

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION: (A) TO CONFIRM THE GENERATION RATE OVER/UNDER RECOVERY (GOUR); TRANSMISSION RATE OVER/UNDER RECOVERY (TOUR); SYSTEM LOSS RATE OVER/UNDER RECOVERY (SLOUR); LIFELINE SUBSIDY OVER/UNDER RECOVERY (LSOUR); SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER/UNDER RECOVERY (SRDSOUR) PASS THROUGH CHARGES FROM JANUARY 2020 TO DECEMBER 2022, AND PASS-THROUGH TAXES (REAL PROPERTY AND LOCAL FRANCHISE) OVER/UNDER RECOVERY FROM JANUARY 2021 TO DECEMBER 2022; AND (B) FOR AUTHORITY TO REFUND/RECOVER CONFIRMED OVER/UNDER RECOVERIES, WITH PRAYER FOR PROVISIONAL AUTHORITY

ERC CASE NO. 2023-046 CF

MANILA ELECTRIC COMPANY (MERALCO),
Applicant.

Promulgated:
March 02, 2026

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 03 October 2023, Manila Electric Company (MERALCO) filed a *Supplemental Application* dated 29 September 2023, seeking the Commission's confirmation of its (1) Generation Rate Over/Under Recovery (GOUR), Transmission Rate Over/Under Recovery (TOUR), System Loss Rate Over/Under Recovery (SLOUR), Lifeline Subsidy Over/Under Recovery (LSOUR), Senior Citizen Discount and Subsidy Over/Under Recovery (SrDSOUR) pass-through charges from January 2020 to December 2022, and pass-through taxes (real property and local franchise) over/under recovery from January 2021 to December 2022, and (2) authority to refund/recover confirmed over/under recoveries, with prayer for provisional authority.

The docketed copy of the *Supplemental Application*, excluding its annexes, is attached as Annex "A" of the *Notice of Virtual Hearing*.

The Commission hereby sets the instant *Supplemental Application* for determination of compliance with the jurisdictional requirements and expository presentation, as well as the Pre-trial Conference and presentation of evidence for both the original *Application* and *Supplemental Application*, pursuant to the pertinent rules of the Commission, on **18 March 2026 (Wednesday) at nine o'clock in the morning (9:00 A.M.)**, through **Microsoft Teams**, as the online platform for the conduct thereof.

Accordingly, Applicant is hereby directed to mirror the virtual hearings, to be hosted by the Commission, at **MERALCO's principal office at Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City** as the designated venue for the conduct thereof and ensure that the same is open to the public. Moreover, Applicant shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

Any interested stakeholder may submit its comments and/or clarifications at least **one (1) calendar day** prior to the scheduled initial virtual hearing, via e-mail at doctet@erc.ph, copy furnish the Legal Service through 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 doctet@erc.ph, and copy furnishing the Legal Service through legal@erc.ph, a verified Petition to Intervene at **least five (5) calendar days** prior to the date of the initial virtual hearing. The verified Petition to Intervene must follow the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicate therein the docket number and title of the case, and state 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 file through e-mail at doctet@erc.ph, and copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at **least five (5) calendar days** prior to the initial virtual hearing. Rule 9 of the ERC Revised Rules of Practice and Procedure shall govern. 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 interested parties filing their Petition to Intervene, Opposition or Comment are required to submit the hard copies thereof through personal service, registered mail or ordinary mail/private courier, **within five (5) working days** from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission.

Finally, all interested persons may be allowed to join the scheduled virtual hearing by providing the Commission, thru legal.virtualhearings@erc.ph, 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 Chairperson and CEO **FRANCIS SATURNINO C. JUAN**, and the Honorable Commissioners **FLORESINDA G. BALDO-DIGAL**, **MARKO ROMEO L. FUENTES**, **AMANTE A. LIBERATO**, and **PARIS G. REAL**, Energy Regulatory Commission, in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:

ATTY. MARIA CORAZON C. GINES*
Director III, Legal Service

LS:MM

* Authority granted during Commission Meeting on 20 August 2025.

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

IN THE MATTER OF THE APPLICATION: (A) TO CONFIRM THE GENERATION RATE OVER/UNDER RECOVERY (GOUR); TRANSMISSION RATE OVER/UNDER RECOVERY (TOUR); SYSTEM LOSS RATE OVER/UNDER RECOVERY (SLOUR); LIFELINE SUBSIDY OVER/UNDER RECOVERY (LSOUR); SENIOR CITIZEN DISCOUNT AND SUBSIDY OVER/UNDER RECOVERY (SRDSOUR) PASS-THROUGH CHARGES FROM JANUARY 2020 TO DECEMBER 2022, AND PASS-THROUGH TAXES (REAL PROPERTY AND LOCAL FRANCHISE) OVER/UNDER RECOVERY FROM JANUARY 2021 TO DECEMBER 2022; AND (B) FOR AUTHORITY TO REFUND/RECOVER CONFIRMED OVER/UNDER RECOVERIES, WITH PRAYER FOR PROVISIONAL AUTHORITY,

ERC CASE NO. 2023-046 CF

MANILA ELECTRIC COMPANY (MERALCO),
Applicant.

