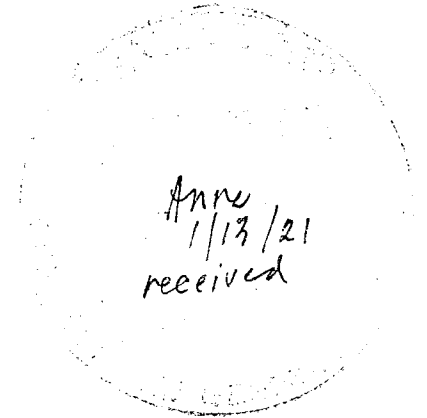


Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
San Miguel Avenue, Pasig City

**IN THE MATTER OF THE 10<sup>th</sup>  
APPLICATION FOR THE  
TRUE-UP ADJUSTMENT OF  
FUEL AND PURCHASED  
POWER COSTS (TAFPPC),  
AND FOREIGN EXCHANGE-  
RELATED COSTS (TAFxA)  
UNDER THE RULES FOR THE  
AUTOMATIC RECOVERY OF  
MONTHLY FUEL AND  
PURCHASED POWER COSTS  
AND FOREIGN EXCHANGE-  
RELATED COSTS BY THE  
NATIONAL POWER  
CORPORATION, AS  
AMENDED**



**ERC CASE NO. 2020-029 RC**

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

Promulgated:  
January 11, 2021

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**NOTICE OF VIRTUAL HEARING**

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 01 September 2020, the Power Sector Assets and Liabilities Management Corporation (PSALM) filed an *Application* dated 08 July 2020, seeking the Commission's approval of the 10<sup>th</sup> True-Up Adjustments of Fuel and Purchased Power Costs (TAFPPC) and Foreign Exchange-Related Costs (TAFxA) under the Rules for the Automatic Recovery of Monthly Fuel and Purchased Power Costs and Foreign Exchange-Related Costs by the National Power Corporation (NPC), as amended.

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

1. Applicant PSALM is a government-owned and controlled corporation created by virtue of Republic Act No. 9136 or the “Electric Power Industry Reform Act of 2001” (EPIRA), with principal office address at 24/F Vertis North Corporate Center 1, Astra corner Lux Drives, North Avenue, Quezon City.
2. The instant application is being filed by PSALM pursuant to Section 4(e), Rule 3 of the Implementing Rules and Regulations of the EPIRA (EPIRA-IRR), Rule 6 of the Energy Regulatory Commission (ERC) Rules of Practice and Procedure, and Article V of ERC Resolution No. 19, Series of 2009 entitled “A Resolution Adopting the Rules for the Automatic Recovery of Monthly Fuel and Purchased Power Costs and Foreign Exchange-Related Costs by the National Power Corporation (NPC)”, as amended by ERC Resolution No. 25, Series of 2009 (ACRM Rules).
3. Article V of the ACRM Rules requires the submission of an application for the TAFPPC and TAFxA at least every twelve (12) months in order for the ERC to verify the recovery of fuel and purchased power costs adjustments (FPPCA) and foreign exchange-related cost adjustment (FxA) by comparing the actual allowable costs incurred for the period with the actual revenues for the same period generated by the fuel and purchased power costs components under the Basic Generation Charge<sup>1</sup> (BGC) and the FPPCA and FxA under the monthly ACRM.
4. The BGC is an ERC-approved generation rate imposed by NPC/PSALM for the sale of electric energy to its customers with Transition Supply Contract (TSC) or Contract for the Supply of Electric Energy (CSEE).
5. The existing BGC, pegged at CY 2007 test period, was provisionally approved by the ERC pursuant to Orders dated 16 February 2009 and 23 March 2009 under Case No. 2009-004 RC<sup>2</sup>, broken down as follows:

Particulars	Luzon	Visayas	Mindanao
	In Peso per Kilowatt Hour (PhP/kWh)		
Fuel Costs Base (FCB) <sup>3</sup>	1.6811	1.2789	0.8961
Purchased Power Costs Base (PPCB) <sup>4</sup>	2.2791	1.8834	1.0446
Other Components <sup>5</sup>	0.4046	0.5632	0.8770
<b>TOTAL</b>	<b>4.3648</b>	<b>3.7255</b>	<b>2.8177</b>

