

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE
APPLICATION FOR
CONFIRMATION AND
APPROVAL OF
CALCULATIONS OF OVER OR
UNDER RECOVERIES IN THE
IMPLEMENTATION OF
AUTOMATIC COST
ADJUSTMENTS AND TRUE-
UP MECHANISMS FOR THE
PERIOD 2023 TO 2025,
PURSUANT TO ERC
RESOLUTION NO. 02, SERIES
OF 2021, AND ERC
RESOLUTION NO. 14, SERIES
OF 2022

ERC CASE NO. 2026-055 CF

June 11, 2026

ROMBLON ELECTRIC
COOPERATIVE, INC.
(ROMELCO),
Applicant.
X ----- X

APPLICATION

APPLICANT, ROMBLON ELECTRIC COOPERATIVE, INC. (ROMELCO), through counsel, unto this Honorable Commission, most respectfully alleges, that:

THE APPLICANT

1. ROMELCO 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 Barangay Capaclan, Romblon, Romblon.

2. ROMELCO is a holder of a franchise from the National Electrification Commission to operate an electric light and power distribution service in the municipalities of Romblon, San Fernando, Cajidiocan and Magdiwang. Likewise, ROMELCO was granted a franchise to operate in the municipalities of Banton, Corcuera and Concepcion by virtue of R.A. No. 12020. All of the aforementioned municipalities are situated in the Province of Romblon.

LEGAL BASES FOR THE APPLICATION

3. 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.

4. On the other hand, 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;

5. The 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, ROMELCO 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	Allowable Cost (PhP)	Actual Revenue (PhP)	(Over)/Under Recovery (PhP)
Generation			
Romblon, Banton & Concepcion	372,920,146.97	371,556,585.63	1,363,561.34
Sibuyan	240,778,623.25	240,086,221.18	692,402.07
Corcuera	39,187,921.70	39,040,655.17	147,266.53
System Loss			
Romblon, Banton & Concepcion	21,869,771.16	22,338,076.75	(468,305.59)
Sibuyan	30,860,996.70	31,921,842.78	(1,060,846.08)
Corcuera	4,837,036.88	4,987,520.69	(150,483.812)
	Discount (Php)	Subsidy (Php)	
Lifeline Subsidy/ Discount			
Romblon, Banton & Concepcion Sibuyan, Corcuera	1,495,933.07	1,821,263.8	(325,330.73)
Senior Citizen Subsidy/ Discount			
Romblon, Banton & Concepcion Sibuyan, Corcuera	564,476.62	633,887.09	(69,410.47)
Total			128,853.26

REASONS FOR THE OVER OR UNDER-RECOVERIES

9. One Month Lag (Time Difference) – The computation of the monthly pass-through cost rate is based on the data derived from the immediately preceding month (i.e. one-month lag), whereas the computation of over/under recoveries utilizes current-month date for the same billing period. This timing difference between the data sets used in the respective computation results in variances that contribute to over/under recovery.

10. Variations in Energy Sales – Any increase or decrease in energy sales (kWh) during a given billing period materially affects the

recovery of pass-through costs, as fluctuations in the consumption levels directly impact the amounts recoverable from consumers. Pass-through cost includes generation charges, system loss charges and other mandated subsidies and charges such as the Lifeline Rate Subsidy and Senior Citizen Subsidy.

SUPPORTING DATA AND DOCUMENTS

11. In support of foregoing calculations, ROMELCO 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 Sheet Per Year
	Annex B	System Loss and Statistical Data Sheet Per Year
	Annex C	Lifeline Discount/Data Sheet Per Year
	Annex D	Senior Citizen Discount/Data Sheet Per Year
	Annex E	Actual Implemented Rates Sheet Per Year
	Annex F	Actual Implemented Lifeline Sheet Per Year
	Annex G	Actual Implemented Senior Sheet Per Year
	Annex H	OU Summary
	Annex I	Proposed Refund/Collect Scheme
Folder 2	GENERATION AND TRANSMISSION DATA	
	Annex J	Power Bills from Suppliers and Proof of Payment
Folder 3	SYSTEM LOSS AND STATISTICAL DATA	
	Annex K	Manifestation of No Pilferage Cost Recoveries 2023 - 2025
	Annex L	Report on the Implemented Orders/Decisions
	Annex M	MFSR – Sections B and E

