

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE
APPLICATION FOR APPROVAL
OF OVER/UNDER RECOVERIES
BASED ON THE FORMULA ON
THE VARIOUS AUTOMATIC
COST ADJUSTMENT AND
TRUE-UP MECHANISMS AND
CORRESPONDING
CONFIRMATION PROCESS
PURSUANT TO ERC
RESOLUTION NO. 14, SERIES
OF 2022 AND APPROVAL OF
OVER/UNDER RECOVERIES OF
PASS-THROUGH TAXES
PURSUANT TO ERC
RESOLUTION NO. 2, SERIES OF
2021, FOR THE PERIOD
JANUARY 2023 TO DECEMBER
2025

ERC CASE NO. 2026-040 CF

OLONGAPO ELECTRICITY
DISTRIBUTION COMPANY, INC.,
Applicant.

May 05, 2026

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APPLICATION

Applicant Olongapo Electricity Distribution Company, Inc. ("OEDC"), thru counsel and unto this Honorable Commission respectfully states that:

1. Applicant is a corporation duly organized and existing under Philippine law, with principal office address at 1170 Rizal Avenue East Tapinac Olongapo City, and is franchised under Republic Act No. 10373 to construct, own, operate and maintain an electric distribution system in the City of Olongapo and its suburbs.

2. Pursuant to ERC Resolution No. 14, Series of 2022, entitled "A Resolution Adopting the Revised Rules Governing the Automatic Cost Adjustment and True-up Mechanisms and Corresponding

Confirmation Process for Distribution Utilities" and ERC Resolution No. 2, Series of 2021, entitled "*A Resolution on the Recovery of Pass-Through Taxes (Real Property, Local Franchise and Business Taxes) of the Distribution Utilities*", applicant is filing its consolidated application for the approval of over/under recoveries on its implementation of the automatic cost adjustment and true-up mechanisms and pass-through taxes mentioned in said resolutions.

3. Applicant applies the formula provided under the foregoing resolutions and determined that it has incurred under-recoveries and made over-recoveries in the implementation of the above-mentioned automatic cost adjustments and true-up mechanisms and pass-through taxes.

4. A summary of the allowable pass-through costs, computed in accordance with the above-mentioned automatic cost adjustments mechanism, vis-à-vis the actual revenues, from January 2023 to December 2025, for generation, transmission, system loss, lifeline discount rate, senior citizen discount and subsidy rate, and for local franchise tax and real property tax showed a total over recovery of PhP 0.1573/kWh as presented in the table below:

Particulars	Allowable Cost	Revenue	(Over)/Under Recoveries
Generation	4,842,002,683	4,883,785,843	(41,783,160)
Transmission	582,770,810	577,245,596	5,525,214
System Loss	312,218,425	316,620,227	(4,401,802)
Lifeline	29,213,752	29,229,235	(15,483)
Senior Citizen	30,448	29,989	459
Real Property Tax	7,375,003	7,575,441	(200,438)
Local Franchise Tax	57,636,692	52,593,381	5,043,311
Total	5,831,247,811	5,867,079,711	(35,831,900)

5. The foregoing Over/Under Recoveries are the results of the following:

- The use of twelve (12) month moving average for system loss recovery;
- Lag in the recovery of pass-through charges and local franchise tax;
- Difference between projected and actual kilowatt-hour sales (Real Property Tax)

6. Applicant proposes to refund the PhP 0.1573/kWh over recovery from its electricity customers for a period of one (1) year, or until said amount is fully refunded. Based on the said period and estimated annual energy consumption of 227,674,161 kWh, the net amount to be refunded will be PhP 35,831,900. The table below shows the amount to be refunded to or collected from the customers for each of the pass-through costs.

		Amount To Be (Refunded)/ Collected P/kWh
1	Generation Rate (GR)	(0.1835)
2	Transmission Rate (TR)	0.0243
3	System Loss Rate (SLR)	(0.0193)
4	Lifeline Discount Rate (LR)	(0.0001)
5	Senior Citizen Discount and Subsidy Rate	-
6	Real Property Tax (RPT)	(0.0009)
7	Local Franchise Tax (LFT)	0.0222
	TOTAL	(0.1573)

7. In support of this Application, the applicant has attached the following additional supporting documents:

Annex	Document
A	Generation Data for 2023 to 2025
B	Transmission Data for 2023 to 2025
C	System Loss and Statistical Data for 2023 to 2025
D	Lifeline Data for 2023 to 2025
E	Senior Citizen Data for 2023 to 2025
F	Actual Implemented Rates for 2023 to 2025
G	Actual Implemented Lifeline for 2023 to 2025
H	Actual Implemented Senior for 2023 to 2025
I	Summary of Over/Under Recoveries
J	Proposed Refund/Collect Scheme
K	Power Bills, Proof of Payment and Debit/Credit Memo from Suppliers for 2023 to 2025
L	Independent Electricity Market Operator of the Philippines Inc. (IEMOP) Invoice Transmittal, Preliminary Statement, Final Statement, Wholesale Electricity Spot Market (WESM) Bill Adjustment, Sales to WESM and Proof of Payment for 2023 to 2025

