

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE
APPLICATION FOR
CONFIRMATION AND
APPROVAL OF
CALCULATIONS OF OVER OR
UNDER RECOVERIES IN THE
IMPLEMENTATION OF
AUTOMATIC COST
ADJUSTMENTS AND TRUE-
UP MECHANISMS FOR THE
PERIOD 2023 TO 2025,
PURSUANT TO ERC
RESOLUTION NO. 16, SERIES
OF 2009 AS AMENDED BY
RESOLUTION NO. 21, SERIES
OF 2010, ERC RESOLUTION
NO. 23, SERIES OF 2010, ERC
RESOLUTION NO. 02, SERIES
OF 2021, AND ERC
RESOLUTION NO. 14, SERIES
OF 2022

ERC CASE NO. 2026-006 CF

April 08, 2026

CENTRAL PANGASINAN
ELECTRIC COOPERATIVE,
INC. (CENPELCO),

Applicant.

x ----- x

APPLICATION

APPLICANT, CENTRAL PANGASINAN ELECTRIC COOPERATIVE, INC. (CENPELCO), through counsel, unto this Honorable Commission, most respectfully alleges, that:

THE APPLICANT

1. CENPELCO is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Padilla Street, San Carlos City, Pangasinan.

2. CENPELCO is a holder of a franchise from the National Electrification Commission to operate an electric light and power distribution service in San Carlos City and certain municipalities of the Province of Pangasinan, namely: Aguilar, Alcala, Basita, Bautista, Bayambang, Binmaley, Bugallon, Labrador, Lingayen, Malasiqui, Mangaldan, Mangatarem, Sual, and Urbiztondo.

LEGAL BASES FOR THE APPLICATION

3. ERC Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010, establishes the procedure for the automatic recovery or refund of pass-through costs and the confirmation process that would govern the automatic cost adjustment and true-up mechanisms approved by the Honorable Commission, with the objective of ensuring appropriate recovery of the pass-through costs in an efficient manner and to put in place a fair and transparent process for the confirmation of the automatic cost adjustments implemented by distribution utilities and the true-up of other pass-through charges, involving Generation Rate, Transmission Rate, System Loss Rate, and Lifeline Rate Recovery, as the case may be;

4. On the other hand, ERC Resolution No. 23, Series of 2010, adopts the rules implementing the discounts to qualified senior citizen end-users and subsidy from subsidizing end-users on electricity consumption;

5. Further, ERC Resolution No. 02, Series of 2021, provides for the recovery of all just and reasonable costs pertaining to current taxes (real property, local franchise, and business tax) that are levied by local government units within the distribution utilities' franchise area, subject to the post-validation and confirmation process mechanism of the Commission;

6. Finally, ERC Resolution No. 14, Series of 2022, directs the distribution utilities (DUs) to adopt the Revised Rules governing the automatic cost adjustment and true-up mechanisms and

corresponding confirmation process for DUs with its revised Uniform Reportorial Requirement (URR) spreadsheet template.

7. Foregoing resolutions further require the distribution utilities to file their respective consolidated applications once every three (3) years.

8. Hence, the filing of the instant application, covering the period of January 2023 to December 2025.

OVER OR UNDER-RECOVERIES OF ALLOWABLE COSTS

9. Applying the formulae provided under Resolution No. 16, Series of 2009 as amended by Resolution No. 21, Series of 2010, Resolution No. 23, Series of 2010, Resolution No. 02, Series of 2021, and ERC Resolution No. 14, Series of 2022, respectively, CENPELCO made calculations of the over-recoveries charged or under-recoveries incurred as against its customers in the implementation of certain automatic cost adjustments and true-up mechanisms, covering the period of January 2023 to December 2025.

10. The results of its calculations are presented hereunder, as follows:

Mechanism	Recoverable Cost (PhP)	Actual Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation	11,853,133,881.30	11,943,089,025.09	(89,955,143.79)
Transmission	1,437,924,935.15	1,429,154,588.51	8,770,346.64
System Loss	1,795,287,349.29	1,779,898,410.57	15,388,938.72
Lifeline Subsidy/ Discount	1,849,741.91	10,430,990.05	(8,581,248.14)
Senior Citizen Subsidy/ Discount	6,609.57	373,606.32	(366,996.75)
Local Franchise Tax Recovery	5,991,560.51	764,620.35	5,226,940.16
Business Tax Recovery	7,314,389.90	922,830.42	6,391,559.48
Real Property Tax Recovery	2,267,805.12	178,708.19	2,089,096.93
Total	15,103,776,272.75	15,164,812,779.50	(61,036,506.75)

REASONS FOR THE OVER OR UNDER-RECOVERIES

11. Over/under recoveries occurred due to discrepancies between the actual pass-through costs incurred and the amounts collected from customers. Pass-through costs include generation charges, transmission charges and other subsidies and mandatory payments, such as lifeline, senior citizen subsidies, franchise tax and business tax.

