

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE
APPLICATION FOR
CONFIRMATION AND
APPROVAL OF GENERATION
RATE OVER/UNDER
RECOVERY; TRANSMISSION
OVER/UNDER RECOVERY;
SYSTEM LOSS RATE
OVER/UNDER RECOVERY;
LIFELINE SUBSIDY AND
DISCOUNT OVER/UNDER
RECOVERY; SENIOR
CITIZEN SUBSIDY AND
DISCOUNT OVER/UNDER
RECOVERY; AND LOCAL
PASS THRU CHARGES
FROM JANUARY 2023 TO
DECEMBER 2025

ERC CASE NO. [2026-002](#) CF

March 31, 2026

BATANGAS I
ELECTRIC COOPERATIVE,
INC. (BATELEC I),

Applicant.

X ----- X

APPLICATION

APPLICANT, BATANGAS I ELECTRIC COOPERATIVE, INC. (BATELEC I), through counsel, unto this Honorable Commission, most respectfully alleges, that:

THE APPLICANT

1. BATELEC I 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 Km. 116 National Highway, Calaca City, Batangas 4212.

2. BATELEC I is a holder of a franchise from the National Electrification Commission to operate an electric light and power distribution service in the 1 city and 11 municipalities namely: Agoncillo, Balayan, Calaca City, Calatagan, Lemery, Lian, Nasugbu, San Luis, San Nicolas, Sta. Teresita, Taal, and Tuy.

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, BATELEC I made calculations of the over-recoveries charged or under-recoveries incurred as against its member-consumer-owners (MCOs), 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	Allowable Cost (PhP)	Actual Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation	9,205,595,342.76	9,169,101,172.56	36,494,170.20
Transmission	1,371,909,844.83	1,338,243,122.74	33,666,722.09
System Loss	1,483,808,825.52	1,562,312,326.60	(78,503,501.08)
Lifeline Subsidy/ Discount	11,556,352.36	11,109,360.92	446,991.44
Senior Citizen Subsidy/ Discount	311,310.17	335,259.34	(23,949.17)
Local Franchise Tax Recovery	4,700,666.21	6,266,380.76	(1,565,714.55)
Business Tax Recovery	4,168,797.10	3,751,962.73	416,834.37
Real Property Tax Recovery	5,566,483.64	5,395,465.67	171,017.97
Total/Results	12,087,617,622.59	12,096,515,051.32	(8,897,428.73)

REASONS FOR THE OVER OR UNDER-RECOVERIES

11. All variances are driven by a combination of price movements, operational conditions, and timing differences in monthly O/U recoveries, all within allowable costs. These are consistent with ERC-approved cost recovery and true-up mechanisms, which ensure that allowable costs are passed on to consumers.

12. Over/Under recoveries reflected in the triennial URR template indicate that system loss recoveries have been significantly influenced by changes in metered energy data. Specifically, energy sales have increased, while energy received from the grid has unaccounted energy resulting from contributions by the embedded generator's generated energy. This operational shift led to a substantial reduction in actual system loss cost, while recoveries continued, thereby amplifying the over-recovery position relative to other components. Overall, the System Loss account stands as the primary driver of the net over-recovery, outweighing the impacts of other cost components during the covered period.

SUPPORTING DATA AND DOCUMENTS

13. In support of foregoing calculations, BATELEC I 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 Data Per Year
	Annex B	Transmission Data Per Year
	Annex C	System Loss and Statistical Data Per Year
	Annex D	Lifeline Discount/Data Per Year
	Annex E	Senior Citizen Discount/Data Per Year
	Annex F	Actual Implemented Rates Per Year
	Annex G	Actual Implemented Lifeline Per Year
	Annex H	Actual Implemented Senior Per Year
	Annex I	Summary of Over/Under-Recoveries Computation
	Annex J	Proposed Refund/Collect Scheme