Table 1: Basic Generation Charge per Component

<sup>1</sup> Provisional Approval issued by the ERC on 16 February 2009 and 23 March 2009 under ERC Case No. 2009-004 RC;

<sup>2</sup> In the Matter of the Application for the Proposed New Basic Generation Rates for Luzon, Visayas and Mindanao Grids with Prayer for Provisional Authority;

<sup>3</sup> Page 8, ERC Order dated 14 December 2009 under ERC Case No. 2008-019 RM in relation to ERC Resolution 19, as amended;

<sup>4</sup> Page 11, ERC Order dated 14 December 2009 under ERC Case No. 2008-019 RM in relation to ERC Resolution 19, as amended;

<sup>5</sup> Other components are NPC’s O&M costs, depreciation and return on rate base;

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6. Considering that the BGC is pegged at CY 2007 costs, to enable NPC/PSALM to reflect the current year's actual/allowable fuel and purchased power costs (PPC) in accordance with prevailing market prices and capture the change in generation mix brought about by privatization of PSALM's generating assets and Independent Power Producer (IPP) contracts, the ERC approved the implementation of the Fuel and Purchased Power Cost Adjustments (FPPCA) under the Automatic Cost Recovery Mechanism (ACRM) Rules.
7. Further, the ERC set the base foreign exchange rate (FX) covering the principal portion of debt at PhP 44.0494/USD<sup>6</sup>. Since the FX varies at the time of debt payment, the ERC allowed an adjustment under the ACRM to cover FX fluctuations (FxA).
8. Similar to the BGC, cost adjustments namely the FPPCA and the FxA are collected from regular TSC/CSEE customers via i) Monthly ACRM and ii) ACRM True-up Adjustments, by virtue of the ACRM Rules.
9. With the effectivity of the ACRM Rules on 27 February 2010, fifteen (15) days after its publication in a newspaper of general circulation in the Philippines, PSALM implemented the ACRM Rules starting March 2010 billing period and calculated the monthly FPPCA and FxA, or the Monthly ACRM, using economic indices to reflect the movement in the fuel, purchased power, and foreign exchange-related costs. This Monthly ACRM was however set to zero (0) beginning June 2016 billing period in the Luzon, Visayas and Mindanao Grids in accordance with ERC Order dated 28 June 2016.
10. Article V of the ACRM Rules requires the submission of an application for the TAFPPC and TAFxA (collectively referred as ACRM True-Up Adjustments), at least every twelve (12) months, in order for the ERC to verify the recovery of FPPCA and FxA by comparing the actual allowable costs incurred for the period with the actual revenues for the same period generated by the FCB and PPCB under the BGC and the FPPCA and FxA under the Monthly ACRM.
11. Since the implementation of the ACRM Rules, PSALM filed before the ERC annual petitions for TAFPPC and TAFxA, details are as follows:

PARTICULARS (Date Filed)	TEST PERIOD	LUZON	VISAYAS	MINDANAO	STATUS/REMARKS
		In Million Pesos			
1 <sup>st</sup> ACRM True-Up (18 Aug 2011)	Mar. 2010 – Feb. 2011	2,814.45	2,203.03	(858.20)	Approved per ERC Decision dated 20 June 2017; Implementation effective Jan 2018 billing period
2 <sup>nd</sup> ACRM True-Up (30 Apr 2012)	Mar 2011 - Dec 2011	2,199.52	1,649.72	(1,736.51)	
3 <sup>rd</sup> ACRM True-Up (02 May 2013)	Jan. 2012 - Dec. 2012	(661.11)	896.35	(1,894.70)	

<sup>6</sup> Page 12, ERC Order dated 14 December 2009 under ERC Case No. 2008-019 RM;

