

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR:**

**(1) CONFIRMATION OF
TRUE-UP CALCULATION
OF THE ACTUAL
WEIGHTED AVERAGE
TARIFF (AWAT) IN
RELATION TO THE
APPROVED AVERAGE
RATE IN THE PREVIOUS
REGULATORY RESET
UTILIZED AND
IMPLEMENTED DURING
THE LAPSED
REGULATORY PERIOD
AND**

**(2) APPROVAL OF
RECOVERY SCHEME FOR
THE LAPSED
REGULATORY YEARS,**

**WITH MOTION FOR
PROVISIONAL AUTHORITY**

ERC CASE NO. 2022-077 RC

**MACTAN ELECTRIC
COMPANY INC. (MECO),
*Applicant.***

X-----X

Promulgated:
April 27, 2026

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 24 March 2026, the Mactan Electric Company, Inc. (MECO) filed a *Supplemental Application Re: Lapsed Period from July 1, 2022 to December 31, 2025*, dated 27 February 2026, seeking the Commission's confirmation and approval

ERC CASE NO. 2022-077 RC
NOTICE OF VIRTUAL HEARING
PAGE 2 OF 4

of its true-up mechanism recovery scheme for the lapsed period from 01 July 2022 to 31 December 2025, with motion for the issuance of provisional authority to implement its recovery scheme.

The docketed copy of the *Supplemental Application*, excluding its annexes, is attached as Annex “A” hereof.

On 26 March 2026, the Commission issued an *Order* and a *Notice of Virtual Hearing*, setting the instant case for hearing for the determination of compliance with the jurisdictional requirements and expository presentation on 22 April 2026; and for the Pre-Trial Conference and presentation of evidence on 29 April 2026.

However, on 10 April 2026, MECO filed a *Motion to Defer Initial Hearing Scheduled on April 22, 2026*, dated 08 April 2026. In the said Motion, MECO prayed that the scheduled hearings on 22 April 2026 and 29 April 2026 be deferred to a later date, for it to comply with the publication requirement. MECO alleged that it was able to publish the Order and Notice of Virtual Hearing, but failed to include Annex A in the publication.

Finding the *Motion to Defer Initial Hearing Scheduled on April 22, 2026* meritorious, the same was granted when the case was called to order on 22 April 2026.

In view thereof, the Commission has set anew the instant *Supplemental Application* for hearing, for the determination of compliance with the jurisdictional requirements, expository presentation, Pre-Trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020¹ and Resolution No. 01, Series of 2021 (ERC Revised Rules of Practice and Procedure):²

Date and Time	Platform	Activity
09 June 2026 (Tuesday), at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Determination of compliance with jurisdictional requirements and Expository Presentation

¹ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

² A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

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NOTICE OF VIRTUAL HEARING
PAGE 3 OF 4

Date and Time	Platform	Activity
16 June 2026 (Tuesday), at two o'clock in the afternoon (2:00 P.M.)		Pre-Trial Conference and Presentation of Evidence

Accordingly, Applicant is directed to mirror the virtual hearings, to be hosted by the Commission, at **MECO's Principal Office located at MECO Building, Sangi Road, Pajo, Lapu-Lapu City, Cebu**, as the designated venue for the conduct thereof and ensure that the same is open to the public. Moreover, Applicant shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled initial virtual hearing, via e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, any person who has an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at doCKET@erc.ph, a verified Petition to Intervene at least **five (5) calendar days** prior to the date of the initial virtual hearing. The verified Petition to Intervene must follow the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case, and state the following:

- 1) The petitioner's name, mailing address, and e-mail address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure. No particular form of Opposition or Comment is

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NOTICE OF VIRTUAL HEARING
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required, but the document, letter, or writing should contain the following:

- 1) The name, mailing address, and e-mail address of the person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

All interested parties filing their Petition to Intervene, Opposition or Comment are required to submit the hard copies thereof through personal service, registered mail or ordinary mail/private courier, **within five (5) working days** from the date that the same were electronically submitted, as reflected in the acknowledgement receipt e-mail sent by the Commission.

