

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
RATE OVER/UNDER
RECOVERY; SYSTEM LOSS
RATE OVER/UNDER
RECOVERY; LIFELINE
SUBSIDY AND DISCOUNT
RATE OVER/UNDER
RECOVERY; SENIOR CITIZEN
SUBSIDY AND DISCOUNT
RATE OVER/UNDER
RECOVERY; AND LOCAL
PASS THRU CHARGES FROM
JANUARY 2023 TO
DECEMBER 2025

ERC CASE NO. 2026-025 CF

April 15, 2026

SORSOGON I
ELECTRIC COOPERATIVE,
INC. (SORECO I),

Applicant.

X ----- X

APPLICATION

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

THE APPLICANT

1. SORECO 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 Maharlika Highway, Brgy. Gulang-Gulang, Irosin, Sorsogon.

2. SORECO I is a holder of a franchise from the National Electrification Commission to operate an electric light and power distribution service in the Municipalities of Bulusan, Bulan, Casiguran, Irosin, Juban, Magallanes, Matnog and Sta. Magdalena, all in the Province of Sorsogon.

LEGAL BASES FOR THE APPLICATION

3. 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;

4. Moreover, 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.

5. Foregoing resolutions further require the distribution utilities to file their respective consolidated applications once every three (3) years.

6. Hence, the filing of the instant application, covering the period of January 2023 to December 2025.

OVER OR UNDER-RECOVERIES OF ALLOWABLE COSTS

7. 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, SORECO 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.

8. The results of its calculations are presented hereunder, as follows:

Mechanism	Recoverable Cost (PhP)	Actual Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation	1,587,723,145.27	1,590,776,880.90	(3,053,735.63)
Transmission	248,591,123.72	247,834,397.02	756,726.70
System Loss	216,804,185.88	215,004,514.18	1,799,671.70
Lifeline Subsidy/ Discount	8,730,449.69	8,750,076.48	(19,626.79)
Senior Citizen Subsidy/ Discount	216,962.82	237,046.84	(20,084.02)
Real Property Tax Recovery	7,003,361.88	5,260,990.13	1,742,371.76
Total	2,069,069,229.26	2,067,863,905.55	1,205,323.72

REASONS FOR THE OVER OR UNDER-RECOVERIES

9. The over-recovery in the Generation Rate amounting to PhP3,053,735.63 was due to corrections in the GNPower Mariveles Energy Center Ltd. Co. (GMEC) discounts and VAT amounts, adjustments issued by PSALM and SORECO I having reached the 10% threshold, which resulted in an over-recovery.

10. The under-recovery in the Transmission Rate amounting to PhP756,726.70 was caused by corrections from the previous computation to the new Online Uniform Reportorial Requirements System (OURRS) template, and by SORECO I having reached the 10% threshold.

11. The under-recovery in the System Loss Rate amounting to PhP1,799,671.70 was due to the difference between the actual system losses incurred by SORECO I and the system loss cap applied in billing the MCOs.

12. The over-recovery in the Lifeline Subsidy/Discount Rate amounting to PhP19,626.79 was due to the difference between the actual lifeline subsidy granted to qualified lifeline consumers and the

lifeline recovery charge collected from non-lifeline MCOs during the covered period. The number of subsidized lifeliners decreased due to changes in the rules under Implementing Rules and Regulations (IRR) of Republic Act 11552, which resulted in lower registration turnouts.

13. The over-recovery in the Senior Citizen Subsidy/Discount Rate amounting to PhP20,084.02 was attributable to the variance between the actual discounts granted to qualified senior citizen customers pursuant to Republic Act No. 9994, known as the Expanded Senior Citizen’s Act of 2010 and the corresponding senior citizen subsidy recovery collected from non-senior citizen customers. The actual senior citizen discounts granted during the covered period were marginally lower than the subsidy amounts recovered, resulting in a minimal over-recovery.

14. The under-recovery in the Real Property Tax Recovery Rate amounting to PhP1,742,371.76 was due to the delayed implementation of the real property tax recovery rate. The rate imposition should have commenced in January 2023, however, the actual implementation only began in February 2023. As a result, the real property tax recovery charge for the month of January 2023 was not collected from the customers, causing a one-month gap in recovery that contributed to the total under-recovery for the covered period.

SUPPORTING DATA AND DOCUMENTS

15. In support of foregoing calculations, SORECO 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	Generation Data
	Annex B	Transmission Data
	Annex C	System Loss and Statistical Data
	Annex D	Lifeline Data
	Annex E	Senior Citizen Data
	Annex F	Actual Implemented Rates
	Annex G	Actual Implemented Lifeline
	Annex H	Actual Implemented Senior
	Annex I	OU Summary
	Annex J	Proposed Refund/Collect Scheme
Folder 2	GENERATION AND TRANSMISSION DATA	
	Annex K	Power Bills from Suppliers

