0.5693
Actual System Loss Recoveries from General Service B	82,304,098.32	85,184,539.49	73,341,565.92	93,351,607.33	92,664,070.97	92,371,697.84	88,320,260.93	86,071,188.53	85,734,281.89	84,835,001.52	81,939,120.53	76,962,300.01	1,023,079,733.28
kWh Sales to GP-Secondary	594,281,735	654,173,091	648,979,117	707,720,374	715,506,994	779,698,789	711,969,989	713,944,976	728,834,093	718,269,103	731,563,600	712,588,506	8,417,530,367
System Loss Charge Per kWh	0.6062	0.5954	0.5502	0.6133	0.5994	0.5589	0.5776	0.5781	0.5566	0.5621	0.5272	0.5105	0.5689
Actual System Loss Recoveries from GP-Secondary	360,253,587.76	389,494,658.38	357,068,310.17	434,044,905.37	428,874,892.20	435,773,653.17	411,233,865.65	412,731,590.63	405,669,056.16	403,739,062.80	385,680,329.92	363,776,432.31	4,788,340,344.53
kWh Sales to GP-Below 13.2kV	1,007,600	1,220,950	1,155,100	1,281,800	1,312,450	1,421,850	1,322,200	1,266,400	1,203,450	1,124,600	1,092,000	1,076,300	14,484,700
System Loss Charge Per kWh	0.2523	0.2375	0.2267	0.2545	0.2499	0.2393	0.2341	0.2350	0.2337	0.2224	0.2124	0.2068	0.2343
Actual System Loss Recoveries from GP-Below 13.2kV	254,217.48	289,975.63	261,861.17	326,218.10	327,981.26	340,248.71	309,527.02	297,604.00	281,246.27	250,111.04	231,940.80	222,578.84	3,393,510.30
kWh Sales to GP-13.2/13.8kV	21,355,201	21,514,819	21,471,587	24,045,322	23,076,994	24,712,284	22,096,193	24,631,426	25,009,229	24,099,031	25,437,593	24,245,560	281,695,239
System Loss Charge Per kWh	0.2523	0.2375	0.2267	0.2545	0.2499	0.2393	0.2341	0.2350	0.2337	0.2224	0.2124	0.2068	0.2334
Actual System Loss Recoveries from GP-13.2/13.8kV	5,387,917.21	5,109,769.51	4,867,608.77	6,119,534.45	5,766,940.80	5,913,649.56	5,172,718.78	5,788,385.11	5,844,656.82	5,359,624.49	5,402,944.75	5,013,981.81	65,747,732.07
kWh Sales to GP-34.5kV	818,094,628	872,300,726	814,949,275	885,612,852	925,127,507	971,801,361	869,096,144	926,873,054	942,106,180	909,108,277	945,190,905	895,657,358	10,775,918,267
System Loss Charge Per kWh	0.2523	0.2375	0.2267	0.2545	0.2499	0.2393	0.2341	0.2350	0.2337	0.2224	0.2124	0.2068	0.2336
Actual System Loss Recoveries from GP-34.5kV	206,405,274.64	207,171,422.43	184,749,000.64	225,388,470.83	231,189,364.00	232,552,065.69	203,455,407.31	217,815,167.69	220,170,214.27	202,185,680.80	200,758,548.22	185,221,941.63	2,517,062,558.16
kWh Sales to GP-69/115kV	99,270,436	122,569,674	110,004,409	112,897,346	115,845,100	121,153,854	111,272,819	121,850,105	127,312,836	122,922,113	134,032,455	125,552,093	1,424,683,239
System Loss Charge Per kWh	0.0740	0.0700	0.0669	0.0754	0.0742	0.0708	0.0691	0.0692	0.0687	0.0657	0.0627	0.0612	0.0688
Actual System Loss Recoveries from GP-69/115kV	7,346,012.27	8,579,877.15	7,359,294.93	8,512,459.89	8,595,706.42	8,577,692.83	7,688,951.79	8,432,027.24	8,746,391.85	8,075,982.84	8,403,834.94	7,683,788.08	98,002,020.23
AMOUNT OF SYSTEM LOSS RECOVERIES	**1,204,152,550.18**	**1,198,192,118.09**	**1,076,056,471.64**	**1,405,573,958.95**	**1,442,729,538.28**	**1,433,872,313.09**	**1,308,362,304.70**	**1,303,282,284.72**	**1,295,191,704.17**	**1,265,165,637.28**	**1,209,877,477.56**	**1,125,722,586.81**	**15,268,178,945.47**

SYSTEM LOSS (OVER)/UNDER RECOVERY (SLOUR)

January to December 2015

	2015
Allowable System Loss Cost$_{ASLC\ (Schedule\ 1)}$	13,404,505,830.62
Actual System Loss Recoveries$_{ASLR\ (Schedule\ 2)}$	13,759,569,904.11
SYSTEM LOSS (OVER)/UNDER RECOVERY	**(355,064,073.49)**

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015
Allowable System Loss Cost$_{(Schedule\ 1)}$	929,753,113.79	1,029,436,596.08	978,144,016.76	1,108,889,340.56	1,180,840,921.01	1,239,639,526.79	1,134,396,892.69	1,180,535,877.28	1,190,116,422.36	1,150,313,489.44	1,189,389,363.51	1,093,050,270.35	13,404,505,830.62
Actual System Loss Recoveries$_{(Schedule\ 2)}$	949,278,093.65	1,162,747,669.63	1,088,200,195.94	1,279,322,239.27	1,290,985,310.49	1,252,806,271.42	1,232,056,855.37	1,245,675,207.86	1,088,188,128.17	1,047,549,806.09	1,088,083,424.86	1,034,676,701.36	13,759,569,904.11
SYSTEM LOSS (OVER)/UNDER RECOVERY	**(19,524,979.86)**	**(133,311,073.55)**	**(110,056,179.18)**	**(170,432,898.71)**	**(110,144,389.48)**	**(13,166,744.63)**	**(97,659,962.68)**	**(65,139,330.58)**	**101,928,294.19**	**102,763,683.35**	**101,305,938.65**	**58,373,568.99**	**(355,064,073.49)**

SCHEDULE 1: ALLOWABLE SYSTEM LOSS COST (ASLC)

	2015
Average Generation Rate$_{AGR2015}$	4.4254
Average Transmission Rate$_{ATR2015}$	0.8634
Average Purchased Power Cost Per kWh	**5.2889**
Gross Up Factor$_{U}$	0.0693
Total 2015 kWh Sales	36,563,266,353
ALLOWABLE SYSTEM LOSS COST$_{ASLC}$	**13,404,505,830.62**

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015
Total Generation Rate	4.4254	4.4254	4.4254	4.4254	4.4254	4.4254	4.4254	4.4254	4.4254	4.4254	4.4254	4.4254	4.4254
Average Transmission Rate	0.8634	0.8634	0.8634	0.8634	0.8634	0.8634	0.8634	0.8634	0.8634	0.8634	0.8634	0.8634	0.8634
Average Purchased Power Cost Per kWh	**5.2889**	**5.2889**	**5.2889**	**5.2889**	**5.2889**	**5.2889**	**5.2889**	**5.2889**	**5.2889**	**5.2889**	**5.2889**	**5.2889**	**5.2889**
Total kWh Purchased and Generated	2,715,787,222	3,006,950,356	2,857,135,924	3,239,039,974	3,449,208,868	3,620,958,228	3,313,546,941	3,448,317,842	3,476,302,391	3,360,038,950	3,474,178,669	3,192,774,419	39,154,249,783
System Loss Percentage	6.47%	6.47%	6.47%	6.47%	6.47%	6.47%	6.47%	6.47%	6.47%	6.47%	6.47%	6.47%	6.47%
Allowable System Loss kWhs	175,794,647.35	194,642,470.89	184,944,239.43	209,665,133.34	223,269,500.49	234,386,946.63	214,488,017.04	223,211,823.82	225,023,281.64	217,497,474.57	224,885,811.75	206,670,334.27	2,534,479,681.23
ALLOWABLE SYSTEM LOSS COST	**929,753,113.79**	**1,029,436,596.08**	**978,144,016.76**	**1,108,889,340.56**	**1,180,840,921.01**	**1,239,639,526.79**	**1,134,396,892.69**	**1,180,535,877.28**	**1,190,116,422.36**	**1,150,313,489.44**	**1,189,389,363.51**	**1,093,050,270.35**	**13,404,505,830.62**

SYSTEM LOSS (OVER)/UNDER RECOVERY (SLOUR)

January to December 2015

SCHEDULE 2: AMOUNT OF SYSTEM LOSS RECOVERIES (ASLR)

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015
kWh Sales to Residential	767,481,704	751,527,017	742,063,443	917,725,744	1,016,160,153	1,092,351,941	970,785,268	991,235,387	987,267,344	965,806,518	987,197,836	927,087,122	11,116,689,477
System Loss Charge Per kWh	0.4882	0.5519	0.5386	0.5579	0.5196	0.4739	0.5081	0.4980	0.4394	0.4322	0.4360	0.4389	0.4878
Actual System Loss Recoveries from Residential	374,684,567.89	414,767,760.68	399,675,370.40	511,999,192.58	527,996,815.50	517,665,584.84	493,255,994.67	493,635,222.73	433,805,270.95	417,421,577.08	430,418,256.50	406,898,537.85	5,422,224,151.66
kWh Sales to General Service A	86,704,572	91,097,217	88,179,815	100,123,335	108,363,606	116,904,561	107,369,132	111,061,646	110,072,331	107,833,715	110,436,409	105,513,401	1,243,659,740
System Loss Charge Per kWh	0.4882	0.5519	0.5386	0.5579	0.5196	0.4739	0.5081	0.4980	0.4394	0.4322	0.4360	0.4389	0.4880
Actual System Loss Recoveries from General Service A	42,329,172.05	50,276,554.06	47,493,648.36	55,858,808.60	56,305,729.68	55,401,071.46	54,554,255.97	55,308,699.71	48,365,782.24	46,605,731.62	48,150,274.32	46,309,831.70	606,959,559.77
kWh Sales to GHMSCI	16,147,289	16,929,041	15,983,149	17,898,768	18,674,250	19,787,128	18,541,817	18,866,608	19,064,938	18,712,555	19,335,603	18,463,426	218,404,572
System Loss Charge Per kWh	0.4882	0.5519	0.5386	0.5579	0.5196	0.4739	0.5081	0.4980	0.4394	0.4322	0.4360	0.4389	0.4886
Actual System Loss Recoveries from GHMSCI	7,883,106.49	9,343,137.73	8,608,524.05	9,985,722.67	9,703,140.30	9,377,119.96	9,421,097.22	9,395,570.78	8,377,133.76	8,087,566.27	8,430,322.91	8,103,597.67	106,716,039.80
kWh Sales to Flat Streetlights	10,948,884	10,979,189	10,914,827	10,986,894	10,870,028	10,841,536	10,993,823	11,080,278	11,050,836	10,983,141	11,001,835	11,065,561	131,716,832
System Loss Charge Per kWh	0.4882	0.5519	0.5386	0.5579	0.5196	0.4739	0.5081	0.4980	0.4394	0.4322	0.4360	0.4389	0.4901
Actual System Loss Recoveries from Flat Streetlights	5,345,245.17	6,059,414.41	5,878,725.82	6,129,588.16	5,648,066.55	5,137,803.91	5,585,961.47	5,517,978.44	4,855,737.34	4,746,913.54	4,796,800.06	4,856,674.72	64,558,909.59
kWh Sales to General Service B	132,100,821	145,912,210	139,527,237	152,337,165	161,894,378	172,473,735	161,955,771	168,205,509	165,725,063	163,359,817	168,464,093	159,876,146	1,891,831,945
System Loss Charge Per kWh	0.4882	0.5519	0.5386	0.5579	0.5196	0.4739	0.5081	0.4980	0.4394	0.4322	0.4360	0.4389	0.4885
Actual System Loss Recoveries from General Service B	64,491,620.81	80,528,948.70	75,149,369.85	84,988,904.35	84,120,318.81	81,735,303.02	82,289,727.25	83,766,343.48	72,819,592.68	70,604,112.91	73,450,344.55	70,169,640.48	924,114,226.88
kWh Sales to GP-Secondary	577,023,105	688,689,636	656,681,744	699,012,009	752,978,821	801,172,694	747,131,224	780,265,239	769,435,022	752,829,998	775,541,210	733,105,518	8,733,866,220
System Loss Charge Per kWh	0.4882	0.5519	0.5386	0.5579	0.5196	0.4739	0.5081	0.4980	0.4394	0.4322	0.4360	0.4389	0.4887
Actual System Loss Recoveries from GP-Secondary	281,702,679.86	380,087,810.11	353,688,787.32	389,978,799.82	391,247,795.39	379,675,739.69	379,617,374.91	388,572,089.02	338,089,748.67	325,373,125.14	338,135,967.56	321,760,011.85	4,267,929,929.34
kWh Sales to GP-Below 13.2kV	839,400	1,034,500	1,004,450	1,073,650	1,129,850	1,193,250	1,086,050	1,134,100	1,185,250	1,117,800	1,134,300	999,450	12,932,050
System Loss Charge Per kWh	0.1975	0.2269	0.2180	0.2269	0.2126	0.1889	0.2036	0.1962	0.1702	0.1674	0.1720	0.1748	0.1957
Actual System Loss Recoveries from GP-Below 13.2kV	165,781.50	234,728.05	218,970.10	243,611.19	240,206.11	225,404.93	221,119.78	222,510.42	201,729.55	187,119.72	195,099.60	174,703.86	2,530,984.80
kWh Sales to GP-13.2/13.8kV	22,174,580	24,095,014	22,003,523	23,772,008	24,162,816	25,619,563	25,333,235	26,935,554	26,250,735	25,850,240	27,425,380	25,021,000	298,643,648
System Loss Charge Per kWh	0.1975	0.2269	0.2180	0.2269	0.2126	0.1889	0.2036	0.1962	0.1702	0.1674	0.1720	0.1748	0.1954
Actual System Loss Recoveries from GP-13.2/13.8kV	4,379,479.55	5,467,158.68	4,796,768.01	5,393,868.62	5,137,014.68	4,839,535.45	5,157,846.65	5,284,755.69	4,467,875.10	4,327,330.18	4,717,165.36	4,373,670.80	58,342,468.76
kWh Sales to GP-34.5kV	817,348,525	913,399,072	848,385,233	913,288,799	952,401,809	1,011,803,941	953,506,519	999,311,351	999,917,726	976,463,320	1,003,510,214	946,382,910	11,335,719,419
System Loss Charge Per kWh	0.1975	0.2269	0.2180	0.2269	0.2126	0.1889	0.2036	0.1962	0.1702	0.1674	0.1720	0.1748	0.1955
Actual System Loss Recoveries from GP-34.5kV	161,426,333.69	207,250,249.44	184,947,980.79	207,225,228.49	202,480,624.59	191,129,764.45	194,133,927.27	196,064,887.07	170,185,996.97	163,459,959.77	172,603,756.81	165,427,732.67	2,216,336,442.00
kWh Sales to GP-69/115kV	117,237,315	128,979,435	118,561,275	110,892,549	127,446,523	133,900,593	126,940,750	132,893,286	135,769,070	132,605,706	137,126,664	124,103,379	1,526,456,544
System Loss Charge Per kWh	0.0586	0.0677	0.0653	0.0678	0.0636	0.0569	0.0616	0.0595	0.0517	0.0508	0.0524	0.0532	0.0589
Actual System Loss Recoveries from GP-69/115kV	6,870,106.64	8,731,907.78	7,742,051.23	7,518,514.80	8,105,598.88	7,618,943.72	7,819,550.19	7,907,150.52	7,019,260.92	6,736,369.86	7,185,437.19	6,602,299.77	89,857,191.49
AMOUNT OF SYSTEM LOSS RECOVERIES	**949,278,093.65**	**1,162,747,669.63**	**1,088,200,195.94**	**1,279,322,239.27**	**1,290,985,310.49**	**1,252,806,271.42**	**1,232,056,855.37**	**1,245,675,207.86**	**1,088,188,128.17**	**1,047,549,806.09**	**1,088,083,424.86**	**1,034,676,701.36**	**13,759,569,904.11**

SYSTEM LOSS (OVER)/UNDER RECOVERY (SLOUR)

January to December 2016

	2016
Allowable System Loss Cost$_{ASLC\ (Schedule\ 1)}$	12,671,013,924.96
Actual System Loss Recoveries$_{ASLR\ (Schedule\ 2)}$	13,010,322,651.38
SYSTEM LOSS (OVER)/UNDER RECOVERY	(339,308,726.42)

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
Allowable System Loss Cost$_{(Schedule\ 1)}$	935,098,914.20	984,943,169.92	965,764,728.60	1,108,929,703.06	1,129,868,321.15	1,151,100,954.32	1,062,605,585.98	1,100,683,831.96	1,098,191,665.70	1,059,763,043.48	1,067,098,429.63	1,006,965,576.96	12,671,013,924.96
Actual System Loss Recoveries$_{(Schedule\ 2)}$	933,742,228.04	1,105,916,855.31	1,006,807,291.44	1,187,641,630.26	1,166,329,409.64	1,139,470,760.05	1,123,289,298.27	1,134,486,397.94	1,120,699,546.85	1,038,932,873.58	1,046,788,351.46	1,006,218,008.54	13,010,322,651.38
SYSTEM LOSS (OVER)/UNDER RECOVERY	**1,356,686.16**	**(120,973,685.39)**	**(41,042,562.84)**	**(78,711,927.20)**	**(36,461,088.49)**	**11,630,194.27**	**(60,683,712.29)**	**(33,802,565.98)**	**(22,507,881.15)**	**20,830,169.90**	**20,310,078.17**	**747,568.42**	**(339,308,726.42)**

SCHEDULE 1: ALLOWABLE SYSTEM LOSS COST (ASLC)

	2016
Average Generation Rate$_{AGR2016}$	3.8738
Average Transmission Rate$_{ATR2016}$	0.8427
Average Purchased Power Cost Per kWh	4.7166
Gross Up Factor$_{U}$	0.0680
Total 2016 kWh Sales	39,531,567,631
ALLOWABLE SYSTEM LOSS COST$_{ASLC}$	12,671,013,924.96

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
Total Generation Rate	3.8738	3.8738	3.8738	3.8738	3.8738	3.8738	3.8738	3.8738	3.8738	3.8738	3.8738	3.8738	3.8738
Average Transmission Rate	0.8427	0.8427	0.8427	0.8427	0.8427	0.8427	0.8427	0.8427	0.8427	0.8427	0.8427	0.8427	0.8427
Average Purchased Power Cost Per kWh	**4.7166**	**4.7166**	**4.7166**	**4.7166**	**4.7166**	**4.7166**	**4.7166**	**4.7166**	**4.7166**	**4.7166**	**4.7166**	**4.7166**	**4.7166**
Total kWh Purchased and Generated	3,119,966,134	3,286,271,952	3,222,282,906	3,699,954,161	3,769,816,053	3,840,658,929	3,545,393,318	3,672,441,736	3,664,126,601	3,535,909,149	3,560,383,732	3,359,749,916	42,276,954,586
System Loss Percentage	6.35%	6.35%	6.35%	6.35%	6.35%	6.35%	6.35%	6.35%	6.35%	6.35%	6.35%	6.35%	6.35%
Allowable System Loss kWhs	**198,258,970.59**	**208,826,912.31**	**204,760,713.56**	**235,114,444.09**	**239,553,834.20**	**244,055,561.16**	**225,292,839.52**	**233,366,160.68**	**232,837,773.46**	**224,690,165.79**	**226,245,408.86**	**213,496,086.53**	**2,686,498,870.76**
ALLOWABLE SYSTEM LOSS COST	**935,098,914.20**	**984,943,169.92**	**965,764,728.60**	**1,108,929,703.06**	**1,129,868,321.15**	**1,151,100,954.32**	**1,062,605,585.98**	**1,100,683,831.96**	**1,098,191,665.70**	**1,059,763,043.48**	**1,067,098,429.63**	**1,006,965,576.96**	**12,671,013,924.96**

SYSTEM LOSS (OVER)/UNDER RECOVERY (SLOUR)

January to December 2016

SCHEDULE 2: AMOUNT OF SYSTEM LOSS RECOVERIES (ASLR)

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
kWh Sales to Residential	903,595,127	904,274,626	904,827,630	1,095,967,542	1,183,556,261	1,178,729,219	1,070,108,188	1,084,695,208	1,082,495,560	1,017,934,817	1,038,754,145	974,254,801	12,439,193,124
System Loss Charge Per kWh	0.4240	0.4676	0.4425	0.4556	0.4260	0.4113	0.4340	0.4271	0.4255	0.4099	0.4068	0.4094	0.4278
Actual System Loss Recoveries from Residential	383,124,333.85	422,838,815.12	400,386,226.28	499,322,812.14	504,194,967.19	484,811,327.77	464,426,953.59	463,273,323.34	460,601,860.78	417,251,481.49	422,565,186.19	398,859,915.53	5,321,657,203.25
kWh Sales to General Service A	98,876,394	104,883,079	102,082,459	115,269,394	121,260,801	122,689,296	115,747,487	118,856,464	117,626,863	112,877,961	113,737,508	110,674,798	1,354,582,504
System Loss Charge Per kWh	0.4240	0.4676	0.4425	0.4556	0.4260	0.4113	0.4340	0.4271	0.4255	0.4099	0.4068	0.4094	0.4279
Actual System Loss Recoveries from General Service A	41,923,591.06	49,043,327.74	45,171,488.11	52,516,735.91	51,657,101.23	50,462,107.44	50,234,409.36	50,763,595.77	50,050,230.21	46,268,676.21	46,268,418.25	45,310,262.30	579,669,943.59
kWh Sales to GHMSCI	17,985,331	18,695,474	17,777,173	19,666,750	19,878,004	19,982,076	19,137,282	19,728,478	20,135,904	19,498,754	19,669,796	19,462,991	231,618,013
System Loss Charge Per kWh	0.4240	0.4676	0.4425	0.4556	0.4260	0.4113	0.4340	0.4271	0.4255	0.4099	0.4068	0.4094	0.4280
Actual System Loss Recoveries from GHMSCI	7,625,780.34	8,742,003.64	7,866,399.05	8,960,171.30	8,468,029.70	8,218,627.86	8,305,580.39	8,426,032.95	8,567,827.15	7,992,539.26	8,001,673.01	7,968,148.52	99,142,813.19
kWh Sales to Flat Streetlights	11,070,247	11,072,393	11,199,554	11,221,266	11,000,375	10,959,841	11,141,737	11,145,637	11,116,678	11,160,303	11,141,411	11,117,627	133,347,069
System Loss Charge Per kWh	0.4240	0.4676	0.4425	0.4556	0.4260	0.4113	0.4340	0.4271	0.4255	0.4099	0.4068	0.4094	0.4283
Actual System Loss Recoveries from Flat Streetlights	4,693,784.73	5,177,450.97	4,955,802.65	5,112,408.79	4,686,159.75	4,507,782.60	4,835,513.86	4,760,301.56	4,730,146.49	4,574,608.20	4,532,325.99	4,551,556.49	57,117,842.08
kWh Sales to General Service B	150,509,118	163,478,468	156,027,720	171,094,242	176,474,050	179,613,181	171,605,465	177,170,336	175,075,308	170,207,044	171,267,642	168,201,100	2,030,723,674
System Loss Charge Per kWh	0.4240	0.4676	0.4425	0.4556	0.4260	0.4113	0.4340	0.4271	0.4255	0.4099	0.4068	0.4094	0.4280
Actual System Loss Recoveries from General Service B	63,815,866.03	76,442,531.64	69,042,266.10	77,950,536.66	75,177,945.30	73,874,901.35	74,476,771.81	75,669,450.51	74,494,543.55	69,767,867.34	69,671,676.77	68,861,530.34	869,245,887.38
kWh Sales to GP-Secondary	641,739,825	752,250,116	713,419,044	769,200,131	804,804,038	822,569,796	783,387,472	810,331,444	796,757,095	779,772,111	779,293,789	760,918,250	9,214,443,111
System Loss Charge Per kWh	0.4240	0.4676	0.4425	0.4556	0.4260	0.4113	0.4340	0.4271	0.4255	0.4099	0.4068	0.4094	0.4281
Actual System Loss Recoveries from GP-Secondary	272,097,685.80	351,752,154.24	315,687,926.97	350,447,579.68	342,846,520.19	338,322,957.09	339,990,162.85	346,092,559.73	339,020,143.92	319,628,588.30	317,016,713.37	311,519,931.55	3,944,422,923.70
kWh Sales to GP-13.8kV and below	25,876,770	28,171,198	26,462,982	29,147,164	27,788,638	28,324,299	26,754,716	28,779,289	28,707,138	27,153,758	27,982,652	27,689,437	332,838,041
System Loss Charge Per kWh	0.1677	0.1841	0.1677	0.1766	0.1635	0.1570	0.1688	0.1651	0.1650	0.1595	0.1598	0.1595	0.1662
Actual System Loss Recoveries from GP-Below 13.2kV	4,339,534.33	5,186,317.55	4,437,842.08	5,147,389.16	4,543,442.31	4,446,914.94	4,516,196.06	4,751,460.61	4,736,677.77	4,331,024.40	4,471,627.79	4,416,465.20	55,324,892.22
kWh Sales to GP-34.5kV	898,361,628	975,549,516	911,569,223	1,023,655,233	1,028,693,914	1,072,070,274	1,005,984,967	1,054,162,015	1,041,673,148	1,020,756,130	1,052,069,155	995,714,191	12,080,259,394
System Loss Charge Per kWh	0.1677	0.1841	0.1677	0.1766	0.1635	0.1570	0.1688	0.1651	0.1650	0.1595	0.1598	0.1595	0.1660
Actual System Loss Recoveries from GP-34.5kV	150,655,245.02	179,598,665.90	152,870,158.70	180,777,514.15	168,191,454.94	168,315,033.02	169,810,262.43	174,042,148.68	171,876,069.42	162,810,602.74	168,120,650.97	158,816,413.46	2,005,884,219.41
kWh Sales to GP-69/115kV	108,245,681	129,737,973	128,554,960	142,432,355	137,317,762	143,101,274	137,725,266	142,108,576	141,799,734	141,741,250	139,865,128	135,637,274	1,628,267,234
System Loss Charge Per kWh	0.0505	0.0550	0.0497	0.0520	0.0478	0.0455	0.0486	0.0472	0.0467	0.0445	0.0439	0.0436	0.0478
Actual System Loss Recoveries from GP-69/115kV	5,466,406.89	7,135,588.52	6,389,181.51	7,406,482.48	6,563,789.03	6,511,107.97	6,693,447.93	6,707,524.79	6,622,047.56	6,307,485.64	6,140,079.12	5,913,785.15	77,856,926.58
AMOUNT OF SYSTEM LOSS RECOVERIES	**933,742,228.04**	**1,105,916,855.31**	**1,006,807,291.44**	**1,187,641,630.26**	**1,166,329,409.64**	**1,139,470,760.05**	**1,123,289,298.27**	**1,134,486,397.94**	**1,120,699,546.85**	**1,038,932,873.58**	**1,046,788,351.46**	**1,006,218,008.54**	**13,010,322,651.38**

