

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

PETITION FOR THE
DETERMINATION OF
COMPUTATION OF ANCILLARY
CHARGES BILLED BY THE
NATIONAL GRID CORPORATION
OF THE PHILIPPINES (NGCP) TO
ITS MEMBER-ELECTRIC
COOPERATIVE'S (EC), AND
PENDING RESOLUTION THEREOF,
TO ALLOW PAYMENT OF THE
MARCH 26-APRIL 25, 2010 NGCP
BILLING AS STAGGERED
PAYMENT BASIS FOR A PERIOD
OF TWELVE (12) MONTHS

ERC CASE NO. 2010-030 MC

ASSOCIATION OF MINDANAO
ELECTRIC COOPERATIVES, INC.
(AMRECO)

Petitioner,

- VERSUS -

NATIONAL GRID CORPORATION OF
THE PHILIPPINES (NGCP),
Respondent.

x-----x

DOCKETED
Date: _____
By: _____

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on May 21, 2010, the Association of Mindanao Electric Cooperative, Inc. (AMRECO) represented by the Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA) filed a petition for the determination of computation of Ancillary Charges billed by the National Grid Corporation of the Philippines (NGCP) to its member-electric cooperatives (EC) and pending resolution thereof, they be allowed to pay on staggered basis for a period of twelve (12) months the March 26, 2010 to April 25, 2010 NGCP billing.

In the said application, AMRECO alleged, among others, that:

1. It is an association composed of several electric cooperatives located in Mindanao. It authorized the PHILRECA, an association of 119 electric cooperatives throughout the country, to institute the instant petition;
2. Pursuant to its Order dated March 24, 2010 in ERC Case No. 2010-014 RC, the Commission provisionally approved the application of NGCP and Therma Marine Inc. for the approval of their Ancillary Services Procurement Agreement (ASPA) subject to the condition that "the rate to be paid by the NGCP as ancillary service cost should be passed on to its customers in accordance with the approved Ancillary Services-Cost Recovery Mechanism (AS-CRM)";
3. Sometime in March 2010 to April 2010, its member - electric cooperatives received their billings from the NGCP covering the period March 26, 2010 to April 25, 2010;
4. A comparison of Ancillary Charges for the previous four (4) month period before the aforementioned billing showed that there was a sudden increase in the Ancillary Charges billed by NGCP as shown by the table below:

EC NAME	AMOUNT OF ANCILLARY CHARGES from MINDANAO EC'S2					
	Oct. 26, 2009 - Nov. 25, 2009	Nov. 26, 2009 - Dec. 25, 2009	Dec. 26, 2009 - Jan. 25, 2010	Jan. 26, 2010 - Feb. 25, 2010	Feb. 26, 2010 - Mar. 25, 2010	Mar. 26, 2010 - Apr. 25, 2010
	ANEKO	1,447,628.00	1,564,588.72	1,709,264.97	560.93	10,362,306.30
ASELCO	522,452.00	64,342.47	621,215.80	198.37	4,092,775.58	3,262,592.96
CAMELCO	79,025.00	95,502.12	77,047.94	30.79	612,921.92	1,940,803.72
COTELCO	1,015,050.00	1,137,650.98	1,199,103.84	406.52	8,009,873.28	22,533,050.64
DANEKO	1,667,925.00	1,909,959.21	1,999,074.88	658.03	13,065,211.20	38,736,491.92
DASURECO	930,525.00	1,036,796.97	1,081,817.44	390.72	7,252,314.56	21,901,434.76
DORECO	461,100.00	504,602.81	561,897.60	164.85	3,074,377.28	8,586,501.24
FIBECO	655,600.00	719,149.82	816,726.24	270.59	5,292,204.16	15,272,550.44
LANECO	297,100.00	334,091.04	356,551.04	113.65	2,310,807.68	6,896,774.64
LASURECO	746,825.00	912,067.43	978,384.00	305.19	6,134,103.04	-
MAGELCO	240,856.00	256,256.26	276,360.27	98.35	1,821,897.73	4,897,685.16
MOELCI-1	218,050.00	246,769.27	270,626.40	83.49	1,615,799.68	4,841,641.16
MOELCI-2	583,800.00	643,641.03	689,745.76	222.36	4,227,902.72	12,870,504.60
MORESCO 2	468,450.00	523,145.58	569,166.16	191.32	3,858,973.38	10,272,866.20
SIARELCO	63,960.00	73,664.77	82,459.52	24.50	436,540.16	1,269,748.24
SOCOTECO-1	782,800.00	916,199.20	967,134.08	321.30	634,229.76	17,566,991.80
SOCOTECO-2	2,777,850.00	3,047,056.59	5,720,531.46	1,088.56	20,916,923.20	60,910,300.52
SUKELCO	568,475.00	638,122.76	679,662.72	229.13	4,415,554.88	12,822,306.76
SURNECO	426,850.00	477,427.41	495,894.08	166.43	3,490,790.88	9,789,205.48
SURSECO-1	248,300.00	274,998.41	305,543.04	97.65	1,840,456.32	4,806,893.88
SURSECO-2	239,125.00	266,679.41	277,059.20	93.36	2,047,305.09	5,578,059.32
ZAMCELCO	2,127,100.00	2,299,399.33	1,774,289.52	826.17	15,813,122.56	46,212,201.08
ZAMSURECO-1	723,500.00	797,819.83	879,558.24	288.61	5,795,803.20	17,366,354.28
ZAMSURECO-2	430,875.00	505,573.36	571,681.44	175.66	3,442,168.00	10,360,854.28
ZANECO	714,550.00	779,828.95	855,023.84	279.32	5,600,261.76	16,625,694.28
TOTAL	18,437,611.00	20,030,032.73	23,817,921.48	7,285.85	136,164,624.32	386,932,895.09

