

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**IN THE MATTER OF THE APPLICATION FOR CONFIRMATION AND APPROVAL OF THE OVER AND UNDER RECOVERIES IN THE IMPLEMENTATION OF AUTOMATIC COST ADJUSTMENTS AND TRUE-UP MECHANISMS FOR THE PERIOD 2023 TO 2025, PURSUANT TO ERC RESOLUTION NO. 23, SERIES OF 2010, ERC RESOLUTION NO. 02, SERIES OF 2021, AND ERC RESOLUTION NO 14, SERIES OF 2022 WITH PRAYER FOR INTERIM RELIEF**

**ERC CASE NO. 2026-009 CF**

**BENGUET ELECTRIC COOPERATIVE (BENECO),**

**Promulgated:**  
May 21, 2026

*Applicant.*

X-----X

**NOTICE OF VIRTUAL HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 08 April 2026, Benguet Electric Cooperative (BENECO) filed an *Application* dated 25 March 2026, seeking Commission's confirmation and approval of their over and under recoveries in the implementation of automatic cost adjustments and true-up mechanisms for the period 2023 to 2025, pursuant to the Commission's Resolution No. 23, Series of 2010, Resolution No. 02, Series of 2021, and Resolution No. 14, Series of 2022, with prayer for interim relief.

**ERC CASE NO. 2026-009 CF**  
**NOTICE OF VIRTUAL HEARING**  
**PAGE 2 OF 4**

---

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

The Commission hereby sets the instant *Application* for hearing for the determination of compliance with jurisdictional requirements, expository presentation, and Pre-Trial Conference<sup>1</sup> on **30 June 2026 (Tuesday) at nine o’clock in the morning (9:00 A.M.), through Microsoft Teams**, as the online platform for the conduct thereof, pursuant to the pertinent rules of the Commission.

Accordingly, Applicant is hereby directed to mirror the virtual hearing, to be hosted by the Commission, at **BENECO’s principal office at No. 4 Gerardo P. Verzosa Bldg., Barangay South Drive, Baguio City**, 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](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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, all persons who have 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](mailto:docket@erc.ph), and copy furnishing the Legal Service through [legal@erc.ph](mailto:legal@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

---

<sup>1</sup> Summary Proceedings pursuant to the Commission’s Resolution No. 16, Series of 2025.

**ERC CASE NO. 2026-009 CF**  
**NOTICE OF VIRTUAL HEARING**  
**PAGE 3 OF 4**

---

- 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](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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 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.

*(This space is intentionally left blank.)*

**ERC CASE NO. 2026-009 CF**  
**NOTICE OF VIRTUAL HEARING**  
**PAGE 4 OF 4**

---

Finally, all interested persons may be allowed to join the scheduled virtual hearing by providing the Commission, through [legal.virtualhearings@erc.ph](mailto: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 hearing.

**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:

*Maria Corazon C. Gines*

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

LS: /MVM

---

\* Authority granted during Commission Meeting on 20 August 2025.

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**IN THE MATTER OF THE  
APPLICATION FOR  
CONFIRMATION AND  
APPROVAL OF THE OVER  
AND UNDER RECOVERIES  
IN THE IMPLEMENTATION  
OF AUTOMATIC COST  
ADJUSTMENTS AND TRUE-  
UP MECHANISMS FOR THE  
PERIOD 2023 TO 2025,  
PURSUANT TO ERC  
RESOLUTION NO. 23,  
SERIES OF 2010, ERC  
RESOLUTION NO. 02,  
SERIES OF 2021, AND ERC  
RESOLUTION NO. 14,  
SERIES OF 2022 WITH  
PRAYER FOR INTERIM  
RELIEF**

**ERC CASE NO. 2026-009 CF**

**BENGUET ELECTRIC  
COOPERATIVE (BENECO),**  
*Applicant.*

X-----X

**Promulgated:**  
May 21, 2026

---

**ORDER**

On 08 April 2026, Benguet Electric Cooperative (BENECO) filed an *Application* dated 25 March 2026, seeking the Commission’s confirmation and approval of their over and under recoveries in the implementation of automatic cost adjustments and true-up mechanisms for the period 2023 to 2025, pursuant to the Commission’s Resolution No. 23, Series of 2010, Resolution No. 02, Series of 2021, and Resolution No. 14, Series of 2022, with prayer for interim relief.