Annex	Document
M	National Grid Corporation of the Philippines (NGCP) Bills, Meter Point Profile, NGCP Debit/Credit Memo and Proof of Payment for 2023 to 2025
N	Net-Metering Summary Report for 2023 to 2025
O	Contestable Customer Summary
P	Summary of Pilferage Cost Recoveries
Q	Two (2) Consumer Bills per customer class per month (non-lifeline) for the period from 2023 to 2025
R	One (1) Consumer Bill per Lifeline Bracket (lifeline) per month for the period from 2023 to 2025
S	One (1) Senior Citizen Consumer Bill per month for the period from 2023 to 2025
T	Submitted Monthly Uniform Reportorial Requirements (URR) for 2023 to 2025
U	Single Line Diagram for 2023 to 2025
V	Copy of Decision/Application/Order of Power Supply Contracts
W	Data Change Request Monitoring
X	Olongapo City Revenue Code
Y	Tax Receipts of Local Franchise Tax for 2023 to 2025
Z	Summary of Payments of Local Franchise Tax for 2023 to 2025
AA	Actual Distribution Revenue for 2023 to 2025
BB	Breakdown of Gross Sales for 2023 to 2025
CC	Collection Due to Local Franchise Tax for 2023 to 2025
DD	Two (2) Consumer Bills per LGU (LFT)
EE	Tax Declarations of Real Properties
FF	Tax Assessment for 2023 to 2025
GG	Statement of Account for 2023 to 2025
HH	Official Receipts for the Real Property Taxes for 2023 to 2025

Annex	Document
II	Collection Due to Real Property Tax for 2023 to 2025
JJ	Two (2) Consumer Bills per LGU (RPT)
KK	Computation on the Implemented Pass-Through Taxes for 2023 to 2025

8. Applicant manifests that it has complied with the pre-filing requirements in accordance with the Implementing Rules and Regulations of the EPIRA and Rule 6 of ERC Rules of Practice and Procedure. Below are the documents as proof of the compliance:

Annex	Document
LL	Secretary's Certificate
MM	Affidavit of Publication
MM-1	Complete copy of the newspaper where the copy of the Application was published
NN	Proof of Service of the Application and its annexes to the Mayor's Office and Sangguniang Panglungsod of Olongapo City

PRAYER

WHEREFORE, premises considered, OEDC respectfully prays of this Honorable Commission, after due notice and proceedings, that the determination of its over or under-recoveries be approved and that it be allowed to refund or recover as appropriate, the following amounts for a period of one (1) year, or until such amount is fully refunded or recovered:

Rate Component	(Over)/Under Recovery, Peso	Recovery/(Refund) Rate, P/kWh
1. Generation Rate	(41,783,160.22)	(0.1835)
2. Transmission Rate	5,525,213.87	0.0243
3. System Loss Rate	(4,401,802.20)	(0.0193)
4. Lifeline Discount Rate	(15,483.42)	(0.0001)
5. Senior Citizen Discount and Subsidy Rate	458.95	-
6. Real Property Tax	(200,438.15)	(0.0009)
7. Local Franchise Tax	5,043,310.68	0.0222
TOTAL	(35,831,900.49)	(0.1573)

Other just and equitable relief are also prayed for.

Applicant likewise prays for such other and further relief as may be deemed just and equitable in the premises.

Olongapo City for Pasig City, 21 April 2026.



ANALITA E. OCAMPO-FALLET

Counsel for Applicant OEDC

1170 Rizal Avenue East Tapinac Olongapo City

PTR No. 9527428 / 5 January 2026 / Olongapo City

IBP No. 09084 /14 April 2010 / Zambales

Roll of Attorneys No. 58295

MCLE Compliance No. VIII-0002101 / 4 April 2023

Republic of the Philippines)
OLONGAPO CITY) SS.
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VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, **PACITA CHAVENIA D. GABRIEL**, of legal age, with office address at 1170 Rizal Avenue East Tapinac, Olongapo City, after having been duly sworn in accordance with law, hereby depose and state that:

1. I am the Chief Operating Officer of Olongapo Electricity Distribution Company, Inc. (OEDC) and have been authorized by OEDC to verify and certify the Application for Approval of Over/Under Recoveries based on the Formula on the Various Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process Pursuant to ERC Resolution No. 14, Series of 2022, and Approval of Over/Under Recoveries of Pass-Through Taxes Pursuant to ERC Resolution No. 2, Series of 2021, for the Period of January 2023 to December 2025.

2. On behalf of OEDC, I caused the preparation and filing of the foregoing Application; read and understood the contents thereof and the allegations stated therein are true and correct based on my personal knowledge and/or on the basis of copies of authentic documents and records of OEDC; and that the factual allegations herein have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery.

3. I certify that all the documents submitted electronically in relation to the application are complete and true copies of the original documents and annexes.

4. I attest that OEDC has not commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other tribunal or quasi-judicial agency, and to the best of my knowledge and belief, no such action or proceeding is pending in the Supreme Court, the Court of Appeals, or any other tribunal or quasi-judicial agency;

5. If I should thereafter 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 quasi-judicial agency, I undertake to report that fact within five (5) calendar days therefrom to this Honorable Commission.

6. This foregoing Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;


PACITA CHAVENIA D. GABRIEL
Affiant

SUBSCRIBED AND SWORN to before me this 21 APR 2026,
affiant exhibited to me her LTO Driver's License No. K02-16-003707 valid until 11 August 2034 as her competent proof of identity.

Doc. No. 178 ;
Page No. 36 ;
Book No. xx1 ;
Series of 2026.


JUANITO C. ATIENZA
NOTARY PUBLIC
OLONGAPO CITY-ZAMBALES
UNTIL DECEMBER 31, 2026
ROLL NO. 20305 / MCLE NO. VII-0005358
IBP NO. 172392 / 12-16-2025
PTR NO. 9527422 / 01-05-2026
2242 RIZAL AVE. EAST BAJAC-BAJAC, OLONGAPO CITY
NOTARIAL COMMISSION NO. 2024-0-15