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4 <sup>th</sup> ACRM True-Up (30 June 2014)	Jan. 2013 - Dec. 2013	(634.90)	1,635.46	(2,041.85)	
5 <sup>th</sup> ACRM True-Up (29 June 2015)	Jan. 2014 - Dec. 2014	(126.01)	996.80	(1,395.06)	
6 <sup>th</sup> ACRM True-Up (30 June 2016)	Jan. 2015 - Dec. 2015	(69.47)	161.74	(2,108.79)	Formal Offer of Evidence Filed on 07 January 2020
7 <sup>th</sup> ACRM True-Up (29 June 2017)	Jan. 2016 - Dec. 2016	(4.48)	22.22	(3,474.39)	Formal Offer of Evidence Filed on 07 January 2020
8 <sup>th</sup> ACRM True-Up (30 June 2018)	Jan. 2017 - Dec. 2017	(8.62)	5.5	(5,029.83)	Formal Offer of Evidence Filed on 10 December 2018
9 <sup>th</sup> ACRM True-Up (25 June 2019)	Jan. 2018 - Dec. 2018	(10.16)	32.80	(3,209.04)	Formal Offer of Evidence Filed on 09 December 2019

Table 2: 1<sup>st</sup> – 9<sup>th</sup> ACRM True-Up Adjustments

12. PSALM's applications for its 1<sup>st</sup> to 5<sup>th</sup> ACRM True-Up Adjustments were already approved per ERC's Decision dated 20 June 2017, and implemented effective January 2018 billing period.
13. As for PSALM's applications for its 6<sup>th</sup> to 9<sup>th</sup> ACRM-True-Up Adjustments, PSALM already filed its Formal Offer of Evidence>
14. For the 10th ACRM True-Up Adjustments filing, PSALM filed a Manifestation, dated 29 May 2020, that it is constrained to file said application covering the billing period January – December 2019 on or before 30 June 2020.
15. Further, PSALM fully complied with the monthly reporting requirements as required under Article V, Section 1 of the ACRM Rules, timely submitting calculations for the monthly recovery/ (refund) of the incremental/downward adjustments in FPPC and FX costs, as well as supporting documents. Attached as Annex "A" and Series are evidence of the receipt of the ERC of PSALM's monthly compliances. The same monthly reports and their respective voluminous attachments were scanned and saved to a compact disc which is hereto attached as Annex "A – Compact Disc".

**DISCUSSION**

**I. COVERAGE**

1. The TAFPPC and TAFxA, collectively known as ACRM True-Up Adjustments, are applicable only to PSALM's regular TSC/CSEE customers. Regular TSC/CSEE Energy Sales correspond to NPC/PSALM sales to customers who are billed the approved BGC rate including ERC-approved adjustments. In other words, WESM sales and sales to customers with preferential rates are not covered by the ACRM True-Up Adjustments.

2. Out of NPC/PSALM's remaining customers in the Luzon Grid, only Caliraya-Botocan-Kalayaan Power Limited's (CBK-PCL's) station use is being billed with the BGC and ERC-approved adjustments, in accordance with the provision in the Independent Power Producer's (IPP's) Contract. The rest of NPC/PSALM's customers are under a preferential rates agreement. Further, NPC/PSALM is still supplying the energy requirements of the host communities of Ilocos Sur Electric Cooperative (ISECO) and Benguet Electric Cooperative (BENECO); however, these customers are excluded in the ACRM True-Up Adjustments since their power supply is sourced from the Luzon Hydro (Bakun) that is under an IPP Administrator Administration Agreement (IPPA AA).
3. In the Visayas Grid, PSALM has sixteen (16) customers that are covered by the ACRM True-Up Adjustments while in the Mindanao Grid, PSALM has fifty-six (56) customers that are considered in the ACRM True-Up Adjustments.
4. The annual weighted average percentage of energy sales to these customers that are considered in the ACRM True-Up Adjustments over the Total Energy Sales in the Grid (TSC/CSEE Energy Sales Ratio) for January - December 2019 are as follows:

LUZON	VISAYAS	MINDANAO
0.4703%	35.0166%	100%

Table 3: TSC/CSEE Energy Sales Ratio

5. Attached as Annex "B" is the TSC/CSEE Energy Sales Ratio for January- December 2019 based on Annex "B-1" and Series as the Monthly Energy Sales per Plant (TSC/CSEE and WESM).