SUPPLEMENTAL APPLICATION

Applicant **MANILA ELECTRIC COMPANY ("MERALCO")**, by counsel, respectfully states that:

1. On 01 June 2023, Applicant MERALCO filed the instant Application to confirm its pass-through charges covering the period from January 2020 to December 2022 and its pass-through taxes covering the period from January 2021 to December 2022. In the said Application, MERALCO prayed, to wit:

"WHEREFORE, it is respectfully prayed to this Honorable Commission that, the instant Application be **APPROVED** authorizing MERALCO to refund/recover to/from its customers, as applicable, the following amounts which represent the over/under recoveries for the generation, transmission, system loss, lifeline subsidy, senior citizen discount and subsidy, and the pass-through taxes as pass-through charges with the corresponding indicative rate/kWh in the table below and the proposed refund/recovery period.

Bill Component	Amount of (Over)/Under Recovery	Average (Refund)/Recovery Rate (PhP/kWh)	Amortizati on Period
GOUR	6,413,157,436.66	0.1875	12 months
TOUR	607,375,216.17	0.0120	12 months
SLOUR	764,168,532.40	0.0151	12 months
LSOUR	(776,623.37)	(0.0002)	1 month
SrDSOUR	(2,504,375.44)	(0.0001)	12 months
RPTOUR	228,875,467.60	0.0045	12 months
LFTOUR	(27,337,032.70)	(0.0006)	12 months

Pending hearing, MERALCO prays that a provisional authority be issued authorizing MERALCO to collect/refund the over/under recoveries.

MERALCO prays for such other relief just and equitable under the premises."

2. In an Order dated 13 June 2023, the Honorable Commission set the initial hearing of the case on 24 August 2023. During the said hearing, MERALCO presented its compliance to the jurisdictional requirements and conducted the expository presentation.

3. Subsequent thereto, on 29 August 2023, MERALCO received the Decision dated 08 March 2023 in ERC Case No. 2022-001 RC,¹ which provided:

"WHEREFORE, the foregoing premises considered, the Joint Application of Manila Electric Company (MERALCO) and Panay Energy Development Corporation (PEDC) for the approval of their Power Supply Agreement is hereby **RESOLVED** as follows:

x x x

3. **The recovery of PEDC's actual fuel losses due to CIC from 02 April to 25 September 2022 amounting to PhP884,545,417.09 will be included in the Commission's evaluation of MERALCO's true-up confirmation.**²

A copy of the Decision of the Honorable Commission in ERC Case No. 2022-001 RC is hereby attached as **ANNEX "A"** and made an integral part hereof. Said Decision is now final and executory.

4. In accordance with said Decision, MERALCO hereby includes PEDC's actual fuel losses due to Change in Circumstances ("CIC") from 02 April to 25 September 2022 amounting to Eight Hundred Eighty-Four Million Five Hundred Forty-Five Thousand Four Hundred Seventeen and 9/100 Pesos (PhP884,545,417.09) in the instant Application. The inclusion of said amount resulted in an adjusted net Generation Rate Under Recovery amounting to Seven Billion Two Hundred Ninety-Seven Million Seven Hundred Two Thousand Eight Hundred Fifty-Three and 75/100 Pesos (PhP7,297,702,853.75). The details of the revised computation of the Generation Rate Over/Under Recovery (GOUR) are shown in **ANNEX "B"** and made an integral part hereof.

5. Upon approval of this Supplemental Application, the claim of PEDC amounting to PhP884,545,417.09 shall likewise be paid to PEDC in equal installments for the same period as the approved recovery period for the GOUR.

6. Given the adjustments brought about by the inclusion of PEDC's actual fuel losses due to CIC as confirmed and approved by the ERC, the adjusted Generation Rate Under Recovery and recovery rate in PhP/kwh, together with the other pass-through charges, is summarized below:

Bill Component	Amount of (Over)/Under Recovery (PhP)	Average (Refund)/Recovery Rate (PhP/kWh)	Proposed Refund/ Recovery Period
GOUR	7,297,702,853.75	0.2133	12 months
TOUR	607,375,216.17	0.0120	12 months
SLOUR	764,168,532.40	0.0151	12 months
LSOUR	(776,623.37)	(0.0002)	1 month
SrDSOUR	(2,504,375.44)	(0.0001)	12 months
RPTOUR	228,875,467.60	0.0045	12 months
LFTOUR	(27,337,032.70)	(0.0006)	12 months