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

Finding the said *Application* to be sufficient in form and with the required fees having been paid, for hearing, for the determination of compliance with jurisdictional requirements, expository presentation, and Pre-Trial Conference<sup>1</sup> on **30 June 2026 (Tuesday) at nine o'clock in the morning (9:00 A.M.), through Microsoft Teams Application**, as the online platform for the conduct thereof, pursuant to the pertinent rules of the Commission.

Accordingly, Applicant is hereby directed to mirror the virtual hearings, to be hosted by the Commission, at **BENECO's principal office at No. 4 Gerardo P. Verzosa Bldg., Barangay South Drive, Baguio City**, 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**, BENECO is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing*, including Annex "A" thereof, once (1x) in a newspaper of nationwide circulation in the Philippines at its own expense, the date of the publication to be made not later than ten (10) days before the date of the scheduled virtual hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing*, including Annex "A" thereof, the Offices of the Governor, Mayors, and the respective Local Government Unit (LGU) legislative bodies within BENECO's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within BENECO's franchise area, by any other means available and appropriate, of the filing of the *Application*, its reasons therefor, and of the scheduled hearings thereon;
- 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

---

<sup>1</sup> Summary Proceedings pursuant to the Commission's Resolution No. 16, Series of 2025.

- 5) Furnish with copies of the *Application* and its attachments, except those subject of a motion for confidential treatment of information, all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

**Within five (5) calendar days** prior to the date of the initial hearing, BENEKO must submit to the Commission via electronic mail (e-mail) at [docket@erc.ph](mailto:docket@erc.ph), and copy furnish the Legal Service through [legal@erc.ph](mailto: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 affidavit of the Editor or Business Manager of the newspaper where the same was published, and the complete issue of the said newspaper;
- 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 Governors, Mayors and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by BENEKO to inform the consumers within BENEKO’s franchise area of the filing of *Application*, its reasons therefor, and of the scheduled hearing;
- 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 *Application* and its attachments, except those subject of a motion for confidential treatment of information, if any, by all those making requests therefor; and
- 6) Such other proof of compliance with the requirements of the Commission.

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

Applicant BENEKO, and all interested parties are also required to submit via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), and copy furnish the Legal Service through [legal@erc.ph](mailto: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 BENEKO to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearings.

Applicant BENEKO must also be prepared to make an expository presentation of the *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 *Application*. Relevant information and pertinent details substantiating the reasons and justifications for the *Application* must be cited in support thereof.

Applicant BENEKO is hereby directed to file a copy of its Expository Presentation via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), **at least five (5) calendar days** prior to the scheduled initial hearing. BENEKO 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 hearing.

Applicant BENEKO and all 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, BENEKO and all interested parties who wish to attend the scheduled virtual hearings are hereby directed to provide the Commission, through [legal.virtualhearings@erc.ph](mailto: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.**

FOR AND BY AUTHORITY  
OF THE COMMISSION:

*Maria Corazon C. Gines*

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

  
LS: JRDS/MVM

---

\* Authority granted during Commission Meeting on 20 August 2025.

