

Item No.: 11

Date: 26 2025 AUG

REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
JADE DRIVE, PASIG CITY

Sangguniang Panlalawigan
Province of Leyte

RECEIVED

Date: 8/26/25
By: [Signature]

IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF THE POWER
SUPPLY AGREEMENT (PSA)
EXECUTED ON DECEMBER 9,
2011 BETWEEN LEYTE III
ELECTRIC COOPERATIVE,
INC. AND GREEN CORE
GEOTHERMAL INC., WITH
PRAYER FOR PROVISIONAL
AUTHORITY,

ERC CASE NO. 2011-182 RC

LEYTE III ELECTRIC
COOPERATIVE, INC.
(LEYECO III),

Applicant.

x-----x

JOINT MANIFESTATION

Applicant LEYTE III ELECTRIC COOPERATIVE, INC. ("LEYECO III"), together with GREEN CORE GEOTHERMAL INC. ("GCGI"), through respective undersigned counsel, respectfully state: That –

1. The Honorable Commission promulgated its Decision dated June 15, 2017 in relation to the instant Application approving the Power Supply Agreement ("PSA") between the Applicant and GCGI ("Parties"), subject to modifications ("Final Authority"). One of the directives in said Final Authority issued by this Honorable Commission as shown in the Dispositive Portion thereof is that ***"A rebasing shall be made every ten (10) years beginning 2015"***.

2. The Parties had made the first rebasing in 2015, pursuant to the PSA dated December 26, 2011, the terms and conditions of which were provisionally approved by the ERC in an Order dated March 6, 2012, and the same was implemented beginning December 26, 2015. It should be emphasized that 2015 is the year stated in the Final Authority as the beginning of the ten (10)-year period for which the Parties are allowed to conduct rebasing. Considering that the ten (10)-year interval for the rebasing pursuant to the Final Authority is

reckoned from year 2015, in this case it was December 26, 2015, there is now a need for the Parties to rebase the rates that will be effective come December 26, 2025 until December 25, 2035.

3. Accordingly, the Parties entered into an Implementation Agreement to carry-out the rebasing which will take effect on December 26, 2025, in accordance with this Honorable Commission’s Final Authority and its directive therein to conduct a rebasing every ten (10) years beginning 2015. For this Honorable Commission’s reference, the Parties respectfully submit the said Implementation Agreement, attached hereto as Annex “A”.

4. Parties respectfully manifest that with the latest rebasing, consumers are ensured of a lower and more economical electricity rate that will not only be beneficial to them but will also be in line with the goal of the Electric Power Industry Reform Act of 2001 (“EPIRA”) to provide stable and competitive rates to consumers. This includes the EPIRA’s policy of ensuring the quality, reliability, security, and affordability of the supply of electric power.

5. In accordance with the PSA as previously mentioned, the Parties made the first rebasing in 2015, where the first rebasing rate was implemented. In March 8, 2018, the Parties received the Final Authority which directed the Parties to conduct rebasing every ten (10) years beginning 2015.

6. The first rebasing rate proved to be lower in comparison with the rate in the Final Authority (“Final Authority Rate”), following the rate adjustment formula. Consequently, the Parties decided to maintain the first rebasing rate until 2025, thereby benefiting consumers.

7. In adherence with the directives of the Final Authority, the Parties have conducted the latest rebasing which will take effect in 2025. In accordance with the Implementation Agreement, beginning December 26, 2025, the effective rate shall be P/kWh 6.3853 instead of P/kWh 6.5495 resulting in further rate reduction of P/kWh 0.1642.