	Annex N	Sales Summary Report
Folder 4	ACTUAL IMPLEMENTED RATES DATA	
	Annex O	Consumer Bills per Customer Class (Non-Lifeline)
	Annex P	Consumer Bills per Lifeline Bracket (Lifeline)
	Annex Q	Senior Citizen Consumer Bills
Folder 5	OTHER DOCUMENTS	
	Annex R	Submitted Monthly URR per Reso. 17, Series of 2009
	Annex S	Single Line Diagram
	Annex T	Power Supply Contracts with Generation Companies
	LOCAL FRANCHISE, BUSINESS, AND REAL PROPERTY TAXES	
	Annex U	Manifestation of No Pass-Through Taxes Collected

12. 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 V and series	Proof of furnishing copies of the Application to the Offices of the Mayor and Sangguniang Bayan of Romblon and Governor and Sangguniang Panlalawigan of Romblon.
Annexes W and series	Proof of publication of the undocketed Application in a newspaper of general circulation covering the franchise area of ROMELCO or where it principally operates

13. Considering the foregoing, it is respectfully prayed that ROMELCO’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 member-consumer-owners.

PRAYER

WHEREFORE, premises considered, Applicant Romblon Electric Cooperative, Inc. (ROMELCO), 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 member-consumer-owners, based on the following refund/collect scheme, to wit:

Mechanism	(Over)/Under-Recovery (PhP)	Proposed Term of Refund /Collect per month	Rate per kWh (PhP/kWh)
Generation			
Romblon, Banton & Concepcion	1,363,561.34	12 months	0.0866
Sibuyan	692,402.08	12 months	0.0560
Corcuera	147,266.53	12 months	0.0726
System Loss			
Romblon, Banton & Concepcion	(468,305.59)	12 months	(0.0297)
Sibuyan	(1,060,846.08)	12 months	(0.0858)
Corcuera	(150,483.82)	12 months	(0.0741)
Lifeline Subsidy/ Discount			
Romblon, Banton & Concepcion Sibuyan, Corcuera	(325,330.73)	12 months	(0.0108)
Senior Citizen Subsidy/ Discount			
Romblon, Banton & Concepcion Sibuyan, Corcuera	(69,410.47)	12 months	(0.0023)
Total	128,853.26		

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

Pasig City, Metro Manila, 26 May 2026.

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

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By:



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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

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, Rene M. Fajilagutan, of legal age, Filipino and with office address at the Romblon Electric Cooperative, Inc. (ROMELCO) at Brgy. Capaclan, Romblon, Romblon, after being sworn to according to law, depose and state that:

1. I am the General Manager and authorized representative of the Romblon Electric Cooperative, Inc. (ROMELCO) 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;

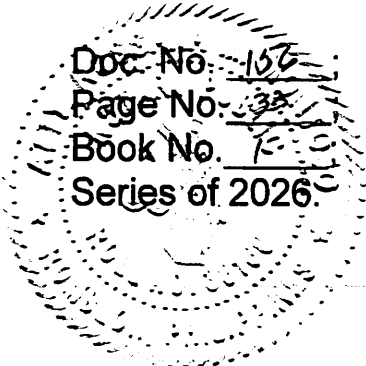
3. I attest further that the factual allegations in the Application have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;

4. I attest furthermore that ROMELCO 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.

RENE M. FAJILAGUTAN
Declarant

SUBSCRIBED AND SWORN TO, before me in Romblon, Romblon this 26th day of May 2026 by Declarant who exhibited to me a competent proof of identity, to wit: Driver's License with No. D10-89-001635, with validity until July 03, 2034.



NOTARY PUBLIC.
ATTY. ROSSANA MORALES MONTOJO
NOTARY PUBLIC
Until Dec. 31, ~~2024~~
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IBP Lifetime Member No. 04144
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