7. Attached hereto as **ANNEX "C"** is the computation of the GOUR amount translated to rate per kilowatt-hour.

ALLEGATIONS IN SUPPORT OF PRAYER FOR PROVISIONAL AUTHORITY AND/OR INTERIM RELIEF

8. It is urgent that a provisional authority/and or interim relief be immediately issued upon filing and pending hearing and final resolution of the instant Application. MERALCO stresses that the costs covered by the Application are all pass-through costs. Hence, MERALCO should neither earn any income nor incur any losses from the imposition of the same. Given the foregoing, it is incumbent upon MERALCO to refund/recover the over/under recoveries for these valid pass-through costs.

PRAYER

WHEREFORE, it is respectfully prayed to this Honorable Commission that, the Supplemental Application be **APPROVED** authorizing MERALCO to recover from its customers the additional GOUR arising from inclusion of PEDC's actual fuel losses due to CIC as confirmed and approved by the ERC together with the other pass-through charges with corresponding proposed refund/recovery period below.

Bill Component	Amount of (Over)/Under Recovery (PhP)	Average (Refund)/Recovery Rate (PhP/kWh)	Proposed Refund/ Recovery Period
GOUR	7,297,702,853.75	0.2133	12 months
TOUR	607,375,216.17	0.0120	12 months
SLOUR	764,168,532.40	0.0151	12 months
LSOUR	(776,623.37)	(0.0002)	1 month
SrDSOUR	(2,504,375.44)	(0.0001)	12 months
RPTOUR	228,875,467.60	0.0045	12 months
LFTOUR	(27,337,032.70)	(0.0006)	12 months

It is further prayed that, pending the final resolution of the case, a provisional authority and/or interim relief be issued authorizing MERALCO to collect/refund the over/under recoveries.

MERALCO prays for such other relief just and equitable under the premises.

Pasig City, 29 September 2023.

MANILA ELECTRIC COMPANY
Lopez Building, Ortigas Avenue
Barangay Ugong, Pasig City

By:

FRANCIS DINO S. ANTONIO
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PTR No. 0112708; 01/04/2023; Pasig City
IBP No. 260490; 01/05/2023; RSM
MCLE Compliance No. VII-0001788; 02 December 2019

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MCLE Compliance No. VII-0001116; 17 October 2019

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MCLE Compliance No. VII-0001098; 17 October 2019

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IBP No. 260484; 01/05/2023; RSM
MCLE Compliance No. VII-0003269; Valid until 14 April 2025

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MCLE Compliance No. VII-0001112; 17 October 2019

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REPUBLIC OF THE PHILIPPINES)
CITY OF PASIG) S.S.

VERIFICATION and CERTIFICATION ON NON-FORUM SHOPPING

I, **JOSE RONALD V. VALLES**, of legal age, married, and with office address at Manila Electric Company (MERALCO), 12th Floor, Lopez Building, MERALCO Center, Ortigas Avenue, Barangay Ugong, Pasig City, hereby state under oath that:

1. I am the First Vice-President and Head of the Regulatory Affairs and DU Regulatory Management Office of Manila Electric Company, and is authorized to represent it in this Supplemental Application as per the attached Secretary's Certificate (Annex "A");

2. I have caused the preparation of the instant Supplemental Application and read the contents thereof, and I attest that the allegations herein contained are true and correct based on my personal knowledge and on authentic records made available to me;

3. The Supplemental Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;

4. The factual allegations therein have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;

5. I have not commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency, and to the best of my knowledge, no such other action or claim is pending therein; and

6. 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, I shall report said fact within five (5) days from discovery thereof to this Honorable Commission.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 29 SEP 2023 at Pasig City, Philippines.

JOSE RONALD V. VALLES
Affiant

SUBSCRIBED and SWORN to before me this 29 SEP 2023 at Pasig City, Philippines, affiant having exhibited to me his Social Security System ID bearing the number 33-10900088.

Doc. No. 77;
Page No. 44;
Book No. VI;
Series of 2023.

ATTY. ROLANDO B. YAP
NOTARY PUBLIC
Appointment No. 148 (2023-2024)
Pasig, San Juan and Palawan
Roll No. 5889; Exp. No. 260486; 01/05/2023; Capi
PTR No. 0112711; 01/04/2023; Pasig City
MCLE Compliance No. VII-0000078; Valid until 14 April 2025
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City

¹ Entitled, "In the Matter of the Joint Application for Approval of the Power Supply Agreement between Manila Electric Company and Panay Energy Development Corporation with Prayer for Provisional Authority or Interim Relief and Motion for Confidential Treatment, Manila Electric Company and Panay Energy Development Corporation, Applicants".

² Emphasis and underscoring supplied.