**ERC CASE NO. 2026-009 CF**  
**ORDER**  
**PAGE 6 OF 7**

---

**Copy Furnished:**

1. Benguet Electric Cooperative (BENECO)  
*Applicant*  
No. 4 Gerardo P. Versoza Building  
South Drive, Baguio City
2. Atty. Mylene M. Manogan  
*Applicant's Counsel*  
No. 4 Gerardo P. Versoza Building  
South Drive, Baguio City  
[mymanogan@gmail.com](mailto:mymanogan@gmail.com)
3. Office of the Solicitor General (OSG)  
134 Amorsolo Street, Legaspi Village, Makati City  
[docket@osg.gov.ph](mailto:docket@osg.gov.ph)
4. Commission on Audit (COA)  
Commonwealth Avenue, Quezon City  
[citizensdesk@coa.gov.ph](mailto:citizensdesk@coa.gov.ph)
5. Senate Committee on Energy  
GSIS Building, Roxas Boulevard, Pasay City  
[senateenergycommittee@gmail.com](mailto:senateenergycommittee@gmail.com)
6. House Committee on Energy  
Batasan Hills, Quezon City  
[committee.energy@house.gov.ph](mailto:committee.energy@house.gov.ph)
7. Office of the Governor  
Province of Benguet
8. Office of the Local Government Unit (LGU) Legislative Body  
Province of Benguet
9. Office of the Mayor  
Baguio City
10. Office of the Local Government Unit (LGU) Legislative Body  
Baguio City
11. Office of the Mayor  
Atok, Benguet
12. Office of the Local Government Unit (LGU) Legislative Body  
Atok, Benguet
13. Office of the Mayor  
Bakun, Benguet
14. Office of the Local Government Unit (LGU) Legislative Body  
Bakun, Benguet
15. Office of the Mayor  
Bokod, Benguet
16. Office of the Local Government Unit (LGU) Legislative Body  
Bokod, Benguet
17. Office of the Mayor  
Buguias, Benguet
18. Office of the Local Government Unit (LGU) Legislative Body  
Buguias, Benguet
19. Office of the Mayor  
Itogon, Benguet

20. Office of the Local Government Unit (LGU) Legislative Body  
Itogon, Benguet
21. Office of the Mayor  
Kabayan, Benguet
22. Office of the Local Government Unit (LGU) Legislative Body  
Kabayan, Benguet
23. Office of the Mayor  
Kapangan, Benguet
24. Office of the Local Government Unit (LGU) Legislative Body  
Kapangan, Benguet
25. Office of the Mayor  
Kibungan, Benguet
26. Office of the Local Government Unit (LGU) Legislative Body  
Kibungan, Benguet
27. Office of the Mayor  
La Trinidad, Benguet
28. Office of the Local Government Unit (LGU) Legislative Body  
La Trinidad, Benguet
29. Office of the Mayor  
Mankayan, Benguet
30. Office of the Local Government Unit (LGU) Legislative Body  
Mankayan, Benguet
31. Office of the Mayor  
Sablan, Benguet
32. Office of the Local Government Unit (LGU) Legislative Body  
Sablan, Benguet
33. Office of the Mayor  
Tuba, Benguet
34. Office of the Local Government Unit (LGU) Legislative Body  
Tuba, Benguet
35. Office of the Mayor  
Tublay, Benguet
36. Office of the Local Government Unit (LGU) Legislative Body  
Tublay, Benguet
37. Regulatory Operations Service  
Energy Regulatory Commission  
14<sup>th</sup> Floor, Exquadra Tower 1, Jade Drive  
Ortigas Center, Pasig City  
[ros@erc.ph](mailto:ros@erc.ph)

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**IN THE MATTER OF THE APPLICATION FOR CONFIRMATION AND APPROVAL OF THE 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. 23, SERIES OF 2010, ERC RESOLUTION NO. 02, SERIES OF 2021, AND ERC RESOLUTION NO. 14, SERIES OF 2022 WITH PRAYER FOR INTERIM RELIEF,**

ERC CASE NO. [2026-009 CF](#)

[April 08, 2026](#)

**BENGUET ELECTRIC COOPERATIVE (BENECO),**  
*Applicant.*

X-----X

## **APPLICATION**

Applicant **BENGUET ELECTRIC COOPERATIVE (BENECO)**, through the undersigned counsel, unto this Honorable Commission, respectfully states:

### **I. THE APPLICANT**

1. Applicant BENECO is an electric cooperative existing under the laws of the Republic of the Philippines, with principal office located at No. 4 Gerardo P. Verzosa Building, Barangay South Drive, Baguio City 2600. It may be served with notices and other processes of this Honorable Commission through its counsels at the addressed indicated herein.
2. BENECO is the exclusive franchise holder issued by the National Electrification Administration (NEA) to operate and maintain an electric light and power services the City of Baguio and the thirteen (13) municipalities of Benguet, namely: Atok, Bakun, Bokod, Buguias, Itogon, Kabayan, Kapangan, Kibungan, La Trinidad, Mankayan, Sablan, Tuba, and Tublay, and is authorized to charge all its customers for their electric consumption at the rates approved by the Honorable Commission.
3. On September 12, 2025, Republic Act No. 12303, entitled "*An Act Granting Benguet Electric Cooperative (BENECO) a Franchise to Construct, Install, Establish, Operate, Own, Manage and Maintain a Distribution System for the Conveyance of Electric Power to the End-Users in the Municipalities of Atok, Bakun, Bokod, Buguias,*

*Itogon, Kabayan, Kapangan, Kibungan, La Trinidad, Mankayan, Sablan, Tuba, and Tublay, Province of Benguet; and in Baguio City”* was enacted.

## **II. LEGAL BASES FOR THE APPLICATION**

4. ERC Resolution No. 14, Series of 2022 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. The objective of this rule is to ensure 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 (DUs) and the true-up of other pass-through charges, as follows:
  - 4.1. Automatic Generation Rate and System Loss Adjustment Mechanism;
  - 4.2. Transmission Rate Adjustment Mechanism
  - 4.3. Lifeline Rate Recovery Mechanism;
  - 4.4. Local Franchise Tax Recovery Mechanism;
  - 4.5. Local Business Tax Recovery Mechanism;
  - 4.6. Calculation of the Over or Under Recovery in the Implementation of the Generation Rates;
  - 4.7. Calculation of the Over or Under Recovery in the Implementation of the Transmission Rates;
  - 4.8. Calculation of the System Loss Rate Over or Under Recovery; and
  - 4.9. Calculation of the Over or Under Recovery in the Implementation of the Lifeline Rates.
5. On the other hand, ERC Resolution 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.
6. Further, ERC Resolution No. 02, Series of 2021, provides for the recovery of all just and reasonable costs pertaining to current taxes levied by local government units (LGUs) within the DUs franchise area. Specifically, the local taxes pertain to real property tax, franchise tax, and business tax. This is subject to post validation and confirmation process mechanism of the Honorable Commission.
7. The foregoing resolutions require the DUs to file their respective consolidated applications once every three (3) years. Hence, the filing of the instant Application, covering the period of January 2023 to December 2025.

## **III. OVER OR UNDER-RECOVERIES OF ALLOWABLE COSTS**

8. Applying the formula provided under resolution 23, Series of 2010, Resolution 02, series of 2021 and ERC Resolution 14, series of 2022, respectively, BENEKO made calculations of the over-recoveries charged or under-recoveries incurred as against its customers, in the implementation of certain automatic cost adjustments and true-up mechanisms, covering the period of January 2023 to December 2025.

9. The results of its calculations for the years 2023 to 2025 is presented as follows:

	<b>PARTICULARS</b>	<b>ALLOWABLE COST (PhP)</b>	<b>ACTUAL REVENUE (PhP)</b>	<b>(OVER) / UNDER (PhP)</b>
1	<b>GENERATION RATE</b>			
	Main	9,128,083,113.34	9,219,871,643.11	(91,788,529.77)
	Sale for Resale (La Union Electric Cooperative, Inc.)	426,765.15	434,750.20	(7,985.05)
2	<b>TRANSMISSION RATE (TR)</b>	1,338,008,287.65	1,341,920,657.65	(3,912,370.00)
3	<b>SYSTEM LOSS RATE (SLR)</b>			
	Main	851,113,781.53	912,852,298.08	(61,738,516.55)
	Sale for Resale (La Union Electric Cooperative, Inc.)	48,941.24	51,176.94	(2,235.70)
4	<b>LIFELINE SUBSIDY</b>	36,749,365.57	42,501,775.66	(5,752,410.09)
5	<b>SENIOR CITIZEN SUBSIDY</b>	1,761,772.56	1,690,976.52	70,796.04
	<b>TOTAL OVER RECOVERIES FOR 2023 to 2025</b>			<b>(163,131,251.11)</b>