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, through legal.virtualhearings@erc.ph, their respective e-mail addresses, indicating therein the case number of the instant *Supplemental Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearings.

WITNESS, the Honorable Chairperson and CEO **FRANCIS SATURNINO C. JUAN**, and the Honorable Commissioners **FLORESINDA G. BALDO-DIGAL**, **MARKO ROMEO L. FUENTES**, **AMANTE A. LIBERATO**, and **PARIS G. REAL**, Energy Regulatory Commission, in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:



ATTY. MARIA CORAZON C. GINES*
Director III, Legal Service


L : MND R

* Authority granted pursuant to Office Order No. 71, Series of 2025.

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR:**

**(1) CONFIRMATION OF
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ERC CASE NO. 2022-077 RC

**MACTAN ELECTRIC
COMPANY INC. (MECO),
*Applicant.***

X-----X

Promulgated:
April 27, 2026

ORDER

On 24 March 2026, the Mactan Electric Company, Inc. (MECO) filed a *Supplemental Application Re: Lapsed Period from July 1, 2022 to December 31, 2025*, dated 27 February 2026, seeking the Commission's confirmation and approval of its true-up mechanism recovery scheme for the lapsed period from 01 July 2022 to 31 December 2025, with motion for the issuance of provisional authority to implement its recovery scheme.

The docketed copy of the *Supplemental Application*, excluding its annexes, is attached as Annex “A” of the *Notice of Virtual Hearing*.

On 26 March 2026, the Commission issued an *Order* and a *Notice of Virtual Hearing*, setting the instant case for hearing for the determination of compliance with the jurisdictional requirements and expository presentation on 22 April 2026; and for the Pre-Trial Conference and presentation of evidence on 29 April 2026.

However, on 10 April 2026, MECO filed a *Motion to Defer Initial Hearing Scheduled on April 22, 2026*, dated 08 April 2026. In the said Motion, MECO prayed that the scheduled hearings on 22 April 2026 and 29 April 2026 be deferred to a later date, for it to comply with the publication requirement. MECO alleged that it was able to publish the Order and Notice of Virtual Hearing, but failed to include Annex A in the publication.

Finding the *Motion to Defer Initial Hearing Scheduled on April 22, 2026* to be meritorious, the same was granted when the case was called to order on 22 April 2026.

In view thereof, the Commission hereby sets anew the instant *Supplemental Application* for hearing, for the determination of compliance with the jurisdictional requirements, expository presentation, Pre-Trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020¹ and Resolution No. 01, Series of 2021 (ERC Revised Rules of Practice and Procedure):²

Date and Time	Platform	Activity
09 June 2026 (Tuesday), at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Determination of compliance with jurisdictional requirements and Expository Presentation
16 June 2026 (Tuesday), at two o'clock in the afternoon (2:00 P.M.)		Pre-Trial Conference and Presentation of Evidence

¹ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

² A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

Accordingly, Applicant is hereby directed to mirror the virtual hearings, to be hosted by the Commission, at **MECO's Principal Office located at MECO Building, Sangi Road, Pajo, Lapu-Lapu City, Cebu**, as the designated venue for the conduct thereof and ensure that the same is open to the public. Moreover, Applicant shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

RELATIVE THERETO, Applicant is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing*, including Annex "A" thereof, in two (2) newspapers of nationwide circulation in the Philippines at its own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart, and the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial virtual hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing*, including Annex "A" thereof, the Offices of the Provincial Governor, the Mayors, and their respective Local Government Unit (LGU) legislative bodies within MECO's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within MECO's franchise area, by any other means available and appropriate, of the filing of the *Supplemental Application*, its reasons therefor, and of the scheduled virtual hearings;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing*, including Annex "A" thereof, the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire, to send their duly authorized representatives and attend the scheduled hearings; and
- 5) Furnish with copies of the *Supplemental Application* and its attachments, all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

