

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Exquadra Tower, Pasig City

IN THE MATTER OF THE APPLICATION FOR: (A) CONFIRMATION OF THE TRUE - UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF(AWAT) VIS-A-VIS ERC APPROVED AVERAGE RATE IMPLEMENTED FOR THE LAPSED REGULATORY YEARS; AND (B) APPROVAL OF THE FINAL RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS; WITH PRAYER FOR THE ISSUANCE OF PROVISIONAL AUTHORITY,

IBAAN ELECTRIC CORPORATION (IEC),

ERC CASE NO. 2023-003 RC

May 05, 2026

Applicant.

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SUPPLEMENTAL APPLICATION

Applicant, IBAAN ELECTRIC CORPORATION (IEC), through counsel, unto this Honorable Commission, respectfully states that:

1. On 30 May 2022, IEC received a letter dated 25 April 2022 from the Honorable Commission directing it to file *“its AWAT application guided by the Over/Under Recovery Formula provided under Section 4.3.1, Article IV of the Revised Rules for Setting the Distribution Wheeling Rates (Revised RDWR) within one hundred fifty (150) days from receipt hereof, covering the period 1 October 2015 to present.”*

2. On 16 January 2023, IEC filed its Actual Weighted Average Tariff (AWAT) *Application* covering the lapsed period from 01 July 2014 to 30 June 2024, that was docketed as *ERC Case No. 2023-003 RC*.¹ The said *Application* sought the following:

- (i) Approval of the proposed mechanism to address the issue of rates governing the Lapsed Period from 1 July 2014 to 30 June 2024 through the true up mechanisms between its AWAT and approved MAP;
- (ii) Confirmation of its resulting calculation of the total amount to be recovered in the amount of a period of 60 months; and
- (iii) Approval of the proposed recovery scheme, as follows: Street lights at PhP 0.1849/kWh, Residential at PhP 0.3275/kWh, Commercial at PhP 0.1019/kWh, and Industrial at PhP 0.0485/kWh.

3. IEC applied the True-up Mechanism to finally settle all issues relating to the implementation of the Distribution, Supply, and Metering (DSM) charges during the supposed Regulatory Years (RY) after 01 July 2014, and to enable it to proceed with the next regulatory reset for its Entry Group.

4. IEC implemented its distribution charges during the period from 23 September 2014 up to the present based on rates translated for each customer class in RY 2015, pursuant to the Honorable Commission's *Decision* dated 08 August 2014 in *ERC Case No. 2013-047 RC*. This effectively fixed the allocation of the approved revenue requirement by customer class based on sales mix and load profile adopted for RY 2015.

5. The actual weighted average rate varies depending on the sales mix and load factor of customers whose rate design consists of a demand charge billed on a PhP/kW basis and energy charge billed on a PhP/kWh basis.

¹ *In The Matter of the Application For: (A) Confirmation of the True Up Calculation of the Actual Weighted Average Tariff (AWAT) vis-a-vis ERC approved Average Rate Implemented for the Lapsed Regulatory Years; and (B) Approval of the Final Recovery Scheme for the Lapsed Regulatory Years; With Prayer for the Issuance of Provisional Authority: Ibaan Electric Corporation.*

6. The proposed True-Up Calculations fairly and reasonably capture the changes in customers’ sales mix and load factor, consistent with the rationale enunciated by the Honorable Commission in *ERC Case No. 2023-003RC*. These calculations normalize the impact on the actual average rates during the supposed Regulatory Years after 01 July 2014, as against the last ERC-approved rate by Rate Schedule established for RY 2015.

7. On 24 March 2023, IEC filed its *Formal Offer of Evidence*, offering its documentary evidence, supporting computations, refund calculations, rate simulations, and the testimony of Ms. Milagros S. Castro, in support thereof.