ANNEX "E"

OVER / (UNDER)-RECOVERY IN THE LIFELINE RATE SUBSIDY
January 2014 to December 2016

	Lifeline Rate Subsidy																
	(a)	(b)	(c) (a X b)	(d)	(e)	(f)	(g)	(h) (d + e + f + g)	(i)	(j)	(k) (e X i)	(l) (f X i)	(m) (g X i)	(n) (j + k + l + m)	(o)	(p) (d x o)	
	Non-Lifeline kWh	Rate	TOTAL SUBSIDY	Lifeline Customers					Metering Charge per Cust	Per Customer Metering Charge Subject to Lifeline Disc.					Supply Charge per Cust		Pe
Residential				0-20 kWh	21-50 kWh	51-70 kWh	71-100 kWh	Total		0-20 kWh	21-50 kWh	51-70 kWh	71-100 kWh	Total		0-20 kWh	
Jan-14	2,450,075,422	0.1105	270,733,334.13	483,485	591,810	522,562	732,571	2,330,428	5.00	-	2,959,050.00	2,612,810.00	3,662,855.00	9,234,715.00	19.88	9,611,681.80	
Feb-14	2,551,133,283	0.1527	389,558,052.25	559,115	707,148	615,824	825,005	2,707,092	5.00	-	3,535,740.00	3,079,120.00	4,125,025.00	10,739,885.00	19.88	11,115,206.20	
Mar-14	2,434,577,594	0.1582	385,150,175.30	523,103	693,562	589,189	739,395	2,545,249	5.00	-	3,467,810.00	2,945,945.00	3,696,975.00	10,110,730.00	19.88	10,399,287.64	
Apr-14	2,836,172,943	0.1611	456,907,461.12	457,625	476,837	454,852	679,877	2,069,191	5.00	-	2,384,185.00	2,274,260.00	3,399,385.00	8,057,830.00	19.88	9,097,585.00	
May-14	2,979,558,028	0.1184	352,779,670.52	466,618	446,416	426,689	642,406	1,982,129	5.00	-	2,232,080.00	2,133,445.00	3,212,030.00	7,577,555.00	19.88	9,276,365.84	
Jun-14	3,163,141,660	0.1062	335,925,644.25	448,320	410,101	406,076	634,888	1,899,385	5.00	-	2,050,505.00	2,030,380.00	3,174,440.00	7,255,325.00	19.88	8,912,601.60	
Jul-14	2,787,637,557	0.0890	248,099,742.56	482,178	504,157	481,959	704,345	2,172,639	5.00	-	2,520,785.00	2,409,795.00	3,521,725.00	8,452,305.00	18.85	9,089,055.30	
Aug-14	2,819,600,857	0.1177	331,867,020.82	513,720	529,123	490,338	712,611	2,245,792	5.00	-	2,645,615.00	2,451,690.00	3,563,055.00	8,660,360.00	18.85	9,683,622.00	
Sep-14	2,894,691,619	0.1222	353,731,315.87	494,951	483,544	476,454	718,133	2,173,082	5.00	-	2,417,720.00	2,382,270.00	3,590,665.00	8,390,655.00	18.85	9,329,826.35	
Oct-14	2,814,801,092	0.1089	306,531,838.95	504,433	512,165	496,066	731,627	2,244,291	5.00	-	2,560,825.00	2,480,330.00	3,658,135.00	8,699,290.00	18.85	9,508,562.05	
Nov-14	2,883,817,041	0.1176	339,136,884.05	510,652	516,898	495,463	730,236	2,253,249	5.00	-	2,584,490.00	2,477,315.00	3,651,180.00	8,712,985.00	18.85	9,625,790.20	
Dec-14	2,747,454,579	0.1109	304,692,712.78	525,498	568,491	526,073	752,569	2,372,631	5.00	-	2,842,455.00	2,630,365.00	3,762,845.00	9,235,665.00	18.85	9,905,637.30	
Jan-15	2,427,032,398	0.1215	294,884,436.31	551,027	633,342	550,592	770,559	2,505,520	5.00	-	3,166,710.00	2,752,960.00	3,852,795.00	9,772,465.00	18.85	10,386,858.95	
Feb-15	2,648,060,669	0.1428	378,143,063.59	559,141	660,635	577,318	786,018	2,583,112	5.00	-	3,303,175.00	2,886,590.00	3,930,090.00	10,119,855.00	18.85	10,539,807.85	
Mar-15	2,516,063,549	0.1462	367,848,490.80	573,874	692,160	593,193	786,371	2,645,598	5.00	-	3,460,800.00	2,965,965.00	3,931,855.00	10,358,620.00	18.85	10,817,524.90	
Apr-15	2,841,364,133	0.1563	444,105,213.93	519,230	509,078	475,098	704,586	2,207,992	5.00	-	2,545,390.00	2,375,490.00	3,522,930.00	8,443,810.00	18.85	9,787,485.50	
May-15	3,076,029,517	0.1152	354,358,600.39	518,520	466,009	438,083	660,034	2,082,646	5.00	-	2,330,045.00	2,190,415.00	3,300,170.00	7,820,630.00	18.85	9,774,102.00	
Jun-15	3,293,908,977	0.0932	306,992,316.62	499,843	418,258	407,883	634,122	1,960,106	5.00	-	2,091,290.00	2,039,415.00	3,170,610.00	7,301,315.00	18.85	9,422,040.55	
Jul-15	3,020,584,357	0.0769	232,282,937.04	523,023	472,114	458,382	699,827	2,153,346	5.00	-	2,360,570.00	2,291,910.00	3,499,135.00	8,151,615.00	16.73	8,750,174.79	
Aug-15	3,140,196,853	0.0926	290,782,228.59	520,749	448,898	445,556	695,655	2,110,858	5.00	-	2,244,490.00	2,227,780.00	3,478,275.00	7,950,545.00	16.73	8,712,130.77	
Sep-15	3,124,594,981	0.0845	264,028,275.89	526,682	446,532	445,814	701,389	2,120,417	5.00	-	2,232,660.00	2,229,070.00	3,506,945.00	7,968,675.00	16.73	8,811,389.86	
Oct-15	3,050,925,002	0.0797	243,158,722.66	538,166	468,192	462,666	716,666	2,185,690	5.00	-	2,340,960.00	2,313,330.00	3,583,330.00	8,237,620.00	16.73	9,003,517.18	
Nov-15	3,138,264,373	0.0831	260,789,769.40	538,697	467,503	454,924	705,456	2,166,580	5.00	-	2,337,515.00	2,274,620.00	3,527,280.00	8,139,415.00	16.73	9,012,400.81	
Dec-15	2,940,435,187	0.0811	238,469,293.67	550,240	523,196	494,719	739,837	2,307,992	5.00	-	2,615,980.00	2,473,595.00	3,699,185.00	8,788,760.00	16.73	9,205,515.20	
Jan-16	2,745,953,061	0.0942	258,668,778.35	558,073	534,110	487,867	738,062	2,318,112	5.00	-	2,670,550.00	2,439,335.00	3,690,310.00	8,800,195.00	16.73	9,336,561.29	
Feb-16	2,975,656,297	0.0984	292,804,579.62	564,035	542,517	507,466	753,256	2,367,274	5.00	-	2,712,585.00	2,537,330.00	3,766,280.00	9,016,195.00	16.73	9,436,305.55	
Mar-16	2,858,353,644	0.0975	278,689,480.29	571,508	554,522	513,816	752,818	2,392,664	5.00	-	2,772,610.00	2,569,080.00	3,764,090.00	9,105,780.00	16.73	9,561,328.84	
Apr-16	3,283,548,194	0.1004	329,668,238.72	538,285	438,319	417,856	653,332	2,047,792	5.00	-	2,191,595.00	2,089,280.00	3,266,660.00	7,547,535.00	16.73	9,005,508.05	
May-16	3,421,526,300	0.0740	253,192,946.21	547,928	423,312	396,201	618,677	1,986,118	5.00	-	2,116,560.00	1,981,005.00	3,093,385.00	7,190,950.00	16.73	9,166,835.44	
Jun-16	3,489,903,717	0.0652	227,541,722.35	536,104	397,384	383,995	625,619	1,943,102	5.00	-	1,986,920.00	1,919,975.00	3,128,095.00	7,034,990.00	16.73	8,969,019.92	
Jul-16	3,246,615,917	0.0614	199,342,217.30	558,695	441,833	430,321	684,520	2,115,369	5.00	-	2,209,165.00	2,151,605.00	3,422,600.00	7,783,370.00	16.73	9,346,967.35	
Aug-16	3,354,819,736	0.0754	252,953,408.09	557,274	431,218	423,025	682,857	2,094,374	5.00	-	2,156,090.00	2,115,125.00	3,414,285.00	7,685,500.00	16.73	9,323,194.02	
Sep-16	3,321,768,834	0.0709	235,513,410.30	556,636	430,181	425,612	690,314	2,102,743	5.00	-	2,150,905.00	2,128,060.00	3,451,570.00	7,730,535.00	16.73	9,312,520.28	
Oct-16	3,199,137,044	0.0720	230,337,867.20	577,902	475,312	464,797	728,061	2,246,072	5.00	-	2,376,560.00	2,323,985.00	3,640,305.00	8,340,850.00	16.73	9,668,300.46	
Nov-16	3,253,260,771	0.0792	257,658,253.07	573,246	475,239	457,645	717,883	2,224,013	5.00	-	2,376,195.00	2,288,225.00	3,589,415.00	8,253,835.00	16.73	9,590,405.58	
Dec-16	3,094,365,240	0.0764	236,409,504.34	595,059	532,819	499,514	754,137	2,381,529	5.00	-	2,664,095.00	2,497,570.00	3,770,685.00	8,932,350.00	16.73	9,955,337.07	
Total	106,825,030,424.40		10,803,737,607.34					80,244,177									

OVER / (UNDEI
January 2014 t

	(q) (e x o)	(r) (f x o)	(s) (g x o)	(t) (p+ q + r + s)	(u)	(v)	(w)	(x)	(y) (o + p + q + r)	(z)	(aa) (u X z)	(ab) (v X z)	(ac) (w X z)	(ad) (x X z)	(ae) (aa + ab + ac + ad)
	r Customer Supply Charge Subject to Lifeline Disc.				Lifeline kWh					Rate	Per kWh Charges Subject to Lifeline Discount				
Residential	21-50 kWh	51-70 kWh	71-100 kWh	Total	0-20 kWh	21-50 kWh	51-70 kWh	71-100 kWh	Total	per kWh	0-20 kWh	21-50 kWh	51-70 kWh	71-100 kWh	Total
Jan-14	11,765,182.80	10,388,532.56	14,563,511.48	46,328,908.64	2,449,523	21,939,747	31,665,915	62,318,681	118,373,866	9.4402	23,123,987.02	207,115,599.63	298,932,570.78	588,300,812.38	1,117,472,969.81
Feb-14	14,058,102.24	12,242,581.12	16,401,099.40	53,816,988.96	2,639,950	24,548,468	34,816,501	65,428,438	127,433,357	9.3114	24,581,630.43	228,580,604.94	324,190,367.41	609,230,357.59	1,186,582,960.37
Mar-14	13,788,012.56	11,713,077.32	14,699,172.60	50,599,550.12	2,749,341	25,751,504	35,613,058	62,458,011	126,571,914	8.9804	24,690,181.92	231,258,806.52	319,819,506.06	560,897,921.98	1,136,666,416.49
Apr-14	9,479,519.56	9,042,457.76	13,515,954.76	41,135,517.08	2,069,289	17,673,871	27,549,860	57,852,335	105,145,355	9.7627	20,201,847.72	172,544,700.41	268,961,018.22	564,794,990.90	1,026,502,557.26
May-14	8,874,750.08	8,482,577.32	12,771,031.28	39,404,724.52	2,021,291	16,530,149	25,844,924	54,673,255	99,069,619	9.7370	19,681,310.47	160,954,060.81	251,652,024.99	532,353,483.94	964,640,880.20
Jun-14	8,152,807.88	8,072,790.88	12,621,573.44	37,759,773.80	1,882,628	15,244,219	24,674,867	54,208,510	96,010,224	8.9956	16,935,368.44	137,130,896.44	221,965,233.59	487,638,072.56	863,669,571.01
Jul-14	9,503,359.45	9,084,927.15	13,276,903.25	40,954,245.15	2,154,210	18,791,457	29,246,050	59,981,491	110,173,208	9.0474	19,489,999.55	170,013,828.06	264,600,712.77	542,676,541.67	996,781,082.06
Aug-14	9,973,968.55	9,242,871.30	13,432,717.35	42,333,179.20	2,359,295	19,587,527	29,677,180	60,570,026	112,194,028	9.2649	21,858,632.25	181,476,478.90	274,956,104.98	561,175,233.89	1,039,466,450.02
Sep-14	9,114,804.40	8,981,157.90	13,536,807.05	40,962,595.70	2,099,690	17,992,801	28,869,825	61,103,435	110,065,751	8.7580	18,389,085.02	157,580,951.16	252,841,927.35	535,143,883.73	963,955,847.26
Oct-14	9,654,310.25	9,350,844.10	13,791,168.95	42,304,885.35	2,197,024	19,071,193	30,047,316	62,220,116	113,535,649	8.8683	19,483,867.94	169,129,060.88	266,468,612.48	551,786,654.72	1,006,868,196.03
Nov-14	9,743,527.30	9,339,477.55	13,764,948.60	42,473,743.65	2,248,228	19,255,196	30,074,913	62,270,812	113,849,149	8.5051	19,121,403.96	163,767,367.50	255,790,142.56	529,619,483.14	968,298,397.16
Dec-14	10,716,055.35	9,916,476.05	14,185,925.65	44,724,094.35	2,408,050	21,248,975	32,028,060	64,296,306	119,981,391	8.3358	20,073,023.19	177,127,205.81	266,979,502.55	535,961,147.55	1,000,140,879.10
Jan-15	11,938,496.70	10,378,659.20	14,525,037.15	47,229,052.00	2,716,406	23,469,602	33,405,940	65,626,439	125,218,387	8.1566	22,156,637.18	191,432,155.67	272,478,890.20	535,288,612.35	1,021,356,295.40
Feb-15	12,452,969.75	10,882,444.30	14,816,439.30	48,691,661.20	2,744,406	24,550,242	34,979,050	66,771,935	129,045,633	8.8670	24,334,648.00	217,686,995.81	310,159,236.35	592,066,747.65	1,144,247,627.81
Mar-15	13,047,216.00	11,181,688.05	14,823,093.35	49,869,522.30	2,826,645	25,719,296	35,932,221	66,797,190	131,275,352	8.7800	24,817,943.10	225,815,418.88	315,484,900.38	586,479,328.20	1,152,597,590.56
Apr-15	9,596,120.30	8,955,597.30	13,281,446.10	41,620,649.20	2,261,371	18,884,147	28,854,124	60,134,894	110,134,536	8.9938	20,338,318.50	169,840,241.29	259,508,220.43	540,841,209.66	990,527,989.88
May-15	8,784,269.65	8,257,864.55	12,441,640.90	39,257,877.10	2,179,240	17,317,599	26,669,665	56,503,106	102,669,610	8.4082	18,323,485.77	145,609,835.91	224,243,877.25	475,089,415.87	863,266,614.80
Jun-15	7,884,163.30	7,688,594.55	11,953,199.70	36,947,998.10	2,009,311	15,563,739	24,869,084	54,376,695	96,818,829	7.9111	15,895,860.25	123,126,295.60	196,741,810.43	430,179,471.81	765,943,438.10
Jul-15	7,898,467.22	7,668,730.86	11,708,105.71	36,025,478.58	2,156,662	17,599,200	27,863,299	59,771,680	107,390,841	7.9402	17,124,327.61	139,741,167.84	221,240,166.72	474,599,093.54	852,704,755.71
Aug-15	7,510,063.54	7,454,151.88	11,638,308.15	35,314,654.34	2,089,111	16,717,968	27,124,213	59,532,806	105,464,098	7.7020	16,090,332.92	128,761,789.54	208,910,688.53	458,521,671.81	812,284,482.80
Sep-15	7,470,480.36	7,458,468.22	11,734,237.97	35,474,576.41	2,101,279	16,589,260	27,080,674	59,882,042	105,653,255	7.1866	15,101,051.66	119,220,375.92	194,617,971.77	430,348,283.04	759,287,682.38
Oct-15	7,832,852.16	7,740,402.18	11,989,822.18	36,566,593.70	2,170,387	17,448,015	28,161,252	61,293,431	109,073,085	7.0549	15,311,863.25	123,094,001.02	198,674,816.73	432,419,026.36	769,499,707.37
Nov-15	7,821,325.19	7,610,878.52	11,802,278.88	36,246,883.40	2,171,682	17,406,000	27,718,553	60,412,580	107,708,815	7.1664	15,563,141.88	124,738,358.40	198,642,238.22	432,940,713.31	771,884,451.82
Dec-15	8,753,069.08	8,276,648.87	12,377,473.01	38,612,706.16	2,340,117	19,535,779	30,148,184	63,329,838	115,353,918	7.2223	16,901,027.01	141,093,256.67	217,739,229.30	457,387,088.99	833,120,601.97
Jan-16	8,935,660.30	8,162,014.91	12,347,777.26	38,782,013.76	2,454,301	19,776,163	29,632,074	63,006,501	114,869,039	7.0246	17,240,482.80	138,919,634.61	208,153,467.02	442,595,466.92	806,909,051.36
Feb-16	9,076,309.41	8,489,906.18	12,601,972.88	39,604,494.02	2,440,307	20,180,447	30,836,964	64,273,501	117,731,219	7.3956	18,047,534.45	149,246,513.83	228,057,850.96	475,341,104.00	870,693,003.24
Mar-16	9,277,153.06	8,596,141.68	12,594,645.14	40,029,268.72	2,462,968	20,651,794	31,243,991	64,264,222	118,622,975	7.2268	17,799,377.14	149,246,384.88	225,794,074.16	464,424,679.55	857,264,515.73
Apr-16	7,333,076.87	6,990,730.88	10,930,244.36	34,259,560.16	2,138,226	16,251,038	25,458,056	55,968,358	99,815,678	7.3478	15,711,257.00	119,409,377.02	187,060,703.88	411,244,300.91	733,425,638.81
May-16	7,082,009.76	6,628,442.73	10,350,466.21	33,227,754.14	2,150,363	15,680,737	24,167,981	53,091,063	95,090,144	7.0022	15,057,271.80	109,799,656.62	169,229,036.56	371,754,241.34	665,840,206.32
Jun-16	6,648,234.32	6,424,236.35	10,466,605.87	32,508,096.46	2,051,311	14,710,661	23,418,439	53,670,118	93,850,529	6.8924	14,138,455.94	101,391,759.88	161,409,248.96	369,915,921.30	646,855,386.08
Jul-16	7,391,866.09	7,199,270.33	11,452,019.60	35,390,123.37	2,181,453	16,417,379	26,231,983	58,630,566	103,461,381	7.1749	15,651,707.13	117,793,052.59	188,211,854.83	420,668,447.99	742,325,062.54
Aug-16	7,214,277.14	7,077,208.25	11,424,197.61	35,038,877.02	2,156,596	16,012,892	25,804,974	58,553,758	102,528,220	7.0457	15,194,728.44	112,822,033.16	181,814,105.31	412,552,212.74	722,383,079.65
Sep-16	7,196,928.13	7,120,488.76	11,548,953.22	35,178,890.39	2,154,249	16,007,273	25,999,415	59,285,579	103,446,516	7.0320	15,148,678.97	112,563,143.74	182,827,886.28	416,896,191.53	727,435,900.51
Oct-16	7,951,969.76	7,776,053.81	12,180,460.53	37,576,784.56	2,296,353	17,706,313	28,353,316	62,399,737	110,755,719	6.9105	15,868,947.41	122,359,475.99	195,935,590.22	431,213,382.54	765,377,396.15
Nov-16	7,950,748.47	7,656,400.85	12,010,182.59	37,207,737.49	2,296,437	17,672,223	27,893,861	61,499,811	109,362,332	6.8395	15,706,480.86	120,869,169.21	190,780,062.31	420,627,957.33	747,983,669.71
Dec-16	8,914,061.87	8,356,869.22	12,616,712.01	39,842,980.17	2,493,312	19,811,363	30,396,604	64,425,094	117,126,373	6.9367	17,295,357.35	137,425,481.72	210,852,122.97	446,897,549.55	812,470,511.59
Total									3,984,869,995						

OVER / (UNDEI
January 2014 t

	(af) (j + p + aa)	(ag) (k + q + ab)	(ah) (l + r + ac)	(ai) (m + s + ad)	(af) (af + ag + ah + ai)	(ag)	(ah)	(ai)	(aj)	(ak)	(al) (a + ak)
	Total Charges Subject to Lifeline Discount					Lifeline Discount					
	0-20 kWh	21-50 kWh	51-70 kWh	71-100 kWh	Total	0-20 kWh -100%	21-50 kWh -50%	51-70 kWh -35%	71-100 kWh -20%	TOTAL DISCOUNT	OVER/(UNDER) RECOVERY
Residential											
Jan-14	32,735,668.82	221,839,832.43	311,933,913.34	606,527,178.86	1,173,036,593.45	(32,735,668.82)	(110,919,916.21)	(109,176,869.67)	(121,305,435.77)	(374,137,890.48)	(103,404,556.35)
Feb-14	35,696,836.63	246,174,447.18	339,512,068.53	629,756,481.99	1,251,139,834.33	(35,696,836.63)	(123,087,223.59)	(118,829,223.99)	(125,951,296.40)	(403,564,580.60)	(14,006,528.35)
Mar-14	35,089,469.56	248,514,629.08	334,478,528.38	579,294,069.58	1,197,376,696.61	(35,089,469.56)	(124,257,314.54)	(117,067,484.93)	(115,858,813.92)	(392,273,082.95)	(7,122,907.64)
Apr-14	29,299,432.72	184,408,404.97	280,277,735.98	581,710,330.66	1,075,695,904.34	(29,299,432.72)	(92,204,202.49)	(98,097,207.59)	(116,342,066.13)	(335,942,908.93)	120,964,552.18
May-14	28,957,676.31	172,060,890.89	262,268,047.31	548,336,545.22	1,011,623,159.72	(28,957,676.31)	(86,030,445.45)	(91,793,816.56)	(109,667,309.04)	(316,449,247.35)	36,330,423.16
Jun-14	25,847,970.04	147,334,209.32	232,068,404.47	503,434,086.00	908,684,669.81	(25,847,970.04)	(73,667,104.66)	(81,223,941.56)	(100,686,817.20)	(281,425,833.46)	54,499,810.79
Jul-14	28,579,054.85	182,037,972.51	276,095,434.92	559,475,169.92	1,046,187,632.21	(28,579,054.85)	(91,018,986.26)	(96,633,402.22)	(111,895,033.98)	(328,126,477.32)	(80,026,734.75)
Aug-14	31,542,254.25	194,096,062.45	286,650,666.28	578,171,006.24	1,090,459,989.22	(31,542,254.25)	(97,048,031.23)	(100,327,733.20)	(115,634,201.25)	(344,552,219.92)	(12,685,199.10)
Sep-14	27,718,911.37	169,113,475.56	264,205,355.25	552,271,355.78	1,013,309,097.96	(27,718,911.37)	(84,556,737.78)	(92,471,874.34)	(110,454,271.16)	(315,201,794.64)	38,529,521.23
Oct-14	28,992,429.99	181,344,196.13	278,299,786.58	569,235,958.67	1,057,872,371.38	(28,992,429.99)	(90,672,098.07)	(97,404,925.30)	(113,847,191.73)	(330,916,645.09)	(24,384,806.15)
Nov-14	28,747,194.16	176,095,384.80	267,606,935.11	547,035,611.74	1,019,485,125.81	(28,747,194.16)	(88,047,692.40)	(93,662,427.29)	(109,407,122.35)	(319,864,436.20)	19,272,447.85
Dec-14	29,978,660.49	190,685,716.16	279,526,343.60	553,909,918.20	1,054,100,638.45	(29,978,660.49)	(95,342,858.08)	(97,834,220.26)	(110,781,983.64)	(333,937,722.47)	(29,245,009.69)
Jan-15	32,543,496.13	206,537,362.37	285,610,509.40	553,666,444.50	1,078,357,812.40	(32,543,496.13)	(103,268,681.19)	(99,963,678.29)	(110,733,288.90)	(346,509,144.51)	(51,624,708.20)
Feb-15	34,874,455.85	233,443,140.56	323,928,270.65	610,813,276.95	1,203,059,144.01	(34,874,455.85)	(116,721,570.28)	(113,374,894.73)	(122,162,655.39)	(387,133,576.25)	(8,990,512.66)
Mar-15	35,635,468.00	242,323,434.88	329,632,553.43	605,234,276.55	1,212,825,732.86	(35,635,468.00)	(121,161,717.44)	(115,371,393.70)	(121,046,855.31)	(393,215,434.45)	(25,366,943.65)
Apr-15	30,125,804.00	181,981,751.59	270,839,307.73	557,645,585.76	1,040,592,449.08	(30,125,804.00)	(90,990,875.79)	(94,793,757.71)	(111,529,117.15)	(327,439,554.65)	116,665,659.28
May-15	28,097,587.77	156,724,150.56	234,692,156.80	490,831,226.77	910,345,121.90	(28,097,587.77)	(78,362,075.28)	(82,142,254.88)	(98,166,245.35)	(286,768,163.28)	67,590,437.10
Jun-15	25,317,900.80	133,101,748.90	206,469,819.98	445,303,281.51	810,192,751.20	(25,317,900.80)	(66,550,874.45)	(72,264,436.99)	(89,060,656.30)	(253,193,868.55)	53,798,448.07
Jul-15	25,874,502.40	150,000,205.06	231,200,807.58	489,806,334.25	896,881,849.29	(25,874,502.40)	(75,000,102.53)	(80,920,282.65)	(97,961,266.85)	(279,756,154.43)	(47,473,217.40)
Aug-15	24,802,463.69	138,516,343.08	218,592,620.41	473,638,254.96	855,549,682.14	(24,802,463.69)	(69,258,171.54)	(76,507,417.14)	(94,727,650.99)	(265,295,703.36)	25,486,525.22
Sep-15	23,912,441.52	128,923,516.28	204,305,509.99	445,589,466.01	802,730,933.79	(23,912,441.52)	(64,461,758.14)	(71,506,928.50)	(89,117,893.20)	(248,999,021.36)	15,029,254.54
Oct-15	24,315,380.43	133,267,813.18	208,728,548.91	447,992,178.54	814,303,921.07	(24,315,380.43)	(66,633,906.59)	(73,054,992.12)	(89,598,435.71)	(253,602,714.85)	(10,443,992.19)
Nov-15	24,575,542.69	134,897,198.59	208,527,736.74	448,270,272.19	816,270,750.22	(24,575,542.69)	(67,448,599.30)	(72,984,707.86)	(89,654,054.44)	(254,662,904.29)	6,126,865.11
Dec-15	26,106,542.21	152,462,305.75	228,489,473.17	473,463,747.00	880,522,068.13	(26,106,542.21)	(76,231,152.88)	(79,971,315.61)	(94,692,749.40)	(277,001,760.10)	(38,532,466.42)
Jan-16	26,577,044.09	150,525,844.91	218,754,816.93	458,633,554.18	854,491,260.12	(26,577,044.09)	(75,262,922.45)	(76,564,185.93)	(91,726,710.84)	(270,130,863.31)	(11,462,084.97)
Feb-16	27,483,840.00	161,035,408.24	239,085,087.14	491,709,356.88	919,313,692.26	(27,483,840.00)	(80,517,704.12)	(83,679,780.50)	(98,341,871.38)	(290,023,195.99)	2,781,383.63
Mar-16	27,360,705.98	161,296,147.94	236,959,295.84	480,783,414.69	906,399,564.45	(27,360,705.98)	(80,648,073.97)	(82,935,753.54)	(96,156,682.94)	(287,101,216.43)	(8,411,736.14)
Apr-16	24,716,765.05	128,934,048.89	196,140,714.76	425,441,205.27	775,232,733.97	(24,716,765.05)	(64,467,024.44)	(68,649,250.16)	(85,088,241.05)	(242,921,280.72)	86,746,958.01
May-16	24,224,107.24	118,998,226.38	177,838,484.29	385,198,092.55	706,258,910.46	(24,224,107.24)	(59,499,113.19)	(62,243,469.50)	(77,039,618.51)	(223,006,308.44)	30,186,637.77
Jun-16	23,107,475.86	110,026,914.20	169,753,460.31	383,510,622.17	686,398,472.54	(23,107,475.86)	(55,013,457.10)	(59,413,711.11)	(76,702,124.43)	(214,236,768.50)	13,304,953.85
Jul-16	24,998,674.48	127,394,083.68	197,562,730.16	435,543,067.59	785,498,555.91	(24,998,674.48)	(63,697,041.84)	(69,146,955.55)	(87,108,613.52)	(244,951,285.39)	(45,609,068.09)
Aug-16	24,517,922.46	122,192,400.30	191,006,438.56	427,390,695.35	765,107,456.67	(24,517,922.46)	(61,096,200.15)	(66,852,253.50)	(85,478,139.07)	(237,944,515.18)	15,008,892.92
Sep-16	24,461,199.25	121,910,976.87	192,076,435.04	431,896,714.75	770,345,325.90	(24,461,199.25)	(60,955,488.43)	(67,226,752.26)	(86,379,342.95)	(239,022,782.89)	(3,509,372.60)
Oct-16	25,537,247.87	132,688,005.75	206,035,629.03	447,034,148.07	811,295,030.71	(25,537,247.87)	(66,344,002.87)	(72,112,470.16)	(89,406,829.61)	(253,400,550.51)	(23,062,683.32)
Nov-16	25,296,886.44	131,196,112.68	200,724,688.16	436,227,554.92	793,445,242.20	(25,296,886.44)	(65,598,056.34)	(70,253,640.86)	(87,245,510.98)	(248,394,094.62)	9,264,158.45
Dec-16	27,250,694.42	149,003,638.59	221,706,562.19	463,284,946.56	861,245,841.76	(27,250,694.42)	(74,501,819.30)	(77,597,296.77)	(92,656,989.31)	(272,006,799.79)	(35,597,295.46)
Total										(10,673,110,501.27)	130,627,106.06