Within five (5) calendar days prior to the date of the initial virtual hearing, Applicant must submit to the Commission via electronic mail (e-mail) at docket@erc.ph, and copy furnish the Legal Service through legal@erc.ph, the scanned copies of its written compliance with the aforementioned jurisdictional requirements, attaching the following methodically arranged and duly marked documents:

- 1) The evidence of publication of the attached *Notice of Virtual Hearing*, including Annex “A” thereof, consisting of affidavits of the Editors or Business Managers of the newspapers where the same were published, and the complete issues of the said newspapers;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Virtual Hearing*, including Annex “A” thereof, consisting of certifications issued to that effect, signed by the aforementioned Governor, Mayors and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by the Applicant to inform the consumers within MECO’s franchise area of the filing of the *Supplemental Application*, its reasons therefor, and of the scheduled hearings;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing*, including Annex “A” thereof, by the OSG, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Supplemental Application* and its attachments, by all those making requests therefor, if any; and
- 6) Such other proof of compliance with the requirements of the Commission.

Moreover, Applicant is hereby required to post on its bulletin boards, the scanned copies of the foregoing jurisdictional requirements and to submit the proof of posting thereof.

Applicant and all interested parties are also required to submit via e-mail at docket@erc.ph, and copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** before the

date of the scheduled virtual hearing and Pre-Trial Conference, their respective Pre-Trial Briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings thereof, which must be attached to the Pre-Trial Brief; and
- 4) The names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-Trial Brief.

Failure of Applicant to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearings.

Applicant must also be prepared to make an expository presentation of the *Supplemental Application*, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, the nature of the *Supplemental Application*. Relevant information and pertinent details substantiating the reasons and justifications for the *Supplemental Application* must be cited in support thereof.

Applicant is hereby directed to file a copy of its Expository Presentation via e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** prior to the scheduled virtual hearing. Applicant is also required to provide a copy of its Expository Presentation to any stakeholder requesting therefor **at least five (5) calendar days** prior to the scheduled virtual hearing.

Applicant and interested parties are hereby directed to submit, either through personal service, registered or ordinary mail/private courier, all the pleadings and required submissions, **within five (5) working days** from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission.

Finally, Applicant, including its authorized representatives and witnesses, and interested parties who wish to attend the scheduled virtual hearings, are hereby directed to provide the Commission, through legal.virtualhearings@erc.ph, their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearings.

SO ORDERED.

Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:



ATTY. MARIA CORAZON C. GINES*
Director III, Legal Service



LS: MND/ARG

* Authority granted pursuant to Office Order No. 71, Series of 2025.

ERC CASE NO. 2022-077 RC
ORDER
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Copy Furnished:

1. Mactan Electric Company, Inc. (MECO)
Applicant
MECO Building, Sangi Road, Pajo, Lapu-Lapu, Cebu
Email: atty.mish@gmail.com; julito.gultiano@gmail.com;
nitoytolentino@mecomactan.com; rasb.lawoffice@gmail.com;
julito.gultiano@mecomactan.com
2. Rubio & Aguinaldo Attorneys
Attention: Atty. Mishelle Anne R. Rubio-Aguinaldo
Counsel for Applicant MECO
8F/802 Prime Land Tower, Market Street
Madrigal Business Park, Ayala Alabang, Muntinlupa City
Email: legal@raattorneyslaw.com; mra@raattorneyslaw.com
3. Office of the Provincial Governor
Province of Cebu
4. Office of the Sangguniang Panlalawigan
Province of Cebu
5. Office of the City Mayor
Lapu-Lapu City, Cebu
6. Office of the Sangguniang Panlungsod
Lapu-Lapu City, Cebu
7. Office of the Municipality of Mayor
Cordova, Cebu
8. Office of the Sangguniang Bayan
Cordova, Cebu
9. Office of the Solicitor General (OSG)
134 Amorsolo Street, Legaspi Village, Makati City
docket@osg.gov.ph
10. Commission on Audit (COA)
Commonwealth Avenue, Quezon City
citizensdesk@coa.gov.ph
11. Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City
senateenergycommittee@gmail.com
12. House Committee on Energy
Batasan Hills, Quezon City
committee.energy@house.gov.ph
13. Regulatory Operations Service
Energy Regulatory Commission
Pasig City
ros@erc.ph

REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
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IN THE MATTER OF THE
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(1) CONFIRMATION OF TRUE-UP
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SCHEME FOR THE LAPSED
REGULATORY YEARS,

WITH MOTION FOR PROVISIONAL
AUTHORITY,

ERC CASE NO. 2022-077 RC

MACTAN ELECTRIC COMPANY, INC.
(MECO),

Applicant.

x-----x

SUPPLEMENTAL APPLICATION

Re: Lapsed Period from July 1, 2022 to December 31, 2025

Applicant **MACTAN ELECTRIC COMPANY, INC. ("MECO")**, by
counsel, respectfully states:

1. MECO is a private distribution utility with legislative franchise¹ and certificate of public convenience² to construct, install, establish, operate and maintain a distribution system for the conveyance of electric power to the end users in the City of Lapu-Lapu and Municipality of Cordova. For this application, MECO is represented

¹ Pursuant to Republic Act No. 10890 dated July 17, 2016.

² Pursuant to the Decision dated April 23, 2018 in ERC Case No. 2016-045 MC.

by its Regulatory Compliance Officer and Chief Finance Officer, Mr. Julito O. Gultiano, Jr. as shown in the attached *Secretary's Certificate*.

2. Applicant may be served notices and other official documents at its principal office located at MECO Building, Sangi Road, Pajo, Lapu-Lapu and through its counsel, Rubio-Aguinaldo & Attorneys Law Firm, with office address at 802 Prime Land Tower, Market Street, Ayala Alabang, 1780 Muntinlupa City. Official documents may also be transmitted electronically at applicant's registered e-mail addresses: atty.mish@gmail.com, julito.gultiano@mecomactan.com, nitoytolentino@mecomactan.com
3. On November 14, 2022, MECO filed its AWAT Application covering the lapsed period from **April 1, 2013** to **June 30, 2022** docketed as **ERC Case No. 2022-077 RC**, which has yet to be resolved by this Honorable Commission.³
4. As stated in MECO's AWAT Application, MECO has completed its 2nd Regulatory Period and due to the absence of guidelines for the reset process, it continued to implement the last approved Distribution, Supply, and Metering (DSM) rates per customer class which cannot exceed the Maximum Average Price or **MAP of PhP1.1851/kWh** pursuant to the *Decision dated April 2, 2012* in **ERC Case No. 2011-180 RC** with approved DSM charges as follows:

Customer Class	Description	Approved DSM Rate 2011-180 RC
Schedule 4	230V Residential	1.4408
Schedule 3	230V Non-Residential	1.1914
Schedule 2	13.8kV with <1MW demand	0.9962
Schedule 1	13.8kV with >1MW demand	0.8855
Total		1.1851

5. On October 16, 2025, the Commission approved Resolution No. 24, Series of 2025 or the "*Rationalized Rules for Setting Distribution Wheeling Rates for Privately Owned Electricity Distribution Utilities Operating Under Performance Based Regulation (RRDWR)*" under ERC Case No. 2025-011 RM setting out the new Entry Groups for PDUs and the First Regulatory Period for each Entry Group to restart the regulatory reset process.
6. On the same date, the Commission also issued Resolution No. 23, Series of 2025 or "*A Resolution Directing All Private Distribution*

³ Pursuant to the said application, the resulting AWAT from April 1, 2013 to June 30, 2022 is **PhP1.1390/kWh**.

Utilities to File Their Respective AWAT Applications for the Lapsed Period” and resolved to:

- 6.1 Adopt a confirmation and true-up process in determining the rates of the PDUs to address the Lapsed Period for each Entry Group;
- 6.2 Clarify the Lapsed Period for each PDU and identified MECO’s Lapsed Period from April 1, 2013 to December 31, 2026;
- 6.3 Direct all PDUs to proceed with the AWAT Applications separately and independently of the proceedings in the regulatory reset process under the RRDWR;
- 6.4 Direct all PDUs to file within sixty (60) calendar days from the effectivity of the said resolution, the AWAT Application from the start of the Lapsed Period until December 31, 2025. However, for the PDUs with pending AWAT applications, the updated computation shall be submitted as a supplemental application under the same case.

