

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Exquadra Tower, Jade Drive, Ortigas Center, Pasig City

IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF TAX
RECOVERY ADJUSTMENT
CHARGE ON TAX
ARREARAGES PAID ON REAL
PROPERTY TAX WITH
PRAYER FOR PROVISIONAL
AUTHORITY

ERC Case No. 2026-065 CF

July 10, 2026

OLONGAPO ELECTRICITY
DISTRIBUTION COMPANY,
INC. (OEDC),
Applicant.
X -----X

APPLICATION

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

1. OEDC is a distribution utility 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 distribution system for the conveyance of electric power to the end-users in the City of Olongapo and its suburbs.
2. OEDC seeks to recover tax adjustment charges on arrearages paid to the local government unit of Olongapo City, on Real Property Tax on lands, buildings and machineries, such as transformers and electric posts.
3. This application was filed pursuant to ERC Resolution No. 9, Series of 2026, entitled: “**A RESOLUTION GOVERNING THE**

REVISED RULES ON THE RECOVERY OF PASS-THROUGH TAXES (REAL PROPERTY, LOCAL FRANCHISE, AND BUSINESS TAXES) OF DISTRIBUTION UTILITIES” which allowed recovery of tax arrearages, excluding interests, penalties and other charges, imposed on and paid by DUs for the years prior to the effectivity of these Rules, subject to confirmation process under Article IV, of Annex “A” of the aforementioned ERC resolution.

4. Applicant OEDC seeks to recover the following amounts paid on Real Property Tax (RPT), to wit:

Real Property Tax			
Year	Property Classification	Official Receipt Number	Real Property Tax Paid (Php)
2016	Land & Building	369077	80,082.72
2016	Land & Building	369078	1,980.00
2016	Land & Building	369079	3,138.48
2017	Machineries	416434	606,977.29
2017	Machineries	416435	32,875.05
2017	Machineries	416436	774,256.67
2017	Machineries	416437	494,687.36
2017	Machineries	416438	22,851.93
2017	Machineries	416439	25,047.57
2017	Machineries	416440	259,108.93
2017	Machineries	416441	322,443.63
2017	Machineries	416442	225,855.60
2017	Machineries	416443	157,801.06
2017	Machineries	416444	43,622.68
2017	Machineries	416445	98,300.40
2017	Machineries	416446	216,556.00
2017	Machineries	416447	30,470.49
2017	Machineries	416448	11,712.17
2017	Machineries	416449	52,685.37
2017	Machineries	416450	207,094.65
2017	Machineries	416451	131,229.77
2017	Machineries	416452	40,330.49
2017	Machineries	416453	231,743.26
2017	Machineries	416454	521,152.44
2017	Machineries	416455	45,908.60
2017	Machineries	416456	293,562.47
2017	Machineries	416457	181,984.29
2017	Land & Building	419212	1,093.20
2017	Land & Building	419213	1,980.00
2017	Land & Building	419214	3,138.48

2017	Land & Building	419215	27,626.88
2017	Land & Building	419216	52,455.84
2017	Machineries	424500	247,104.32
2017	Machineries	424501	8,915.02
2017	Machineries	424504	117,492.63
2017	Machineries	424505	294,899.17
2017	Machineries	424506	6,259.00
2017	Machineries	424507	125,434.56
2017	Machineries	424508	6,542.40
2017	Machineries	424509	80,315.22
2017	Machineries	424510	72,709.90
2017	Machineries	424511	289,268.07
2017	Machineries	424512	31,577.08
2017	Machineries	424513	234,130.27
2017	Machineries	424514	99,003.88
2017	Machineries	424515	13,935.27
2017	Machineries	424516	366,781.32
2017	Machineries	424517	17,304.86
2017	Machineries	424518	113,173.30
2017	Machineries	424519	219,026.00
2017	Machineries	424520	29,787.90
2017	Machineries	424521	150,086.80
2017	Machineries	424522	18,323.13
2017	Machineries	424523	34,680.27
2017	Machineries	424524	190,758.74
2017	Machineries	424525	200,676.29
2017	Machineries	424526	25,721.58
2017	Machineries	424527	8,864.53
2017	Machineries	424528	14,679.34
2017	Machineries	424529	21,784.81
2017	Machineries	424530	28,515.72
2017	Machineries	424531	78,601.09
2017	Machineries	424532	310,896.20
2017	Machineries	424533	71,776.12
2017	Machineries	424534	36,798.04
2017	Machineries	424535	21,903.68
2017	Machineries	424536	259,377.91
2017	Machineries	424537	19,792.35
2017	Machineries	424538	83,900.82
2017	Machineries	424539	187,083.08
2017	Machineries	424540	34,728.50
2018	Machineries	435219	85,044.96
2018	Machineries	435220	62,230.56
2018	Machineries	435221	40,349.04