Table 1. Comparison of Final Authority Rate, First Rebasing Rate, and Latest Rebasing Rate*

Rate	Base Rate**, P/kWh	Simulated Rate***, Beginning Dec 26, 2025, P/kWh
[A] Final Authority Rate	4.7000 (base CPI: December 2009)	6.8986
[B] First Rebasing (in 2015)	4.8884 (base CPI: Average 2014)	6.5495
[C] Latest Rebasing	6.2354	6.3853

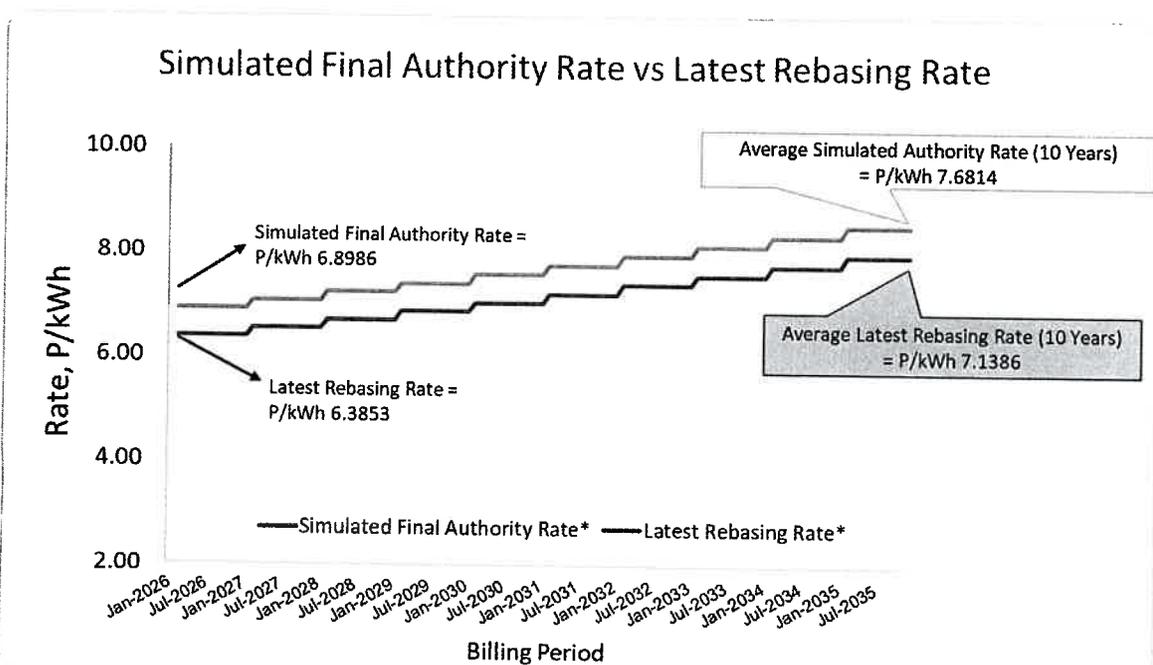
(in 2025)	(base CPI: Average 2024)	
[B-C] Rate Reduction		0.1642

*See Annex "B" for more details.

**Rates are net of Prompt Payment Discount.

***Rates assume an annual CPI increase of three percent (3%) for rate comparison and are net of Prompt Payment Discount.

8. The following chart shows that the Latest Rebasing Rate will be consistently lower than the simulated Final Authority Rate from December 26, 2025 to December 25, 2035, with an average difference of P0.54/kWh [i.e., P/kWh 7.6814 - P/kWh 7.1386]. This rate reduction will result in an estimated average annual savings of P11.89 Million, to wit:



* Assumes an annual CPI increase of three percent (3%) for rate comparison. Rates shown are net of the prompt payment discount.

9. As presented above, the inclusion by this Honorable Commission in the Final Authority of a directive for the Parties to make a rebasing every ten (10) years beginning 2015 undoubtedly has favorable effects to the consumers as they will be paying lower cost of electricity for the next ten (10) years from December 26, 2025 to December 25, 2035.

RESPECTFULLY SUBMITTED.

Pasig City, June 30, 2025.