Prepared by:

Erwin John P. Villarias

Approved by:

Arlyn I. Dela Cruz

ANNEX 66 F 99

OVER/(UNDER)-RECOVERY IN THE SENIOR CITIZEN RATE SUBSIDY

Calendar Years 2014 to 2016		Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
RESIDENTIAL-SENIOR kWh	5.00%													
Consumption Level	Lifeline Discount Level													
0-20*	100%	0	23	94	0	0	0	0	0	16	0	37	0	18
21-50	50%	25,283	31,932	34,271	23,586	15,746	14,479	20,616	22,736	16,699	17,335	16,682	18,963	19,609
51-70	35%	56,010	67,085	70,090	54,626	37,717	33,641	45,061	41,092	39,584	39,730	38,889	41,161	41,193
71-100	20%	108,261	95,132	86,058	138,251	104,643	97,570	93,026	87,835	89,819	84,240	84,073	80,695	72,980
TOTAL		189,554	194,172	190,513	216,463	158,106	145,690	158,703	151,663	146,118	141,305	139,681	140,819	133,800
RESIDENTIAL-SENIOR CUSTOMER COUNT														
Consumption Level	Lifeline Discount Level													
0-20*	100%	0	3	5	0	0	0	0	0	1	0	2	0	1
21-50	50%	640	818	880	598	409	366	532	585	424	442	422	486	508
51-70	35%	922	1,104	1,152	895	616	550	743	674	644	649	641	673	675
71-100	20%	1,287	1,152	1,051	1,623	1,223	1,137	1,104	1,043	1,055	995	995	962	873
TOTAL		2,849	3,077	3,088	3,116	2,248	2,053	2,379	2,302	2,124	2,086	2,060	2,121	2,057
INSTITUTION KWH SALES	50.00%													
NAME OF INSTITUTION														
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.		21,360	21,120	23,280			31,680	27,120	26,400	85,680	28,080	26,640	22,560	18,720
GP Sec Med - DSWD										9,840	9,680	9,720	9,680	9,320
GHMSCI - BLUE WHALES MISSION OF OUR LADY INC.														
GHMSCI - HYACINTH OBLEA SINAG KALINGA FOUNDATION		854	807	833	1,007	1,030	1,038	784	972	933	947	1,062	1,182	1,091
GS-A - BAHAY NI MARIA HOME FOR ABANDONED ELDERLY		1,181	716	815	1,152	1,335	1,170	1,051	816	882	1,105	1,240	1,147	1,024
GS-A - HOUSE OF SOMANG FOUNDATION													1,646	1,626
GS-A - Uplift Community Development Foundation, Inc.,														
GHMSCI - SUPERIOR PROVINCIAL OF THE CONGREGAT'N OF THE LITTLE SISTERS OF THE POOR,INC.		11,900	11,900	10,500	13,300	14,000	14,700	13,300	14,000	13,300	14,000	13,300	13,300	14,000
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.		1,120	920	840	920	960	1,000	960	1,040	1,240	1,160	1,040	1,280	1,160
TOTAL		36,415	35,463	36,268	16,379	17,325	49,588	43,215	43,228	111,875	54,972	53,002	50,795	46,941
INSTITUTION KW DEMAND														
NAME OF INSTITUTION														
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.		66.24	72.72	83.04			78.96	112.32	90.00	80.88	101.76	84.72	72.48	66.24
GP Sec Med - DSWD										24.12	25.68	20.24	23.88	21.88
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.		5	3	3	3	3	5	3	3	4	4	4	4	4
TOTAL		71	76	86	3	3	84	115	93	109	131	109	100	92
INSTITUTION GMBD														
NAME OF INSTITUTION														

GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.									255.78	78.40	78.40	78.40	78.40	78.40	78.40
GP Sec Med - DSWD											53.90	53.90	53.90	53.90	53.90
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.									5	5	5	5	5	5	5
TOTAL			0	0	0	0	0	0	261	83	137	137	137	137	137
INSTITUTION CUSTOMER COUNT															
NAME OF INSTITUTION															
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.			1	1	1			1	1	1	1	1	1	1	1
GP Sec Med - DSWD											1	1	1	1	1
GHMSCI - BLUE WHALES MISSION OF OUR LADY INC.															
GHMSCI - HYACINTH OBLEA SINAG KALINGA FOUNDATION			1	1	1	1	1	1	1	1	1	1	1	1	1
GS-A - BAHAY NI MARIA HOME FOR ABANDONED ELDERLY			1	1	1	1	1	1	1	1	1	1	1	1	1
GS-A - HOUSE OF SOMANG FOUNDATION														1	1
GS-A - Uplift Community Development Foundation, Inc.,															
GHMSCI - SUPERIOR PROVINCIAL OF THE CONGREGATN OF THE LITTLE SISTERS OF THE POOR,INC.			1	1	1	1	1	1	1	1	1	1	1	1	1
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.			1	1	1	1	1	1	1	1	1	1	1	1	1
TOTAL			5	5	5	4	4	5	5	5	6	6	6	7	7
RESIDENTIAL		Units													
TRate per kWh		PhP/kWh	9.4402	9.3114	8.9804	9.7627	9.7370	8.9956	9.0474	9.2649	8.7580	8.8683	8.5051	8.3358	8.1566
Metering Charge		PhP/cust/month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Supply Charge		PhP/cust/month	19.88	19.88	19.88	19.88	19.88	19.88	18.85	18.85	18.85	18.85	18.85	18.85	18.85
INSTITUTION (GHMSCI)		Units													
Trate per kWh		PhP/kWh	8.3798	8.2749	7.8685	8.7658	8.6476	7.9434	8.0488	8.3305	7.7903	7.8522	7.5121	7.3090	7.1861
Fixed Rate		PhP/cust/month	662.02	662.02	662.02	662.02	662.02	662.02	627.71	627.71	627.71	627.71	627.71	627.71	627.71
INSTITUTION (GP Secondary Medium)		Units													
Trate per kWh		PhP/kWh	6.4360	6.2938	5.9191	6.6753	6.7322	6.0319	6.1389	6.3674	5.9044	6.0685	5.7885	5.6018	5.3605
Fixed Rate		PhP/cust/month	2,013.98	2,013.98	2,013.98	2,013.98	2,013.98	2,013.98	7,922.45	1,909.59	1,909.59	1,909.59	1,909.59	1,909.59	1,909.59
Transmission Rate		PhP/kW	600.36	587.20	596.94	626.86	597.08	581.95	340.24	331.77	315.44	292.92	267.59	271.31	298.36
Distribution Rate		PhP/kW							267.23	267.23	267.23	267.23	267.23	267.23	267.23
INSTITUTION (GS-A)		Units													
TRate per kWh (excludes DistCh)		PhP/kWh	8.2177	8.0889	7.7579	8.5402	8.5145	7.7731	7.9192	8.1367	7.6298	7.7401	7.3769	7.2076	7.0284
Distribution Charge (0 to 200 kWh)		PhP/kWh	1.2225	1.2225	1.2225	1.2225	1.2225	1.2225	1.1282	1.1282	1.1282	1.1282	1.1282	1.1282	1.1282
Distribution Charge (201 to 300 kWh)		PhP/kWh	1.5798	1.5798	1.5798	1.5798	1.5798	1.5798	1.4855	1.4855	1.4855	1.4855	1.4855	1.4855	1.4855
Distribution Charge (301 to 400 kWh)		PhP/kWh	1.9170	1.9170	1.9170	1.9170	1.9170	1.9170	1.8227	1.8227	1.8227	1.8227	1.8227	1.8227	1.8227
Distribution Charge (Over 400 kWh)		PhP/kWh	2.5043	2.5043	2.5043	2.5043	2.5043	2.5043	2.4100	2.4100	2.4100	2.4100	2.4100	2.4100	2.4100
Fixed Rate		PhP/cust/month	24.88	24.88	24.88	24.88	24.88	24.88	23.85	23.85	23.85	23.85	23.85	23.85	23.85

INSTITUTION (GS-B)	Units													
Trate per kWh	PhP/kWh	6.4360	6.2938	5.9191	6.6753	6.7322	6.0319	6.1389	6.3674	5.9044	6.0685	5.7885	5.6018	5.3605
Fixed Rate	PhP/cust/month	872.11	872.11	872.11	872.11	872.11	872.11	826.91	826.91	826.91	826.91	826.91	826.91	826.91
Transmission Rate	PhP/kW	561.44	556.89	550.85	592.42	558.82	550.78	316.96	299.68	277.35	252.67	234.59	233.09	266.55
Distribution Rate	PhP/kW							267.23	267.23	267.23	267.23	267.23	267.23	267.23
RESIDENTIAL SENIOR CITIZEN TOTAL DISCOUNT	Units													
0-20	PhP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21-50	PhP	6,364.99	7,942.09	8,241.54	6,128.53	4,087.37	3,483.83	4,980.23	5,614.98	3,909.06	4,106.84	3,798.67	4,241.57	4,301.46
51-70	PhP	17,929.76	21,193.99	21,388.18	18,055.86	12,433.74	10,279.91	13,825.68	12,895.62	11,766.17	11,954.03	11,246.39	11,672.73	11,443.04
71-100	PhP	42,161.04	36,578.95	31,959.37	55,603.33	41,973.49	36,239.57	34,718.95	33,546.32	32,471.86	30,831.85	29,551.20	27,824.04	24,643.59
TOTAL	PhP	66,455.80	65,715.03	61,589.09	79,787.72	58,494.59	50,003.32	53,524.87	52,056.91	48,147.09	46,892.72	44,596.26	43,738.34	40,388.09
SENIOR CITIZEN INSTITUTION TOTAL DISCOUNT	Units													
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.	PhP	89,627.39	88,820.11	94,690.26	0.00	0.00	119,527.67	140,488.63	111,959.48	360,176.38	114,656.97	100,712.59	84,450.79	71,486.17
GP Sec Med - DSWD										41,010.50	41,289.28	38,996.76	38,508.80	36,400.63
GHMSCI - BLUE WHALES MISSION OF OUR LADY INC.	PhP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GHMSCI - HYACINTH OBLEA SINAG KALINGA FOUNDATION	PhP	3,909.18	3,669.93	3,608.28	4,744.59	4,784.52	4,453.63	3,468.98	4,362.48	3,948.03	4,031.87	4,302.78	4,633.47	4,233.87
GS-A - BAHAY NI MARIA HOME FOR ABANDONED ELDERLY	PhP	6,343.78	3,804.81	4,194.29	6,374.07	7,367.49	6,024.72	5,439.92	4,314.98	4,439.48	5,619.86	6,079.80	5,527.62	4,844.39
GS-A - HOUSE OF SOMANG FOUNDATION													7,927.21	7,685.34
GS-A - Uplift Community Development Foundation, Inc.	PhP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GHMSCI - SUPERIOR PROVINCIAL OF THE CONGREGAT'N OF THE LITTLE SISTERS OF THE POOR,II	PhP	50,190.82	49,566.67	41,641.16	58,623.58	60,864.21	58,715.00	53,858.38	58,627.36	52,119.35	55,279.26	50,269.32	48,918.71	50,616.56
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.	PhP	5,443.82	4,177.68	3,726.32	4,359.78	4,628.68	4,729.81	4,484.62	4,896.04	5,280.32	5,101.55	4,560.73	5,142.19	4,702.40
TOTAL	PhP	155,514.99	150,039.19	147,860.31	74,102.02	77,644.90	193,450.84	207,720.54	184,160.33	466,974.05	225,978.77	204,921.99	195,108.78	179,969.36
SENIOR CITIZEN SUBSIDY														
SENIOR CITIZEN SUBSIDY RATE	PhP/kWh	0.0001	0.0001	0.0001	0.0001	0.0000	0.0000	0.0001	0.0001	0.0001	0.0002	0.0001	0.0001	0.0001
SUBSIDIZING END-USER	kWh	2,450,039,007	2,551,097,820	2,434,541,326	2,836,170,871	2,979,540,703	3,163,092,072	2,787,594,342	2,819,557,629	2,894,579,744	2,814,746,120	2,883,764,039	2,747,403,784	2,426,985,457
TOTAL	Php	245,003.90	255,109.78	243,454.13	283,617.09	-	-	278,759.43	281,955.76	289,457.97	562,949.22	288,376.40	274,740.38	242,698.55
(TOTAL DISCOUNT)		(221,970.79)	(215,754.22)	(209,449.40)	(153,889.74)	(136,139.49)	(243,454.16)	(261,245.40)	(236,217.24)	(515,121.14)	(272,871.49)	(249,518.25)	(238,847.12)	(220,357.45)
TOTAL SUBSIDY		245,003.90	255,109.78	243,454.13	283,617.09	-	-	278,759.43	281,955.76	289,457.97	562,949.22	288,376.40	274,740.38	242,698.55
OVER/(UNDER) RECOVERY		23,033.11	39,355.56	34,004.73	129,727.35	(136,139.49)	(243,454.16)	17,514.03	45,738.52	(225,663.17)	290,077.73	38,858.16	35,893.25	22,341.09

OVER/(UNDER)-RECOVERY IN THE SENIOR CITIZEN RATE SUBSIDY

Calendar Years 2014 to 2016		Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
RESIDENTIAL-SENIOR kWh	5.00%													
Consumption Level	Lifeline Discount Level													
0-20*	100%	0	0	12	0	0	0	19	0	0	0	18	0	0
21-50	50%	23,074	25,316	14,395	11,300	10,137	13,485	13,722	13,651	13,806	13,305	15,473	15,058	16,969
51-70	35%	47,005	49,801	37,352	26,462	23,323	32,396	31,838	32,075	34,905	32,828	36,388	37,161	39,220
71-100	20%	69,113	68,681	87,745	79,612	72,445	89,043	87,692	95,725	92,579	93,351	93,350	84,695	79,865
TOTAL		139,192	143,798	139,504	117,374	105,905	134,924	133,271	141,451	141,290	139,484	145,229	136,914	136,054
RESIDENTIAL-SENIOR CUSTOMER COUNT														
Consumption Level	Lifeline Discount Level													
0-20*	100%	0	0	1	0	0	0	1	0	0	0	1	0	0
21-50	50%	585	644	374	294	263	349	347	353	358	343	400	391	435
51-70	35%	772	820	610	432	381	526	517	521	566	534	598	607	637
71-100	20%	832	831	1,029	924	843	1,046	1,023	1,114	1,084	1,091	1,106	1,007	950
TOTAL		2,189	2,295	2,014	1,650	1,487	1,921	1,888	1,988	2,008	1,968	2,105	2,005	2,022
INSTITUTION KWH SALES	50.00%													
NAME OF INSTITUTION														
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.		23,040	19,680	26,640	30,720	31,920	23,520	25,920	24,960	26,640	28,800	23,520	24,480	23,760
GP Sec Med - DSWD		9,560	8,760	9,240	10,720	12,600	12,840	13,520	13,920	14,240	14,680	14,240	14,240	14,280
GHMSCI - BLUE WHALES MISSION OF OUR LADY INC.														
GHMSCI - HYACINTH OBLEA SINAG KALINGA FOUNDATION		1,031	928	946	977	985	893	835	793	785	726	777		
GS-A - BAHAY NI MARIA HOME FOR ABANDONED ELDERLY		1,000												
GS-A - HOUSE OF SOMANG FOUNDATION		1,584	1,630	2,003	2,232	2,525	2,725	2,925	2,793	2,824	3,062			
GS-A - Uplift Community Development Foundation, Inc.,														403
GHMSCI - SUPERIOR PROVINCIAL OF THE CONGREGAT'N OF THE LITTLE SISTERS OF THE POOR,INC.		13,300								14,000	14,000	14,000	14,000	12,600
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.		1,080	1,000	1,240	1,760	2,000	1,400	1,640	1,920	1,720				1,440
TOTAL		50,695	31,998	40,069	46,409	50,030	41,378	44,840	44,386	60,209	61,268	52,537	52,720	52,483
INSTITUTION KW DEMAND														
NAME OF INSTITUTION														
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.		78.96	80.40	102.48	86.40	89.28	68.64	79.44	76.56	90.72	89.28	73.92	81.36	73.20
GP Sec Med - DSWD		24.24	21.24	21.64	29.68	29.72	33.48	30.00	32.32	32.08	31.44	32.04	31.44	29.60
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.		4	4	5	8	7	6	7	7	7	0	0		4.44
TOTAL		107	106	129	124	126	108	116	116	130	121	106	113	107
INSTITUTION GMBD														
NAME OF INSTITUTION														

GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.			78.40	78.40	78.40	78.40	78.40	78.40	78.40	59.50	59.50	59.50	59.50	59.50	59.50
GP Sec Med - DSWD			53.90	53.90	53.90	53.90	53.90	53.90	53.90	53.90	53.90	53.90	53.90	53.90	53.90
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.			5	5	5	5	5	5	5	5	5	0	0		5.00
TOTAL			137	137	137	137	137	137	137	118	118	113	113	113	118
INSTITUTION CUSTOMER COUNT															
NAME OF INSTITUTION															
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.			1	1	1	1	1	1	1	1	1	1	1	1	1
GP Sec Med - DSWD			1	1	1	1	1	1	1	1	1	1	1	1	1
GHMSCI - BLUE WHALES MISSION OF OUR LADY INC.															
GHMSCI - HYACINTH OBLEA SINAG KALINGA FOUNDATION			1	1	1	1	1	1	1	1	1	1			
GS-A - BAHAY NI MARIA HOME FOR ABANDONED ELDERLY			1												
GS-A - HOUSE OF SOMANG FOUNDATION			1	1	1	1	1	1	1	1	1	1			
GS-A - Uplift Community Development Foundation, Inc.,															
GHMSCI - SUPERIOR PROVINCIAL OF THE CONGREGATN OF THE LITTLE SISTERS OF THE POOR,INC.			1											1	1
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.			1	1	1	1	1	1	1	1	1	1	1	1	1
TOTAL			7	5	5	5	5	5	5	5	6	5	4	4	5
RESIDENTIAL		Units													
TRate per kWh		PhP/kWh	8.8670	8.7800	8.9938	8.4082	7.9111	7.9402	7.7020	7.1866	7.0549	7.1664	7.2223	7.0246	7.3956
Metering Charge		PhP/cust/month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Supply Charge		PhP/cust/month	18.85	18.85	18.85	18.85	18.85	16.73	16.73	16.73	16.73	16.73	16.73	16.73	16.73
INSTITUTION (GHMSCI)		Units													
Trate per kWh		PhP/kWh	7.9701	7.7291	8.0744	7.4398	6.9210	7.0346	6.8537	6.3131	6.1546	6.3068	6.3209	6.1836	6.5785
Fixed Rate		PhP/cust/month	627.71	627.71	627.71	627.71	627.71	557.05	557.05	557.05	557.05	557.05	557.05	557.05	557.05
INSTITUTION (GP Secondary Medium)		Units													
Trate per kWh		PhP/kWh	5.9444	5.9024	6.1241	5.4868	5.0769	5.3780	5.1808	4.7020	4.5578	4.6500	4.6989	4.4779	4.7668
Fixed Rate		PhP/cust/month	1,909.59	1,909.59	1,909.59	1,909.59	1,909.59	1,694.61	1,694.61	1,694.61	1,694.61	1,694.61	1,694.61	1,694.61	1,694.61
Transmission Rate		PhP/kW	319.81	307.66	315.29	331.30	314.15	291.65	278.24	271.89	266.35	277.55	276.50	287.28	299.26
Distribution Rate		PhP/kW	267.23	267.23	267.23	267.23	267.23	237.15	237.15	237.15	237.15	237.15	237.15	237.15	237.15
INSTITUTION (GS-A)		Units													
TRate per kWh (excludes DistCh)		PhP/kWh	7.7388	7.6518	7.8656	7.2800	6.7829	6.9390	6.7008	6.1854	6.0537	6.1652	6.2211	6.0234	6.3944
Distribution Charge (0 to 200 kWh)		PhP/kWh	1.1282	1.1282	1.1282	1.1282	1.1282	1.0012	1.0012	1.0012	1.0012	1.0012	1.0012	1.0012	1.0012
Distribution Charge (201 to 300 kWh)		PhP/kWh	1.4855	1.4855	1.4855	1.4855	1.4855	1.3183	1.3183	1.3183	1.3183	1.3183	1.3183	1.3183	1.3183
Distribution Charge (301 to 400 kWh)		PhP/kWh	1.8227	1.8227	1.8227	1.8227	1.8227	1.6175	1.6175	1.6175	1.6175	1.6175	1.6175	1.6175	1.6175
Distribution Charge (Over 400 kWh)		PhP/kWh	2.4100	2.4100	2.4100	2.4100	2.4100	2.1387	2.1387	2.1387	2.1387	2.1387	2.1387	2.1387	2.1387
Fixed Rate		PhP/cust/month	23.85	23.85	23.85	23.85	23.85	21.73	21.73	21.73	21.73	21.73	21.73	21.73	21.73