2018	Machineries	435222	84,248.88
2018	Machineries	435223	133,529.04
2018	Machineries	435224	83,361.84
2018	Machineries	435225	34,812.48
2018	Machineries	435226	7,955.52
2018	Machineries	435227	98,022.72
2018	Machineries	435228	1,789.68
2018	Machineries	435229	3,103.44
2018	Machineries	435230	10,441.44
2018	Machineries	435231	16,616.64
2018	Machineries	435232	93,756.96
2018	Machineries	435233	57,170.16
2018	Machineries	435234	22,964.64
2018	Machineries	435235	51,425.04
2018	Machineries	435236	145,663.92
2018	Machineries	435237	179,560.80
2018	Machineries	435238	119,110.08
2018	Machineries	435239	70,199.28
2018	Machineries	435240	71,910.24
2018	Machineries	435241	50,201.52
2018	Machineries	435242	61,374.24
2018	Machineries	435243	23,219.28
2018	Machineries	435244	61,928.40
2018	Machineries	435245	4,534.32
2018	Machineries	435246	13,691.04
2018	Machineries	435247	53,769.84
2018	Machineries	435248	31,926.72
2018	Machineries	435249	67,082.16
2018	Machineries	435250	144,842.64
2018	Machineries	435251	76,412.40
2018	Machineries	435252	39,045.36
2018	Land & Building	433329	11,563.20
2018	Land & Building	433330	70,026.00
2018	Land & Building	433331	44,880.00
2018	Land & Building	433332	670.56
2018	Land & Building	433333	2,635.92
2018	Land & Building	433334	77,299.92
2018	Land & Building	433335	5,760.00
2019	Machineries	455593	145,663.92
2019	Machineries	455594	179,560.80
2019	Machineries	455595	119,110.08
2019	Machineries	455596	70,199.28
2019	Machineries	455597	71,910.24
2019	Machineries	455598	50,201.52

2019	Machineries	455599	61,374.24
2019	Machineries	455600	23,219.28
2019	Machineries	455601	61,928.40
2019	Machineries	455602	4,534.32
2019	Machineries	455603	13,691.04
2019	Machineries	455604	53,769.84
2019	Machineries	455605	31,926.72
2019	Machineries	455606	67,082.16
2019	Machineries	455607	144,842.64
2019	Machineries	455608	76,412.40
2019	Machineries	455609	39,045.36
2019	Machineries	455654	85,044.96
2019	Machineries	455658	62,230.56
2019	Machineries	455659	40,349.04
2019	Machineries	455660	84,248.88
2019	Machineries	455661	133,529.04
2019	Machineries	455662	83,361.84
2019	Machineries	455663	34,812.48
2019	Machineries	455664	7,955.52
2019	Machineries	455665	98,022.72
2019	Machineries	455666	1,789.68
2019	Machineries	455667	3,103.44
2019	Machineries	455668	10,441.44
2019	Machineries	455669	16,616.64
2019	Machineries	455670	93,756.96
2019	Machineries	455671	57,170.16
2019	Machineries	455672	22,964.64
2019	Machineries	455673	51,425.04
2019	Land & Building	456900	11,563.20
2019	Land & Building	456901	20,130.00
2019	Land & Building	456902	11,989.68
2019	Land & Building	456903	2,635.92
2019	Land & Building	456904	77,299.92
2019	Land & Building	456905	5,760.00
2019	Land & Building	456906	50,694.00
2019	Land & Building	456907	61,506.00
2019	Land & Building	456908	6,031.92
2020	Machineries	471131	2,223.23
2020	Machineries	479808	145,663.92
2020	Machineries	479809	179,560.80
2020	Machineries	479810	119,110.08
2020	Machineries	479811	70,199.28
2020	Machineries	479812	71,910.24
2020	Machineries	479813	50,201.52