Since MECO has previously filed its AWAT Application in ERC Case No. 2022-077 RC covering the Lapsed Period from April 1, 2013 to June 30, 2022, this *Supplemental Application* which contains latest actual available data based on distribution revenues, kWh sales, and net income from related business covering the Lapsed Period from **July 1, 2022** until **December 31, 2025**, is filed consistent with the said resolution.

On January 14, 2026, the Commission approved ERC Resolution No. 1, Series of 2026, entitled, “*A Resolution Amending Certain Timelines Provided Under Resolution No. 23, Series of 2025 (Filing of AWAT Applications) and Resolution No. 24, Series of 2025 (Rationalized Rules of Setting Distribution Wheeling Rates)*” extending the filing of AWAT Applications from sixty (60) calendar days to one hundred twenty (120) days from the effectivity of the AWAT Resolution on November 22, 2025, **or until March 22, 2026**; hence, this *Supplemental Application* is filed on time.

- 10.5 Direct all PDUs to file a *Final* AWAT Application to fully update and complete the true-up covering the period from January 1, 2026 until the end of the Lapsed Period, within sixty (60) calendar days from the start of the First Regulatory Period.

MECO is part of the Second Entry Group with First Regulatory Period covering January 1, 2027 to December 31, 2030 (MECO's 1st RP) under the RRDWR. Thus, MECO's Final AWAT Application will cover the period January 1, 2026 until December 31, 2026 which shall be filed on or before March 1, 2027.

7. Details of MECO's historical DSM Revenue, Energy (KWH) Sales, and Regulated Business Revenue (RBR) from July 1, 2022 to December 31, 2025 are shown below:

Regulatory Years	(a) Historical DSM Revenue (Lapsed Period: July 2022 to December 2025), in Php	(b) Historical KWH Sales (Lapsed Period: July 2022 to December 2025), in KWH	Regulated Business Revenue (RBR), in Php	(g) 50% of RBR, in Php
2022 Jul 01, 2022 to Dec 31, 2022	325,964,390.90	279,269,448.00	849,922.55	424,961.28
2023	703,076,508.79	616,756,047.00	30,048,130.53	15,024,065.27
2024	821,495,934.29	716,096,675.00	45,138,497.85	22,569,248.93
2025	862,369,339.28	745,498,658.00	30,255,731.98	15,127,865.99
TOTAL	2,712,906,173.26	2,357,620,828	106,292,282.91	53,146,141.47

8. To determine any resulting over or under recovery from the previous Regulatory Years or Lapsed Period, MECO's historical DSM revenue (a) was divided by its total historical kWh sales (b). The resulting actual average rate at Php/kWh shows the Actual Weighted Average Tariff (AWAT) (c) for the Lapsed Period equivalent to **PhP1.1507/kWh**. Formula: $(a)/(b) = (c)$
9. Based on the calculation of the AWAT of **PhP1.1507/kWh (c)**, as against the ERC-approved MAP of PhP1.1851/kWh (d), the result yielded a variance of **PhP0.0344/kWh (e)** lower than the MAP, which is the approved price cap. Formula: $(d)-(c) = (e)$
10. Since the AWAT is below the price cap, there is a resulting under recovery amounting to **PhP81,102,156.48 (f)**. This amount was computed by multiplying the KWH sales (b) with the variance (e). Formula: $(b)*(e) = (f)$

Historical DSM Revenue (Lapsed Period: July 2022 to Dec 2025), in Pesos	a	2,712,906,173.26
Historical KWH Sales (Lapsed Period: July 2022 to Dec 2025), in KWH	b	2,357,620,828.00
AWAT for the Lapsed Period	c = a/b	1.1507
Approved MAP (ERC Case 2011-180 RC)	d	1.1851
Difference in Rate	e = d - c	0.0344
(Over)/Under Recovery Amount	f = e * b	81,102,156.48