INSTITUTION (GS-B)	Units													
Trate per kWh	PhP/kWh	5.9444	5.9024	6.1241	5.4868	5.0769	5.3780	5.1808	4.7020	4.5578	4.6500	4.6989	4.4779	4.7668
Fixed Rate	PhP/cust/month	826.91	826.91	826.91	826.91	826.91	733.82	733.82	733.82	733.82	733.82	733.82	733.82	733.82
Transmission Rate	PhP/kW	292.95	254.52	282.89	295.47	278.71	252.31	250.40	243.53	232.17	247.77	239.94	258.97	273.70
Distribution Rate	PhP/kW	267.23	267.23	267.23	267.23	267.23	237.15	237.15	237.15	237.15	237.15	237.15	237.15	237.15
RESIDENTIAL SENIOR CITIZEN TOTAL DISCOUNT	Units													
0-20	PhP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21-50	PhP	5,463.74	5,940.85	3,459.64	2,550.61	2,161.68	2,866.43	2,830.68	2,644.37	2,629.48	2,570.06	3,011.07	2,856.82	3,373.71
51-70	PhP	14,144.18	14,846.32	11,390.76	7,566.03	6,291.92	8,731.47	8,334.65	7,859.52	8,402.89	8,023.03	8,963.49	8,912.52	9,876.67
71-100	PhP	25,306.73	24,913.54	32,548.11	27,657.24	23,729.01	29,189.95	27,905.34	28,485.78	27,067.64	27,707.92	27,929.40	24,673.22	24,451.72
TOTAL	PhP	44,914.64	45,700.71	47,398.51	37,773.89	32,182.61	40,787.86	39,070.67	38,989.68	38,100.01	38,301.01	39,903.96	36,442.56	37,702.10
SENIOR CITIZEN INSTITUTION TOTAL DISCOUNT	Units													
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.	PhP	92,610.62	82,144.99	112,376.13	111,088.54	107,934.92	83,398.36	88,461.84	79,014.39	84,396.05	90,783.60	75,090.95	76,990.69	77,109.57
GP Sec Med - DSWD		40,448.97	37,276.50	39,861.42	42,482.38	44,809.38	46,647.51	46,434.34	44,358.19	43,962.32	45,732.61	45,124.23	43,637.22	45,702.53
GHMSCI - BLUE WHALES MISSION OF OUR LADY INC.	PhP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GHMSCI - HYACINTH OBLEA SINAG KALINGA FOUNDATION	PhP	4,422.44	3,900.16	4,133.05	3,948.20	3,722.45	3,419.47	3,139.94	2,781.67	2,694.21	2,567.89	2,734.19	0.00	0.00
GS-A - BAHAY NI MARIA HOME FOR ABANDONED ELDERLY	PhP	5,086.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GS-A - HOUSE OF SOMANG FOUNDATION		8,557.21	8,212.29	10,302.94	10,825.97	11,617.96	12,379.23	12,938.63	11,635.47	11,578.53	12,724.14	0.00	0.00	0.00
GS-A - Uplift Community Development Foundation, Inc.,	PhP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.37	1,730.28
GHMSCI - SUPERIOR PROVINCIAL OF THE CONGREGAT'N OF THE LITTLE SISTERS OF THE POOR,IN	PhP	53,315.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43,360.73	44,426.13	44,524.83	43,563.73	41,723.08
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.	PhP	4,859.83	4,551.95	5,546.09	7,481.39	7,412.06	5,619.46	6,233.83	6,572.82	5,882.30	0.00	0.00	0.00	4,999.49
TOTAL	PhP	209,298.43	136,085.89	172,219.63	175,826.47	175,496.78	151,464.04	157,208.58	144,362.54	191,874.14	196,234.37	167,474.19	164,200.00	171,264.95
SENIOR CITIZEN SUBSIDY														
SENIOR CITIZEN SUBSIDY RATE	PhP/kWh	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
SUBSIDIZING END-USER	kWh	2,648,004,122	2,516,031,551	2,841,324,064	3,075,983,108	3,293,858,947	3,020,542,979	3,140,152,013	3,124,550,595	3,050,864,793	3,138,203,105	2,940,382,650	2,745,900,341	2,975,603,814
TOTAL	Php	264,800.41	251,603.16	284,132.41	307,598.31	329,385.89	302,054.30	314,015.20	312,455.06	305,086.48	313,820.31	294,038.27	274,590.03	297,560.38
(TOTAL DISCOUNT)		(254,213.07)	(181,786.60)	(219,618.14)	(213,600.36)	(207,679.39)	(192,251.90)	(196,279.25)	(183,352.22)	(229,974.15)	(234,535.38)	(207,378.15)	(200,642.57)	(208,967.05)
TOTAL SUBSIDY		264,800.41	251,603.16	284,132.41	307,598.31	329,385.89	302,054.30	314,015.20	312,455.06	305,086.48	313,820.31	294,038.27	274,590.03	297,560.38
OVER/(UNDER) RECOVERY		10,587.35	69,816.56	64,514.27	93,997.95	121,706.51	109,802.40	117,735.95	129,102.84	75,112.33	79,284.93	86,660.11	73,947.47	88,593.33

OVER/(UNDER)-RECOVERY IN THE SENIOR CITIZEN RATE SUBSIDY

Calendar Years 2014 to 2016			Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	TOTAL
RESIDENTIAL-SENIOR kWh		5.00%											
Consumption Level	Lifeline Discount Level												
0-20*	100%		15	0	10	23	0	0	0	0	0	0	
21-50	50%		15,777	9,821	9,997	8,241	10,701	11,701	10,559	14,830	14,486	17,969	
51-70	35%		39,152	26,663	21,689	21,952	27,675	29,778	30,975	37,545	35,449	44,489	
71-100	20%		76,350	75,523	71,165	69,544	78,217	78,072	84,530	82,881	88,788	85,774	
TOTAL			131,294	112,007	102,861	99,760	116,593	119,551	126,064	135,256	139,723	148,232	
RESIDENTIAL-SENIOR CUSTOMER COUNT													
Consumption Level	Lifeline Discount Level												
0-20*	100%		1	0	1	2	0	0	0	0	0	0	
21-50	50%		404	258	256	215	276	302	274	379	369	466	
51-70	35%		640	431	353	357	452	481	502	609	593	728	
71-100	20%		910	882	825	801	921	915	992	982	1,048	1,028	
TOTAL			1,955	1,571	1,435	1,375	1,649	1,698	1,768	1,970	2,010	2,222	
INSTITUTION KWH SALES		50.00%											
NAME OF INSTITUTION													
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.			23,040	27,840	30,960	31,440	27,120	27,840	28,080	24,480	27,120	24,000	
GP Sec Med - DSWD			13,200	14,520	13,840	14,480	13,840	13,520	12,360	12,640	13,280	12,480	
GHMSCI - BLUE WHALES MISSION OF OUR LADY INC.													
GHMSCI - HYACINTH OBLEA SINAG KALINGA FOUNDATION													
GS-A - BAHAY NI MARIA HOME FOR ABANDONED ELDERLY													
GS-A - HOUSE OF SOMANG FOUNDATION													
GS-A - Uplift Community Development Foundation, Inc.,			628	625	515	526	510	477	566	603	514	544	
GHMSCI - SUPERIOR PROVINCIAL OF THE CONGREGAT'N OF THE LITTLE SISTERS OF THE POOR,INC.			12,600	14,000	14,700	14,700	14,700	14,000	14,000	13,300	14,000	14,000	
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.			1,600	1,920	1,840	1,800	1,560	1,680	1,800	1,680	1,640	1,800	
TOTAL			51,068	58,905	61,855	62,948	57,730	57,517	56,806	52,703	56,554	52,824	
INSTITUTION KW DEMAND													
NAME OF INSTITUTION													
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.			93.12	73.44	109.44	97.20	81.12	100.32	75.84	73.44	95.52	72.72	
GP Sec Med - DSWD			30.04	29.96	27.72	30.84	28.68	30.80	26.84	25.40	27.84	29.60	
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.			5.60	7.24	6.44	6.40	6.44	6.84	6.32	5.76	5.28	7.84	
TOTAL			135	111	144	134	116	138	109	105	129	110	
INSTITUTION GMBD													
NAME OF INSTITUTION													

GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.			59.50	59.50	59.50	59.50	59.50	59.50	59.50	59.50	59.50	59.50	
GP Sec Med - DSWD			53.90	53.90	53.90	53.90	53.90	53.90	53.90	53.90	53.90	53.90	
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.			5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	
TOTAL			118	118	118	118	118	118	118	118	118	118	
INSTITUTION CUSTOMER COUNT													
NAME OF INSTITUTION													
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.			1	1	1	1	1	1	1	1	1	1	
GP Sec Med - DSWD			1	1	1	1	1	1	1	1	1	1	
GHMSCI - BLUE WHALES MISSION OF OUR LADY INC.													
GHMSCI - HYACINTH OBLEA SINAG KALINGA FOUNDATION													
GS-A - BAHAY NI MARIA HOME FOR ABANDONED ELDERLY													
GS-A - HOUSE OF SOMANG FOUNDATION													
GS-A - Uplift Community Development Foundation, Inc.,			1	1	1	1	1	1	1	1	1	1	
GHMSCI - SUPERIOR PROVINCIAL OF THE CONGREGATN OF THE LITTLE SISTERS OF THE POOR,INC.			1	1	1	1	1	1	1	1	1	1	
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.			1	1	1	1	1	1	1	1	1	1	
TOTAL			5	5	5	5	5	5	5	5	5	5	
RESIDENTIAL		Units											
TRate per kWh		PhP/kWh	7.2268	7.3478	7.0022	6.8924	7.1749	7.0457	7.0320	6.9105	6.8395	6.9367	
Metering Charge		PhP/cust/month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	
Supply Charge		PhP/cust/month	16.73	16.73	16.73	16.73	16.73	16.73	16.73	16.73	16.73	16.73	
INSTITUTION (GHMSCI)		Units											
Trate per kWh		PhP/kWh	6.3134	6.5503	6.1190	6.0218	6.2645	6.2035	6.1544	6.0003	5.9604	6.0331	
Fixed Rate		PhP/cust/month	557.05	557.05	557.05	557.05	557.05	557.05	557.05	557.05	557.05	557.05	
INSTITUTION (GP Secondary Medium)		Units											
Trate per kWh		PhP/kWh	4.5730	4.6823	4.4378	4.2621	4.6245	4.4132	4.4995	4.4338	4.3805	4.4746	
Fixed Rate		PhP/cust/month	1,694.61	1,694.61	1,694.61	1,694.61	1,694.61	1,694.61	1,694.61	1,694.61	1,694.61	1,694.61	
Transmission Rate		PhP/kW	315.49	325.74	288.80	323.50	289.26	319.67	288.37	260.36	259.11	252.45	
Distribution Rate		PhP/kW	237.15	237.15	237.15	237.15	237.15	237.15	237.15	237.15	237.15	237.15	
INSTITUTION (GS-A)		Units											
TRate per kWh (excludes DistCh)		PhP/kWh	6.2256	6.3466	6.0010	5.8912	6.1737	6.0445	6.0308	5.9093	5.8383	5.9355	
Distribution Charge (0 to 200 kWh)		PhP/kWh	1.0012	1.0012	1.0012	1.0012	1.0012	1.0012	1.0012	1.0012	1.0012	1.0012	
Distribution Charge (201 to 300 kWh)		PhP/kWh	1.3183	1.3183	1.3183	1.3183	1.3183	1.3183	1.3183	1.3183	1.3183	1.3183	
Distribution Charge (301 to 400 kWh)		PhP/kWh	1.6175	1.6175	1.6175	1.6175	1.6175	1.6175	1.6175	1.6175	1.6175	1.6175	
Distribution Charge (Over 400 kWh)		PhP/kWh	2.1387	2.1387	2.1387	2.1387	2.1387	2.1387	2.1387	2.1387	2.1387	2.1387	
Fixed Rate		PhP/cust/month	21.73	21.73	21.73	21.73	21.73	21.73	21.73	21.73	21.73	21.73	

INSTITUTION (GS-B)		Units											
Trata per kWh		PhP/kWh	4.5730	4.6823	4.4378	4.2621	4.6245	4.4132	4.4995	4.4338	4.3805	4.4746	
Fixed Rate		PhP/cust/month	733.82	733.82	733.82	733.82	733.82	733.82	733.82	733.82	733.82	733.82	
Transmission Rate		PhP/kW	268.39	295.87	257.10	268.44	250.95	287.23	257.03	227.51	230.59	220.20	
Distribution Rate		PhP/kW	237.15	237.15	237.15	237.15	237.15	237.15	237.15	237.15	237.15	237.15	
RESIDENTIAL SENIOR CITIZEN TOTAL DISCOUNT		Units											
0-20		PhP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21-50		PhP	3,069.90	1,944.23	1,889.10	1,536.81	2,069.40	2,225.10	2,005.12	2,767.96	2,677.38	3,369.29	
51-70		PhP	9,647.65	6,671.60	5,185.10	5,169.44	6,772.59	7,158.42	7,433.55	8,862.37	8,520.81	10,543.85	
71-100		PhP	22,861.62	22,963.75	20,649.55	19,869.23	23,248.50	22,798.19	24,688.84	23,763.52	25,201.54	24,693.08	
TOTAL		PhP	35,579.18	31,579.58	27,723.75	26,575.47	32,090.49	32,181.72	34,077.52	35,393.85	36,399.74	38,606.23	
SENIOR CITIZEN INSTITUTION TOTAL DISCOUNT		Units											
GP Sec Med - COMMUNITY OF THE SISTERS OF ST. PAUL OF CHARTRES,INC.		PhP	80,917.20	86,694.32	98,324.54	95,095.20	84,906.80	90,209.24	83,948.08	73,385.66	83,948.36	72,344.43	
GP Sec Med - DSWD			42,158.99	46,111.61	41,950.87	43,084.50	43,388.05	41,994.68	38,915.36	38,566.71	39,931.86	38,896.29	
GHMSCI - BLUE WHALES MISSION OF OUR LADY INC.		PhP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GHMSCI - HYACINTH OBLEA SINAG KALINGA FOUNDATION		PhP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GS-A - BAHAY NI MARIA HOME FOR ABANDONED ELDERLY		PhP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GS-A - HOUSE OF SOMANG FOUNDATION			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GS-A - Uplift Community Development Foundation, Inc.,		PhP	2,637.26	2,662.52	2,106.84	2,122.73	2,130.53	1,962.56	2,322.83	2,437.34	2,060.95	2,207.05	
GHMSCI - SUPERIOR PROVINCIAL OF THE CONGREGAT'N OF THE LITTLE SISTERS OF THE POOR,IN		PhP	40,052.95	46,130.63	45,253.18	44,538.76	46,322.60	43,703.03	43,359.33	40,181.19	42,001.33	42,510.23	
GS-B - TAHANANG MAPAGPALA NG IMMACULADA CONCEPCION FOUNDATION, INC.		PhP	5,440.82	6,791.44	6,041.17	5,884.68	5,545.70	5,867.37	5,978.06	5,429.52	5,193.75	6,186.86	
TOTAL		PhP	171,207.21	188,390.52	193,676.53	190,725.87	182,293.67	183,736.87	174,523.66	160,000.41	173,136.24	162,144.85	
SENIOR CITIZEN SUBSIDY													
SENIOR CITIZEN SUBSIDY RATE		PhP/kWh	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	
SUBSIDIZING END-USER		kWh	2,858,302,576	3,283,489,289	3,380,650,214	3,489,840,771	3,246,558,187	3,307,623,888	3,321,712,028	3,199,084,341	3,253,204,217	3,094,312,416	
TOTAL		Php	285,830.26	328,348.93	338,065.02	348,984.08	324,655.82	330,762.39	332,171.20	319,908.43	325,320.42	309,431.24	
(TOTAL DISCOUNT)			(206,786.38)	(219,970.10)	(221,400.34)	(217,301.35)	(214,384.16)	(215,918.59)	(208,601.18)	(195,394.26)	(209,535.98)	(200,751.08)	(8,015,157.53)
TOTAL SUBSIDY			285,830.26	328,348.93	338,065.02	348,984.08	324,655.82	330,762.39	332,171.20	319,908.43	325,320.42	309,431.24	10,340,740.63
OVER/(UNDER) RECOVERY			79,043.87	108,378.83	116,664.69	131,682.73	110,271.65	114,843.80	123,570.02	124,514.18	115,784.44	108,680.16	2,325,583.09

Prepared by:

Erwin John P. Villarias

Approved by:

Arlyn I. Dela Cruz

ANNEX "G"

Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

MANILA ELECTRIC COMPANY,	**G.R. No. 166102**
Petitioner,	Present:
- *versus* -	SERENO, *CJ.*, Chairperson, LEONARDO-DE CASTRO, BERSAMIN, PEREZ, and PERLAS-BERNABE, *JJ.*
THE CITY ASSESSOR and CITY TREASURER OF LUCENA CITY,	Promulgated:
Respondents.	AUG 05 2015

x----------x

DECISION

LEONARDO-DE CASTRO, *J.*:

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court filed by Manila Electric Company (MERALCO), seeking the reversal of the Decision[1] dated May 13, 2004 and Resolution[2] dated November 18, 2004 of the Court of Appeals in CA-G.R. SP No. 67027. The appellate court affirmed the Decision[3] dated May 3, 2001 of the Central Board of Assessment Appeals (CBAA) in CBAA Case No. L-20-98, which, in turn, affirmed with modification the Decision[4] dated June 17, 1998[5] of the Local Board of Assessment Appeals (LBAA) of Lucena City, Quezon Province, as regards Tax Declaration Nos. 019-6500 and 019-7394, ruling that MERALCO is liable for real property tax on its transformers, electric posts (or poles), transmission lines, insulators, and electric meters, beginning 1992.

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1 *Rollo*, pp. 27-34; penned by Associate Justice B. A. Adefuin-De La Cruz with Associate Justices Perlita J. Tria Tirona and Arturo D. Brion (now a member of this Court), concurring.

2 Id. at 36-37; penned by Associate Justice Perlita J. Tria Tirona with Associate Justices Arturo D. Brion and Fernanda Lampas Peralta, concurring.

3 Id. at 59-69; signed by Chairman Cesar S. Gutierrez and Members Angel P. Palomares and Benjamin M. Kasala.

4 Id. at 52-56; signed by Chairman Alberto P. Marquez and Members Romeo Dato and Alfonso A. Custodio.

5 Erroneously dated June 17, 1997.

MERALCO is a private corporation organized and existing under Philippine laws to operate as a public utility engaged in electric distribution. MERALCO has been successively granted franchises to operate in Lucena City beginning 1922 until present time, particularly, by: (1) Resolution No. 36[6] dated May 15, 1922 of the Municipal Council of Lucena; (2) Resolution No. 108[7] dated July 1, 1957 of the Municipal Council of Lucena; (3) Resolution No. 2679[8] dated June 13, 1972 of the Municipal Board of Lucena City;[9] (4) Certificate of Franchise[10] dated October 28, 1993 issued by the National Electrification Commission; and (5) Republic Act No. 9209[11] approved on June 9, 2003 by Congress.[12]

On February 20, 1989, MERALCO received from the City Assessor of Lucena a copy of Tax Declaration No. 019-6500[13] covering the following electric facilities, classified as capital investment, of the company: (a) transformer and electric post; (b) transmission line; (c) insulator; and (d) electric meter, located in Quezon Ave. Ext., Brgy. Gulang-Gulang, Lucena City. Under Tax Declaration No. 019-6500, these electric facilities had a market value of ₱81,811,000.00 and an assessed value of ₱65,448,800.00, and were subjected to real property tax as of 1985.

MERALCO appealed Tax Declaration No. 019-6500 before the LBAA of Lucena City, which was docketed as **LBAA-89-2**. MERALCO claimed that its capital investment consisted only of its substation facilities, the true and correct value of which was only ₱9,454,400.00; and that MERALCO was exempted from payment of real property tax on said substation facilities.

The LBAA rendered a Decision[14] in LBAA-89-2 on July 5, 1989, finding that under its franchise, MERALCO was required to pay the City Government of Lucena a tax equal to 5% of its gross earnings, and "[s]aid tax shall be due and payable quarterly and shall be in lieu of any and all taxes of any kind, nature, or description levied, established, or collected x x x, on its poles, wires, insulators, transformers and structures, installations, conductors, and accessories, x x x, from which taxes the grantee

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6 CA *rollo*, p. 69. As stated in Resolution No. 108 dated July 1, 1957 of the Municipal Council of Lucena, Quezon.

7 Id. at 69-73.

8 CA *rollo*, pp. 74-77.

9 Lucena became a city by virtue of Republic Act No. 3271, enacted on June 17, 1961.

10 CA *rollo*, p. 80.

11 An Act Granting the Manila Electric Company a Franchise to Construct, Operate and Maintain a Distribution System for the Conveyance of Electric Power to the End-Users in the Cities/Municipalities of Metro Manila, Bulacan, Cavite and Rizal, and Certain Cities/Municipalities/Barangays in Batangas, Laguna, Quezon and Pampanga.

12 In compliance with Sections 22 and 27 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001, which state, respectively, that "[t]he distribution of electricity to end-users shall be a regulated common carrier business requiring a national franchise" and "[t]he power to grant franchises to persons engaged in the transmission and distribution of electricity shall be vested exclusively in the Congress of the Philippines."

13 *Rollo*, p. 50.

14 CA *rollo*, pp. 52-57. Signed by Chairman Elpidio G. Jorvina and Members Patricio C. Haway and Jose E. Lao.

(MERALCO) is hereby expressly exempted."[15] As regards the issue of whether or not the poles, wires, insulators, transformers, and electric meters of MERALCO were real properties, the LBAA cited the 1964 case of *Board of Assessment Appeals v. Manila Electric Company*[16] (*1964 MERALCO case*) in which the Court held that: (1) the steel towers fell within the term "poles" expressly exempted from taxes under the franchise of MERALCO; and (2) the steel towers were personal properties under the provisions of the Civil Code and, hence, not subject to real property tax. The LBAA lastly ordered that Tax Declaration No. 019-6500 would remain and the poles, wires, insulators, transformers, and electric meters of MERALCO would be continuously assessed, but the City Assessor would stamp on the said Tax Declaration the word "exempt." The LBAA decreed in the end:

> WHEREFORE, from the evidence adduced by the parties, the Board overrules the claim of the [City Assessor of Lucena] and sustain the claim of [MERALCO].
>
> Further, the Appellant (Meralco) is hereby ordered to render an accounting to the City Treasurer of Lucena and to pay the City Government of Lucena the amount corresponding to the Five (5%) per centum of the gross earnings in compliance with paragraph 13 both Resolutions 108 and 2679, respectively, retroactive from November 9, 1957 to date, if said tax has not yet been paid.[17]

The City Assessor of Lucena filed an appeal with the CBAA, which was docketed as **CBAA Case No. 248**. In its Decision[18] dated April 10, 1991, the CBAA affirmed the assailed LBAA judgment. Apparently, the City Assessor of Lucena no longer appealed said CBAA Decision and it became final and executory.

Six years later, on October 16, 1997, MERALCO received a letter[19] dated October 16, 1997 from the City Treasurer of Lucena, which stated that the company was being assessed real property tax delinquency on its machineries beginning 1990, in the total amount of ₱17,925,117.34, computed as follows:

TAX DEC. #	ASSESSED VALUE	COVERED PERIOD	TAX DUE	PENALTY	TOTAL
019-6500	₱65,448,800.00	1990-94	₱3,272,440.00	₱2,356,156.80	₱ 5,628,596.80
019-7394	78,538,560.00	1995	785,385.60	534,062.21	1,319,447.81
		1996	785,385.60	345,569.66	1,130,955.26
		1st-3rd/1997	589,039.20	117,807.84	706,847.04
		4th 1997	196,346.40	(19,634.64)	176,711.76
				BASIC-----	₱ 8,962,558.67

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15 Id. at 55.

16 119 Phil. 328 (1964).

17 CA *rollo*, p. 57.

18 Id. at 59-68. Signed by Chairman Jesus F. Estanislao (Secretary of Finance) and Members Franklin M. Drilon (Secretary of Justice) and Luis T. Santos (Secretary of Interior and Local Government).

19 *Rollo*, p. 47.

SEF----- 8,962,558.67
TOTAL TAX DELINQUENCY----- ₱17,925,117.34

The City Treasurer of Lucena requested that MERALCO settle the payable amount soon to avoid accumulation of penalties. Attached to the letter were the following documents: (a) Notice of Assessment[20] dated October 20, 1997 issued by the City Assessor of Lucena, pertaining to Tax Declaration No. 019-7394, which increased the market value and assessed value of the machinery; (b) Property Record Form;[21] and (c) Tax Declaration No. 019-6500.[22]

MERALCO appealed Tax Declaration Nos. 019-6500 and 019-7394 before the LBAA of Lucena City on December 23, 1997 and posted a surety bond[23] dated December 10, 1997 to guarantee payment of its real property tax delinquency. MERALCO asked the LBAA to cancel and nullify the Notice of Assessment dated October 20, 1997 and declare the properties covered by Tax Declaration Nos. 019-6500 and 019-7394 exempt from real property tax.

In its Decision dated June 17, 1998 regarding Tax Declaration Nos. 019-6500 and 019-7394, the LBAA declared that Sections 234 and 534(f) of the Local Government Code repealed the provisions in the franchise of MERALCO and Presidential Decree No. 551[24] pertaining to the exemption of MERALCO from payment of real property tax on its poles, wires, insulators, transformers, and meters. The LBAA refused to apply as *res judicata* its earlier judgment in LBAA-89-2, as affirmed by the CBAA, because it involved collection of taxes from 1985 to 1989, while the present case concerned the collection of taxes from 1989 to 1997; and LBAA is only an administrative body, not a court or quasi-judicial body. The LBAA though instructed that the computation of the real property tax for the machineries should be based on the prevailing 1991 Schedule of Market Values, less the depreciation cost allowed by law. The LBAA ultimately disposed:

> WHEREFORE, in view of the foregoing, it is hereby ordered that:
>
> 1) MERALCO's appeal be dismissed for lack of merit;
>
> 2) MERALCO be required to pay the realty tax on the questioned properties, because they are not exempt by law, same to be based on the 1991 level of assessment, less depreciation cost allowed by law.[25]

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20 Id. at 48.
21 Id. at 49.
22 Id. at 50.
23 CA *rollo*, pp. 43-47. Issued by The Mercantile Insurance Co., Inc. in the amount of ₱17,925,117.34.
24 Lowering the Cost to Consumers of Electricity by Reducing the Franchise Tax Payable by Electric Franchise Holders and the Tariff on Fuel Oils for the Generation of Electric Power by Public Utilities.
25 *Rollo*, p. 56.

