

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

RECEIVED BY

BOHANNAN PANTALEON

25 FEB -3 P 4:07

ERC

IN THE MATTER OF THE
 APPLICATION FOR
 CONFIRMATION OF THE TRUE-
 UP CALCULATION OF THE
 ACTUAL WEIGHTED AVERAGE
 TARIFF (AWAT) VIS-À-VIS
 APPROVED FINAL
 DISTRIBUTION RATE
 IMPLEMENTED DURING THE
 LAPSED PERIOD FROM JULY
 2022 TO DECEMBER 2024, WITH
 PRAYER FOR PROVISIONAL
 AUTHORITY,

ERC CASE NO. 2025 -025 RC

MANILA ELECTRIC COMPANY
 (MERALCO),

January 28, 2025

Applicant.

x-----x

APPLICATION

Applicant **Manila Electric Company (MERALCO)**, by counsel,
 respectfully states:

1. Applicant MERALCO is a private corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office located at Lopez Building, Ortigas Avenue, Pasig City. It may be served with notices and other processes of this Honorable Commission through its undersigned counsel at the address indicated herein.

2. Pursuant to Republic Act No. 9209, MERALCO has a legislative franchise to construct, operate and maintain an electric power distribution system for the conveyance of electric power to the end-users in the cities and municipalities of Metro Manila, Bulacan, Cavite and Rizal, and certain cities/municipalities/barangays in Batangas, Laguna, Quezon and Pampanga.

3. In its Order dated 17 December 2024 in ERC Case No. 2022-015 RC,¹ the Honorable Commission declared the period from 01 July 2022 to 30 June 2025 pertaining to MERALCO's original Fifth Regulatory Period ("**5RP**") as lapsed and directed MERALCO to file, within thirty (30) days from receipt of said Order, its appropriate application for the true-up of its Maximum Average Price ("**MAP**") versus its Actual Weighted Average Tariff ("**AWAT**") covering the period declared as lapsed, subject to evaluation, confirmation, and approval of the Honorable Commission.²

4. Thereafter, the Honorable Commission promulgated ERC Resolution No. 17, Series of 2024, entitled: *A Resolution Adopting Amendments to ERC Resolution No. 10, Series 2021* confirming the Honorable Commission's declaration of MERALCO's original 5RP from 01 July 2022 to 30 June 2025 as lapsed, and setting MERALCO's new 5RP from 01 July 2025 to 30 June 2029.

5. In compliance with the directives therein, MERALCO respectfully files the instant Application for the Honorable Commission to evaluate and determine MERALCO's final refund for the period covering 01 July 2022 to 31 December 2024. For the remaining period from 01 January 2025 to 30 June 2025, a separate or supplemental Application shall be filed after MERALCO incurs, completes and determines its AWAT for said period.

DETAILS OF MERALCO'S PROPOSED CALCULATION

6. The Application covers the true-up for the period from 01 July 2022 to 31 December 2024 which represents the period when MERALCO has actual available data.

7. Using available actual data from 01 July 2022 to 31 December 2024 and applying Article VI and Section 4.3.1(a) of Article IV of the RDWR,³ MERALCO's DSM Revenues, Energy Sales, Net Income from Related Business and its corresponding 50% plowback are as follows:

1 Entitled, "In the matter of the Application for the Annual Revenue Requirement and Performance Incentive Scheme for the Fifth Regulatory Period (Regulatory Years 2023-2026) in Accordance with the provisions of the Rules for Setting Distribution Wheeling Rates (RDWR)".

2 MERALCO received a copy of the Order dated 17 December 2024 via electronic mail on 24 December 2024.

3 ERC Resolution No. 10, Series of 2021, as amended by ERC Resolution No. 17, Series of 2024.

	<u>DSM Revenues</u>	<u>Net Income from Related Business (NIRB)</u>	<u>50% of NIRB</u>	<u>DSM + 50% of NIRB</u>	<u>Actual Energy Sales (kWh)</u>
RY2023	73,194,499,348	676,968,572	338,484,286	73,532,983,634	49,071,340,032
RY2024	78,896,805,586	722,238,824	361,119,412	79,257,924,998	52,496,049,729
RY2025*	40,594,949,638	873,738,400	436,869,200	41,031,818,838	27,011,061,295
RY2023-RY2025*	192,686,254,572	2,272,945,795	1,136,472,898	193,822,727,470	128,578,451,056

*RY2025 (July to December 2024)

8. The table below shows the computation of the AWAT of PhP 1.5074/kWh for the period 1 July 2022 to 31 December 2024 which was compared to the MERALCO’s approved Final Distribution Rate of PhP1.3522/kWh implemented during the same period.