**II. TRUE-UP ADJUSTMENT OF FUEL AND PURCHASED POWER COSTS (TAFPPC)**

6. Pursuant to Article V, Section 4 of the ACRM Rules, PSALM determined the TAFPPC based on the following formula:

$$\text{TAFPPC} = \text{FPPCA}_{\text{afppc}} - \text{FPPCA}_{\text{billed}} - \text{FPPCA}_{\text{peso}}$$

where:

**TAFPPC** = True-up Adjustment of Fuel and Purchased Power Costs, in PhP

**FPPCA<sub>afppc</sub>** = Actual allowable fuel and purchased power costs for the test period, in PhP

**FPPCA<sub>billed</sub>** = Fuel and purchased power costs billed through the last ERC-approved base rate for the test period, in PhP

**FPPCA<sub>peso</sub>** = Recovered/billed fuel and purchased power costs monthly from customers under the ACRM, in PhP

**A. First Component of the TAFPPC: FPPCA<sub>afppc</sub>**

7. FPPCA<sub>afppc</sub> refers to the Actual Allowable Fuel and Purchased Power Costs covering the test period January to December 2019.
8. There were no Allowable Fuel Costs (AFC) considered in the calculation of FPPCA. In the Luzon Grid, considering that Malaya Thermal Power Plant (MTPP), the only remaining fuel-based plant, was not used to supply the energy requirement of TSC/CSEE customers in view of its designation as Must-Run Unit (MRU) in the Wholesale Electricity Spot Market (WESM) in accordance with the Department of Energy (DOE) Circular No. DC2014-01-003, its fuel costs were not considered in the Luzon Grid's AFC and the TAFPPC.
9. In the Visayas and Mindanao Grids, PSALM has no remaining fuel-fired plants. Thus, AFC for both Grids is likewise zero (0).
10. Allowable Purchased Power Costs (APPC) of the following IPPs, based on ERC's approval of the IPP contracts, that supplied energy to TSC/CSEE customers during the test period were considered in the calculation:

LUZON		VISAYAS		MINDANAO	
Casecnan	ERC Case No. 2001-457	Leyte A and B (Unified Leyte Bulk Portion)	ERB Case No. 98-55	Mt. Apo I	ERB Case No. 98-54
				Mt. Apo II	ERC Case No. 2001-714
Caliraya-Botocan - Kalayaan	ERC Case No. 2007-159 RC			Mindanao Coal	ERC Case No. 2001-811

Table 4: IPPs supplying TSC/CSEE Customers

11. In accordance with the ERC Decision 20 June 2017, covering the 1<sup>st</sup> to 5<sup>th</sup> ACRM application filed by PSALM, the Honorable Commission adopted PSALM's consideration or treatment of APPC as that which corresponds to whichever is lower between the actual purchased power costs (PPC) paid to the IPPs vis-à-vis calculated PPC based on the ERC approval of the IPP contracts.
12. Considering that Leyte A and B (Unified Leyte) are now dedicated to supplying the Visayas Grid energy requirements, APPC of Unified Leyte (UL) was pegged at PhP1.45/kWh base energy rate (BER) plus inflation factor (IF) in line with the ERB Decision dated 27 December 1999 under Case No. 98-55. The APPC of Unified Leyte (UL) is calculated by determining the capacity administered by PSALM during the period over the total contracted capacity of the plant (440 MW) multiplied by the total APPC. PSALM awarded the 200 MW UL capacity to its IPP Administrators (IPPA)/Strips Owners on 26

December 2014. During 2017, PSALM terminated the IPPA Administration Agreement with Good Friends Hydro Resources Corporation, PHINMA Energy Corporation, FDC Utilities, Inc., Waterfront Mactan Casino Hotel, Inc., Vivant Energy Corporation and Aboitiz Energy Solutions, Inc. effective 10 August 2017, 04 September 2017, and 04 September 2017, 17 October 2019, 25 October 2019 and 25 October 2019, corresponding to the awarded strips equivalent to 20 MW, 40 MW, 40 MW, 3 MW, 17 MW and 40 MW, respectively, increasing by 160 MW and bringing the capacity being administered by PSALM to 400 MW on 26 October 2019.