2020	Machineries	479814	61,374.24
2020	Machineries	479815	23,219.28
2020	Machineries	479816	61,928.40
2020	Machineries	479817	4,534.32
2020	Machineries	479818	13,691.04
2020	Machineries	479819	53,769.84
2020	Machineries	479820	31,926.72
2020	Machineries	479821	67,082.16
2020	Machineries	479822	144,842.64
2020	Machineries	479823	76,412.40
2020	Machineries	479824	39,045.36
2020	Machineries	479825	85,044.96
2020	Machineries	479826	62,230.56
2020	Machineries	479827	40,349.04
2020	Machineries	479828	84,248.88
2020	Machineries	479829	133,529.04
2020	Machineries	479830	83,361.84
2020	Machineries	479831	34,812.48
2020	Machineries	479832	7,955.52
2020	Machineries	479833	98,022.72
2020	Machineries	479834	1,789.68
2020	Machineries	479835	3,103.44
2020	Machineries	479836	10,441.44
2020	Machineries	479837	16,616.64
2020	Machineries	479838	93,756.96
2020	Machineries	479839	57,170.16
2020	Machineries	479840	22,964.64
2020	Machineries	479841	51,425.04
2020	Land & Building	479888	6,031.92
2020	Land & Building	479889	11,989.68
2020	Land & Building	479890	2,635.92
2020	Land & Building	479891	77,299.92
2020	Land & Building	479892	50,694.00
2020	Land & Building	479893	61,506.00
2020	Land & Building	479894	20,130.00
2020	Land & Building	479895	11,563.20
2020	Land & Building	479896	5,760.00
TOTAL RPT AMOUNT			Php 16,386,528.89

5. OEDC proposes to recover the tax arrearages paid on Real Property Taxes under the following scheme:

REAL PROPERTY TAXES PAID (Php)	PROJECTED 2027 KWH SALES (kWh)	RATE PER KWH
		ONE-YEAR RECOVERY (Php/kWh)
16,386,528.89	252,130,692	0.0650

ALLEGATIONS IN SUPPORT OF PRAYER FOR PROVISIONAL AUTHORITY

6. One of the objectives of ERC Resolution No. 9, Series of 2026, is to allow Distribution Utilities full recovery of all just and reasonable components of the taxes levied by Local Government Units (LGUs) against the DUs to enable the latter to operate viably.

7. Until ERC Resolution No. 9, Series of 2026 was published on 2 April 2026 at the Business Mirror, Distribution Utilities could not recover their paid local tax arrearages.

8. Since these paid local tax arrearages were not included in OEDC’s annual revenue requirement, OEDC had to advance the cost of these local tax arrearages.

9. It is a **guiding principle** of ERC Resolution No. 9, Series of 2026 that Distribution Utilities shall be allowed the recovery of all just and reasonable costs pertaining to taxes that are levied by LGUs, subject to the post-validation and confirmation mechanism of the Honorable Commission.

10. Premises considered, it is imperative that OEDC pray that it be granted provisional authority to include in its power bills to its customers a Tax Recovery Adjustment Charge to recover tax arrearages paid on Real Property Tax so it can operate viably.

11. Applicant submits the following documents in support of this application:

Annex	Document
A	Olongapo City Revenue Code
B	Tax Declaration
C	Tax Assessment
D	Statement of Account

E	Official Receipts
F	Computation of the tax arrears to be recovered
G	Proposed Recovery Scheme with Projected/Forecasted kilowatt-hour sales for the one-year recovery period

PRAYER

WHEREFORE, Applicant OEDC respectfully prays that the Honorable Commission issue a Decision/Provisional Authority to OEDC to include as separate line item in its bills to customers in Olongapo City a Tax Recovery Adjustment Charge (TRAC) to recover the Real Property Tax in the net amount of Php 16,386,528.89 under any of the proposed recovery schemes.

Applicant also pray for such other relief or remedy as may be just and equitable under the circumstances.

Olongapo City for Pasig City, 17 June 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)
) SS.
X-----X

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 foregoing application for approval of tax recovery adjustment charge on tax arrearages paid on real property tax with prayer for provisional authority.

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 17 JUN 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. 209 ;
Page No. 44 ;
Book No. xx111
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 / 12-26-2025
PTR NO. 9127422 / 01-05-2026
2242 RIZAL AVE. EAST BAJAC BAJAC, OLONGAPO CITY
NOTARIAL COMMISSION NO. 2024-0-15