DSM Revenues + 50% of Net Income from Related Business (<i>PhP</i>)	a	193,822,727,470
Energy Sales (July 2022 – December 2024) (<i>kWh</i>)	b	128,578,451,056
AWAT (July 2022 – December 2024) (<i>PhP/kWh</i>)	c = a / b	1.5074
Final Distribution Rate (MAP) (<i>PhP/kWh</i>)	d	1.3522
Difference in Rate (<i>PhP/kWh</i>)	e = d - c	(0.1552)
Difference in Amount (<i>PhP</i>)	f = b * e	(19,958,945,951)
Distribution Rate True-Up (DRTU) Over-Refund (<i>PhP</i>)	g	862,034,437
Amount Net of DRTU Over Refund (<i>PhP</i>)	h = f + g	(19,096,911,515)
Forecast Sales (36 months) (<i>kWh</i>)	i	167,877,327,837
Proposed Average Refund Rate (36 months) (<i>Php/kWh</i>)	j = h / i	(0.1138)

9. In its calculation, MERALCO proposed to off-set its over-refund resulting from the implementation of Distribution Rate True-Up (“DRTU”) for the period from 1 July 2015 to 30 June 2022.

10. MERALCO proposes to refund the difference between the AWAT and MERALCO’s approved Final Approved Rate, net of DRTU over-refunds in the total amount of **Nineteen Billion Ninety-Six Million Nine Hundred Eleven Thousand Five Hundred Fifteen Pesos (PhP19,096,911,515.00)** over a period of thirty six (36) months, or until fully refunded, at an average rate of PhP(0.1138)/kWh.

11. The average refund rate of PhP (0.1138)/kWh is proposed to be allocated among MERALCO’s customer classes, as follows:

Customer Class	Refund Rate (PhP/kWh)
Residential & General Service A	(0.1937)
General Service B	(0.1258)
General Power	(0.0561)
GHMSCI	(0.0785)
Flat Streetlights	(0.1956)
Generator – Wheeling	(0.0176)
Average Refund Rate	(0.1138)

12. The refund rate will be reflected as a separate line item in the bills of customers during the refund period.

Allegations in Support of the Prayer for Provisional Authority

13. Pending final approval of the instant application, the issuance of a provisional authority will allow MERALCO’s customers to immediately enjoy the benefits of the refund sought to be implemented, providing welcome relief to consumers during this time.

14. In support of the foregoing allegations, MERALCO hereby submits the Judicial Affidavit of Ms. Aileen G. Dalanon, Lead Core Business Tariff Reg Mgt - Core Business Tariff Regulation Mgt, attached hereto as Annex “H”.

Documents in Support of the Application

15. In compliance with the pre-filing requirements of the Honorable Commission, MERALCO submits the following documentary requirements in support of the Application:

DOCUMENT	ANNEX
Breakdown of the Distribution, Supply and Metering Revenues and Actual Energy Sales (kWh) for the covered period	A
Detailed Computation of the (Over)/Under-recoveries or the AWAT computation	B
Detailed Computation of the Proposed Refund Rate per Customer Class	C
Detailed Computation of the Proposed Refund Period (forecast energy sales)	D
Summary of the approved Average rate by Rate Schedule or Customer Class	E
Related Business Income	F
Rate Impact Simulation	G

16. In view of the foregoing, MERALCO prays for the approval of the instant Application.

PRAYER

WHEREFORE, premises considered, **Manila Electric Company (MERALCO)** respectfully prays that, after due notice and hearing, a Decision be rendered:

1. **ALLOWING** MERALCO to off-set its over-refund in the implementation of DRTU for the period from 1 July 2015 to 30 June 2022, in the amount of **Eight Hundred Sixty-Two Million Thirty-Four Thousand and Four Hundred Thirty**

Seven Pesos (PhP862,034,437.00) from the refund due under this Application;

2. **CONFIRMING** MERALCO's resulting calculation of the total refund amount to its customers, net of the over-refund under the DRTU, in the amount of **Nineteen Billion Ninety-Six Million Nine Hundred Eleven Thousand Five Hundred Fifteen Pesos (PhP19,096,911,515.00)**;
3. **APPROVING** MERALCO's proposed refund scheme and refund period, within thirty-six (36) months or until fully refunded, to its customers, as follows:

Customer Class	Refund Rate (PhP/kWh)
Residential & General Service A	(0.1937)
General Service B	(0.1258)
General Power	(0.0561)
GHMSCI	(0.0785)
Flat Streetlights	(0.1956)
Generator – Wheeling	(0.0176)
Average Refund Rate	(0.1138)

Pending the hearing on the merits of the case, a Provisional Authority be issued to immediately implement the refund to consumers.