MERALCO went before the CBAA on appeal, which was docketed as **CBAA Case No. L-20-98**. The CBAA, in its Decision dated May 3, 2001, agreed with the LBAA that MERALCO could no longer claim exemption from real property tax on its machineries with the enactment of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, thus:

> Indeed, the Central Board of Assessment Appeals has had the opportunity of ruling in [MERALCO's] favor in connection with this very same issue. The matter was settled on April 10, 1991 where this Authority ruled that "wires, insulators, transformers and electric meters which are mounted on poles and can be separated from the poles and moved from place to place without breaking the material or causing [the] deterioration of the object, are deemed movable or personal property". The same position of MERALCO would have been tenable and that decision may have stood firm prior to the enactment of R.A. 7160 but not anymore in this jurisdiction. The Code provides and now sets a more stringent yet broadened concept of machinery, x x x:
>
> x x x x
>
> The pivotal point where the difference lie between the former and the current case is that by the very wordings of [Section 199(O)], the ground being anchored upon by MERALCO concerning the properties in question being personal in nature does not hold anymore for the sole reason that these come now within the purview and new concept of Machineries. The new law has treated these in an unequivocal manner as machineries in the sense that they are instruments, mechanical contrivances or apparatus though not attached permanently to the real properties of [MERALCO] are actually, directly and exclusively used to meet their business of distributing electricity.
>
> x x x x
>
> Clearly, [Section 234 of the Local Government Code] lists down the instances of exemption in real property taxation and very apparent is the fact that the enumeration is exclusive in character in view of the wordings in the last paragraph. Applying the maxim "Expressio Unius est Exclusio Alterius", we can say that "Where the statute enumerates those who can avail of the exemption, it is construed as excluding all others not mentioned therein". Therefore, the above-named company [had] lost its previous exemptions under its franchise because of non-inclusion in the enumeration in Section 234. Furthermore, all tax exemptions being enjoyed by all persons, whether natural or juridical, including all government-owned or controlled corporations are expressly withdrawn, upon effectivity of R.A. 7160.
>
> In the given facts, it has been manifested that the Municipal Board of Lucena passed Resolution No. 108 on July 1, 1957 extending the franchise of MERALCO to operate in Lucena city an electric light system for thirty-five years, which should have expired on November 9, 1992 and under Resolution No. 2679 passed on June 13, 1972 by the City Council of Lucena City awarding [MERALCO] a franchise to operate for twenty years an electric light, heat and power system in Lucena City, also to

> expire in the year 1992. Under those franchises, they were only bound to pay franchise taxes and nothing more.
>
> Now, granting arguendo that there is no express revocation of the exemption under the franchise of [MERALCO] since, unquestionably [MERALCO] is a recipient of another franchise granted this time by the National Electrification Commission as evidenced by a certificate issued on October 28, 1993, such conferment does not automatically include and/or award exemption from taxes, nor does it impliedly give the franchisee the right to continue the privileges like exemption granted under its previous franchise. It is just a plain and simple franchise. In countless times, the Supreme Court has ruled that exemption must be clear in the language of the law granting such exemption for it is strictly construed and favored against the person invoking it. In addition, a franchise though in the form of a contract is also a privilege that must yield to the sublime yet inherent powers of the state, one of these is the power of taxation.
>
> Looking into the law creating the National Electrification Administration (Commission), P.D. 269 as amended by P.D. 1645, nowhere in those laws can we find such authority to bestow upon the grantee any tax exemption of whatever nature except those of cooperatives. This we believe is basically in consonance with the provisions of the Local Government Code more particularly Section 234.
>
> Furthermore, Section 534(f) of R.A. 7160 which is taken in relation to Section 234 thereof states that "All general and special laws, acts, city charters, decrees, executive orders, proclamations and administrative regulations or part or parts thereof which are inconsistent with any of the provisions of this Code are hereby repealed or modified accordingly". Anent this unambiguous mandate, P.D. 551 is mandatorily repealed due to its contradictory and irreconcilable provisions with R.A. 7160.[26]

Yet, the CBAA modified the ruling of the LBAA by excluding from the real property tax deficiency assessment the years 1990 to 1991, considering that:

> In the years 1990 and 1991, the exemption granted to MERALCO under its franchise which incidentally expired upon the effectivity of the Local Government Code of 1991 was very much in effect and the decision rendered by the Central Board of Assessment Appeals (CBAA) classifying its poles, wires, insulators, transformers and electric meters as personal property was still controlling as the law of the case. So, from 1990 to 1991, it would be inappropriate and illegal to make the necessary assessment on those properties, much more to impose any penalty for non-payment of such.
>
> But, assessments made beginning 1992 until 1997 by the City Government of Lucena is legal, both procedurally and substantially. When R.A. 7160, which incorporated amended provisions of the Real Property Tax Code, took effect on January 1, 1992, as already discussed, the nature of the aforecited questioned properties considered formerly as

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26 Id. at 62-65.

> personal metamorphosed to machineries and the exemption being invoked by [MERALCO] was automatically withdrawn pursuant to the letter and spirit of the law. x x x.[27]

Resultantly, the decretal portion of said CBAA Decision reads:

> WHEREFORE, in view of the foregoing, the Decision appealed from is hereby modified. The City Assessor of Lucena City is hereby directed to make a new assessment on the subject properties to retroact from the year 1992 and the City Treasurer to collect the tax liabilities in accordance with the provisions of the cited Section 222 of the Local Government Code.[28]

The CBAA denied the Motion for Reconsideration of MERALCO in a Resolution[29] dated August 16, 2001.

Disgruntled, MERALCO sought recourse from the Court of Appeals by filing a Petition for Review under Rule 43 of the Rules of Court, which was docketed as CA-G.R. SP No. 67027.

The Court of Appeals rendered a Decision on May 13, 2004 rejecting all arguments proffered by MERALCO. The appellate court found no deficiency in the Notice of Assessment issued by the City Assessor of Lucena:

> It was not disputed that [MERALCO] failed to provide the [City Assessor and City Treasurer of Lucena] with a sworn statement declaring the true value of each of the subject transformer and electric post, transmission line, insulator and electric meter which should have been made the basis of the fair and current market value of the aforesaid property and which would enable the assessor to identify the same for assessment purposes. [MERALCO] merely claims that the assessment made by the [City Assessor and City Treasurer of Lucena] was incorrect but did not even mention in their pleading the true and correct assessment of the said properties. Absent any sworn statement given by [MERALCO], [the City Assessor and City Treasurer of Lucena] were constrained to make an assessment based on the materials within [their reach].[30]

The Court of Appeals further ruled that there was no more basis for the real property tax exemption of MERALCO under the Local Government Code and that the withdrawal of said exemption did not violate the non-impairment clause of the Constitution, thus:

> Although it could not be denied that [MERALCO] was previously granted a Certificate of Franchise by the National Electrification Commission on October 28, 1993 x x x, such conferment does not automatically include an exemption from the payment of realty tax, nor

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27 Id. at 65-66.

28 Id. at 69.

29 Id. at 57. Signed by Chairman Cesar S. Gutierrez and Members Angel P. Palomares and Benjamin M. Kasala.

30 Id. at 29-30.

> does it impliedly give the franchisee the right to continue the privileges granted under its previous franchise considering that Sec. 534(f) of the Local Government Code of 1991 expressly repealed those provisions which are inconsistent with the Code.
>
> At the outset, the Supreme Court has held that "Section 193 of the LGC prescribes the general rule, viz., tax exemptions or incentives granted to or presently enjoyed by natural or juridical persons are withdrawn upon the effectivity of the LGC except with respect to those entities expressly enumerated. In the same vein, We must hold that the express withdrawal upon effectivity of the LGC of all exemptions except only as provided therein, can no longer be invoked by MERALCO to disclaim liability for the local tax." (City Government of San Pablo, Laguna vs. Reyes, 305 SCRA 353, 362-363)
>
> In fine, [MERALCO's] invocation of the non-impairment clause of the Constitution is accordingly unavailing. The LGC was enacted in pursuance of the constitutional policy to ensure autonomy to local governments and to enable them to attain fullest development as self-reliant communities. The power to tax is primarily vested in Congress. However, in our jurisdiction, it may be exercised by local legislative bodies, no longer merely by virtue of a valid delegation as before, but pursuant to [a] direct authority conferred by Section 5, Article X of the Constitution. The important legal effect of Section 5 is that henceforth, in interpreting statutory provisions on municipal fiscal powers, doubts will be resolved in favor of the municipal corporations. (Ibid. pp. 363-365)[31]

MERALCO similarly failed to persuade the Court of Appeals that the transformers, transmission lines, insulators, and electric meters mounted on the electric posts of MERALCO were not real properties. The appellate court invoked the definition of "machinery" under Section 199(o) of the Local Government Code and then wrote that:

> We firmly believe and so hold that the wires, insulators, transformers and electric meters mounted on the poles of [MERALCO] may nevertheless be considered as improvements on the land, enhancing its utility and rendering it useful in distributing electricity. The said properties are actually, directly and exclusively used to meet the needs of [MERALCO] in the distribution of electricity.
>
> In addition, "improvements on land are commonly taxed as realty even though for some purposes they might be considered personalty. It is a familiar personalty phenomenon to see things classed as real property for purposes of taxation which on general principle might be considered personal property." (Caltex (Phil) Inc. vs. Central Board of Assessment Appeals, 114 SCRA 296, 301-302)[32]

Lastly, the Court of Appeals agreed with the CBAA that the new assessment of the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO shall retroact to 1992.

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31 Id. at 31.

32 Id. at 32.

Hence, the Court of Appeals adjudged:

> WHEREFORE, premises considered, the ***assailed Decision [dated] May 3, 2001 and Resolution dated August 16, 2001 are hereby AFFIRMED in toto and the present petition is hereby DENIED DUE COURSE and accordingly DISMISSED for lack of merit.***[33]

In a Resolution dated November 18, 2004, the Court of Appeals denied the Motion for Reconsideration of MERALCO.

MERALCO is presently before the Court via the instant Petition for Review on *Certiorari* grounded on the following lone assignment of error:

> THE COURT OF APPEALS COMMITTED A GRAVE REVERSIBLE ERROR IN AFFIRMING IN TOTO THE DECISION OF THE CENTRAL BOARD OF ASSESSMENT APPEALS WHICH HELD THAT THE SUBJECT PROPERTIES ARE REAL PROPERTIES SUBJECT TO REAL PROPERTY TAX; AND THAT ASSESSMENT ON THE SUBJECT PROPERTIES SHOULD BE MADE TO TAKE EFFECT RETROACTIVELY FROM 1992 UNTIL 1997, WITH PENALTIES; THE SAME BEING UNJUST, WHIMSICAL AND NOT IN ACCORD WITH THE LOCAL GOVERNMENT CODE.[34]

MERALCO argues that its transformers, electric posts, transmission lines, insulators, and electric meters are not subject to real property tax, given that: (1) the definition of "machinery" under Section 199(o) of the Local Government Code, on which real property tax is imposed, must still be within the contemplation of real or immovable property under Article 415 of the Civil Code because it is axiomatic that a statute should be construed to harmonize with other laws on the same subject matter as to form a complete, coherent, and intelligible system; (2) the Decision dated April 10, 1991 of the CBAA in CBAA Case No. 248, which affirmed the Decision dated July 5, 1989 of the LBAA in LBAA-89-2, ruling that the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO are movable or personal properties, is conclusive and binding; and (3) the electric poles are not exclusively used to meet the needs of MERALCO alone since these are also being utilized by other entities such as cable and telephone companies.

MERALCO further asserts that even if it is assumed for the sake of argument that the transformers, electric posts, transmission lines, insulators, and electric meters are real properties, the assessment of said properties by the City Assessor in 1997 is a patent nullity. The collection letter dated October 16, 1997 of the City Treasurer of Lucena, Notice of Assessment dated October 20, 1997 of the City Assessor of Lucena, the Property Record Form dated October 20, 1997, and Tax Declaration No. 019-6500 simply state a lump sum market value for all the transformers, electric posts, transmission lines, insulators, and electric meters covered and did not

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33 Id. at 34.
34 Id. at 12.

provide an inventory/list showing the actual number of said properties, or a schedule of values presenting the fair market value of each property or type of property, which would have enabled MERALCO to verify the correctness and reasonableness of the valuation of its properties. MERALCO was not furnished at all with a copy of Tax Declaration No. 019-7394, and while it received a copy of Tax Declaration No. 019-6500, said tax declaration did not contain the requisite information regarding the date of operation of MERALCO and the original cost, depreciation, and market value for each property covered. For the foregoing reasons, the assessment of the properties of MERALCO in 1997 was arbitrary, whimsical, and without factual basis – in patent violation of the right to due process of MERALCO. MERALCO additionally explains that it cannot be expected to make a declaration of its transformers, electric posts, transmission lines, insulators, and electric meters, because all the while, it was of the impression that the said properties were personal properties by virtue of the Decision dated July 5, 1989 of the LBAA in LBAA-89-2 and the Decision dated April 10, 1991 of the CBAA in CBAA Case No. 248.

Granting that the assessment of its transformers, electric posts, transmission lines, insulators, and electric meters by the City Assessor of Lucena in 1997 is valid, MERALCO alternatively contends that: (1) under Sections 221[35] and 222[36] of the Local Government Code, the assessment should take effect only on January 1, 1998 and not retroact to 1992; (2) MERALCO should not be held liable for penalties and interests since its nonpayment of real property tax on its properties was in good faith; and (3) if interest may be legally imposed on MERALCO, it should only begin to run on the date it received the Notice of Assessment on October 29, 1997 and not all the way back to 1992.

At the end of its Petition, MERALCO prays:

> WHEREFORE, it is respectfully prayed of this Honorable Court that the appealed Decision dated May 13, 2004 of the Court of Appeals, together with its Resolution dated November 18, 2004 be reversed and set aside, and judgment be rendered x x x nullifying and cancel[l]ing the

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35 Section 221. *Date of Effectivity of Assessment or Reassessment.* – All assessments or reassessments made after the first (1st) day of January of any year shall take effect on the first (1st) day of January of the succeeding year: *Provided, however,* That the reassessment of real property due to its partial or total destruction, or to a major change in its actual use, or to any great and sudden inflation or deflation of real property values, or to the gross illegality of the assessment when made or to any other abnormal cause, shall be made within ninety (90) days from the date any such cause or causes occurred, and shall take effect at the beginning of the quarter next following the reassessment.

36 Section 222. *Assessment of Property Subject to Back Taxes.* – Real property declared for the first time shall be assessed for taxes for the period during which it would have been liable but in no case for more than ten (10) years prior to the date of initial assessment: *Provided, however,* That such taxes shall be computed on the basis of the applicable schedule of values in force during the corresponding period.

If such taxes are paid on or before the end of the quarter following the date the notice of assessment was received by the owner or his representative, no interest for delinquency shall be imposed thereon; otherwise such taxes shall be subject to an interest at the rate of two percent (2%) per month or a fraction thereof from the date of the receipt of the assessment until such taxes are fully paid.

> Notice of Assessment, dated October 20, 1997, issued by respondent City Assessor, and the collection letter dated October 16, 1997 of respondent City Treasurer.
>
> Petitioner also prays for such other relief as may be deemed just and equitable in the premises.[37]

The City Assessor and City Treasurer of Lucena counter that: (1) MERALCO was obliged to pay the real property tax due, instead of posting a surety bond, while its appeal was pending, because Section 231 of the Local Government Code provides that the appeal of an assessment shall not suspend the collection of the real property taxes; (2) the cases cited by MERALCO can no longer be applied to the case at bar since they had been decided when Presidential Decree No. 464, otherwise known as the Real Property Tax Code, was still in effect; (3) under the now prevailing Local Government Code, which expressly repealed the Real Property Tax Code, the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO fall within the new definition of "machineries," deemed as real properties subject to real property tax; and (4) the Notice of Assessment dated October 20, 1997 covering the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO only retroacts to 1992, which is less than 10 years prior to the date of initial assessment, so it is in compliance with Section 222 of the Local Government Code, and since MERALCO has yet to pay the real property taxes due on said assessment, then it is just right and appropriate that it also be held liable to pay for penalties and interests from 1992 to present time. Ultimately, the City Assessor and City Treasurer of Lucena seek judgment denying the instant Petition and ordering MERALCO to pay the real property taxes due.

The Petition is partly meritorious.

The Court finds that the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO are no longer exempted from real property tax and may qualify as "machinery" subject to real property tax under the Local Government Code. Nevertheless, the Court declares null and void the appraisal and assessment of said properties of MERALCO by the City Assessor in 1997 for failure to comply with the requirements of the Local Government Code and, thus, violating the right of MERALCO to due process.

By posting a surety bond before filing its appeal of the assessment with the LBAA, MERALCO substantially complied with the requirement of payment under protest in Section 252 of the Local Government Code.

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37 *Rollo*, p. 22.

Section 252 of the Local Government Code mandates that "[n]o protest shall be entertained unless the taxpayer first pays the tax." It is settled that the requirement of "payment under protest" is a condition *sine qua non* before an appeal may be entertained.[38] Section 231 of the same Code also dictates that "[a]ppeal on assessments of real property x x x shall, in no case, suspend the collection of the corresponding realty taxes on the property involved as assessed by the provincial or city assessor, without prejudice to subsequent adjustment depending upon the final outcome of the appeal." Clearly, under the Local Government Code, even when the assessment of the real property is appealed, the real property tax due on the basis thereof should be paid to and/or collected by the local government unit concerned.

In the case at bar, the City Treasurer of Lucena, in his letter dated October 16, 1997, sought to collect from MERALCO the amount of ₱17,925,117.34 as real property taxes on its machineries, plus penalties, for the period of 1990 to 1997, based on Tax Declaration Nos. 019-6500 and 019-7394 issued by the City Assessor of Lucena. MERALCO appealed Tax Declaration Nos. 019-6500 and 019-7394 with the LBAA, but instead of paying the real property taxes and penalties due, it posted a surety bond in the amount of ₱17,925,117.34.

By posting the surety bond, MERALCO may be considered to have substantially complied with Section 252 of the Local Government Code for the said bond already guarantees the payment to the Office of the City Treasurer of Lucena of the total amount of real property taxes and penalties due on Tax Declaration Nos. 019-6500 and 019-7394. This is not the first time that the Court allowed a surety bond as an alternative to cash payment of the real property tax before protest/appeal as required by Section 252 of the Local Government Code. In *Camp John Hay Development Corporation v. Central Board of Assessment Appeals,*[39] the Court affirmed the ruling of the CBAA and the Court of Tax Appeals *en banc* applying the "payment under protest" requirement in Section 252 of the Local Government Code and remanding the case to the LBAA for "further proceedings subject to a full and up-to-date payment, **either in cash or surety**, of realty tax on the subject properties x x x."

Accordingly, the LBAA herein correctly took cognizance of and gave due course to the appeal of Tax Declaration Nos. 019-6500 and 019-7394 filed by MERALCO.

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38 *Camp John Hay Development Corporation v. Central Board of Assessment Appeals,* G.R. No. 169234, October 2, 2013, 706 SCRA 547, 563.

39 Id. at 570.

Beginning January 1, 1992, MERALCO can no longer claim exemption from real property tax of its transformers, electric posts, transmission lines, insulators, and electric meters based on its franchise.

MERALCO relies heavily on the Decision dated April 10, 1991 of the CBAA in CBAA Case No. 248, which affirmed the Decision dated July 5, 1989 of the LBAA in LBAA-89-2. Said decisions of the CBAA and the LBAA, in turn, cited *Board of Assessment Appeals v. Manila Electric Co.*,[40] which was decided by the Court way back in 1964 (*1964 MERALCO case*). The decisions in CBAA Case No. 248 and the *1964 MERALCO case* recognizing the exemption from real property tax of the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO are no longer applicable because of subsequent developments that changed the factual and legal milieu for MERALCO in the present case.

In the *1964 MERALCO case*, the City Assessor of Quezon City considered the steel towers of MERALCO as real property and required MERALCO to pay real property taxes for the said steel towers for the years 1952 to 1956. MERALCO was operating pursuant to the franchise granted under Ordinance No. 44 dated March 24, 1903 of the Municipal Board of Manila, which it acquired from the original grantee, Charles M. Swift. Under its franchise, MERALCO was expressly granted the following tax exemption privilege:

> Par 9. The grantee shall be liable to pay the same taxes upon its real estate, buildings, plant (not including poles, wires, transformers, and insulators), machinery and personal property as other persons are or may be hereafter required by law to pay. x x x Said percentage shall be due and payable at the times stated in paragraph nineteen of Part One hereof, x x x *and shall be in lieu of all taxes and assessments of whatsoever nature, and by whatsoever authority upon the privileges, earnings, income, franchise, and poles*, wires, transformers, and insulators of the grantee from which taxes and assessments the grantee *is hereby expressly exempted.* x x x.[41]

Given the express exemption from taxes and assessments of the "**poles**, wires, transformers, and insulators" of MERALCO in the aforequoted paragraph, the sole issue in the *1964 MERALCO case* was whether or not the steel towers of MERALCO qualified as "poles" which were exempted from real property tax. The Court ruled in the affirmative, ratiocinating that:

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40 Supra note 16.

41 Id. at 331.

> Along the streets, in the City of Manila, may be seen cylindrical metal poles, cubical concrete poles, and poles of the PLDT Co. which are made of two steel bars joined together by an interlacing metal rod. They are called "poles" notwithstanding the fact that they are not made of wood. It must be noted from paragraph 9, above quoted, that the concept of the "poles" for which exemption is granted, is not determined by their place or location, nor by the character of the electric current it carries, nor the material or form of which it is made, but the use to which they are dedicated. In accordance with the definitions, a pole is not restricted to a long cylindrical piece of wood or metal, but includes "upright standards to the top of which something is affixed or by which something is supported." As heretofore described, respondent's steel supports consist of a framework of four steel bars or strips which are bound by steel cross-arms atop of which are cross-arms supporting five high voltage transmission wires (See Annex A) and their sole function is to support or carry such wires.
>
> The conclusion of the CTA that the steel supports in question are embraced in the term "poles" is not a novelty. Several courts of last resort in the United States have called these steel supports "steel towers", and they have denominated these supports or towers, as electric poles. In their decisions the words "towers" and "poles" were used interchangeably, and it is well understood in that jurisdiction that a transmission tower or pole means the same thing.
>
> x x x x
>
> It is evident, therefore, that the word "poles", as used in Act No. 484 and incorporated in the petitioner's franchise, should not be given a restrictive and narrow interpretation, as to defeat the very object for which the franchise was granted. The *poles* as contemplated thereon, should be understood and taken as a part of the electric power system of the respondent Meralco, for the conveyance of electric current from the source thereof to its consumers. x x x.[42]

Similarly, it was clear that under the 20-year franchise granted to MERALCO by the Municipal Board of Lucena City through Resolution No. 2679 dated June 13, 1972, the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO were exempt from real property tax. Paragraph 13 of Resolution No. 2679 is quoted in full below:

> 13. The grantee shall be liable to pay the same taxes upon its real estate, building, machinery, and personal property **(not including poles, wires, transformers, and insulators)** as other persons are now or may hereafter be required by law to pay. In consideration of the franchise and rights hereby granted, the grantee shall pay into the City Treasury of Lucena a **tax equal to FIVE (5%) PER CENTUM of the gross earnings** received from electric current sold or supplied under this franchise. Said tax shall be due and payable quarterly and shall be **in lieu of any and all taxes of any kind, nature or description levied, established, or collected** by any authority whatsoever, municipal, provincial, or national, now or in the future, **on its poles, wires, insulators, switches, transformers and structures, installations, conductors, and**

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42 Id. at 331-333.

> **accessories**, placed in and over and under all the private and/or public property, including public streets and highways, provincial roads, bridges, and public squares, and on its franchise rights, privileges, receipts, revenues and profits, **from which taxes the grantee is hereby expressly exempted**. (Emphases supplied.)

In CBAA Case No. 248 (and LBAA-89-2), the City Assessor assessed the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO located in Lucena City beginning 1985 under Tax Declaration No. 019-6500. The CBAA in its Decision dated April 10, 1991 in CBAA Case No. 248 sustained the exemption of the said properties of MERALCO from real property tax on the basis of paragraph 13 of Resolution No. 2679 and the *1964 MERALCO case.*

Just when the franchise of MERALCO in Lucena City was about to expire, the Local Government Code took effect on January 1, 1992, Sections 193 and 234 of which provide:

> Section 193. *Withdrawal of Tax Exemption Privileges.* – Unless otherwise provided in this Code, tax exemptions or incentives granted to, or presently enjoyed by all persons, whether natural or juridical, including government-owned or controlled corporations, except local water districts, cooperatives duly registered under R.A. No. 6938, non-stock and non-profit hospitals and educational institutions, are hereby withdrawn upon the effectivity of this Code.
>
> Section 234. *Exemptions from Real Property Tax.* - The following are exempted from payment of the real property tax:
>
> (a) Real property owned by the Republic of the Philippines or any of its political subdivisions except when the beneficial use thereof has been granted, for consideration or otherwise, to a taxable person;
>
> (b) Charitable institutions, churches, parsonages or convents appurtenant thereto, mosques, nonprofit or religious cemeteries and all lands, buildings, and improvements actually, directly, and exclusively used for religious, charitable or educational purposes;
>
> (c) All machineries and equipment that are actually, directly and exclusively used by local water districts and government-owned or controlled corporations engaged in the supply and distribution of water and/or generation and transmission of electric power;
>
> (d) All real property owned by duly registered cooperatives as provided for under R.A. No. 6938; and
>
> (e) Machinery and equipment used for pollution control and environmental protection.
>
> Except as provided herein, any exemption from payment of real property tax previously granted to, or presently enjoyed by, all persons, whether natural or juridical, including all government-owned or controlled corporations are hereby withdrawn upon the effectivity of this Code.

The Local Government Code, in addition, contains a general repealing clause under Section 534(f) which states that "[a]ll general and special laws, acts, city charters, decrees, executive orders, proclamations and administrative regulations, or part or parts thereof which are inconsistent with any of the provisions of this Code are hereby repealed or modified accordingly."

Taking into account the above-mentioned provisions, the evident intent of the Local Government Code is to withdraw/repeal all exemptions from local taxes, unless otherwise provided by the Code. The limited and restrictive nature of the tax exemption privileges under the Local Government Code is consistent with the State policy to ensure autonomy of local governments and the objective of the Local Government Code to grant genuine and meaningful autonomy to enable local government units to attain their fullest development as self-reliant communities and make them effective partners in the attainment of national goals. The obvious intention of the law is to broaden the tax base of local government units to assure them of substantial sources of revenue.[43]

Section 234 of the Local Government Code particularly identifies the exemptions from payment of real property tax, based on the ownership, character, and use of the property, *viz.*:

> (a) *Ownership Exemptions*. Exemptions from real property taxes on the basis of *ownership* are real properties owned by: (i) the Republic, (ii) a province, (iii) a city, (iv) a municipality, (v) a barangay, and (vi) registered cooperatives.
>
> (b) *Character Exemptions*. Exempted from real property taxes on the basis of their character are: (i) charitable institutions, (ii) houses and temples of prayer like churches, parsonages or convents appurtenant thereto, mosques, and (iii) nonprofit or religious cemeteries.
>
> (c) *Usage exemptions*. Exempted from real property taxes on the basis of the actual, direct and exclusive use to which they are devoted are: (i) all lands, buildings and improvements which are actually directly and exclusively used for religious, charitable or educational purposes; (ii) all machineries and equipment actually, directly and exclusively used by local water districts or by government-owned or controlled corporations engaged in the supply and distribution of water and/or generation and transmission of electric power; and (iii) all machinery and equipment used for pollution control and environmental protection.
>
> To help provide a healthy environment in the midst of the modernization of the country, all machinery and equipment for pollution control and environmental protection may not be taxed by local governments.

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43 *Philippine Rural Electric Cooperatives Association, Inc. v. The Secretary, Department of Interior and Local Government*, 451 Phil. 683, 698 (2003), citing *Mactan Cebu International Airport Authority v. Marcos*, 330 Phil. 392, 417 (1996).

> 2. *Other Exemptions Withdrawn.* All other exemptions previously granted to natural or juridical persons including government-owned or controlled corporations are withdrawn upon the effectivity of the Code.[44]

The last paragraph of Section 234 had unequivocally withdrawn, upon the effectivity of the Local Government Code, exemptions from payment of real property taxes granted to natural or juridical persons, including government-owned or controlled corporations, except as provided in the same section.