11. Furthermore, MECO derived the rate on RBR from the 50% RBR requirement of the Revised RDWR *vis-a-vis* the average energy sales for 5 years thereby generating a *Php/kWh* rate of **PhP0.0076/kwh** which will be deducted from the tariff of each customer class.
12. Thus, MECO proposes the following computation and recovery scheme pursuant to Articles IV and VII of the Revised RDWR which will be implemented over a period of five (5) years. The recovery rate is based on the proportional share of each customer class and will have the following rate impact, *viz*:

Customer Class	Recovery Rate on DSM	RBR (PhP/kwh)	Total Recovery Rate = Recovery Rate on DSM - Rate on RBR
Schedule 4	0.0146	0.0076	0.0070
Schedule 3	0.0125		0.0049
Schedule 2	0.0104		0.0028
Schedule 1	0.0083		0.0007

15. Therefore, the proposed DSM charges per customer class are as follows:

Customer Class	DSM Rate	Recovery Rate	Final Rate
Schedule 4	1.4408	0.0070	1.4478
Schedule 3	1.1914	0.0049	1.1963
Schedule 2	0.9962	0.0028	0.9990
Schedule 1	0.8855	0.0007	0.8862

MOTION FOR PROVISIONAL AUTHORITY

16. Finally, a provisional authority to implement the proposed recovery scheme pending final approval of the Commission will give meaning to the purpose and objective of the true-up mechanism and allow full recovery of investment on regulated assets at an appropriate rate of return which is allowed by R.A. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA). The current economic crisis caused a tremendous shift in global prices, not to mention the fluctuating fuel prices and surge in the cost of goods, commodities, and raw materials. The immediate recovery will augment MECO’s financial constraints and allow for improved operational efficiency which will ultimately benefit the general public.
17. In support of this *Supplemental Application*, MECO submits the following supporting documents covering the period July 2022 to December 2025:

Annex	Description
A	Breakdown of the Distribution, Supply and Metering Revenues and Actual Energy Sales (kWh) for the covered period (in <i>excel</i> format);
B	Detailed Computation of the (Over)/Under Recoveries or the AWAT computation (in <i>excel</i> format);
C	Detailed Computation of the Proposed Refund/Recovery Rate per Customer Class for the period July 2022 to December 2025 (in <i>excel</i> format);
D	Detailed Computation of the Proposed Refund/Recovery Period (forecast energy sales) (in <i>excel</i> format);
E	Summary of the Approved Average Rate by Rate Schedule or Customer Class with Rate Impact Simulation (in <i>excel</i> format);
F	Documents to Support Related Business Revenue
G	Judicial Affidavit of Engr. Juanito O. Tolentino, Jr., Head of MECO’s Utility Economics Department (in <i>.docx</i> , <i>.pdf</i> , and paper copy) in support of the <i>Motion for Provisional Authority</i>
H	Rate Impact Simulation

RELIEF

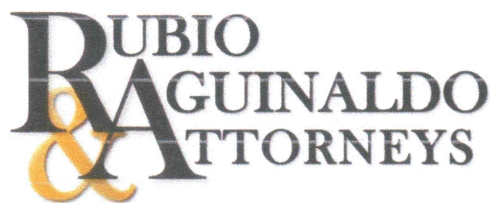
In view of the foregoing, applicant MACTAN ELECTRIC COMPANY INC. (MECO) prays that the Honorable Commission:

- (1) CONFIRM MECO's proposed true-up mechanism for the lapsed period from July 1, 2022 to December 31, 2025;
- (2) CONFIRM MECO's computation of resulting under recovery of **Eighty One Million One Hundred Two Thousand One Hundred Fifty-Six and 48/100 (PhP81,102,156.48)**;
- (3) APPROVE MECO's proposed additional rate per customer class under a 5-year period recovery scheme, viz:

Customer Class	DSM Rate	Recovery Rate	Final Rate
Schedule 4	1.4408	0.0070	1.4478
Schedule 3	1.1914	0.0049	1.1963
Schedule 2	0.9962	0.0028	0.9990
Schedule 1	0.8855	0.0007	0.8862

- (4) GRANT MECO's MOTION AND ISSUE provisional authority to implement the recovery scheme pending final resolution of the instant application; and
- (5) DECLARE all issues in connection with the lapsed period from July 1, 2022 to December 31, 2025, resolved and terminated;
- (6) GRANT MECO other equitable relief.