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

Pasig City, 21 January 2025.

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

By:


FRANCIS DINO S. ANTONIO
Roll of Attorneys No. 48145
PTR No. 1705879; 01/18/2024; Pasig City
IBP No. 372610; 12/22/2023; RSM
MCLE Compliance No. VII-0001788; 02 December 2019

HAZEL ROSE B. SEE

Roll of Attorneys No. 48265
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IBP No. 06460(LIFETIME); 01/16/07; QC
MCLE Compliance No. VII-0001116; 17 October 2019

ISAGAN C. CORUÑA II

Roll of Attorneys No. 63123
PTR No. 1705882; 01/18/2024; Pasig City
IBP No. 371166; 12/21/2023; RSM
MCLE Compliance No. VII-0003269; Valid until 14 April 2025

EDGAR MICHAEL C. ROBLES

Roll of Attorneys No. 62413
PTR No. 1705883; 01/18/2024; Pasig City
IBP Lifetime No. 011798; RSM
MCLE Compliance No. VII-0001112; 17 October 2019

7th Floor, Lopez Building
Ortigas Avenue, Barangay Ugong, Pasig City
Tel no. 1622-2260; Fax No: 1622-3550
Email: regaffairs@meralco.com.ph

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

VERIFICATION
and
CERTIFICATION AGAINST FORUM SHOPPING

I, **JOSE RONALD V. VALLES**, Filipino, of legal age, married and with office address at 12th Floor, Lopez Building, MERALCO Center, Ortigas Avenue, Pasig City, after being sworn to in accordance with law, hereby depose and say, that:

1. I am the Senior Vice President and Head, Regulatory Affairs & DU Regulatory Management Office, of Manila Electric Company (“MERALCO”). In such capacity, I have caused the preparation of the foregoing application. A copy of the Secretary’s Certificate authorizing me to cause the preparation of the instant Application for the confirmation of the true-up calculation of the actual weighted average tariff (“AWAT”) vis-à-vis the approved final distribution rate implemented during the Lapsed Period from July 2022 to December 2024, with prayer for provisional authority (the “Application”) and sign this Verification is attached hereto as **Annex “A”**; and

2. I have read and understood the foregoing Application, the allegations of which are true and correct based on my own personal knowledge and/or on authentic records;

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

4. The factual allegations in the Application have evidentiary support, or if specifically so identified, will likewise have evidentiary support;

5. I certify that I have not commenced any other action involving the same issues in this case with this Honorable Commission, or any tribunal or quasi-judicial agency and to the best of my knowledge, no such action or proceeding is pending in this Honorable Court or any tribunal or quasi-judicial agency.

6. Should I hereafter learn that a similar action or proceeding has been filed or is pending before this Honorable Commission or any tribunal or quasi-judicial agency, I undertake to promptly inform this Honorable Commission and other tribunal or agency thereof within five (5) calendar days therefrom.

IN WITNESS WHEREOF, I have hereunto affixed my signature JAN 21 2025 at Pasig City, Philippines.


JOSE RONALD V. VALLES
Affiant

JAN 21 2025

SUBSCRIBED and SWORN to before me this _____, affiant exhibited to me his Social Security System ID bearing the number 33-10900088.

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Page No. 67
Book No. X
Series of 2025.

DT # : 20779971 - 1/21/25


ATTY. CRISTOPHER B. ARPON
Notary Public
Fbr and in Pasig and Pateros
Appointment No. 33 (2025-2026) December 16, 2024
At Pasig City Until December 31, 2026
Roll No. 41620//BP No. 492764 1/2/2025, RSM Chapter
PTR No. 2831094. 1/2/2025, Pasig City
MCLE No. VIII-0003630 - 04/14/2028
8th Floor, Lopez Bldg. Ortigas Avenue, Pasig City



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

SECRETARY’S CERTIFICATE

I, WILLIAM S. PAMINTUAN, a duly elected, qualified, and incumbent Assistant Corporate Secretary of the MANILA ELECTRIC COMPANY (MERALCO), a private corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Lopez Building, Meralco Compound, Ortigas Avenue, Pasig City, do hereby certify that:

At the special meeting of the Board of Directors of the Company held on January 20, 2025, at which meeting a quorum was present, the following resolutions were approved and said resolutions are in full force and effect on the date hereof:

“RESOLVED, that the Board of Directors of the Manila Electric Company (MERALCO) approve, as it hereby approves the Company’s filing of its Application for Confirmation of the True-Up Calculation of the Actual Weighted Average Tariff (AWAT) vis-à-vis Approved Final Distribution Rate implemented during the Lapsed Period from July 2022 to December 2024, with Prayer for Provisional Authority.”