MERALCO, a private corporation engaged in electric distribution, and its transformers, electric posts, transmission lines, insulators, and electric meters used commercially do not qualify under any of the ownership, character, and usage exemptions enumerated in Section 234 of the Local Government Code. It is a basic precept of statutory construction that the express mention of one person, thing, act, or consequence excludes all others as expressed in the familiar maxim *expressio unius est exclusio alterius*.[45] Not being among the recognized exemptions from real property tax in Section 234 of the Local Government Code, then the exemption of the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO from real property tax granted under its franchise was among the exemptions withdrawn upon the effectivity of the Local Government Code on January 1, 1998.

It is worthy to note that the subsequent franchises for operation granted to MERALCO, *i.e.*, under the Certificate of Franchise dated October 28, 1993 issued by the National Electrification Commission and Republic Act No. 9209 enacted on June 9, 2003 by Congress, are completely silent on the matter of exemption from real property tax of MERALCO or any of its properties.

It is settled that tax exemptions must be clear and unequivocal. A taxpayer claiming a tax exemption must point to a specific provision of law conferring on the taxpayer, in clear and plain terms, exemption from a common burden. Any doubt whether a tax exemption exists is resolved against the taxpayer.[46] MERALCO has failed to present herein any express grant of exemption from real property tax of its transformers, electric posts, transmission lines, insulators, and electric meters that is valid and binding even under the Local Government Code.

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44 *Mactan Cebu International Airport Authority v. Marcos*, id. at 410-411, citing Pimentel, Aquilino Jr., THE LOCAL GOVERNMENT CODE OF 1991 — The Key to National Development [1933], 329.

45 *National Power Corporation v. City of Cabanatuan*, 449 Phil. 233, 259 (2003).

46 *Digital Telecommunications Philippines, Inc. v. City Government of Batangas*, 594 Phil. 269, 299 (2008).

The transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO may qualify as "machinery" under the Local Government Code subject to real property tax.

Through the years, the relevant laws have consistently considered "machinery" as real property subject to real property tax. It is the definition of "machinery" that has been changing and expanding, as the following table will show:

Real Property Tax Law	**Incidence of Real Property Tax**	**Definition of Machinery**[47]
The Assessment Law (Commonwealth Act No. 470) Effectivity: January 1, 1940	Section 2. *Incidence of real property tax.* – Except in chartered cities, there shall be levied, assessed, and collected, an annual *ad valorem* tax on real property, including land, buildings, **machinery**, and other improvements not hereinafter specifically exempted.	Section 3. *Property exempt from tax.* – The exemptions shall be as follows: x x x x (f) *Machinery*, which term shall embrace machines, mechanical contrivances, instruments, appliances, and apparatus attached to the real estate, used for industrial agricultural or manufacturing purposes, during the first five years of the operation of the machinery.
Real Property Tax Code Effectivity: June 1, 1974	Section 38. *Incidence of Real Property Tax.* – There shall be levied, assessed and collected in all provinces, cities and municipalities an annual *ad valorem* tax on real property, such as land, buildings, **machinery** and other improvements affixed or attached to real property not hereinafter specifically exempted.	Section 3. *Definition of Terms.* – When used in this Code – x x x x (m) *Machinery* – shall embrace machines, mechanical contrivances, instruments, appliances and apparatus attached to the real estate. **It includes the physical facilities available for production, as well as the installations and appurtenant service facilities, together with all other equipment designed for or essential to its manufacturing, industrial or agricultural purposes.**
Real Property Tax Code,	Section 38. *Incidence of Real Property Tax.* – There shall be	Section 3. *Definition of Terms.* – When used in this Code –

47 Emphases on the substantial changes introduced by the succeeding law.

as amended by Presidential Decree No. 1383 Effectivity: May 25, 1978	levied, assessed and collected in all provinces, cities and municipalities an annual *ad valorem* tax on real property, such as land, buildings, **machinery** and other improvements affixed or attached to real property not hereinafter specifically exempted.	x x x x (m) *Machinery* – shall embrace machines, **equipment**, mechanical contrivances, instruments, appliances and apparatus attached to the real estate. It shall include the physical facilities available for production, as well as the installations and appurtenant service facilities, **together with all those not permanently attached to the real estate but are actually, directly and essentially used to meet the needs of the particular industry, business, or works, which by their very nature and purpose** are designed for, or essential to manufacturing, **commercial, mining,** industrial or agricultural purposes.
Local Government Code Effectivity: January 1, 1992	Section 232. *Power to Levy Real Property Tax.* – A province or city or a municipality within the Metropolitan Manila Area may levy an annual *ad valorem* tax on real property such as land, building, **machinery**, and other improvement not hereinafter specifically exempted.	Section 199. *Definitions.* – When used in this Title: x x x x (o) "*Machinery*" embraces machines, equipment, mechanical contrivances, instruments, appliances or apparatus **which may or may not be attached, permanently or temporarily, to the real property.** It includes the physical facilities for production, the installations and appurtenant service facilities, **those which are mobile, self-powered or self-propelled,** and those not permanently attached to the real property which are actually, directly, and exclusively used to meet the needs of the particular industry, business or activity and which by their very nature and purpose are designed for, or necessary to its manufacturing, mining, **logging**, commercial, industrial or agricultural purposes[.]

MERALCO is a public utility engaged in electric distribution, and its transformers, electric posts, transmission lines, insulators, and electric meters constitute the physical facilities through which MERALCO delivers

electricity to its consumers. Each may be considered as one or more of the following: a "machine,"[48] "equipment,"[49] "contrivance,"[50] "instrument,"[51] "appliance,"[52] "apparatus,"[53] or "installation."[54]

The Court highlights that under Section 199(o) of the Local Government Code, machinery, to be deemed real property subject to real property tax, need no longer be annexed to the land or building as these "may or may not be attached, permanently or temporarily to the real property," and in fact, such machinery may even be "mobile."[55] The same provision though requires that to be machinery subject to real property tax, the physical facilities for production, installations, and appurtenant service facilities, those which are mobile, self-powered or self-propelled, or not permanently attached to the real property (a) must be actually, directly, and exclusively used to meet the needs of the particular industry, business, or activity; and (2) by their very nature and purpose, are designed for, or necessary for manufacturing, mining, logging, commercial, industrial, or agricultural purposes. Thus, Article 290(o) of the Rules and Regulations Implementing the Local Government Code of 1991 recognizes the following exemption:

> Machinery which are of **general purpose use** including but not limited to office equipment, typewriters, telephone equipment, breakable or easily damaged containers (glass or cartons), microcomputers, facsimile machines, telex machines, cash dispensers, furnitures and fixtures, freezers, refrigerators, display cases or racks, fruit juice or beverage automatic dispensing machines which are not directly and exclusively used to meet the needs of a particular industry, business or activity shall

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48 "Machine" is a piece of equipment with moving parts that does work when it is given power from electricity, gasoline, *etc.*; an assemblage of parts that transmit forces, motion, and energy one to another in a predetermined manner; an instrument (as a lever) designed to transmit or modify the application of power, force, or motion; or a mechanically, electrically, or electronically operated device for performing a task. (http://www.merriam-webster.com/dictionary/machine, last visited on July 15, 2015)

49 "Equipment" is the set of articles or physical resources serving to equip a person or thing; apparatus; the implements used in an operation or activity; or all the fixed assets other than land and buildings of a business enterprise; or a piece of such equipment. (http://www.merriam-webster.com/dictionary/equipment, last visited on July 15, 2015)

50 "Contrivance" is a machine or piece of equipment made with skill and cleverness; or a thing contrived, especially, a mechanical device. (http://www.merriam-webster.com/ dictionary/ contrivance, last visited on July 15, 2015)

51 "Instrument" is a tool or device used for a particular purpose, especially, a tool or device designed to do careful and exact work; implement, especially, one designed for precision work; a relatively simple device for performing work. (http://www.merriam-webster.com/dictionary/instrument, last visited July 15, 2015)

52 "Appliance" is a piece of equipment for adapting a tool or machine to a special purpose; an instrument or device designed for a particular use or function (an orthodontic appliance); specifically, a household or office device (as a stove, fan, or refrigerator) operated by gas or electric current; or a tool or instrument utilizing a power source and suggests portability or temporary attachment (household appliances). (http://www.merriam-webster.com/dictionary/appliance, last visited on July 15, 2015)

53 "Apparatus" is a tool or piece of equipment used for specific activities; or an instrument or appliance designed for a specific operation. (http://www.merriam-webster.com/dictionary/ apparatus, last visited July 15, 2015)

54 "Installation" is something (such as a piece of equipment) that is put together and made ready for use. (http://www.merriam-webster.com/dictionary/installation, last visited on July 15, 2015)

55 "Mobile" means capable of moving or being moved; or movable (a mobile missile launcher). (http://www.merriam-webster.com/dictionary/mobile, last visited July 15, 2015)

> not be considered within the definition of machinery under this Rule. (Emphasis supplied.)

The *1964 MERALCO case* was decided when The Assessment Law was still in effect and Section 3(f) of said law still required that the machinery be attached to the real property. Moreover, as the Court pointed out earlier, the ruling in the *1964 MERALCO case* – that the electric poles (including the steel towers) of MERALCO are not subject to real property tax – was primarily based on the express exemption granted to MERALCO under its previous franchise. The reference in said case to the Civil Code definition of real property was only an alternative argument:

> **Granting for the purpose of argument that the steel supports or towers in question are not embraced within the term poles, the logical question posited is whether they constitute real properties, so that they can be subject to a real property tax.** The tax law does not provide for a definition of real property; but **Article 415 of the Civil Code** does, by stating the following are immovable property:
>
> > (1) Land, buildings, roads, and constructions of all kinds adhered to the soil;
> >
> > x x x x
> >
> > (3) Everything attached to an immovable in a fixed manner, in such a way that it cannot be separated therefrom without breaking the material or deterioration of the object;
> >
> > x x x x
> >
> > (5) Machinery, receptacles, instruments or implements intended by the owner of the tenement for an industry or works which may be carried in a building or on a piece of land, and which tends directly to meet the needs of the said industry or works;
> >
> > x x x x
>
> The steel towers or supports in question, do not come within the objects mentioned in paragraph 1, because they do not constitute buildings or constructions adhered to the soil. They are not constructions analogous to buildings nor adhering to the soil. As per description, given by the lower court, they are removable and merely attached to a square metal frame by means of bolts, which when unscrewed could easily be dismantled and moved from place to place. They can not be included under paragraph 3, as they are not attached to an immovable in a fixed manner, and they can be separated without breaking the material or causing deterioration upon the object to which they are attached. Each of these steel towers or supports consists of steel bars or metal strips, joined together by means of bolts, which can be disassembled by unscrewing the bolts and reassembled by screwing the same. These steel towers or supports do not also fall under paragraph 5, for they are not machineries or receptacles, instruments or implements, and even if they were, they are not intended for industry or works on the land. Petitioner is not engaged in an

> industry or works on the land in which the steel supports or towers are constructed.[56] (Emphases supplied.)

The aforequoted conclusions of the Court in the *1964 MERALCO case* do not hold true anymore under the Local Government Code.

While the Local Government Code still does not provide for a specific definition of "real property," Sections 199(o) and 232 of the said Code, respectively, gives an extensive definition of what constitutes "machinery" and unequivocally subjects such machinery to real property tax. The Court reiterates that the machinery subject to real property tax under the Local Government Code "may or may not be attached, permanently or temporarily to the real property;" and the physical facilities for production, installations, and appurtenant service facilities, those which are mobile, self-powered or self-propelled, or are not permanently attached must (a) be actually, directly, and exclusively used to meet the needs of the particular industry, business, or activity; and (2) by their very nature and purpose, be designed for, or necessary for manufacturing, mining, logging, commercial, industrial, or agricultural purposes.

Article 415, paragraph (1) of the Civil Code declares as immovables or real properties "[l]and, buildings, roads and constructions of all kinds adhered to the soil." The land, buildings, and roads are immovables by nature "which cannot be moved from place to place," whereas the constructions adhered to the soil are immovables by incorporation "which are essentially movables, but are attached to an immovable in such manner as to be an integral part thereof."[57] Article 415, paragraph (3) of the Civil Code, referring to "[e]verything attached to an immovable in a fixed manner, in such a way that it cannot be separated therefrom without breaking the material or deterioration of the object," are likewise immovables by incorporation. In contrast, the Local Government Code considers as real property machinery which "may or may not be attached, permanently or temporarily to the real property," and even those which are "mobile."

Article 415, paragraph (5) of the Civil Code considers as immovables or real properties "[m]achinery, receptacles, instruments or implements intended by the owner of the tenement for an industry or works which may be carried on in a building or on a piece of land, and which tend directly to meet the needs of the said industry or works." The Civil Code, however, does not define "machinery."

The properties under Article 415, paragraph (5) of the Civil Code are immovables by destination, or "those which are essentially movables, but by the purpose for which they have been placed in an immovable, partake of the nature of the latter because of the added utility derived therefrom."[58] These

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56 *Board of Assessment Appeals v. Manila Electric Company*, supra note 16 at 334-335.
57 Tolentino, CIVIL CODE OF THE PHILIPPINES, Vol. II (1992 ed.), p. 13.
58 Id.

properties, including machinery, become immobilized if the following requisites concur: (a) they are placed in the tenement by the owner of such tenement; (b) they are destined for use in the industry or work in the tenement; and (c) they tend to directly meet the needs of said industry or works.[59] The first two requisites are not found anywhere in the Local Government Code.

MERALCO insists on harmonizing the aforementioned provisions of the Civil Code and the Local Government Code. The Court disagrees, however, for this would necessarily mean imposing additional requirements for classifying machinery as real property for real property tax purposes not provided for, or even in direct conflict with, the provisions of the Local Government Code.

As between the Civil Code, a general law governing property and property relations, and the Local Government Code, a special law granting local government units the power to impose real property tax, then the latter shall prevail. As the Court pronounced in *Disomangcop v. The Secretary of the Department of Public Works and Highways Simeon A. Datumanong*[60]:

> It is a finely-imbedded principle in statutory construction that a special provision or law prevails over a general one. *Lex specialis derogant generali.* As this Court expressed in the case of *Leveriza v. Intermediate Appellate Court*, "another basic principle of statutory construction mandates that general legislation must give way to special legislation on the same subject, and generally be so interpreted as to embrace only cases in which the special provisions are not applicable, that specific statute prevails over a general statute and that where two statutes are of equal theoretical application to a particular case, the one designed therefor specially should prevail." (Citations omitted.)

The Court also very clearly explicated in *Vinzons-Chato v. Fortune Tobacco Corporation*[61] that:

> A general law and a special law on the same subject are statutes in *pari materia* and should, accordingly, be read together and harmonized, if possible, with a view to giving effect to both. The rule is that where there are two acts, one of which is special and particular and the other general which, if standing alone, would include the same matter and thus conflict with the special act, the special law must prevail since it evinces the legislative intent more clearly than that of a general statute and must not be taken as intended to affect the more particular and specific provisions of the earlier act, unless it is absolutely necessary so to construe it in order to give its words any meaning at all.
>
> The circumstance that the special law is passed before or after the general act does not change the principle. Where the special law is later, it will be regarded as an exception to, or a qualification of, the prior general act; and where the general act is later, the special statute will be construed

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59 Id. at 18-20.
60 486 Phil. 398, 448 (2004).
61 552 Phil. 101, 111 (2007).

> as remaining an exception to its terms, unless repealed expressly or by necessary implication. (Citations omitted.)

Furthermore, in *Caltex (Philippines), Inc. v. Central Board of Assessment Appeals*,[62] the Court acknowledged that "[i]t is a familiar phenomenon to see things classed as real property for purposes of taxation which on general principle might be considered personal property[.]"

Therefore, for determining whether machinery is real property subject to real property tax, the definition and requirements under the Local Government Code are controlling.

MERALCO maintains that its electric posts are not machinery subject to real property tax because said posts are not being exclusively used by MERALCO; these are also being utilized by cable and telephone companies. This, however, is a factual issue which the Court cannot take cognizance of in the Petition at bar as it is not a trier of facts. Whether or not the electric posts of MERALCO are actually being used by other companies or industries is best left to the determination of the City Assessor or his deputy, who has been granted the authority to take evidence under Article 304 of the Rules and Regulations Implementing the Local Government Code of 1991.

Nevertheless, the appraisal and assessment of the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO as machinery under Tax Declaration Nos. 019-6500 and 019-7394 were not in accordance with the Local Government Code and in violation of the right to due process of MERALCO and, therefore, null and void.

The Local Government Code defines "appraisal" as the "act or process of determining the value of property as of a specific date for a specific purpose." "Assessment" is "the act or process of determining the value of a property, or proportion thereof subject to tax, including the discovery, listing, classification, and appraisal of the properties[.]"[63] When it comes to machinery, its appraisal and assessment are particularly governed by Sections 224 and 225 of the Local Government Code, which read:

> Section 224. *Appraisal and Assessment of Machinery.* – (a) The fair market value of a brand-new machinery shall be the acquisition cost. In all other cases, the fair market value shall be determined by dividing the remaining economic life of the machinery by its estimated economic life and multiplied by the replacement or reproduction cost.

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62 199 Phil. 487, 492 (1982).

63 Section 199(e-f).

> (b) If the machinery is imported, the acquisition cost includes freight, insurance, bank and other charges, brokerage, arrastre and handling, duties and taxes, plus cost of inland transportation, handling, and installation charges at the present site. The cost in foreign currency of imported machinery shall be converted to peso cost on the basis of foreign currency exchange rates as fixed by the Central Bank.
>
> Section 225. *Depreciation Allowance for Machinery.* – For purposes of assessment, a depreciation allowance shall be made for machinery at a rate not exceeding five percent (5%) of its original cost or its replacement or reproduction cost, as the case may be, for each year of use: *Provided, however,* That the remaining value for all kinds of machinery shall be fixed at not less than twenty percent (20%) of such original, replacement, or reproduction cost for so long as the machinery is useful and in operation.

It is apparent from these two provisions that every machinery must be individually appraised and assessed depending on its acquisition cost, remaining economic life, estimated economic life, replacement or reproduction cost, and depreciation.

Article 304 of the Rules and Regulations Implementing the Local Government Code of 1991 expressly authorizes the local assessor or his deputy to receive evidence for the proper appraisal and assessment of the real property:

> Article 304. *Authority of Local Assessors to Take Evidence.* – For the purpose of obtaining information on which to base the market value of any real property, the assessor of the province, city, or municipality or his deputy may summon the owners of the properties to be affected or persons having legal interest therein and witnesses, administer oaths, and take deposition concerning the property, its ownership, amount, nature, and value.

The Local Government Code further mandates that the taxpayer be given a notice of the assessment of real property in the following manner:

> Section 223. *Notification of New or Revised Assessment.* – When real property is assessed for the first time or when an existing assessment is increased or decreased, the provincial, city or municipal assessor shall within thirty (30) days give written notice of such new or revised assessment to the person in whose name the property is declared. The notice may be delivered personally or by registered mail or through the assistance of the punong barangay to the last known address of the person to served.

A notice of assessment, which stands as the first instance the taxpayer is officially made aware of the pending tax liability, should be sufficiently informative to apprise the taxpayer the legal basis of the tax.[64] In *Manila*

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64 *Yamane v. BA Lepanto Condominium Corporation*, 510 Phil. 750, 770 (2005).

Electric Company v. Barlis,[65] the Court described the contents of a valid notice of assessment of real property and differentiated the same from a notice of collection:

> A notice of assessment as provided for in the Real Property Tax Code should effectively inform the taxpayer of the value of a specific property, or proportion thereof subject to tax, including the discovery, listing, classification, and appraisal of properties. The September 3, 1986 and October 31, 1989 notices do not contain the essential information that a notice of assessment must specify, namely, the value of a specific property or proportion thereof which is being taxed, nor does it state the discovery, listing, classification and appraisal of the property subject to taxation. In fact, the tenor of the notices bespeaks an intention to collect unpaid taxes, thus the reminder to the taxpayer that the failure to pay the taxes shall authorize the government to auction off the properties subject to taxes x x x.

Although the ruling quoted above was rendered under the Real Property Tax Code, the requirement of a notice of assessment has not changed under the Local Government Code.

A perusal of the documents received by MERALCO on October 29, 1997 reveals that none of them constitutes a valid notice of assessment of the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO.

The letter dated October 16, 1997 of the City Treasurer of Lucena (which interestingly precedes the purported Notice of Assessment dated October 20, 1997 of the City Assessor of Lucena) is a notice of collection, ending with the request for MERALCO to settle the payable amount soon in order to avoid accumulation of penalties. It only presented in table form the tax declarations covering the machinery, assessed values in the tax declarations in lump sums for all the machinery, the periods covered, and the taxes and penalties due again in lump sums for all the machinery.

The Notice of Assessment dated October 20, 1997 issued by the City Assessor gave a summary of the new/revised assessment of the "machinery" located in "Quezon Avenue Ext., Brgy. Gulang-Gulang, Lucena City," covered by Tax Declaration No. 019-7394, with total market value of ₱98,173,200.00 and total assessed value of ₱78,538,560.00. The Property Record Form basically contained the same information. Without specific description or identification of the machinery covered by said tax declaration, said Notice of Assessment and Property Record Form give the false impression that there is only one piece of machinery covered.

In Tax Declaration No. 019-6500, the City Assessor reported its findings under "Building and Improvements" and not "Machinery." Said tax declaration covered "capital investment-commercial," specifically: (a)

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65 426 Phil. 280, 284 (2002).

Transformer and Electric Post; (b) Transmission Line, (c) Insulator, and (d) Electric Meter, with a total market value of ₱81,811,000.00, assessment level of 80%, and assessed value of ₱65,448,800.00. Conspicuously, the table for "Machinery" – requiring the description, date of operation, replacement cost, depreciation, and market value of the machinery – is totally blank.

MERALCO avers, and the City Assessor and the City Treasurer of Lucena do not refute at all, that MERALCO has not been furnished the Owner's Copy of Tax Declaration No. 019-7394, in which the total market value of the machinery of MERALCO was increased by ₱16,632,200.00, compared to that in Tax Declaration No. 019-6500.

The Court cannot help but attribute the lack of a valid notice of assessment to the apparent lack of a valid appraisal and assessment conducted by the City Assessor of Lucena in the first place. It appears that the City Assessor of Lucena simply lumped together all the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO located in Lucena City under Tax Declaration Nos. 019-6500 and 019-7394, contrary to the specificity demanded under Sections 224 and 225 of the Local Government Code for appraisal and assessment of machinery. The City Assessor and the City Treasurer of Lucena did not even provide the most basic information such as the number of transformers, electric posts, insulators, and electric meters or the length of the transmission lines appraised and assessed under Tax Declaration Nos. 019-6500 and 019-7394. There is utter lack of factual basis for the assessment of the transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO.

The Court of Appeals laid the blame on MERALCO for the lack of information regarding its transformers, electric posts, transmission lines, insulators, and electric meters for appraisal and assessment purposes because MERALCO failed to file a sworn declaration of said properties as required by Section 202 of the Local Government Code. As MERALCO explained, it cannot be expected to file such a declaration when all the while it believed that said properties were personal or movable properties not subject to real property tax. More importantly, Section 204 of the Local Government Code exactly covers such a situation, thus:

> Section 204. *Declaration of Real Property by the Assessor.* – When any person, natural or juridical, by whom real property is required to be declared under Section 202 hereof, refuses or fails for any reason to make such declaration within the time prescribed, the provincial, city or municipal assessor shall himself declare the property in the name of the defaulting owner, if known, or against an unknown owner, as the case may be, and shall assess the property for taxation in accordance with the provision of this Title. No oath shall be required of a declaration thus made by the provincial, city or municipal assessor.

ANNEX 65 I 99

COMPUTATION OF GENERATION OVER RECOVERY RATE PER KWH

Amount for Refund	(4,919,162,892.94)
/ kWh Sales Forecast*	98,033,500,000
REFUND RATE	**(0.0502)**

**For 36 months; Excludes kWhs of customers with separate generation charge billings*

PREPARED BY:

RODELYN M. SOGUILON

APPROVED BY:

ARLYN I. DELA CRUZ

ANNEX "J"

COMPUTATION OF TRANSMISSION OVER RECOVERY RATE PER KWH

Amount for Refund	(632,210,115.96)
/ kWh Sales Forecast*	124,786,500,000
REFUND RATE	**(0.0051)**

**For 36 months; Excludes kWhs of customers with separate NGCP billings*

PREPARED BY:

RODELYN M. SOGUILON

APPROVED BY:

ARLYN I. DELA CRUZ

ANNEX "K"

COMPUTATION OF SYSTEM LOSS OVER RECOVERY RATE PER KWH

Amount for Refund	(1,242,760,988.35)
/ kWh Sales Forecast*	125,339,300,000
REFUND RATE	**(0.0099)**

**For 36 months; Excludes kWhs of customers with embedded system loss charge*

PREPARED BY:

RODELYN M. SOGUILON

APPROVED BY:

ARLYN I. DELA CRUZ

ANNEX 66 L

COMPUTATION OF LIFELINE SUBSIDY OVER RECOVERY RATE PER KWH

Amount for Refund	(130,627,106.04)
/ kWh Sales Forecast*	76,505,700,000
REFUND RATE	**(0.0017)**

**For 36 months; Excludes kWhs of lifeline customers*

PREPARED BY:

RODELYN MUSOGUILON

APPROVED BY:

ARLYN I. DELA CRUZ

ANNEX "M"

COMPUTATION OF SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER RECOVERY RATE PER KWH

Amount for Refund	(2,325,583.09)
/ kWh Sales Forecast*	2,126,800,000
REFUND RATE	**(0.0011)**

**For 1 month; Excludes kWhs of lifeline customers*

PREPARED BY:

RODELYN M. SOGUILON

APPROVED BY:

ARLYN I. DELA CRUZ

ANNEX 65 N 99

COMPUTATION OF REAL PROPERTY TAX PAYMENTS UNDER RECOVERY RATE PER KWH

Amount for Recovery	1,089,707,397.13
/ kWh Sales Forecast*	125,537,100,000
RECOVERY RATE	**0.0087**

**For 36 months*

PREPARED BY:

RODELYN M. SOGUILON

APPROVED BY:

ARLYN I. DELA CRUZ

ANNEX 66-O 99

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

IN THE MATTER OF THE APPLICATION: (A) TO CONFIRM THE GENERATION RATE OVER/UNDER RECOVERY (GOUR); TRANSMISSION RATE OVER/UNDER RECOVERY (TOUR); SYSTEM LOSS RATE OVER/UNDER RECOVERY (SLOUR); LIFELINE SUBSIDY OVER/UNDER RECOVERY (LSOUR); SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER/UNDER RECOVERY (SRDSOUR) PASS-THROUGH CHARGES FROM JANUARY 2014 TO DECEMBER 2016; and REAL PROPERTY TAX PAYMENTS FROM JUNE 2014 TO DECEMBER 2016; AND (B) FOR AUTHORITY TO REFUND/ RECOVER CONFIRMED OVER/ UNDER RECOVERIES AND REAL PROPERTY TAX PAYMENTS, WITH PRAYER FOR PROVISIONAL AUTHORITY,

ERC CASE NO. _____

MANILA ELECTRIC COMPANY (MERALCO),

Applicant.

x----------x

JUDICIAL AFFIDAVIT OF ARLYN I. DELA CRUZ

The following examination of witness, **Ms. Arlyn Dela Cruz**, of legal age, with office address at 12th Floor, Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City, who is an employee of the Manila Electric Company ("MERALCO") as a Specialist, Purchased Power Pricing at the Rates and Pricing Office, was conducted by Atty. Carmen Grace S. Ramos, at the 7th Floor, Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City, on 30 March 2017.