Muntinlupa City for Pasig City, February 27, 2026.



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MADRIGAL BUSINESS PARK, AYALA ALABANG
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By: 



MISHELLE ANNE R. RUBIO-AGUINALDO
PTR No. MCF 508249; 01.07.26; Muntinlupa City
IBP Lifetime Roll No. 014910; PPLM
Roll of Attorneys No. 65873
MCLE Compliance No. VIII-0026569; 14 April 2028
mra@raattorneyslaw.com

Copy Furnished

1. Office of the Governor
Province of Cebu
2. Office of the Sangguniang Panlalawigan
Province of Cebu
3. Office of the Mayor
City of Lapu-Lapu, Cebu
4. Office of the Sangguniang Panlungsod
City of Lapu-Lapu, Cebu
5. Office of the Mayor
Municipality of Cordova, Cebu
6. Office of the Sangguniang Bayan
Municipality of Cordova, Cebu

REPUBLIC OF THE PHILIPPINES)
Lapu-Lapu City) S.S.

**VERIFICATION AND
CERTIFICATION OF NON-FORUM SHOPPING**

I, **GILBERT A. PAGOBO**, Filipino, of legal age, with office address at MECO Building, Sangi Road, Lapu-Lapu City, hereby state under oath that:

1. I am the authorized representative of **MACTAN ELECTRIC COMPANY, INC. (MECO)**, the applicant in ERC Case No. 2022-077 RC, entitled, *"In the Matter of the Application for (1) Confirmation of True-Up Calculation of the Actual Weighted Average Tariff (AWAT) in relation to the approved Average Rate in the previous Regulatory Reset Utilized and Implemented during the Lapsed Regulatory Period and (2) Approval of Recovery Scheme for the Lapsed Regulatory Years, Mactan Electric Company, Inc. (MECO), Applicant."* I attest that I have the requisite authority to file a Supplemental Application in the said case.
2. I caused the preparation of the said Supplemental Application and further attest that I have read and understood its contents and that the allegations contained therein are true and correct based on my personal knowledge and on authentic records.
3. The Supplemental Application is filed as part of MECO's PBR compliance and is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation.
4. The factual allegations therein have evidentiary support or will likewise have evidentiary support after a reasonable opportunity for discovery.
5. I affirm the truthfulness of the statements contained in the Supplemental Application and its supporting documents.
6. Other than ERC Case No. 2022-077 RC, I have not commenced any other action or filed any claim involving the same facts in any court, tribunal, or quasi-judicial agency, and to the best of my knowledge, no such other action or claim is pending. If I should hereafter learn that the same or similar action or claim has been filed or is pending, I shall report such fact within five (5) days from knowledge thereof to the Energy Regulatory Commission.

IN WITNESS WHEREOF, I affix my signature this March 10, 2026, in Lapu-Lapu City, before a Notary Public, avowing to the whole truth of the contents of this document, under the penalty of law.



GILBERT A. PAGOBO
Affiant

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in the City of Lapu-lapu City, this March 10, 2026, by the affiant, who presented to me his Philippine National ID No. 2061-3697-3910-5937 bearing his name and photograph, as competent evidence of his identity.

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Series of 2026.



JANICE P. MONTEROLA
Notary Public for Lapu-lapu City
Notarial Commission No. 780-L
Valid until December 31, 2026
114 Osmeña Sr. St., Gun-ob, Lapu-lapu City
Roll of Attorneys No. 58922 | 04.15.11
IBP Lifetime Member No. 012565
PTR No. 1454987 A | 01.07.2026