13. Further, out of the Total APPC, only the portion used to supply the Regular TSC/CSEE customers is considered in the TAFPPC. This is derived by multiplying the APPC of each plant by the TSC/CSEE Energy Sales Ratio.
14. The  $FPPCA_{afppc}$  is the sum of AFC and APPC for ACRM True-Up Adjustment, as summarized below:

PARTICULARS	LUZON	VISAYAS	MINDANAO
	In Peso		
AFC	0.00	0.00	0.00
APPC	17,781,524.18	3,696,493,807.49	5,812,242,580.02
$FPPCA_{afppc}$	17,781,524.18	3,696,493,807.49	5,812,242,580.02

Table 5: Actual Allowable Fuel and Purchased Power Costs

15. The schedule of Allowable Fuel and Purchased Power Costs per Grid - TSC/CSEE Share is hereto attached as Annex "C".

**B. Second component of the TAFPPC:  $FPPCA_{billed}$**

16.  $FPPCA_{billed}$  is the Fuel and PPC billed to TSC/CSEE customers through the ERC-approved base rate. Fuel cost billed is calculated by multiplying Regular TSC/CSEE Energy Sales (in kWh) with the FCB (in PhP/kWh) of the provisionally approved BGC, while the PPC billed is derived by multiplying Regular TSC/CSEE Energy Sales (in kWh) with the PPCB (in PhP/kWh) of the provisionally approved BGC.
17. Below are the fuel and purchased power cost components of the provisionally-approved BGC used in the calculation:

Grid	Fuel Cost Component <sup>7/</sup>	Purchased Power Cost Component <sup>7/</sup>
	In Peso per Kilowatt Hour (PhP/kWh)	
Luzon	1.6811	2.2791
Visayas	1.2789	1.8834
Mindanao	0.8961	1.0446

Table 6: Fuel and PPC Component of the ERC-approved BGC

<sup>7</sup> Based on Provisional Approval of the BGC dated 16 February 2009 and 23 March 2009 under ERC Case No. 2009-004 RC and ERC Order dated 14 December 2009 under ERC Case No. 2008-019 RM;

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18. The summary of FPPCA<sub>billed</sub> is shown below:

PARTICULARS	LUZON	VISAYAS	MINDANAO
	In Peso		
FCB <sub>billed</sub>	13,690,360.62	1,256,304,778.50	3,525,104,076.97
PPCB <sub>billed</sub>	18,560,288.44	1,850,124,653.86	4,109,277,668.57
FPPCA <sub>billed</sub>	32,250,649.06	3,106,429,432.37	7,634,381,745.54

Table 7: Fuel and Purchased Power Costs Billed under the BGC

C. Third component of the TAFPPC: FPPCA<sub>peso</sub>

19. FPPCA<sub>peso</sub> refers to the recovered or billed fuel and PPC adjustment from TSC/CSEE customers through the monthly ACRM. Considering that PSALM has ceased billing the monthly FPPCA and FxA beginning June 2016 billing period in the Luzon, Visayas and Mindanao Grids pursuant to the ERC Order dated 28 June 2016, thus, the FPPCA<sub>peso</sub> is equivalent to zero (0) for all Grids for the year 2019.