8. On 16 October 2025, the Honorable Commission issued *Resolution No. 23, Series of 2025*,² directing Private Distribution Utilities (PDUs) that have previously filed AWAT applications to submit a Supplemental Application which contains the updated computation and latest actual available data based on distribution revenues, kWh sales, and net income from related business covering the Lapsed Period up to 31 December 2025.

9. In compliance therewith, IEC submits this *Supplemental Application* and supporting documents, showing its AWAT computations based on the latest available actual data until 31 December 2025, to wit:

ANNEX	DOCUMENTS
“A”	Breakdown of Distribution, Supply and Metering (DSM) revenues and actual energy sales (kWh) for the covered period
“B”	Detailed computation of (over) or under-recoveries or the AWAT computation
“C”	Detailed Computation of the Proposed Refund Rate per Customer Class
“D”	Detailed Computation of the Proposed Refund Period (Forecast Energy Sales)
“E”	Summary of the Approved Average Rate by Rate Schedule or Customer Class
“F”	Documents to Support Related Business Revenues
“G”	Rate Impact Simulation

² Resolution No. 23, Series of 2025, “A Resolution Directing All Private Distribution Utilities to File Their Respective AWAT Applications for the Lapsed Period.”

10. This *Supplemental Application* is filed solely to update the AWAT computations in accordance with Honorable Commission’s *Resolution No. 23, Series of 2025*. IEC respectfully reiterates that the True-Up Mechanism is designed to ensure that the rates implemented during the lapsed regulatory period faithfully reflect the ERC-approved Annual Revenue Requirement, thereby protecting both the regulated utility and its consumers.

11. The table below present IEC’s updates pursuant to the said Resolution, showing calculations of its over/under-recoveries per rate schedule *vis-à-vis* the ERC-approved rates, together with IEC’s proposal to recover such amounts over a period of twelve (12) months, to *wit*:

Period	kWh Sales	Approved	AWAT	(Over)/Under Recovery	
		MAP		PhP/kWh	Amount
July 2024 - June 2025	45,681,026	2.5834	2.3536	0.2298	10,498,653.62
July 2025 - December 2025	24,669,895	2.5834	0.1931	2.3903	58,968,918.15
TOTAL (OVER)/UNDER					69,467,571.76

12. IEC likewise proposes to proportionately allocate the average monthly collect rate of **PhP0.5224/kWh** to its Rate Schedule using RY2025-2026 as the billing determinant, to *wit*:

RECOVERY RATE PER CUSTOMER CLASS	Share to latest DSM revenues (A)	Recovery Amount Allocation (B)	Share to latest kWh Sales (C)	Actual Sales Allocation (D)	Recovery Rate (E = B / D)
STREET LIGHTS	1.06%	737,393.52	1.39%	1,844,677.40	0.3997
RESIDENTIAL	83.89%	58,272,971.61	57.95%	77,051,505.02	0.7563
COMMERCIAL	12.25%	8,513,064.02	27.70%	36,832,470.15	0.2311
INDUSTRIAL	2.80%	1,944,142.618	12.96%	17,239,171.50	0.1128
TOTAL	100.0%	69,467,571.76	100.0%	132,967,824.07	0.5224

PRAYER

WHEREFORE, premises considered, IEC respectfully prays unto the Honorable Commission to:

1. **ADMIT** and **CONSIDER** this *Supplemental Application* and its annexes as sufficient compliance with the Honorable Commission' *Resolution No. 23, Series of 2025*;
2. **CONFIRM** and **APPROVE** the proposed true-up mechanism, updated AWAT computations, and the proposed recovery scheme;
3. **GRANT** its prayer for a Provisional Authority or Interim Relief and **ALLOW** the implementation of the proposed collect scheme allocated on a per rate schedule, pending final resolution of this Application; and
4. **DECLARE** all issues in connection with the lapsed period resolved and terminated.

Other reliefs, just and equitable under the premises, are likewise prayed for.

Pasig City, 27 March 2026.

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