	Annex L	Manifestation of No Application under Net-Metering Program
Folder 3	SYSTEM LOSS AND STATISTICAL DATA	
	Annex M	Manifestation of No Pilferage Cost Recoveries
	Annex N	MFSR – Sections B and E
	Annex O	Demand (kW) Sales Summary Report
Folder 4	ACTUAL IMPLEMENTED RATES DATA	
	Annex P	Consumer Bills per Customer Class (Non-Lifeline)
	Annex Q	Consumer Bills per Lifeline Bracket (Lifeline)
	Annex R	Senior Citizen Consumer Bills
Folder 5	OTHER DOCUMENTS	
	Annex S	Submitted Monthly URR
	Annex T	Single Line Diagram
	Annex U	Power Supply Contracts with Generation Companies
	Annex V	Computation on how the pass-through charges were derived
	Annex W	Reasons for not implementing the URR and URR Addendum
	Annex X	Data Change Request Monitoring
Folder 6	LOCAL FRANCHISE, BUSINESS, AND REAL PROPERTY TAXES	
	Annex Y	Manifestation of Non-Collection of Local Franchise Tax (LFT) and Business Tax (BT) and Manifestation of collection of Real Property Tax (RPT) only in 2023 and 2024
	Annex Z	RPT - Local Tax Ordinances and/or any Applicable Provincial Tax Ordinances or Resolutions
	Annex AA	RPT - Tax Declaration/s duly issued to DU
	Annex BB	RPT - Tax Assessment/Statement of Account
	Annex BC	RPT - Official Receipt
	Annex DD	RPT - Appendix "A"
	Annex EE	RPT - Consumer Bills per LGU

16. 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
Annex FF	

and series	Proof of furnishing copies of the undocketed Application to the Offices of the Mayor and Sangguniang Bayan of Irosin and Governor and Sangguniang Panlalawigan of Sorsogon.
Annex GG and series	Proof of publication of the undocketed Application in a newspaper of general circulation in the franchise area of SORECO I or where it principally operates

17. Considering the foregoing, it is respectfully prayed that SORECO 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 Sorsogon I Electric Cooperative, Inc. (SORECO 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 Term of Refund /Collect (Months)	Rate per Month (PhP/kWh)
Generation Rate	(3,053,735.63)	12	(0.0319)
Transmission Rate	756,726.70	12	
Residential			0.0094
Low Voltage			0.0037
Higher Voltage			0.2300
System Loss Rate	1,799,671.70	12	0.0188
Lifeline Subsidy/ Discount Rate	(19,626.79)	12	(0.0025)
Senior Citizen Subsidy/ Discount Rate	(20,084.02)	1	(0.0025)

Real Property Tax Recovery Rate	1,742,371.76	12	0.0182
TOTAL	1,205,323.72	12	0.0126

Other kinds of relief, just and equitable in the premises, are likewise prayed for.

Pasig City, Metro Manila, 7 April 2026.

**DECHAVEZ LERIOS-AMBOY AND EVANGELISTA
LAW OFFICES¹**

Counsel for the Applicant

Sorsogon I Electric Cooperative, Inc. (SORECO I)

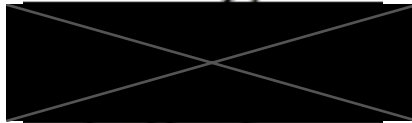
Unit 2008, Tycoon Centre

Pearl Drive, Ortigas Center, Pasig City 1605

Tel. No. 79101587

E-mail: powerlawfirm@gmail.com; dlaelaw@powerlawfirm.net

By:



DITAS A. LERIOS-AMBOY

Roll of Attorneys No. 40628

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

IBP Lifetime Member No. 012301, RSM

Certification No. VIII-0042308, valid until 14 April 2028

E-mail: ditaslerios.amboy@gmail.com

ditasamboy@powerlawfirm.net

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



JUSTINE CAMILLE E. REYES

Roll of Attorneys: 87146

PTR No. 8368261, 05 January 2026, Quezon City

IBP No. 587247, 05 January 2026, Quezon City Chapter

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

Email: jcereyes@powerlawfirm.net

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

Engr. Edwin F. Garcia, of legal age, Filipino and with office address at the Sorsogon I Electric Cooperative, Inc. (SORECO I), Maharlika Highway, Brgy. Gulang-Gulang, Irosin, Sorsogon, after being sworn to according to law, depose and state that:

1. I am the General Manager and authorized representative of the Sorsogon I Electric Cooperative, Inc. (SORECO 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 SORECO 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. EDWIN F. GARCIA
Declarant

SUBSCRIBED AND SWORN TO, before me in Irosin Sorsogon
this 7th day of April 2026 by Declarant who exhibited to me a competent proof of identity, to wit: UMID with No. CRN-006-0022-3989-9.

Doc. No. 521 ;
Page No. 106 ;
Book No. XLVII ;
Series of 2026.


ATTY. JOHNSON C. FURING
NOTARY PUBLIC
Until December 31, 2027
R.O.L. No. 80047
PTR NO. 5156752 (Oct. 24, 2025/Sor. City)
IBRN No. 552707 (Aug. 30, 2025/Pasig City)
MCLE Compliance No. VIII-0025929
M.H. Del Pilar St., San Juan, Irosin, Sorsogon, Phils.