D. TOTAL TAFPPC

20. Following the formula approved by the ERC in Article V of the ACRM Rules, the TAFPPC for Luzon, Visayas, and Mindanao grids covering the test period, January 2019 to December 2019, are as follows:

PARTICULARS	LUZON	VISAYAS	MINDANAO
	In Peso		
FPPCA <sub>afppc</sub>	17,781,524.18	3,696,493,807.49	5,812,242,580.02
Less: FPPCA <sub>billed</sub>	32,250,649.06	3,106,429,432.37	7,634,381,745.54
Less: FPPCA <sub>peso</sub>	0.00	0.00	0.00
TAFPPC	(14,469,124.88)	590,064,375.12	(1,822,139,165.52)

Table 8: True-Up Adjustment of Fuel and Purchased Power Costs

21. Attached hereto as Annex "D" and Series is the monthly computation of the above TAFPPC.

III. TRUE-UP ADJUSTMENT OF FOREIGN EXCHANGE-RELATED COSTS (TAFxA)

22. In accordance with Article V, Section 5 of the ACRM Rules, PSALM shall calculate the TAFxA based on the following formula:

$$TAFxA = FxA_{afxc} - FxA_{peso}$$

where:

- TAFxA = True-up Adjustment of Foreign Exchange-Related Costs, in PhP  
 FxA<sub>afxc</sub> = Actual Foreign Exchange-Related Costs for the test Period, in PhP



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$FxA_{\text{peso}}$  = Recovered/billed Foreign Exchange-Related Costs from Customers under the monthly ACRM, in PhP

**A. First Component of TAFxA:  $FxA_{\text{afxc}}$**

23.  $FxA_{\text{afxc}}$  is calculated as the difference between: 1) principal debt payments made during the test period converted into Peso using the actual exchange rate at the time of payment and 2) principal payments during the same period converted to Peso using the ERC-approved base foreign exchange rate of PhP44.0494/USD.
24. The  $FxA_{\text{afxc}}$  is adjusted to reflect costs incurred only for Regular TSC/CSEE customers. This is derived by multiplying the Total  $FxA_{\text{afxc}}$  with the TSC/CSEE Energy Sales Ratio. The summary of  $FxA_{\text{afxc}}$  for regular TSC/CSEE customers is as follows:

PARTICULARS	LUZON	VISAYAS	MINDANAO
	In Peso		
$FxA_{\text{afxc}}$	36,010.837.71	301,731,001.67	774,781,160.22

Table 9: Actual Foreign Exchange-Related Costs

25. The schedule of Actual Foreign Exchange-Related Costs – TSC/CSEE Share is hereto attached as Annex “E” and Series.

**B. Second Component of TAFxA:  $FxA_{\text{peso}}$**

26.  $FxA_{\text{peso}}$  refers to the recovered/billed foreign exchange-related costs from customers through the monthly ACRM. As stated above, the implementation of monthly ACRM is set to zero starting June 2016, thus, the  $FxA_{\text{peso}}$  for Luzon, Visayas and Mindanao Grids is zero (0).

**C. Total TAFxA**

27. Following the formula approved by the ERC in Article V of the ACRM Rules, TAFxA for Luzon, Visayas, and Mindanao grids covering the test period January to December 2019 is as follows:

PARTICULARS	LUZON	VISAYAS	MINDANAO
	In Peso		
$FxA_{\text{afxc}}$	36,010.837.71	301,731,001.67	774,781,160.22
Less: $FxA_{\text{peso}}$	0.00	0.00	0.00
<b>TAFxA</b>	<b>36,010.837.71</b>	<b>301,731,001.67</b>	<b>774,781,160.22</b>

Table 10: True-Up Adjustment on Foreign Exchange-Related Costs

28. Attached hereto as Annex “F” and Series is the monthly computation of the above TAFxA.

**IV. TOTAL TRUE-UP ADJUSTMENT**

29. In summary, the TAFPPC and TAFxA for the test period January 2019 to December 2019, are as follows:

PARTICULARS	LUZON	VISAYAS	MINDANAO
	In Peso		
TAFPPC	(14,469,124.88)	590,064,375.12	(1,822,139,165.22)
TAFxA	36,010,837.71	301,731,001.67	774,781,160.22
TOTAL	21,541,712.83	891,795,376.79	(1,047,358,005.30)

Table 11: Total ACRM True-up Adjustment

**V. REFUND/RECOVERY TO PSALM TSC/CSEE CUSTOMERS**

30. Below are the equivalent rates, in PhP/kWh, of the above ACRM True-Up Adjustments covering a one (1) year recovery/(refund) period, which were derived by dividing the ACRM True-up Adjustment amount by the 2019 Regular TSC/CSEE Energy Sales:

PARTICULARS	LUZON	VISAYAS	MINDANAO
	In Peso per Kilowatt Hour (PhP/kWh)		
TAFPPC	(1.7767)	0.6007	(0.4632)
TAFxA	4.4219	0.3072	0.1970
TOTAL	2.6452	0.9078	(0.2662)

Table 12: Total True-up Adjustment, in PhP/kWh

31. For better appreciation and clarity, classification has been broken down as to whether a certain plant or Independent power producer is eligible or ineligible. Details of the above TAFPPC and TAFxA covering each Eligible and Ineligible Plant and Independent Power Producer are shown and attached hereto as Annex "G".
32. To implement the recovery/(refund) scheme under the ACRM, PSALM proposes that for TSC/CSEE customers of PSALM in 2019 who have transferred thereafter to other power suppliers, it shall directly recover/refund the TAFPPC and TAFxA True-Up Adjustments by issuing the corresponding Debit/Credit Memo, regardless of the expiration. For TSC/CSEE customers who are still sourcing their power requirements from PSALM at the time of issuance or implementation of ERC Decision/Order on the TAFPPC and TAFxA, the same shall be reflected in their power bill.
33. Attached hereto as Annex "H" is the Schedule of 10<sup>th</sup> TAFPPC and TAFxA allocated per PSALM customer based on Annex "H-1" as the Schedule of Energy Sales per Customer for the year 2019.

34. In compliance with Section 4(e) of Rule 3 of the EPIRA-IRR and ERC Resolution No. 19, Series of 2009 as amended by ERC Resolution No. 25, Series of 2009, a copy of this instant application (including Annexes, other documents and compact discs) was furnished to the Sangguniang Panlungsod of Quezon City. A copy of the Certification of Posting/Affidavit of Service is hereto attached as Annex "I". The Petition (excluding Annexes) was also published in a newspaper of general circulation. A copy of the Affidavit of Publication is hereto attached as Annex "J".

**PRAYER**

WHEREFORE, premises considered, it is most respectfully prayed to this Honorable Commission that consistent with ERC Resolution No. 19, Series of 2009, as amended, adopting the Rules for the Automatic Recovery of Monthly Fuel and Purchased Power Costs and Foreign Exchange-Related Costs by the National Power Corporation, and Section 4 (e), Rule 3 of the Implementing Rules and Regulations of the Electric Power Industry Reform Act, the following Total True-Up Adjustment amounts (TAFPPC + TAFxA) per Grid and corresponding True-up Adjustment rates (PhP/kWh) with one (1) year recovery period for the Luzon and Visayas Grids and one (1) year refund period for the Mindanao Grid, covering the test period January 2019 to December 2019 be APPROVED:

Particulars	Luzon	Visayas	Mindanao
	In Peso		
TAFPPC	(14,469,124.88)	590,064,475.12	(1,822,139,165.52)
TAFxA	36,010,837.71	301,731,001.67	774,781,160.22
<b>TOTAL</b>	<b>21,541,712.83</b>	<b>891,795,376.79</b>	<b>(1,047,358,005.30)</b>

The rates in PhP/kWh corresponding to the above recovery/(refund) for one (1) year are as follows:

Particulars	Luzon	Visayas	Mindanao
	In Peso per Kilowatt Hour (PhP/kWh)		
TAFPPC	(1.7667)	0.6007	(0.4632)
TAFxA	4.4219	0.3072	0.1970
<b>TOTAL</b>	<b>2.6452</b>	<b>0.9078</b>	<b>(0.2662)</b>

Other reliefs as may be deemed just and equitable under the premises are likewise prayed for.