#### IV. REASONS FOR THE OVER OR UNDER RECOVERIES

10. The monthly calculation of Automatic Cost Adjustment for Pass-through Charges follows a one-month lag approach, while in the determination of over or under recoveries, the Allowable Cost of the Pass-through Charges (Column 2 in the table above) for the current month is compared to the Actual Revenue Recovered (Column 3 in the table above) in the current month.
11. For the Generation Rate and Transmission Rate, the data utilized for the application reflects the actual figures from the current month while the Implemented Rate utilizes the data from the preceding month, in accordance with the prescribed formula.
- 11.1. The monthly calculation of the Adjusted Generation Rate follows a one-month lag approach, where the cost of power from all power supplies from the previous months is divided by the Energy Input (kWh) from the previous month. The resulting Adjusted Generation Rate is then implemented for the current month.
- 11.2. This differs from the computation of over or under recoveries. In the calculation of over-recoveries charged, the Total Cost of Power from the power suppliers for the current months is compared to the Actual Revenue billed to the consumers for the current month.
- 11.3. On May 21, 2025, the Honorable Commission issued a Provisional Authority (PA) for ERC Case No. 2025-072 RC, which is the Application for the Approval of the Power Supply Agreement Between Therma Luzon, Inc. and Benguet Electric Cooperative. Applicant BENEKO implemented the rates beginning July 2025.

- 11.4. Thereafter, the Final Authority (FA) for ERC Case No. 2025-072 RC was issued on February 16, 2026. The approved rates in the FA is higher than the PA.
  - 11.4.1. The Honorable Commission ordered the recovery of the difference between the rate approved in the Provisional Authority, dated May 21, 2025, and rate approve in the Final Authority, January 30, 2026, from the start of supply to the promulgation of the Final Authority.
  - 11.4.2. On May 6, 2026, Applicant BENECA filed a Motion for Reconsideration to seek recourse on the recovery of the difference between the rates.
- 11.5. Another factor which affects the discrepancy in the Generation Rate is the economic variable indices. The bill issued by BENECA's power supplier vary due to fluctuation in fuel prices, foreign exchange rates, and consumer price indices. In addition, the inevitable exposure of BENECA to the Wholesale Electricity Spot Market (WESM) contributed to the fluctuating monthly Adjusted Generation Rates.
12. For the Systems Loss Rate, the over-recovery was caused by the use of the system loss computation prescribed under ERC Resolution No. 14, Series of 2022.
  - 12.1. The monthly Systems Loss Rate computation follows a running previous 12-month systems loss data approach. In the determination of over or under recoveries, the total of monthly system loss revenue billed is compared to the allowable system loss for the year.
  - 12.2. The calculation of System Loss Rate's over or under recoveries is primarily attributed to the over or under recoveries in the Generation and Transmission Costs, which are components of the formula used to compute the System Loss Rate.
13. In the computation of the Implemented Rate for the Lifeline Rate, the previous month's kWh sales plus the number of customers were used to determine the Lifeline Rate Adjustment for implementation on the current month billing. The change in kWh sales and the consumption of lifeliners that vary every month which cause the discrepancy.
14. For the Senior Citizen Subsidy, what is being used in the computation is the current month's actual data resulting to over-recovery on the Senior Citizen Discount granted to qualified senior citizens.

## **V. SUPPORTING DATA AND DOCUMENTS**

15. In support of the foregoing calculations, BENECA is submitting the following data and documents covering the period of January 2023 to December 2025, attached hereto and made integral part of the Application:

<b>FOLDER NO.</b>	<b>ANNEX MARKINGS</b>	<b>NATURE OF DOCUMENT</b>
Folder 1	Annex A	Application
	Annex B	Generation Data Sheet per Year
	Annex C	Transmission Data Sheet per Year
	Annex D	System Loss and Statistical Data Sheet per year
	Annex E	Lifeline Discount Sheet per Year
	Annex F	Senior Citizen Discount Sheet per Year
	Annex G	Actual Implemented Rates Sheet per Year
	Annex H	Actual Implemented Lifeline Sheet per Year
	Annex I	Actual Senior Citizen Discount Sheet per Year
	Annex J	Summary of O/U Recoveries Computation
	Annex K	Proposed Refund/Collect Scheme
Folder 2	<b>SUPPLIER AND TRANSMISSION DATA</b>	
	Annex L	Generation and Transmission Data (Power Bill; Proof of Payment; Adjusted Bill/ Debit or Credit Memo)
	Annex L-1	PSALM
	Annex L-2	WESM
	Annex L-3	TEAM Energy
	Annex L-4	Limay Power, Inc.
	Annex L-5	GNPower Dinginin Ltd. Co.
	Annex L-6	Therma Luzon, Inc.
	Annex L-7	LUELCO
	Annex L-8	Net Metering
	Annex L-9	GEOP
Annex L-10	NGCP	
Folder 3	<b>STATISTICAL DATA</b>	
	Annex M	Summary of Pilferage Cost Recoveries/ Manifestation in N/A
	Annex N	Summary of Implemented Orders/ Decisions
	Annex O	MFSR – Sections B and E
	Annex P	Demand (kW) Sales Implemented Orders/ Decisions
Folder 4	<b>ACTUAL IMPLEMENTED RATES DATA</b>	
	Annex Q	Sample Bills per Customer Class (Non-Lifeline)
	Annex R	Sample Bills per Lifeline Bracket (Lifeline)
	Annex S	Sample Bills for Senior Citizens
Folder 5	<b>OTHER DOCUMENTS</b>	
	Annex T	Rate Schedule
	Annex U	Submitted Monthly URR
	Annex V	Singel Line Diagram
	Annex W	Power Supply Contracts
	Annex X	Computation of Pass-through charges

	Annex Y	Manifestation of Non-Applicability of Local Franchise, Business, and Real Property Taxes
--	---------	--

16. Further, in compliance with the pre-filing requirements, the Applicant BENEKO is submitting the following documents:

<b>ANNEX MARKINGS</b>	<b>DESCRIPTION OF THE DOCUMENTS</b>
Annex Z	Certificate of Email Registration
Annex AA	Verified Declaration
Annex BB	Verification and Certification Against Forum Shopping
Annex CC	Authority of Counsel to File the Subject Application
Annex DD	Authority of Affiant to Execute Verification and Certification Against Forum Shopping
Annex EE and series	Copy of the Letters to the local government units where BENEKO principally operates
Annex FF and series	Proof of the publication of the Application in a newspaper of general circulation within the franchise area of BENEKO

## **VI. ALLEGATIONS IN SUPPORT OF THE PRAYER FOR INTERIM RELIEF**

17. Rule 14 of ERC Resolution No. 01, Series of 2021, entitled “A Resolution Promulgating the Energy Regulatory Commission’s Rule of Practice and Procedure,” allows an Applicant to include a motion for interim relief.
18. A prayer for interim relief has four purposes – one of which it to protect or prevent irreparable loss or injury to the party asking for the relief.
- 18.1. The costs covered by this Application are all pass-through costs.
- 18.2. Applicant BENEKO, being a pass-through entity, should neither earn any income nor incur any losses from the over or under-recoveries.
- 18.3. It is only fair and proper to allow Applicant BENEKO to refund or recover previous over or under-recovery amounts which are yet to be decided by the Honorable Commission.
- 18.4. After implementation of the refund or collection of the previous over or under recovery amounts shall the over or under recovery amount under this Application be implemented.
19. First, the interim relief sought is to maintain the financial viability of BENEKO.
- 19.1. The franchise area of BENEKO was struck by several typhoons in the year 2025. The onslaught of the typhoon caused heavy destruction to BENEKO amounting to more than Forty One Million, Three Hundred Eighty Three Thousand, Six Hundred

Twenty Nine Pesos and Thirty Nine Centavos (Php 41,383,629.39).