“RESOLVED FURTHER, that the Board of Directors, authorize, as it hereby authorizes the Company, through JOSE RONALD V. VALLES, Senior Vice President and Head, Regulatory Affairs & DU Regulatory Management, or any lawyer or employee of MERALCO that they may designate, name or appoint:

- 1. To file the appropriate application with the Energy Regulatory Commission (ERC) for the approval in carrying out or accomplishing the said purpose;
- 2. To sign, execute, and deliver in connection therewith the necessary pleadings, motions, verification, affidavit of merit, certificate of non-forum shopping, powers of attorney, and other instruments as may be necessary or proper; and
- 3. To designate, name, and appoint, a representative or an attorney-in-fact in behalf of the Company during the preliminary conference, pre-trial, trial, execution and all other stages of or incidents related to the case, proceeding or action; to negotiate, enter into, and agree to an amicable settlement, make admissions or stipulations of fact and/or documents; and to perform and execute any and all actions and such other matters as may aid in the prompt disposition of such case, proceeding or action.”



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Businesses: +63(2) 16210



Meralco Operating Center,
Ortigas Avenue, Pasig City,
1605 Philippines



"RESOLVED FURTHERMORE, that the Corporate Secretary or any Assistant Corporate Secretary of this Company be, as he is hereby, authorized and directed to furnish under the seal of this Company certified copies of the foregoing resolution to any person, firm, corporation, or government office or agency who may desire or require the same in connection with the execution or implementation of the foregoing resolutions;

"RESOLVED, FINALLY, that any previous resolution of the Board of Directors on the same subject matter that is inconsistent herewith shall be deemed terminated, superseded and revoked; and that the above-board resolutions are in accordance with the records of MERALCO."

WITNESS THE SIGNATURE of the undersigned as such officer of the Company and its corporate seal hereunto affixed on this _____ day of January 2025.

JAN 21 2025



WILLIAM S. PAMINTUAN
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this JAN 21 2025 day of January 2025, affiant exhibiting to me his Taxpayer Identification Number (TIN) 146-473-562 issued by the Bureau of Internal Revenue (BIR) as his competent evidence of identity.

Doc. No. 327;
Page No. 67;
Book No. X;
Series of 2025.

DT #: 26779981 - 1/21/25



ATTY. CRISTOPHER B. ARPON
Notary Public
Fbr and in Pasig and Pateros
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PTR No. 2831094, 1/2/2025, Pasig City
MCLE No. VIII-0003630 - 04/14/2028
8th Floor, Lopez Bldg. Ortigas Avenue, Pasig City

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

VERIFIED DECLARATION

I, **ISAGANI C. CORUÑA II**, of legal age, Filipino, with office address at the Lopez Building, Ortigas Avenue, Pasig City, after having duly sworn in accordance with law, hereby state under oath that:

In accordance with ERC Resolution No. 9, Series of 2020, MERALCO filed the foregoing pleading via electronic mail prior to its physical filing.

IN WITNESS WHEREOF, I hereby affix my signature this day of 03 FEB 2025 day of _____ 2025.

ISAGANI C. CORUÑA II

SUBSCRIBED AND SWORN TO before me this _____ day of 03 FEB 2025 2025, in Pasig City, with 112 14KG. NOI-07-000920 which is valid 2023-09-23.

Doc No. 490 ;
Page No. 99 ;
Book No. xxviii ;
Series of 2025.

DT # : 20748109

ATTY. CORNELIO MANUEL III C. DICCION, C.P.A.
Notary Public
Pasig and Pateros
Issued on March 25, 2024
Appointment No. 172 (2024-2025)
Roll No. 45053/ IBP Lifetime Member No. 19740/ RSM Chapter
PTR No. 2831093 01/02/2025 Pasig City
MCLE No. VIII - 0006616 04/14/2028
8th Floor, Lopez Bldg., Ortigas Avenue, Pasig City