Folder 2	SUPPLIER/GENERATION AND TRANSMISSION DATA	
	Annex K	Power Bills from Suppliers
	Annex L	Net-Metering Summary Report
	Annex M	Contestable Customer Summary Report
Folder 3	SYSTEM LOSS & STATISTICAL DATA	
	Annex N	Summary of Pilferage Cost Recoveries
	Annex O	Report on the Implemented Orders/Decisions
	Annex P	MFSR – Sections B and E
	Annex Q	Demand (kW) Sales Summary Report
Folder 4	ACTUAL IMPLEMENTED RATES DATA	
	Annex R	Consumer Bills per Customer Class (Non-Lifeline)
	Annex S	Consumer Bills per Lifeline Bracket (Lifeline)
	Annex T	Senior Citizen Consumer Bills
Folder 5	OTHER DOCUMENTS	
	Annex U	Submitted Monthly URR per Reso. 17, Series of 2009
	Annex V	Single Line Diagram
	Annex W	Power Supply Contracts with Generation Companies
	Annex X	Computation on how the pass-through charges were derived
	Annex Y	Reasons for not implementing the URR
	LOCAL FRANCHISE, BUSINESS, AND REAL PROPERTY TAXES	
	Annexes Z and Series	a) Local Franchise Tax Local Tax Ordinance, Tax Receipts for payments made, Actual Distribution Revenues, Breakdown of Gross Sales/Receipts; Appendix B

	Annexes AA and Series	b) Business Tax Local Tax Ordinance; Tax Receipts for payments made; Actual Distribution Revenues; Breakdown of Gross Sales/Receipts; Appendix A;
	Annex BB	c) Consumer Bills per LGU
	Annexes CC And Series	Real Property Tax a) Local Tax Ordinance; Tax Declarations; Tax Assessments; Statements of Account; Official Receipts; Appendix A
	Annex DD	b) Consumer Bills per LGU

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 EE and series	Proof of furnishing copies of the undocketed Application to the Offices of the Mayor and Sangguniang Panlungsod of Calaca and Governor and Sangguniang Panlalawigan of Batangas.
Annexes FF and series	Proof of publication of the undocketed Application in a newspaper of general circulation in the franchise area of BATELEC I or where it principally operates

15. Considering the foregoing, it is respectfully prayed that BATELEC I'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 its customers.

PRAYER

WHEREFORE, premises considered, Applicant Batangas I Electric Cooperative, Inc. (BATELEC I), 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 Scheme for Recovery (Refund)/Collect		
		Php/kWh	Php/kW	No. of Months
Generation	36,494,170.2000	0.0201		36
Transmission	33,666,722.0900			36
Residential		0.0219		
Low Voltage		0.0597		
High Voltage			0.6368	
System Loss	(78,503,501.0834)	(0.0433)		36
Lifeline	446,991.4400	0.0002		36
Senior Citizen	(23,949.1700)	(0.00001)		36
Franchise Tax	(1,565,714.5500)	(0.0027)		1
Real Property Tax	171,017.9700	0.0004		1
Business Tax	416,834.3700	0.0010		1

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
Batangas I Electric Cooperative, Inc. (BATELEC I)
Unit 2008, Tycoon Centre

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. Leros-Amboy	MCLE Compliance No. VIII-0042308	14 April 2028
Nelson V. Evangelista	MCLE Compliance No. VIII-0041847	14 April 2028

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By:



DITAS A. LERIOS-AMBOY

Roll of Attorneys No. 40628

PTR No. 3040284, January 07, 2026, Pasig City

IBP Lifetime Member No. 012301, RSM

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PTR No. 8368261, 05 January 2026, Quezon City

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MCLE Compliance No. VIII-0032110, valid until 14 April 2028

Email: jcereyes@powerlawfirm.net

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, ENGR. ALVIN O. VELASCO, of legal age, Filipino and with office address at the Batangas I Electric Cooperative, Inc. (BATELEC I) at Km. 116 National Highway, Calaca, Batangas 4212, after being sworn to according to law, depose and state that:

1. I am the General Manager and authorized representative of the Batangas I Electric Cooperative, Inc. (BATELEC I) 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 BATELEC I 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.


ENGR. ALVIN O. VELASCO
Declarant

SUBSCRIBED AND SWORN TO, before me in Calaca, Batangas
this day of 27 MAR 2026 by Declarant who exhibited to me a
competent proof of identity, to wit: DRIVER'S LICENSE ID with No.
D-19-02-008783, with validity until 02/17/2032.

Doc. No. 1043 ;
Page No. 106 ;
Book No. 171 ;
Series of 2026.




Notary Public.

ATTY. EILEEN T. VELO-REY
Notary Public
Roll of Attorney's No. 59163
Comm. to expire on 12/31/27
PTR No. 3865160101-05-26/Calaca, Batangas
IBP No. 433412-05-26 Batangas Chapter
Poblacion, Calaca, Batangas
MCLE Comp. No. VIII-0017013