- 19.2. While BENECON was incurring damages, the URR computed pass-through charges as of November 2025 was One Hundred Eighteen Million, Sixty Four Thousand, Three Hundred Thirty Two Pesos and Thirty Five Centavos (Php 118,064,332.35).
- 19.3. The accumulated over-recovery amount was then placed in a bank account. Applicant BENECON assures that the amount deposited was not used for any purposes other than to refund.
- 20. Second, Applicant BENECON is a distribution utility and the imposition of the pass-through costs should not prejudice BENECON and its member-consumer-owners.
  - 20.1. BENECON has four (4) pending applications before the Honorable Commission, as follows:

<b>CASE NO.</b>	<b>PERIOD COVERED</b>	<b>AMOUNT</b>
ERC Case No. 2014-057 CF	2011-2013	Under-recovery: Php 40,462,580.30
ERC Case No. 2017-041 CF	2014-2016	Over-recovery: Php 39,833,214.84
ERC Case No. 2020-037 CF	2017-2019	Under-recovery: Php 560,235.47
ERC Case No. 2023-003 CF	2020-2022	Under-recovery: Php 74,342,584.85

- 20.2. The total under-recoveries of Applicant BENECON pending before the Honorable Commission is One Hundred Fifteen Million, Three Hundred Sixty Five Thousand, Four Hundred Pesos and Sixty Two Centavos (Php 115,362,400.62).
- 20.3. The total over-recoveries of Applicant BENECON pending before the Honorable Commission is Thirty Nine Million, Eight Hundred Thirty Three Thousand, Two Hundred Fourteen Pesos and Eighty Four Centavos (Php 39,833,214.84).
- 20.4. If the total amount of under-recoveries will be off-set with the total amount of over-recoveries, the result will be under-recoveries in the amount of Seventy Five Million, Five Hundred Twenty Nine Thousand, One Hundred Eighty Five Pesos and Seventy Eight Centavos (Php 75,529,185.78).
- 20.5. Applicant BENECON believes in order to maintain its working capital, sustain its operations, and ensure fiscal viability, the pending applications for under-recoveries should be collected first.

## PRAYER

**WHEREFORE**, premises considered, Applicant Benguet Electric Cooperative (BENECO) respectfully prays of this Honorable Commission, after due notice and hearing, the following:

1. To **CONFIRM** and **APPROVE** its calculations of over or under-recoveries in the implementation of the automatic cost adjustments and true-up mechanisms covering the period of January 2023 to 2025:
2. To **GRANT** the refund of the over-recoveries or collect the under-recoveries, as the case may be, to or from its costumers, based on the following refund/collect scheme, to wit:

Mechanism	(Over)/ Under Recovery (PhP)	Proposed Term of Refund/ Collection	Rate per Month (kWh)	Rate per Month (kW)
Generation Rate	(91,796,512.55)	36	(0.0508)	
Transmission Rate	(3,912,370.00)	36	(0.0022)	(0.7633)
System Loss Rate	(61,739,804.81)	36	(0.0342)	
Lifeline Subsidy	(5,752,410.09)	36	(0.0032)	
Senior Citizen Subsidy	70,796.04	24	0.0001	

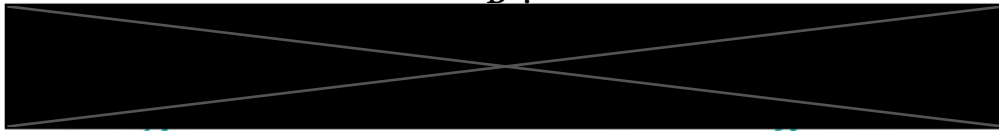
3. To **GRANT** the prayer for Interim Relief to allow Applicant BENECO to collect or refund the over or under recoveries after the implementation of the previous Applications.

Other just and equitable reliefs are likewise prayed for.

Respectfully submitted this 25th day of March 2026 in Baguio City, for Pasig City, Philippines.

### BENGUET ELECTRIC COOPERATIVE (BENECO)

B ;



Office of the General Manager  
 Roll of Attorneys No. 79215, May 16, 2022  
 PTR No. 7883393, January 6, 2026, Baguio City  
 IBP SI No. INV565436, December 13, 2025 for 2026, Pasig City  
 MCLE Exemption No. VIII-BEP002339, valid until April 14, 2028  
 No. 4 Gerardo P. Verzosa Building, South Drive, Baguio City  
 0948-016-3325 | mymanogan@gmail.com