5. The consumers of the said electric cooperatives protested the drastic increase of transmission charges since they are suffering frequent power outages. Thus, the ECs could not bear to impose the Ancillary Charges to their customers;
6. It moved that the Commission should arbitrate the matter and determine the actual amount due and demandable to its members pursuant to Section 43 (u) of Republic Act No. 9136 (R.A. 9136), to wit:

"The ERC shall have the original and exclusive jurisdiction over all cases contesting rates, fees, fines and penalties imposed by the ERC in the exercise of the above-mentioned powers, functions and responsibilities and cover all cases involving disputes between and among participants or players in the energy sector. x x x." *(emphasis supplies)*

7. Pending resolution of this case, it prays that the assailed billing of NGCP covering the period March 26, 2010 to April 25, 2010 be spread over a period of twelve (12) months to mitigate the impact of the abrupt increase in transmission charges to the member-consumers.

The Commission has set the application for initial hearing, expository presentation, pre-trial conference and evidentiary hearings on the following dates and venue:

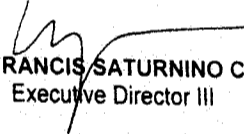
DATE	TIME	VENUE	PARTICULARS
July 20, 2010 (Tuesday)	Nine o'clock in the morning (9:00 A.M.)	ERC Hearing Room, 15 th Floor Pacific Center Bldg., San Miguel Avenue, Pasig City	Jurisdictional Hearing, Expository, Pre-Trial Conference, and Evidentiary hearing
July 21, 2010 (Wednesday)	Nine o'clock in the morning (9:00 A.M.)		Continuation if necessary


All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission giving the docket number and title of the proceeding and stating: (1) the petitioner's name and address; (2) the nature of petitioner's interest in the subject matter of the proceeding, and the way and manner in which such interest is affected by the issues involved in the proceeding; and (3) a statement of the relief desired.

All other persons who may want their views known to the Commission with respect to the subject matter of the proceeding may file their opposition to the petition or comment thereon at any stage of the proceeding before the petitioner concludes the presentation of its evidence. No particular form of opposition or comment is required, but the document, letter or writing should contain the name and address of such person and a concise statement of the opposition or comment and the grounds relied upon.

All such persons who may wish to have a copy of the petition may request the petitioner, prior to the date of the initial hearing, that they be furnished with a copy of the petition. The petitioner is hereby directed to furnish all those making a request with copies of the petition and its attachments, subject to reimbursement of reasonable photocopying costs. Likewise, any such person may examine the petition and other pertinent records filed with the Commission during the usual office hours.

WITNESS, the Honorable Chairperson, **ZENAIDA G. CRUZ-DUCUT**, and the Honorable Commissioners, **ALEJANDRO Z. BARIN**, **MARIA TERESA A.R. CASTAÑEDA**, and **JOSE C. REYES**, Energy Regulatory Commission, this 21ST day of June 2010 at Pasig City.


ATTY. FRANCIS SATURNINO C. JUAN
Executive Director III

 amreco petition