12. In addition, due to the one-month lag in the implemented rates caused by the timing difference, CENPELCO's actual implemented rates computation were based on the previous month's cost (one month lag), while the over or under recovery computations were based on the current month's cost.

SUPPORTING DATA AND DOCUMENTS

13. In support of foregoing calculations, CENPELCO is submitting the following data and documents covering the period of January 2023 to December 2025, attached hereto and made integral parts hereof, as follows:

FOLDER NO.	ANNEX MARKINGS	DESCRIPTION OF DOCUMENTS
Folder 1	Annex A	Supplier/ Generation and Transmission Data Sheet
	Annex B	System Loss and Statistical Data Sheet
	Annex C	Lifeline Discount/Data Sheet
	Annex D	Senior Citizen Discount/Data Sheet
	Annex E	Actual Implemented Rates Sheet
	Annex F	Actual Implemented Lifeline Sheet
	Annex G	Actual Implemented Senior Sheet
	Annex H	Summary of Over/Under-Recoveries Computation
	Annex I	Proposed Refund/Collect Scheme
Folder 2	SUPPLIER AND TRANSMISSION DATA	

	Annexes J And Series	Power Bills from Suppliers
	Annexes J-1 And Series	NGCP
	Annexes J-2 And Series	Net-Metering Report
	Annexes J-3 And Series	Contestable Customer Summary
Folder 3	STATISTICAL DATA	
	Annexes K And Series	Summary of Pilferage Cost Recoveries
	Annexes L And Series	Report on the Implemented Orders/Decisions
	Annexes M And Series	MFSR – Sections B and E
	Annex N	Demand (kW) Sales Summary Report
Folder 4	ACTUAL IMPLEMENTED RATES DATA	
	Annexes O And Series	Consumer Bills per Customer Class (Non-Lifeline)
	Annexes P And Series	Consumer Bills per Lifeline Bracket (Lifeline)
	Annexes Q And Series	Senior Citizen Consumer Bills
Folder 5	OTHER DOCUMENTS	
	Annexes R And Series	Submitted Monthly URR
	Annexes S And Series	Single Line Diagram
	Annexes T And Series	Order on Power Supply Contracts with Generation Companies

	Annex U	Data Change Request Monitoring
	LOCAL FRANCHISE, BUSINESS, AND REAL PROPERTY TAXES	
	Annexes V and Series	Local Franchise Tax Local Tax Ordinance, Tax Receipts for payments made, Actual Distribution Revenues, Breakdown of Gross Sales/Receipts; Appendix B
	Annexes W and Series	Business Tax Local Tax Ordinance; Tax Receipts for payments made; Actual Distribution Revenues; Breakdown of Gross Sales/Receipts; Appendix A;
	Annexes X And Series	Real Property Tax Local Tax Ordinance; Tax Declarations; Tax Assessments; Statements of Account; Official Receipts; Appendix A
	Annexes Y And Series	Consumer Bills per LGU
	Annex Z	Computations of Pass-Through Taxes

14. Further, in compliance with the pre-filing requirements under the Revised ERC Rules of Practice and Procedure, herein applicant is submitting the following documents to form integral parts hereof, as follows, to wit:

ANNEX MARKINGS	DESCRIPTION OF THE DOCUMENTS
Annexes AA and series	Proof of furnishing copies of the undocketed Application to the Offices of the Mayor and Sangguniang Panlungsod of San Carlos City and Governor and Sangguniang Panlalawigan of Pangasinan
Annexes BB and series	Proof of publication of the undocketed Application in a newspaper of general circulation in the franchise area of CENPELCO or where it principally operates

15. Considering the foregoing, it is respectfully prayed that CENPELCO's calculations of over or under-recoveries in the implementation of subject automatic cost adjustments and true-up

mechanisms be confirmed and approved, and the cooperative be allowed to refund the over-recoveries or collect the under-recoveries, as the case may be, to or from customers.

PRAYER

WHEREFORE, premises considered, Applicant Central Pangasinan Electric Cooperative, Inc. (CENPELCO), respectfully prays of this Honorable Commission, after due notice and hearing, to confirm and approve its calculations of over or under-recoveries in the implementation of subject automatic cost adjustments and true-up mechanisms covering the period of January 2023 to December 2025, and allow the cooperative to refund the over-recoveries or collect the under-recoveries, as the case maybe, to or from its customers, based on the following refund/collect scheme, to wit:

Mechanism	(Over)/Under-Recovery (PhP)	Proposed Term of Refund /Collect	Rate per Month
Generation Rate	(89,955,143.79)	36 Months	(0.0367)
Transmission Rate			
Residential	105,756,779.64	36 Months	0.0587
Low Voltage	(12,352,312.39)	36 Months	(0.0352)
High Voltage	(84,634,120.61)	36 Months	(174.6368)
System Loss Rate	15,388,938.72	36 Months	0.0063
Lifeline Subsidy/ Discount Rate	(8,581,248.14)	12 Months	(0.0228)
Senior Citizen Subsidy/ Discount Rate	(366,996.75)	12 Month	(0.0010)
Local Franchise Tax Recovery Rate	5,226,940.16	36 Months	0.0031
Business Tax Recovery Rate	6,391,559.48	36 Months	0.0038
Real Property Tax Recovery Rate	2,089,096.93	36 Months	0.0012
Net Result			(0.0025)

Other kinds of relief, just and equitable in the premises, are likewise prayed for.

Pasig City, Metro Manila, 27 March 2026.

**DECHAVEZ LERIOS-AMBOY AND EVANGELISTA
LAW OFFICES¹**

Counsel for the Applicant
Central Pangasinan Electric Cooperative, Inc. (CENPELCO)
Unit 2008, Tycoon Centre
Pearl Drive, Ortigas Center, Pasig City 1605
Tel. No. 79101587
E-mail: powerlawfirm@gmail.com; dlaelaw@powerlawfirm.net

By:

JOSEPH FERDINAND M. DECHAVEZ, ESQ

Roll of Attorneys No. 38015
PTR No. 3985840, 07 January 2026, Pasig City
IBP Lifetime Membership No. 04968, Rizal Chapter
MCLE Exemption Certificate No. VIII-Acad004390, 2/26/25
Valid Until 14 April 2028; CP No. 09178541331
Email Address: jfmdechavez@gmail.com



MARIE ANN CLAIRE D. MARQUEDA

Roll of Attorneys No. 79269
PTR No. 8355206, 08 January 2026, Quezon City
IBP No. 587192, 05 January 2026, Quezon City Chapter
MCLE Compliance No. VIII-0040569; valid until 14 April 2028
E-mail: macmarquEDA@powerlawfirm.net

¹Pursuant to Office of the Court Administrator Circular No. 56-2015, hereunder are the MCLE Compliance Numbers of the undersigned Firm's named partners, to wit:

Partners	MCLE Compliance	Validity
Joseph Ferdinand M. Dechavez	MCLE Exemption Certificate No. VIII-Acad004390	14 April 2028
Ditas A. Lerios-Amboy	Certification No. VII-0022795 <i>(Completed the MCLE 8th Compliance Period. The certification, however, is still pending issuance by the MCLE Office.)</i>	14 April 2025
Nelson V. Evangelista	MCLE Compliance No. VIII-0041847	14 April 2028

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, **RODRIGO F. CORPUZ**, of legal age, Filipino and with office address at Central Pangasinan Electric Cooperative, Inc. (**CENPELCO**) at **Padilla Street, San Carlos City, Pangasinan**, after being sworn to according to law, depose and state that:

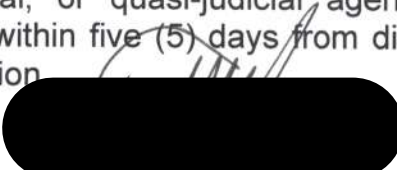
1. I am the General Manager and authorized representative of Central Pangasinan Electric Cooperative, Inc. (**CENPELCO**) in the instant application, as evidenced by the Board Resolution attached hereto;

2. I have caused the preparation of the instant Application and read the contents thereof, and I attest that the allegations therein are true and correct based on my personal knowledge as well as based on authentic documents; I also attest that the Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;

3. I attest further that the factual allegations in the Application have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;


4. I attest furthermore that **CENPELCO** has not commenced or filed any claim involving the same issues herein with any other Court, Tribunal or Quasi-Judicial Agency or, I am not aware of any such other case or claim pending before any other court, tribunal or quasi-judicial agency; and

5. Should I hereinafter learn that the same or a similar action or claim has been filed or is pending in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency, the cooperative shall report said fact within five (5) days from discovery thereof to this Honorable Commission


RODRIGO F. CORPUZ
Declarant

SUBSCRIBED AND SWORN TO, before me in Dagupan City this day of 27 March 2026 by Declarant who exhibited to me his competent proof of identity, to wit: Driver's License ID with No. A12-95-004477, with validity until 15 January 2027

Doc. No. 442 ;
Page No. 90 ;
Book No. 688 ;
Series of 2026.


ATTY. ALBERTO V. GONZALES
Notary Public
until December 31, 2026
SNC NP/39-2025 Dagupan
IBP Life No. 04143 Roll No. 29804
A.B. Fernandez Ave., Dagupan City
PTR No. 1632711 Dagupan City 1/05/20