The testimony of Ms. Arlyn Dela Cruz is being offered to prove the following:

1. She is employed with MERALCO as a Specialist, Purchased Power Pricing at the Rates and Pricing Office;

2. MERALCO's calculation of the over/under recoveries for the Generation Rate Over/Under Recovery (GOUR), Transmission Rate Over/Under Recovery (TOUR), System Loss Rate Over/Under Recovery (SLOUR), Lifeline Subsidy Over/Under Recovery (LSOUR), Senior Citizen Discount and Subsidy Over/Under Recovery (SrDSOUR) for the period January 2014 to December 2016 are in accordance with the pertinent guidelines set by this Honorable Commission;

3. MERALCO's proposed recovery rate per kWh for payments of real property taxes are fair and reasonable; and

4. All other matters pertinent to the Application.

JUDICIAL AFFIDAVIT

I, **ARLYN I. DELA CRUZ,** Filipino, of legal age, married, with office address at the 12th Floor Lopez Bldg., Ortigas Center, Barangay Ugong, Pasig City, Philippines, after having been sworn to in accordance with law, fully conscious that I am answering the questions under oath and with knowledge that I may face criminal liability for false testimony and perjury, hereby depose and state:

Question1: Please state your educational attainment and/or professional qualifications.

Answer1: I am a BS Business Economics graduate from the University of the Philippines, Diliman, Quezon City.

Q2: Where are you presently employed?

A2: I am presently employed at MERALCO as a Specialist in Purchased Power Pricing, Rates and Pricing, under the Regulatory Management Office ("RAP - RMO").

Q3: What are your principal duties and responsibilities as Specialist in Purchased Power Pricing, of MERALCO's RAP – RMO?

A3: As a Specialist, Purchased Power Pricing, RAP – RMO, my duties and responsibilities include, among other things, the calculation of rates under various recovery mechanisms, for the filing of rate applications and involvement in all activities attendant to such applications, and the calculation for implementation of approved rates.

Q4: Are you familiar with the instant Application filed by MERALCO? If so, why?

A4: Yes, I am familiar with the said Application because I participated in the preparation of the same as well as the Annexes in support thereto.

Q5: What is the extent of your participation in the preparation of said Application?

A5: I was directly involved in the calculation of the Generation Rate Over/Under Recovery (GOUR), Transmission Rate Over/Under Recovery (TOUR), System Loss Rate Over/Under Recovery (SLOUR), Lifeline Subsidy Over/Under Recovery (LSOUR) and Senior Citizen Discount and Subsidy Over/Under Recovery (SrDSOUR) for the period January 2014 to December 2016, pursuant to ERC Resolution No. 16, Series of 2009, as amended by ERC Resolution No. 21, Series of 2010 and Resolution 23, Series of 2010, as well as the translation into rate per kWh and the determination of the period of refund for submission to the ERC for approval. I also translated the real property tax payment into rate per kWh and determined the period of recovery for submission to the ERC.

Q6: Why is MERALCO filing the Application?

A6: The Application is filed, among other things, pursuant to Article 5, Section 1 of ERC Resolution No. 21, Series of 2010, Luzon DUs must file their consolidated application to confirm their over/under recoveries on pass-through charges on or before 31 March 2014 for adjustments covering the period from January 2011 to December 2013. Subsequent thereto, the DUs shall file their respective consolidated applications every three (3) years following the sequence of period of filing prescribed above.

Thus, MERALCO filed the instant Application, for confirmation of its over/under recoveries on pass-through charges for the period January 2014 to December 2016, on or before 31 March 2017.

Q7: In the calculation of the GOUR, TOUR, SLOUR, LSOUR and SrDSOUR, what guideline/s did you adhere to or use as basis, if any?

A7: The proposed GOUR, TOUR, SLOUR, and LSOUR were calculated based on the formulas provided in Article 4 of Resolution No. 16, Series of 2009, *"A Resolution Adopting the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities,"* as amended by Resolution No. 21, Series of 2010, *"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."* On

the other hand, SrDSOUR was calculated based on Article 7 of Resolution No. 23, Series of 2010, entitled *"A Resolution Adopting the Rules to Qualified Senior Citizen End-users and Subsidy from the Subsidizing End-users on Electricity Consumption Under Sections 4 and 5 of Republic Act No. 9994"*.

Q8: What is the period of over/under recoveries covered under the instant Application?

A8: The period of over/under recoveries covered under the instant Application for GOUR, TOUR, SLOUR, LSOUR and SrDSOUR is from January 2014 to December 2016.

The cut-off date in the last over/under recovery application filed by MERALCO [ERC Case No. 2014–050 CF][1] is December 2013. Hence, the reckoning date for the instant over/under-recovery application is January 2014.

Generation Rate (Over)/Under Recovery (GOUR)

Q9: What is your computation of MERALCO's GOUR?

A9: For the period January 2014 to December 2016, MERALCO incurred a net over recovery in generation rate in the amount of PhP4,919,162,892.94.

Q10: How was the amount representing said under recovery computed?

A10: The said amount was computed in accordance with the formula prescribed in Section 2, Article 4 of ERC Resolution No. 16, Series of 2009. In said calculation, the following parameters were used:

- This application considered the generation costs from MERALCO's energy suppliers, namely:

  1) Wholesale Electricity Spot Market (WESM);
  2) Independent Power Producers (Quezon Power Philippines Limited (QPPL), First Gas Power Corp (FGPC) - Sta. Rita, First Gas Power (FGP Corp.) - San Lorenzo;
  3) Power Supply Agreements (PSAs) – SEM-Calaca Power Corp. (SCPC), Masinloc Power Partners Corp. (MPPC), Therma Luzon Inc. (TLI), San Miguel Energy Corp. (SMEC), South Premiere Power

[1] Entited, "In the Matter of the Application to Confirm: (A) The Generation Rate Over/Under Recovery (GOUR); Transmission Rate Over/Under Recovery; System Loss Over and Under Recovery (SLOUR); and Lifeline Subsidy Over and Under Recovery (LSOUR) covering the period January 2012 to October 2013, and Senior Citizen Discount and Subsidy Over/Under Recovery (SRDSOUR) from February 2011 to October 2013, and for authority to refund/recover confirmed over/under recoveries, with Prayer for Provisional Authority, Manila Electric Company, Applicant".

Corp. (SPPC), Therma Mobile (TMO), Panay Power Corp (PPC), Toledo Power Corp. (TPC), 1590 Energy Corp. (1590 EC);
4) Renewable Energy - Philippine Power Development Corp. (Philpodeco), Montalban Methane Power Corp (MMPC), Bacavalley Energy Inc. (BEI), Pangea Green Energy Phils. (PGEP), Export Energy of Net Metering Customers;
5) Power Sector Assets and Liabilities Management (PSALM) for previous months' GRAM Adjustments; and
6) Interruptible Load Program (ILP) participants for the compensation for their de-loaded kWhs

- No prompt payment discounts (PPD) were deducted as MERALCO is not entitled to such discount.

Taking into consideration the parameters and using the formula prescribed in the aforesaid Resolution, MERALCO's computation resulted in a net over recovery. Attached as **Annex "B"** of the Application are the worksheets showing the detailed calculation of MERALCO's Generation Over Recovery (GOR).

(The witness presented a copy of the same, which is requested to be marked as Exhibits "A and Series").

Q11: Can you tell us why there would be an over or under recovery in generation for January 2014 to December 2016?

A11: There was a net generation charge over recovery as a result of the lag in the recovery of generation costs from consumers. Basically, the rate used to compute for the generation charge in a current billing month is based on the generation cost incurred during the previous month which is the supply month. Given the recovery lag and the monthly changing generation costs, over/under recoveries are expected as the generation cost of the current month is compared to the recoveries of the same month. For January 2014 to December 2016, this resulted in a net over recovery.

Q12: Are there any documents to support the calculated over recovery in generation and/or which serve as basis of the computation?

A12: Yes. The computations appearing on **Annex "B"** of the Application are supported by invoices and official receipts issued by MERALCO's energy suppliers. Below are the tables showing the list of the annexes attached to this Judicial Affidavit for the Invoices and Official Receipts issued to MERALCO:

Energy Suppliers' Invoices & Corresponding Official Receipts (January to December 2014)

Document	Annex
2014 WESM Invoices and corresponding Official Receipts	**"A and Series" of this Judicial Affidavit**
2014 QPPL Invoices and corresponding Official Receipts	**"B and Series" of this Judicial Affidavit**
2014 FGPC Invoices and corresponding Official Receipts	**"C and Series"" of this Judicial Affidavit**
2014 FGP Corp. Invoices and corresponding Official Receipts	**"D and Series" of this Judicial Affidavit**
2014 SCPC Invoices and corresponding Official Receipts	**"E and Series" of this Judicial Affidavit**
2014 MPPC Invoices and corresponding Official Receipts	**"F and Series" of this Judicial Affidavit**
2014 TLI Invoices and corresponding Official Receipts	**"G and Series" of this Judicial Affidavit**
2014 SMEC Invoices and corresponding Official Receipts	**"H and Series" of this Judicial Affidavit**
2014 SPPC Invoices and corresponding Official Receipts	**"I and Series" of this Judicial Affidavit**
2014 TMO Invoices and corresponding Official Receipts	**"J and Series" of this Judicial Affidavit**
2014 PPC Invoices and corresponding Official Receipts	**"K and Series" of this Judicial Affidavit**
2014 TPC Invoices and corresponding Official Receipts	**"L and Series" of this Judicial Affidavit**
2014 1590 EC Invoices and corresponding Official Receipts	**"M and Series" of this Judicial Affidavit**
2014 Philpodeco Invoices and corresponding Official Receipts	**"N and Series" of this Judicial Affidavit**
2014 MMPC Invoices and corresponding Official Receipts	**"O and Series" of this Judicial Affidavit**
2014 BEI Invoices and corresponding Official Receipts	**"P and Series" of this Judicial Affidavit**
2014 PGEP Invoices and corresponding Official Receipts	**"Q and Series" of this Judicial Affidavit**
2014 PSALM Invoices and corresponding Official Receipts	**"R and Series" of this Judicial Affidavit**
2014 Compensation for Deloaded kWhs of ILP Participants	**"S and Series" of this Judicial Affidavit**

Energy Suppliers' Invoices & Corresponding Official Receipts (January to December 2015)

Document	Annex
2015 WESM Invoices and corresponding Official Receipts	**"T and Series" of this Judicial Affidavit**

2015 QPPL Invoices and corresponding Official Receipts	**"U and Series" of this Judicial Affidavit**
2015 FGPC Invoices and corresponding Official Receipts	**"V and Series" of this Judicial Affidavit**
2015 FGP Corp. Invoices and corresponding Official Receipts	**"W and Series" of this Judicial Affidavit**
2015 SCPC Invoices and corresponding Official Receipts	**"X and Series" of this Judicial Affidavit**
2015 MPPC Invoices and corresponding Official Receipts	**"Y and Series" of this Judicial Affidavit**
2015 TLI Invoices and corresponding Official Receipts	**"Z and Series" of this Judicial Affidavit**
2015 SMEC Invoices and corresponding Official Receipts	**"AA and Series" of this Judicial Affidavit**
2015 SPPC Invoices and corresponding Official Receipts	**"BB and Series" of this Judicial Affidavit**
2015 TMO Invoices and corresponding Official Receipts	**"CC and Series" of this Judicial Affidavit**
2015 PPC Invoices and corresponding Official Receipts	**"DD and Series" of this Judicial Affidavit**
2015 TPC Invoices and corresponding Official Receipts	**"EE and Series" of this Judicial Affidavit**
2015 1590 EC Invoices and corresponding Official Receipts	**"FF and Series" of this Judicial Affidavit**
2015 Philpodeco Invoices and corresponding Official Receipts	**"GG and Series" of this Judicial Affidavit**
2015 MMPC Invoices and corresponding Official Receipts	**"HH and Series" of this Judicial Affidavit**
2015 BEI Invoices and corresponding Official Receipts	**"II and Series" of this Judicial Affidavit**
2015 PGEP Invoices and corresponding Official Receipts	**"JJ and Series" of this Judicial Affidavit**
2015 PSALM Invoices and corresponding Official Receipts	**"KK and Series" of this Judicial Affidavit**
2015 Compensation for Deloaded kWhs of ILP Participants	**"LL and Series" of this Judicial Affidavit**

Energy Suppliers' Invoices & Corresponding Official Receipts (January to December 2016)

Document	Annex
2016 WESM Invoices and corresponding Official Receipts	**"MM and Series" of this Judicial Affidavit**
2016 QPPL Invoices and corresponding Official Receipts	**"NN and Series" of this Judicial Affidavit**
2016 FGPC Invoices and corresponding Official Receipts	**"OO and Series" of this Judicial Affidavit**
2016 FGP Corp. Invoices and corresponding Official Receipts	**"PP and Series" of this Judicial Affidavit**
2016 SCPC Invoices and corresponding Official Receipts	**"QQ and Series" of this Judicial Affidavit**
2016 MPPC Invoices and corresponding Official Receipts	**"RR and Series" of this Judicial Affidavit**

2016 TLI Invoices and corresponding Official Receipts	**"SS" and Series" of this Judicial Affidavit**
2016 SMEC Invoices and corresponding Official Receipts	**"TT and Series" of this Judicial Affidavit**
2016 SPPC Invoices and corresponding Official Receipts	**"UU and Series of this Judicial Affidavit**
2016 TMO Invoices and corresponding Official Receipts	**"VV and Series" of this Judicial Affidavit**
2016 PPC Invoices and corresponding Official Receipts	**"WW and Series" of this Judicial Affidavit**
2016 TPC Invoices and corresponding Official Receipts	**"XX and Series" of this Judicial Affidavit**
2016 1590 EC Invoices and corresponding Official Receipts	**"YY and Series" of this Judicial Affidavit**
2016 Philpodeco Invoices and corresponding Official Receipts	**"ZZ and Series" of this Judicial Affidavit**
2016 Compensation for Deloaded kWhs of ILP Participants	**"AAA and Series" of this Judicial Affidavit**

Export Energy from Net Metering Customers

Document	Annex
2014-2016 Export Energy from Net Metering Customers	**"BBB" of this Judicial Affidavit**

(The witness presented copies of the same, which are requested to be marked as Exhibits "B and Series" to Exhibit "CCC").

In addition to the above annexes, attached herewith are annexes showing calculations to support adjustment to WESM kWh purchase figures, FOREX differential amounts for the IPPs/PSAs and amounts of pilferage recoveries:

Document	Description	Annex
1. Summary of Metering Variance	This is an adjustment in the kWhs sourced from WESM to account for any differences in the energy supplied by the IPPs (QPPL, Sta. Rita and San Lorenzo) as reflected in their monthly billings as compared to the NGCP metered energy.	**"CCC" of this Judicial Affidavit**

2. Computation of Monthly Adjustments in IPP/PSA Costs due to FOREX Differential	This is to account for the prior month's adjustment resulting from the difference between the actual and booking FOREX used to convert the US Dollar costs billed by IPPs (QPPL, Sta. Rita, and San Lorenzo) and PSAs (TLI, SMEC and SPPC). These cost adjustments are added to the billed generation costs of QPPL, Sta. Rita, San Lorenzo, TLI, SMEC and SPPC.	**"DDD and Series" of this Judicial Affidavit**
3. Summary of Pilferage Cost Recoveries	This is included as reduction in the generation costs computed in the Application	**"EEE" of this Judicial Affidavit**

(The witness presented copies of the same, which are requested to be marked as Exhibits "DDD" to Exhibits "FFF").

Transmission Rate (Over)/Under Recovery (TOUR)

Q13: What is your computation of MERALCO's TOUR?

A13: For the period January 2014 to December 2016, there was a transmission rate net over recovery in the amount of PhP632,210,115.96 .

Q14: Can you tell us why there would be an under or over recovery in the transmission rate for January 2014 to December 2016?

A14: The net over recovery resulted because of the lag in the pass-on of transmission costs. When the actual transmission cost of the current month is compared to the transmission recoveries in the current month, which rates are computed based on previous month's cost, either an over or under recovery will result. In the case of transmission costs for January 2014 to December 2016, this resulted in a net over recovery.

Q15: How was the amount representing MERALCO'S Transmission Charge Over Recovery (TOR) determined?

A15: MERALCO used the formula provided in Section 3, Article 4 of ERC Resolution 16, Series of 2009 and considered the following parameters:

- The period covered is from January 2014 to December 2016.
- No Power Factor Discount (PFD) was deducted from the transmission cost because TRANSCO unilaterally discontinued said discount since 2006.

Thus, MERALCO determined the amount of PhP632,210,115.96 as its transmission charge net over recovery. Attached as **Annex "C"** of the Application are the worksheets showing the detailed calculation of MERALCO's TOR. *(The witness presented a copy of the same, which is requested to be marked as Exhibits "GGG and Series").*

The said worksheets are supported by the invoices and official receipts issued by the transmission service provider, National Grid Corporation of the Philippines (NGCP) and Therma Mobile (TMO), to MERALCO:

NGCP and TMO's Invoices and Corresponding Official Receipts (January 2014 to December 2016)

Document	Annex
2014 NGCP Invoices and corresponding Official Receipts	**"FFF and Series" of this Judicial Affidavit**
2015 NGCP Invoices and corresponding Official Receipts	**"GGG and Series" of this Judicial Affidavit**
2016 NGCP Invoices and corresponding Official Receipts	**"HHH and Series" of this Judicial Affidavit**
2014 TMO Invoices and corresponding Official Receipts	**"J and Series" of this Judicial Affidavit**
2015 TMO Invoices and corresponding Official Receipts	**"CC and Series" of this Judicial Affidavit**
2016 TMO Invoices and corresponding Official Receipts	**"VV and Series" of this Judicial Affidavit**

(The witness presented copies of NGCP's Invoices and corresponding Official Receipts for 2014, 2015 and 2016, which are requested to be marked as Exhibits "HHH and Series" to Exhibits "JJJ and Series" respectively).[2]

System Loss Rate (Over)/Under Recovery (SLOUR)

Q16: What about your computation of MERALCO's SLOUR?

A16: In the computation of SLOUR, MERALCO arrived at a net over recovery amount of PhP1,242,760,988.35.

[2] Note: As stated in Answer to Question No. 12 hereof, TMO's Invoices and Official Receipts were previously requested to be marked as Exhibits "K and Series", "DD and Series" and "WW and Series".

Q17: Can you tell us why there was an over or under recovery in system loss in January 2014 to December 2016?

A17: MERALCO has a net over recovery in system loss charge during the period January 2014 to December 2016 due to the difference between the actual average cost of system loss for a given year and the sum of the actual monthly system loss billings for that same year. As MERALCO's system loss % is already below the cap set by this Honorable Commission, the basis of its allowable cost of system loss is its actual system loss for a given year. Since the monthly system loss charge rates were computed using the previous month's average generation and transmission costs and the latest 12-month moving system loss percentage (%), any difference from the actual annual data will result in either an over or under recovery in system loss. For January 2014 to December 2016, this resulted in a net over recovery.

Q18: How was the MERALCO's System Loss Over Recovery (SLOR) computed? What are the parameters and formula used?

A18: The SLOR was derived using the formula specified in Section 4, Article 4 of Resolution No. 16, Series of 2009, and as amended by Resolution No. 21, Series of 2010. The period covered is from January 2014 until December 2016.

The resulting amount is a system loss net over recovery of PhP1,242,760,988.35. Attached as **Annex "D"** in the Application are the worksheets showing the detailed calculation of MERALCO's SLOR. *(The witness presented a copy of the same, which is requested to be marked as Exhibits "KKK and Series").*

To support the Allowable System Loss Cost (ASLC) and payments made by MERALCO are the suppliers' invoices and corresponding official receipts for the generation cost component and NGCP and TMO's (for the transmission portion of their bill) Invoices and corresponding Official Receipts for the transmission cost component.

The annexes covering these supporting documents are listed in the following tables and herewith attached in the Judicial Affidavit as follows:[3]

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[3] Note: As stated in Answer to Question No. 12 hereof, the Energy Suppliers' Invoices and Corresponding Official Receipts were marked as Exhibits "B and Series" to "CCC and Series".

Energy Suppliers' Invoices & Corresponding Official Receipts (January to December 2014)[4]

Document	Annex
2014 WESM Invoices and corresponding Official Receipts	**"A and Series" of this Judicial Affidavit**
2014 QPPL Invoices and corresponding Official Receipts	**"B and Series" of this Judicial Affidavit**
2014 FGPC Invoices and corresponding Official Receipts	**"C and Series"" of this Judicial Affidavit**
2014 FGP Corp. Invoices and corresponding Official Receipts	**"D and Series" of this Judicial Affidavit**
2014 SCPC Invoices and corresponding Official Receipts	**"E and Series" of this Judicial Affidavit**
2014 MPPC Invoices and corresponding Official Receipts	**"F and Series" of this Judicial Affidavit**
2014 TLI Invoices and corresponding Official Receipts	**"G and Series" of this Judicial Affidavit**
2014 SMEC Invoices and corresponding Official Receipts	**"H and Series" of this Judicial Affidavit**
2014 SPPC Invoices and corresponding Official Receipts	**"I and Series" of this Judicial Affidavit**
2014 TMO Invoices and corresponding Official Receipts	**"J and Series" of this Judicial Affidavit**
2014 PPC Invoices and corresponding Official Receipts	**"K and Series" of this Judicial Affidavit**
2014 TPC Invoices and corresponding Official Receipts	**"L and Series" of this Judicial Affidavit**
2014 1590 EC Invoices and corresponding Official Receipts	**"M and Series" of this Judicial Affidavit**
2014 Philpodeco Invoices and corresponding Official Receipts	**"N and Series" of this Judicial Affidavit**
2014 MMPC Invoices and corresponding Official Receipts	**"O and Series" of this Judicial Affidavit**
2014 BEI Invoices and corresponding Official Receipts	**"P and Series" of this Judicial Affidavit**
2014 PGEP Invoices and corresponding Official Receipts	**"Q and Series" of this Judicial Affidavit**
2014 PSALM Invoices and corresponding Official Receipts	**"R and Series" of this Judicial Affidavit**
2014 Compensation for Deloaded kWhs of ILP Participants	**"S and Series" of this Judicial Affidavit**

[4] Note: As stated in Answer to Question No. 12 hereof, Energy Suppliers' Invoices and Official Receipts were previously requested to be marked as Exhibits "B and Series" to Exhibits "CCC and Series".

Energy Suppliers' Invoices & Corresponding Official Receipts (January to December 2015)

Document	Annex
2015 WESM Invoices and corresponding Official Receipts	**"T and Series" of this Judicial Affidavit**
2015 QPPL Invoices and corresponding Official Receipts	**"U and Series" of this Judicial Affidavit**
2015 FGPC Invoices and corresponding Official Receipts	**"V and Series" of this Judicial Affidavit**
2015 FGP Corp. Invoices and corresponding Official Receipts	**"W" and Series" of this Judicial Affidavit**
2015 SCPC Invoices and corresponding Official Receipts	**"X" and Series" of this Judicial Affidavit**
2015 MPPC Invoices and corresponding Official Receipts	**"Y" and Series" of this Judicial Affidavit**
2015 TLI Invoices and corresponding Official Receipts	**"Z" and Series" of this Judicial Affidavit**
2015 SMEC Invoices and corresponding Official Receipts	**"AA" and Series" of this Judicial Affidavit**
2015 SPPC Invoices and corresponding Official Receipts	**"BB" and Series" of this Judicial Affidavit**
2015 TMO Invoices and corresponding Official Receipts	**"CC" and Series" of this Judicial Affidavit**
2015 PPC Invoices and corresponding Official Receipts	**"DD" and Series" of this Judicial Affidavit**
2015 TPC Invoices and corresponding Official Receipts	**"EE" and Series" of this Judicial Affidavit**
2015 1590 EC Invoices and corresponding Official Receipts	**"FF" and Series" of this Judicial Affidavit**
2015 Philpodeco Invoices and corresponding Official Receipts	**"GG" and Series" of this Judicial Affidavit**
2015 MMPC Invoices and corresponding Official Receipts	**"HH" and Series" of this Judicial Affidavit**
2015 BEI Invoices and corresponding Official Receipts	**"II" and Series" of this Judicial Affidavit**
2015 PGEP Invoices and corresponding Official Receipts	**"JJ" and Series" of this Judicial Affidavit**
2015 PSALM Invoices and corresponding Official Receipts	**"KK" and Series" of this Judicial Affidavit**
2015 Compensation for Deloaded kWhs of ILP Participants	**"LL" and Series" of this Judicial Affidavit**

Energy Suppliers' Invoices & Corresponding Official Receipts (January to December 2016)

Document	Annex
2016 WESM Invoices and corresponding Official Receipts	**"MM" and Series" of this Judicial Affidavit**
2016 QPPL Invoices and corresponding Official Receipts	**"NN" and Series" of this Judicial Affidavit**
2016 FGPC Invoices and corresponding Official Receipts	**"OO" and Series" of this Judicial Affidavit**
2016 FGP Corp. Invoices and corresponding Official Receipts	**"PP" and Series" of this Judicial Affidavit**
2016 SCPC Invoices and corresponding Official Receipts	**"QQ" and Series" of this Judicial Affidavit**
2016 MPPC Invoices and corresponding Official Receipts	**"RR" and Series" of this Judicial Affidavit**
2016 TLI Invoices and corresponding Official Receipts	**"SS" and Series" of this Judicial Affidavit**
2016 SMEC Invoices and corresponding Official Receipts	**"TT" and Series" of this Judicial Affidavit**
2016 SPPC Invoices and corresponding Official Receipts	**"UU" and Series" of this Judicial Affidavit**
2016 TMO Invoices and corresponding Official Receipts	**"VV" and Series" of this Judicial Affidavit**
2016 PPC Invoices and corresponding Official Receipts	**"WW" and Series" of this Judicial Affidavit**
2016 TPC Invoices and corresponding Official Receipts	**"XX" and Series" of this Judicial Affidavit**
2016 1590 EC Invoices and corresponding Official Receipts	**"YY and Series" of this Judicial Affidavit**
2016 Philpodeco Invoices and corresponding Official Receipts	**"ZZ and Series" of this Judicial Affidavit**
2016 Compensation for Deloaded kWhs of ILP Participants	**"AAA and Series" of this Judicial Affidavit**

Export Energy from Net Metering Customers

Document	Annex
2014-2016 Export Energy from Net Metering Customers	**"BBB" of this Judicial Affidavit**

NGCP and TMO's Invoices and Corresponding Official Receipts (January 2014 to December 2016)[5]

[5] Note: As stated in Answers to Questions No. 12 and 15 hereof, NGCP and TMO's Invoices and Corresponding Official receipts were marked as Exhibits "HHH and Series" to "JJJ and Series" and Exhibits "K and Series", "DD and Series" and "WW and Series", respectively.

