

ORIGINAL

REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
JADE DRIVE, PASIG CITY

IN THE MATTER OF THE APPLICATION FOR THE APPROVAL OF THE CALCULATIONS FOR THE AUTOMATIC COST ADJUSTMENT AND TRUE-UP MECHANISMS FOR THE a) GENERATION RATE, b) TRANSMISSION RATE, c) SYSTEM LOSS RATE, d) LIFELINE SUBSIDY RATE, AND e) SENIOR CITIZEN SUBSIDY RATES, UNDER ERC RESOLUTION NO. 16, SERIES OF 2009, AS AMENDED, AND f) REAL PROPERTY TAX, g) LOCAL FRANCHISE TAX, UNDER ERC RESOLUTION NO. 2, SERIES OF 2021 FOR THE PERIOD 2023 TO 2025;

ERC CASE NO. 2026 – 016 CF

April 08, 2026

DAGUPAN ELECTRIC CORPORATION (DECORP),

Applicant.

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APPLICATION

APPLICANT DAGUPAN ELECTRIC CORPORATION (“DECORP”), by the undersigned counsel, respectfully states: That -

1. Applicant is a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at AB Fernandez West, Dagupan City where it may be served with summons and other legal processes.

2. Applicant is the holder of an exclusive legislative franchise issued by Congress of the Philippines pursuant to Republic Act No. 9969, to operate an electric light and power service in the Cities and Municipalities of Dagupan,

Calasiao, San Fabian, Sta. Barbara, San Jacinto, Manaoag, Barangays Cruz and Bolingit of San Carlos City, all in the Province of Pangasinan.

3. The ERC adopted Resolution No. 14, Series of 2022 (“A Resolution Adopting the Revised Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities”) (the “Rules” for brevity) on December 19, 2022 which established 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 ERC.

4. The ERC adopted Resolution No. 21, Series of 2010 (“A Resolution Amending Section 4 of Article 4 and Section 1 of Article 5 of the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities”) on October 18, 2010.

8. The ERC also adopted Resolution No. 23, Series of 2010 (“A Resolution Adopting the Rules Implementing the Discounts to Qualified Senior Citizen End-Users and Subsidy from the Subsidizing End-Users on Electricity Consumption Under Sections 4 and 5 of Republic Act No. 9994”) on December 15, 2010. Section 3 of Article 7 of the aforementioned Resolution states that the ERC shall verify the over or under recovery in the Senior Citizen Subsidy Rates once every three (3) years to coincide and in accordance with the time frames as set forth under Article 5 of the Rules.

9. ERC Resolution No. 2, Series of 2021 (“A Resolution on the Recovery of Pass-through Taxes (Real Property, Local Franchise, and Business Taxes) of the Distribution Utilities”) was issued by this Honorable Commission on December 17, 2020.

9. Based on the Rules, the Applicant has calculated the over and under recoveries on the a) Generation Rate, b) Transmission Rate, c) System Loss Rate, d) Lifeline Subsidy Rate, e) Senior Citizen Subsidy Rates, f) Real Property Tax, and g) Local Franchise Tax for period 2023 to 2025 as follows:

Categories¹	2023 (in Php)	2024 (in Php)	2025 (in PhP)	Total (in PhP)
Generation Rate	-41,540,419.15	-14,184,085.66	64,412,086.15	8,687,581.34
Transmission	687,182.82	3,668,288.61	-11,133,697.94	-6,778,226.51
System Loss	3,702,067.38	1,507,682.52	-514,631.64	4,695,118.27

¹ Amounts with no (-) are under recoveries and those with (-) are over recoveries

Lifeline	-818,890.12	-2,319,407.29	3,199,444.65	61,147.24
Senior Citizen	7,487.20	13,871.07	-24,448.41	-3,090.14
Local Franchise Tax	6,529,299.32	1,234,935.95	1,605,539.69	9,369,774.96
Real Property Tax	-263,501.99	-1,025,713.14	261,306.51	-1,027,908.62
TOTAL	31,696,774.54	-11,104,427.94	57,805,599.01	15,004,396.54

10. The Applicant has calculated an over-all total under-recovery for the Period covering 2023 to 2025 of Php 15,004,396.54

11. In support of this Application for the Approval and Confirmation of its Calculations on the Automatic Cost Adjustments implemented by it and the True-up of Other Pass through Charges approved by the ERC, the Applicant has attached the following documents:

REFERENCE	INFORMATION PROVIDED
Schedule A	Supplier and Transmission Data
Schedule B	Statistical Data
Schedule C	Actual Implemented Rates
Schedule D	Lifeline Discount
Schedule E	Senior Citizen Discount
Schedule F	Recoveries Computation
Schedule G	Proposed Refund Collection Scheme
Schedule H	Power Bills – Suppliers
Schedule I	Power Bills- NGCP
Schedule J	Pilferage Cost Recoveries
Schedule K	Implemented Orders or Decisions
Schedule L	Demand Sales Summary Report
Schedule M	Consumer Bill – Non Lifeline
Schedule N	Consumer Bill – Lifeliner
Schedule O	Consumer Bill - Senior
Schedule P	Submitted Monthly URR
Schedule Q	Submitted URR Addendum
Schedule R	Single Line Diagram
Schedule S	Power Supply Contracts

Schedule T	How Pass Through Charges Derived if not Implementing URR
Schedule U	Reasons for Not Implementing URR
Schedule V	Local Franchise Tax
Schedule W	Consumer Bills – Local Franchise Tax
Schedule X	Real Property Tax
Schedule Y	Consumer Bills – Real Property Tax
Schedule Z	Computation pass through taxes were derived

12. The Applicant has prepared a proposed refund/collection program based on its calculations for the automatic cost adjustment and true-up mechanism for its a) Generation Rate, b) Transmission Rate, c) System Loss Rate, d) Lifeline Subsidy Rate, and e) Senior Citizen Subsidy Rates, f) Real Property Tax, and g) Local Franchise Tax which is attached as Schedule G.

13. Applicant most respectfully requests for the approval of this Application to allow for the timely recovery/refund of the calculated under or over recoveries by the Applicant.

PRAYER

WHEREFORE, premises considered, Applicant respectfully prays that the Honorable Commission, after due notice and hearing and consideration:

a) APPROVE the calculations for the automatic cost adjustment and true-up mechanism for DECORP's a) Generation Rate, b) Transmission Rate, c) System Loss Rate, d) Lifeline Subsidy Rate, e) Senior Citizen Subsidy Rates, f) Local Franchise Tax, and g) Real Property Tax:

Categories ²	2023 (in Php)	2024 (in Php)	2025 (in PhP)	Total (in PhP)
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Real Property Tax	-263,501.99	-1,025,713.14	261,306.51	-1,027,908.62
TOTAL	31,696,774.54	-11,104,427.94	57,805,599.01	15,004,396.54

b) APPROVE the proposed Refund/Collection Scheme (Schedule G) based on the calculated figures.

Other reliefs just and equitable under the premises are likewise prayed for.

RESPECTFULLY SUBMITTED.

Pasig City, March 30, 2026.

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