Subsequently, the Commission, in its *Order and Notice of Virtual Hearing*, both dated 27 October 2020, set the instant *Application* for the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence through a virtual hearing on the following dates:

Date	Activity
09 December 2020 (Wednesday) at two o'clock in the afternoon (2:00 P.M.)	Determination of Jurisdictional Compliance and Expository Presentation for Luzon Stakeholders
06 January 2021 (Wednesday) at two o'clock in the afternoon (2:00 P.M.)	Expository Presentation for Visayas Stakeholders
14 January 2021 (Thursday) at nine o'clock in the morning (9:00 A.M.)	Expository Presentation for Mindanao Stakeholders
21 January 2021 (Thursday) at nine o'clock in the morning (9:00 A.M.)	Pre-trial Conference and Presentation of Evidence
28 January 2021 (Thursday) at nine o'clock in the morning (9:00 A.M.)	Presentation of Evidence

However, on 27 November 2020, PSALM filed through electronic mail<sup>8</sup> (e-mail) a *Manifestation with Motion to Re-Schedule Hearing* dated 25 November 2020 (Motion).

During the 09 December 2020 hearing, the Commission noted the *Motion* filed by PSALM. Finding the said *Motion* in order, the Commission granted the same.

**IN VIEW THEREOF**, the Commission hereby sets anew the instant *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platforms for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>9</sup> dated 24 September 2020:

*(This space is intentionally left blank.)*

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<sup>8</sup> Applicant's *Manifestation with Motion to Re-Schedule Hearing* was sent via electronic mail (e-mail) to the official email address of the Commission's Central Records Division (CRD) at [docket@erc.ph](mailto:docket@erc.ph);

<sup>9</sup> Entitled: A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

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<b>Date</b>	<b>Platform</b>	<b>Activity</b>
<b>04 March 2021</b> (Thursday) at nine o'clock in the morning (9:00 A.M.)	<b>Microsoft Teams</b>	Determination of Jurisdictional Compliance and Expository Presentation for Luzon Stakeholders
<b>11 March 2021</b> (Thursday) at nine o'clock in the morning (9:00 A.M.)	<b>Microsoft Teams</b>	Expository Presentation for Visayas Stakeholders
<b>18 March 2021</b> (Thursday) at nine o'clock in the morning (9:00 A.M.)	<b>Microsoft Teams</b>	Expository Presentation for Mindanao Stakeholders
<b>25 March 2021</b> (Thursday) at nine o'clock in the morning (9:00 A.M.)	<b>Microsoft Teams</b>	Pre-trial Conference and Presentation of Evidence
<b>08 April 2021</b> (Thursday) at nine o'clock in the morning (9:00 A.M.)	<b>Microsoft Teams</b>	Presentation of Evidence
<b>15 April 2021</b> (Thursday) at nine o'clock in the morning (9:00 A.M.)	<b>Microsoft Teams</b>	Presentation of Evidence

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via electronic mail (e-mail) at [doCKET@erc.ph](mailto:doCKET@erc.ph) and [records@erc.gov.ph](mailto:records@erc.gov.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, all persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph) and [records@erc.gov.ph](mailto:records@erc.gov.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address, and e-mail address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may likewise file through e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph) and [records@erc.gov.ph](mailto:records@erc.gov.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- 1) The name, mailing address, and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

All such persons who wish to have a copy of the *Application* may request from Applicant that they be furnished with the same prior to the date of the initial hearing. Applicant is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, through any of the available modes of service, upon their agreement, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Application* and other pertinent records filed with the Commission during the standard office hours. In the alternative, those persons who wish to have an electronic copy of the *Application* may request the Commission for the e-mail addresses of the Applicant by sending an e-mail to [doCKET@erc.ph](mailto:doCKET@erc.ph), and [records@erc.gov.ph](mailto:records@erc.gov.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). Nonetheless, any person may also access the *Application* as posted by the Commission in its official website at [www.erc.gov.ph](http://www.erc.gov.ph).

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

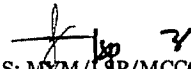
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legal.virtualhearings@erc.ph, with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

**WITNESS**, the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 4<sup>th</sup> day of January 2021 in Pasig City.

  
**AGNES YST DEVANADERA**  
*Chairperson and CEO*

  
LS: MVM/LSP/MCCG