Document	Annex
2014 NGCP Invoices and corresponding Official Receipts	**"FFF" and Series" of this Judicial Affidavit**
2015 NGCP Invoices and corresponding Official Receipts	**"GGG" and Series" of this Judicial Affidavit**
2016 NGCP Invoices and corresponding Official Receipts	**"HHH" and Series" of this Judicial Affidavit**
2014 TMO Invoices and corresponding Official Receipts	**"J and Series" of this Judicial Affidavit**
2015 TMO Invoices and corresponding Official Receipts	**"CC and Series" of this Judicial Affidavit**
2016 TMO Invoices and corresponding Official Receipts	**"VV and Series" of this Judicial Affidavit**

Moreover, the following table lists the annexes attached to this Judicial Affidavit, showing the additional calculations to support adjustment to WESM kWh purchase figures, FOREX differential amounts for the IPPs/PSAs and amounts of pilferage recoveries:[6]

Document	Description	Annex
1. Summary of Metering Variance	This is an adjustment in the kWhs sourced from WESM to account for any differences in the energy supplied by the IPPs (QPPL, Sta. Rita and San Lorenzo) as reflected in their monthly billings as compared to the NGCP metered energy.	**"CCC" of this Judicial Affidavit**
2. Computation of Monthly Adjustments in IPP/PSA Costs due to FOREX Differential	This is to account for the prior month's adjustment resulting from the difference between the actual and booking FOREX used to convert the US Dollar costs billed by IPPs (QPPL, Sta. Rita, and San Lorenzo) and PSAs (TLI, SMEC and SPPC). These cost adjustments are added to the billed generation costs of QPPL, Sta. Rita, San Lorenzo, TLI, SMEC and SPPC.	**"DDD and Series" of this Judicial Affidavit**
3. Summary of Pilferage Cost Recoveries	This is included as reduction in the generation costs computed in the Application	**"EEE" of this Judicial Affidavit**

Lifeline Subsidy (Over)/Under Recovery (LSOUR)

[6] Note: As stated in Answer to Question No. 12 hereof, the documents were marked as Exhibits "DDD" to "FFF".

Q19: What about your computation of MERALCO's LSOUR?

A19: In the computation of LSOUR, MERALCO arrived at a net over recovery amount of PhP130,627,106.04.

Q20: In the determination of MERALCO's Lifeline Subsidy Over Recovery (LSOR), what are the parameters and formula used?

A20: The LSOR was derived using the formula specified in Section 5, Article 4 of ERC Resolution No. 16, Series of 2009.

Using the prescribed formula, the resulting Lifeline Subsidy net over recovery for said period amounted to PhP130,627,106.04. Attached as **Annex "E"** in the Application are the worksheets showing the detailed calculation of Applicant's LSOR.
(The witness presented a copy of the same, which is requested to be marked as Exhibits "LLL and Series").

Q21: Can you tell us why there was an over or under recovery with respect to MERALCO's lifeline subsidy?

A21: There was a net over recovery in lifeline subsidy for the January 2014 to December 2016 because of the lag in the billing of the lifeline discounts to non-lifeline consumers. The lifeline discount of the previous month is used to compute for the lifeline subsidy charge in a current billing month. Consequently, when the actual lifeline discount amount of the current month is compared to the lifeline subsidy amount for the same month, which lifeline subsidy rate is computed based on the previous month's lifeline discount amount, either an over or under recovery will result. For January 2014 to December 2016, this resulted in a net over recovery.

In support of the LSOR computation, attached herewith are the sample bills of lifeline customers (per level) and non-lifeline customers (per customer class):

Sample Bills of Lifeline Customers (per level)
(January 2014 to December 2016)

Period Covered	Annex
January 2014 to December 2014	**"III" and series**
January 2015 to December 2015	**"JJJ" and series**
January 2016 to December 2016	**"KKK" and series**

Sample Bills of Non-Lifeline Customers (per customer class)
(January 2014 to December 2016)

Period Covered	Annex
January 2014 to December 2014	**"LLL" and series**
January 2015 to December 2015	**"MMM" and series**
January 2016 to December 2016	**"NNN" and series**

(The witness presented copies of the same, which are requested to be marked as Exhibits "MMM and Series" to Exhibits "OOO and Series" respectively).

Senior Citizen Discount and Subsidy (Over)/Under Recovery (SrDSOUR)

Q22: What about your computation of MERALCO's SrDSOUR?

A22: In the computation of SrDSOUR, MERALCO arrived at a net over recovery amount of PhP2,325,583.09. Although the period covered for the SrDSOUR is from January 2014 to December 2016, the same is within the three-year cycle for filing of DU's Applications for confirmation and approval of their over and/or under recoveries for Senior Citizen Discount and Subsidy under Section 1, Article 5 of ERC Resolution No. 21, Series of 2010 and Section 3, Article 7 of ERC Resolution No. 23, Series of 2010.

Q23: In the determination of MERALCO's Senior Citizen Discount and Subsidy Over Recovery (SrDSOR), what are the parameters and formula used?

A23: The SrDSOR was computed using the formula provided under Article 7 of Resolution No. 23, Series of 2010, entitled *"A Resolution Adopting the Rules to Qualified Senior Citizen End-users and Subsidy from the Subsidizing End-users on Electricity Consumption Under Sections 4 and 5 of Republic Act No. 9994"*.

Using the prescribed formula, the resulting Senior Citizen Discount and Subsidy net over recovery for said period amounted to PhP2,325,583.09. Attached as **Annex "F"** in the Application are the worksheets showing the detailed calculation of Applicant's SrDSOR.
(The witness presented a copy of the same, which is requested to be marked as Exhibits "PPP and Series").

Q24: Can you tell us why there was an over recovery with respect to MERALCO's Senior Citizen Discount and Subsidy?

A24: Over/under recovery in the Senior Citizen Discount and subsidy occurs because of the lag in the billing of senior citizen subsidy to non-lifeline consumers. The senior citizen discount for the previous month is used to compute for the senior citizen subsidy charge in a current billing month. Consequently, when the actual senior citizen discount amount of the current month is compared to the senior citizen subsidy amount for the same month, either an over or under recovery will result. For January 2014 to December 2016, this resulted in a net over recovery.

In support of the SrDSOR computation, attached herewith are the sample bills of subsidizing customers (per level) and subsidized customers (per customer class):

Sample Bills of Customers with Senior Citizen Discounts (January 2014 to December 2016)

Period Covered	Annex
January 2014 to December 2014	**"OOO and Series" of this Judicial Affidavit**
January 2015 to December 2015	**"PPP" and Series" of this Judicial Affidavit**
January 2016 to December 2016	**"QQQ and Series" of this Judicial Affidavit**

Sample Bills of Customers with Senior Citizen Subsidies (January 2014 to December 2016)[7]

Period Covered	Annex
January 2014 to December 2014	**"LLL and Series" of this Judicial Affidavit**
January 2015 to December 2015	**"MMM and Series" "and series**
January 2016 to December 2016	**"NNN and Series" of this Judicial Affidavit**

(The witness presented copies of the Sample Bills of Customers with Senior Citizen Discounts for 2014 to 2016, which are requested to be marked as Exhibits "QQQ and Series" to Exhibits "SSS and Series" respectively).

[7] Note: The sample bills of Customers with Senior Citizen Subsidies for 2014, 2015 and 2016 are the same as the Sample Bills of Non-Lifeline Customers for 2014, 2015 and 2016.

Also attached in this Judicial Affidavit are the other documents relevant to the Application:

Document	Period Covered	Annex
1. Annex A of MERALCO's Uniform Reportorial Requirement (URR) submissions.	January 2014 to December 2016	**"RRR and Series" of this Judicial Affidavit**
2. Summary of Supplier and Transmission Data	January 2014 to December 2016	**"SSS and Series" of this Judicial Affidavit**
3. Generation Cost Data	January 2014 to December 2016	**"TTT and Series" of this Judicial Affidavit**
4. Summary of Statistical Data	January 2014 to December 2016	**"UUU and Series" of this Judicial Affidavit**
5. Actual Implemented Rates	January 2014 to December 2016	**"VVV and Series" of this Judicial Affidavit**
6. Lifeline Discount	January 2014 to December 2016	**"WWW" of this Judicial Affidavit**
7. Senior Citizen Discount	January 2014 to December 2016	**"XXX and Series" of this Judicial Affidavit**
8. Monitoring of ERC-approved over/under recoveries	January 2015 to December 2016	**"YYY and Series" of this Judicial Affidavit**

(The witness presented copies of the same, which are requested to be marked as Exhibits "TTT and Series" to "AAAA and Series" respectively).

Q25: How does MERALCO propose to recover/(refund) the amounts representing Applicant's GOR, TOR, SLOR, LSOR and SrDSOR and real property tax payments?

A25: MERALCO proposes to recover/(refund) its GOR, TOR, SLOR, LSOR and SrDSOR amounts and real property tax payments, respectively, with the rate/kWh as detailed in the following table.

Bill Component	Amount of (Over)/Under Recovery	Proposed (Refund)/Recovery Rate (PhP/kWh)*	Amortization Period
GOUR	(4,919,162,892.94)	(0.0502)	36 months
TOUR	(632,210,115.96)	(0.0051)	36 months
SLOUR	(1,242,760,988.35)	(0.0099)	36 months
LSOUR	(130,627,106.04)	(0.0017)	36 months
SrDSOUR	(2,325,583.09)	(0.0011)	1 month
Real Property Tax Payments	1,089,707,397.13	0.0087	36 months

Attached to the Application as ***Annexes "I," "J, "K", "L", "M"*** and ***"N"*** are documents showing the computation of the rate translation for MERALCO's GOR, TOR, SLOR, LSOR, SrDSOR and RPT payments.

(The witness presented copies of the same, which are requested to be marked as Exhibits "BBBB to "GGGG" respectively).

Q26: What is the refund period for the GOR, TOR, SLOR, LSOR and SrDSOR?

A26: MERALCO proposes that: (a) GOR, TOR, SLOR and LSOR be refunded to the customers for a period of thirty-six (36) months; (b) SrDSOR be refunded to the customers for a period of one (1) month; and (c) RPT payments be recovered from customers for a period of thirty-six (36), or until fully refunded/collected. This is consistent with previous decisions of the Honorable Commission wherein the recovery/refund period was equivalent to the period that the over/under recoveries were accumulated

Q27: Will refund be limited to captive customers only?

A27: No. The refund/collection of the over/under recoveries shall be made to both captive and contestable customers in accordance with ERC Resolution No. 16, Series of 2012.[8] Insofar as contestable customers are concerned, any generation over/under recoveries for the billing periods when they were still captive customers, will be refunded to and/or collected from them. These over/under recoveries shall be part of the DU's bill, as a separate line item, through the RES/Local RES/SOLR currently serving the contestable customers. Considering that the eligible customers opted for contestability on different dates starting July 2013, such is taken into consideration in the determination of the refundable generation cost to these customers.

[8] Entitled, "A Resolution Adopting the Transitory Rules for the Implementation of Open Access and Retail Competition".

Q28: Why is there a need for the approval of the instant Application?

A28: All allowable Generation Costs, Transmission Costs, System Loss Costs, Lifeline Subsidy and Senior Citizen Discount and Subsidy, as determined by the ERC, are pass-through charges for Distribution Utilities (DUs) such as MERALCO. This means that any resulting under recoveries are to be collected from the customers. Consequently, when there are any resulting over recoveries, the same shall be refunded to the customers.

Q29: In the Application, MERALCO prayed for the Honorable Commission's issuance of a Provisional Authority. Would you know the reason behind such prayer?

A29: Yes, it is urgent that a provisional authority be immediately issued upon filing and pending hearing of the instant Application in order that both captive and contestable customers may enjoy the refund of the net over recoveries.

Q30: Can you tell us why you are executing this Judicial Affidavit?

A30: I am executing this Judicial Affidavit to attest to the truthfulness and veracity of the foregoing statements and in support of this instant Application.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 30th day of March 2017 at Pasig City, Philippines.

ARLYN I. DELA CRUZ
Affiant

ATTESTATION

I, **CARMEN GRACE S. RAMOS**, of legal age, Filipino, with business address 7th floor, Lopez Building Meralco Center, Ortigas Avenue, Pasig City after being duly sworn depose and say:

1. I conducted the direct examination of witness at the afore-mentioned business address;

2. I have faithfully recorded or caused to be recorded the questions I asked and the corresponding answers that were given by the witness; and

3. Neither I nor any other person then present or assisting him coached the witness regarding his answers.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of March 2017 at Pasig City.

Carmen Grace S. Ramos
Affiant

SUBSCRIBED AND SWORN to before me this 30th day of March 2017 by Ms. Arlyn I. dela Cruz and Atty. Carmen Grace S. Ramos exhibiting their SSS ID No. 02-1207486-6 and Passport No. EB1940133, respectively, as proof of their identities.

Doc. No. 150;
Page No. 31;
Book No. III;
Series of 2017.

ATTY. MICHAEL DAVID B. AZUCENA
Notary Public
Pasig, San Juan, Taguig and Pateros
Issued on December 29, 2015 at Pasig City
Appointment No. 76 (2016-2017)
Roll No. 58433/ IBP No. 1062733/ 01-09-17 Makati Chapter
PTR No. 2682556/ 01-25-17 Pasig City
MCLE VI-0000223-07/11/16
8th Floor Lopez Bldg. Ortigas Avenue, Pasig City

ANNEX 65 - P 99

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

IN THE MATTER OF THE APPLICATION: (A) TO CONFIRM THE GENERATION RATE OVER/UNDER RECOVERY (GOUR); TRANSMISSION RATE OVER/UNDER RECOVERY (TOUR); SYSTEM LOSS RATE OVER/UNDER RECOVERY (SLOUR); LIFELINE SUBSIDY OVER/UNDER RECOVERY (LSOUR); SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER/UNDER RECOVERY (SRDSOUR) PASS-THROUGH CHARGES FROM JANUARY 2014 TO DECEMBER 2016; and REAL PROPERTY TAX PAYMENTS FROM JUNE 2014 TO DECEMBER 2016; AND (B) FOR AUTHORITY TO REFUND/ RECOVER CONFIRMED OVER/ UNDER RECOVERIES AND REAL PROPERTY TAX PAYMENTS, WITH PRAYER FOR PROVISIONAL AUTHORITY,

ERC CASE NO. _____

MANILA ELECTRIC COMPANY (MERALCO),
Applicant.
x----------x

JUDICIAL AFFIDAVIT
of MR. GERARDO E. ESPIRIDION

The following examination of witness **MR. GERARDO E. ESPIRIDION**, of legal age, with office address at 5th Floor, Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City, who is an employee of the Manila Electric Company ("MERALCO") and the Head of the Tax Management and Reporting Office, was conducted by Atty. Carmen Grace S. Ramos, at the 7th Floor, Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City, on 30 March 2017.

The testimony of Mr. Gerardo E. Espiridion is being offered for following purposes:

1. To prove that MERALCO paid Real Property Taxes (RPT) to various cities and provinces;

2. To prove that MERALCO's recovery of the said RPT is just and reasonable;

3. To prove the total amount of RPT that will be recovered from the customers;

4. To show that the issuance of provisional authority is warranted in this case; and

5. To prove all other matters related to this Application.

x---------x

JUDICIAL AFFIDAVIT

I, **MR. GERARDO E. ESPIRIDION**, Filipino, of legal age, married, with office address at 5th Floor, Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City, after having been sworn to in accordance with law, fully conscious that I am answering the questions under oath and with knowledge that I may face criminal liability for false testimony and perjury, hereby depose and state:

Q1: Please state your educational attainment and/or professional qualifications.
A1: I am a Certified Public Accountant. I graduated from the Philippine School of Business Administration in 1980 with a Bachelor of Science degree in Business Administration.

Q2: Where are you presently employed?
A2: I am presently employed at the Manila Electric Company (MERALCO) as the Head of the Tax Management and Reporting Office.

Q3: How long have you been employed by MERALCO?
A3: I was employed by MERALCO on 28 August 2012 and currently assigned to the Tax Management and Reporting Office.

Q4: What are your duties and responsibilities as the Head of the Tax Management and Reporting Office?
A4: As Head, Tax Management and Reporting, I direct and oversee strategic tax management activities. I also manage tax compliance in terms of filing of various tax returns and payment of taxes, including the payment of Real Property Tax ("RPT")

RPT due on real properties classified as machinery under the Local Government Code.

Q5: Are you familiar with this Application?

A5. Yes. I am familiar with the Application because I participated in its preparation and provided/prepared its supporting documents.

Q6: Why are the Real Property Taxes paid by MERALCO to various cities and provinces being recovered under this Application?

A6: In MERALCO's Application for the approval of its Annual Revenue Requirement (ARR) and Performance Incentive Scheme (PIS) for the Third Regulatory Period,[1] MERALCO proposed the forecasted RPT to be paid during said period. In its Final Determination dated 6 June 2011, however, the Honorable Commission excluded real property tax payments from the ARR as follows:

> "The annual provision for real property tax that relates to poles and transformers, as shown in Table 4.6 above, is excluded from the annual revenue requirement. Taxes for which MERALCO's liability has not been confirmed should not be included. In the event of future imposition of additional real property taxes or should MERALCO become liable for taxes that are not included in the annual revenue requirement, Article XI of the RDWR allows for unexpected tax liabilities imposed during the Third Regulatory Period by means of a "Tax Event Pass Through".

Hence, while the Honorable Commission recognized the pass-through nature of real property taxes, it directed MERALCO to comply with the Tax Event Pass Through provision of the Rules for Setting Distribution Wheeling Rates (RDWR).

At the time the Final Determination was rendered, MERALCO's case relative to real property tax assessment was still pending before the appellate courts.

In 2014, citing the Local Government Code as basis, the City of Taguig assessed and imposed real property taxes on MERALCO's substations. MERALCO paid such assessment on 30 June 2014. Thereafter, the City of Valenzuela made a similar imposition on MERALCO's substation within its jurisdiction.

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[1] Docketed as ERC Case No. 2010-069 RC.

Subsequently, MERALCO received a Decision dated 5 August 2015 in G.R. No. 166102, entitled, *Manila Electric Company v. The City Assessor and City Treasurer of Lucena City*, rendered by the Supreme Court which ruled that transformers, electric posts, transmission lines, insulators, and electric meters of MERALCO are no longer exempted from real property tax and may qualify as "machinery" subject to real property tax under the Local Government Code. Nevertheless, the Supreme Court declared null and void the appraisal and assessment of said properties of MERALCO by the City Assessor in 1997 for failure to comply with the requirements of the Local Government Code and, thus, violating the right of MERALCO to due process. A copy of the Decision dated 5 August 2015 in G.R. No. 166102 is attached as Annex "G" of the Application.

Hence, MERALCO intends to recover the payments it has made with respect to Real Property Tax (RPT) assessments for the afore-mentioned substations, and RPT assessments in accordance with the Supreme Court Decision. MERALCO has no means of recovering said amount in the absence of the applicable rules to govern recovery. Thus, MERALCO deems it prudent to incorporate the recovery of its real property tax payments in this Application.

(The witness presented a copy of the said Decision which is requested to be marked as Exhibit "DDDD").

Q7: What is the total amount of RPT payment sought to be recovered under the Application?

A7: The total amount of RPT payment is PhP1,089,707,397.13, as shown and proved by the tax assessments and official receipts for RPT paid by MERALCO to various cities and provinces, which were attached as Annexes "H and Series" of the Application. Further, the summary of the provinces and cities that received RPT payments from MERALCO, the dates of payment of RPT and amounts paid are provided below:

Local Government Unit (LGU)	Date of RPT Payment	Amount Paid (Php)
METRO MANILA		
City of Manila	Dec. 29, 2015	304,178,009.82
	2016	52,923,383.51
Las Piñas City	Jan. 2017	39,843,798.44
Malabon City	Aug. 15, 2016	34,273,518.13
Marikina City	Dec. 28, 2016	47,764,713.46
Muntinlupa City	June 8, 2016	95,534,366.38
San Juan City	June 8, 2016	23,738,588.99

Valenzuela City	Mar. 1, 2016	74,714,839.02
Taguig City	June 30, 2014	39,293,214.08
	2015	5,448,303.60
	2016	5,448,303.60
PROVINCE OF RIZAL		
Angono	June 15, 2016	4,171,055.00
Antipolo City	May 5, 2016	41,640,470.50
Baras	June 15, 2016	1,217,329.60
Binangonan	June 15, 2016	7,844,267.52
Cainta	June 15, 2016	17,008,336.40
Cardona	June 15, 2016	1,257,483.40
Jala-jala	June 15, 2016	1,156,931.80
Morong	June 15, 2016	2,374,154.40
Pililia	June 15, 2016	5,655,099.80
Rodriguez (Montalban)	June 15, 2016	10,744,991.00
San Mateo	June 15, 2016	8,343,516.60
Tanay	June 15, 2016	3,738,976.00
Taytay	June 15, 2016	15,348,994.80
Teresa	June 15, 2016	2,511,696.20
PROVINCE OF CAVITE		
Cavite City	Dec. 29, 2016	7,247,682.35
Bacoor City	June 8, 2016	34,201,282.80
Imus City	June 17,2016	4,539,028.60
Tagaytay City	Nov. 18, 2016	18,630,537.00
Trece Martirez City	Nov. 3, 2016	12,559,365.00
General Trias City	Feb. 28, 2017	23,210,119.20
Alfonso	Feb. 20, 2017	2,788,278.00
Amadeo	Feb. 20, 2017	6,228,124.00
Carmona	Feb. 20, 2017	8,372,910.00
Indang	Feb. 20, 2017	2,105,766.00
Kawit	Feb. 20, 2017	3,173,656.00
Magallanes	Feb. 20, 2017	625,428.00
Maragondon	Feb. 20, 2017	1,018,850.00
Silang	Feb. 20, 2017	16,461,666.00
Tanza	Feb. 20, 2017	12,519,728.00
Gen. Emilio Aguinaldo	Feb. 20, 2017	869,038.00
Gen. Mariano Alvarez	Feb. 20, 2017	6,362,720.00
Mendez	Feb. 20, 2017	914,348.00
Naic	Feb. 20, 2017	3,751,342.00
Noveleta	Feb. 20, 2017	1,535,192.00
Rosario	Feb. 20, 2017	3,055,020.00
Ternate	Feb. 20, 2017	1,045,684.00
PROVINCE OF LAGUNA		
Cabuyao City	Mar. 18, 2016	22,374,036.64
San Pablo	Feb. 17, 2017	19,056,898.86
Municipality of Calauan	Mar. 24, 2017	3,320,137.80
PROVINCE OF QUEZON		
Candelaria	Oct. 12, 2016	6,068,464.80
Dolores	Oct. 12, 2016	956,102.75

Lucban	Oct. 12, 2016	2,501,282.60
Mauban	Oct. 12, 2016	2,877,874.80
Pagbilao	Oct. 12, 2016	3,482,935.74
Sampaloc	Oct. 12, 2016	516,492.00
San Antonio	Oct. 12, 2016	1,409,982.00
Sariaya	Oct. 12, 2016	6,011,582.07
Tiaong	Oct. 12, 2016	3,741,500.07
TOTAL		**1,089,707,397.13**

(The witness presented copies of tax assessments and official receipts which are requested to be marked as Exhibits "EEEE and Series, respectively).

Q8: How does MERALCO propose to recover the RPT previously paid to said provinces and cities?

A8: MERALCO proposes to recover the same with the rate/kWh as detailed in the table below.

Bill Component	Amount of (Over)/Under Recovery	Proposed (Refund)/ Recovery Rate (PhP/kWh)	Amortization Period
Real Property Tax Payments	1,089,707,397.13	0.0087	36 months

T

The detailed computation on how the total amount of RPT paid by MERALCO was translated into rates per kilowatt-hour was attached as Annex "N" of the Application as prepared by MERALCO's Rates and Pricing Office.

Q9: What is the recovery/collection period for the RPT payments made by MERALCO?

A9: The same will be recovered/collected from the customers for a period of thirty-six (36) months.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 30th day of March 2017 at Pasig City, Philippines.

GERARDO E. ESPIRIDION
Affiant

ATTESTATION

I, **CARMEN GRACE S. RAMOS**, of legal age, Filipino, with business address at 7th floor, Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City after being duly sworn depose and say:

1. I conducted the direct examination of witness at the aforementioned business address;

2. I have faithfully recorded or caused to be recorded the questions I asked and the corresponding answers that were given by the witness; and

3. Neither I nor any other person then present or assisting him coached the witness regarding his answers.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of March 2017 at Pasig City.

CARMEN GRACE S. RAMOS
Affiant

SUBSCRIBED AND SWORN to before me this 30th day of March 2017 by Mr. Gerardo E. Espiridion, with LTO Driver's License No. NO1-89-094700 issued on September 10, 2015 and Atty. Carmen Grace S. Ramos, with SSS Identification No. 3410973533.

Doc. No. 91;
Page No. 20;
Book No. IX;
Series of 2017.

ATTY. FREEDOM JANFE M. NAVIDAD
Notary Public
Pasig, San Juan, Taguig and Pateros
Issued on December 29, 2015 at Pasig City
Appointment No. 77 (2016-2017)
Roll No. 53655/ IBP No. 1062731/ 01-09-17 RSM Chapter
PTR No. 2682553/ 01-25-17 Pasig City
MCLE VI-0000244-07/11/16
8th Floor Lopez Bldg. Ortigas Avenue, Pasig City