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MCLE Compliance No. VIII-0002415 valid until 4/14/2028

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By:


MIGUEL K. MATHAY

ROLL OF ATTORNEYS NO. 43982
MCLE COMPLIANCE NO. VIII-0023334; 4/14/2028
PTR NO. 3040417; 01/03/2025
PASIG CITY
IBP NO. 511708; 01/03/2025
RIZAL (RSM)

GIANNA MARIA C. COMSTI
ROLL OF ATTORNEYS NO. 63071
MCLE COMPLIANCE NO. VIII-0022934; 4/14/2028
PTR NO. 3040424; 01/03/2025
PASIG CITY
IBP NO. 511715; 01/03/2025
RIZAL (RSM)

EXPLANATION

Due to the volume of pleadings, motions and other correspondence filed/sent by the Firm daily, the Firm is constrained to cause the service of the copy of the foregoing pleading to the other parties by registered mail and/or private courier instead of by personal service.


MIGUEL K. MATHAY

Copy furnished:

Office of the Provincial Governor
Province of Leyte

Office of the Sangguniang Panlalawigan
Province of Leyte

Office of the Municipal Mayor
Alang-alang, Leyte

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Office of the Solicitor General

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Commission on Audit (COA)

Commonwealth Avenue, Quezon City

Senate Committee on Energy

GSIS Building, Roxas Boulevard, Pasay City

House Committee on Energy

Batasan Hills, Quezon City

Office of the President

Philippine Chamber of Commerce and Industry (PCCI)

3rd Floor, Chamber and Industry Plaza (CIP)

1030 Campus Avenue corner Park Avenue

McKinley Town Center, Fort Bonifacio, Taguig City

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December 18, 2024

LEYTE III ELECTRIC COOPERATIVE, INC.
National Highway, Barangay San Roque,
Tunga, Leyte, Philippines

Attention: **DR. ALLAN L. LANIBA, OFS**
General Manager

Subject: Implementation Agreement on 2026 Basic Energy Charge Rebasing

Dear Dr. Laniba,

We write in reference to the Power Supply Agreement between LEYTE III ELECTRIC COOPERATIVE ("LEYECO III") and GREEN CORE GEOTHERMAL INC. ("GCGI") dated December 10, 2011, as amended by the Amendment to the Power Supply Agreement dated October 21, 2014 ("Amendment") (collectively, the "PSA"), and the Final Authority issued by the Energy Regulatory Commission (ERC) in an Order dated February 22, 2018 in ERC Case No. 2011-182 RC ("Final Approval"). Capitalized terms not defined herein shall have the same meanings ascribed to them in the PSA.

Among the conditions set forth by the ERC in the Final Approval of the PSA is that: "A rebasing shall be made every ten (10) years beginning 2015".¹

This re-basing is consistent with Section 2 of the Amendment, which extended the term of the PSA up to December 25, 2040, as follows:

"2. The term of the PSA, as provided in Section 3.2 of the PSA, shall be extended to continue and remain effective up to December 25, 2040, unless earlier terminated in accordance with the provisions in the PSA and herein Amendment."

In accordance with the rebasing mandate in the Final Approval and following the Basic Energy Charge ("BEC") adjustment procedures as prescribed and agreed upon in the PSA, the Parties shall implement a rebasing of the BEC beginning in the January 2026 Billing Period.

With due consideration to the benefits that may be afforded to LEYECO III's consumers, GCGI proposes to implement a rebasing of the BEC in 2026, at the rebased BEC rate of

¹ ERC Case No. 2011-182 RC, Order dated February 22, 2018, p. 26.



PhP/kWh 6.4415 (which includes a Non-Escalating fixed component of PhP/kWh 1.2800) using the base Philippine Consumer Price Index ("CPI") average of 2024 in accordance with the agreed formula in the PSA as approved in the Final Authority.

The proposed rebasing will result to the 2026 BEC of PhP/kWh 6.6067 which is PhP/kWh 0.17 lower than PhP/kWh 6.7771², the latter corresponding to the 2026 BEC if no rebasing is applied. This rate reduction could result in an estimated cost savings of ~Php 3 Million in 2026 for LEYECO III's consumers. The rebased BEC will continue to be lower than the existing BEC from 2026 to 2035 by an estimated average of PhP/kWh 0.20², for the benefit of LEYECO III's consumers.

The details and sample computation of such rebased BEC of PhP/kWh 6.4415 for 2026 are provided in Annex "A" (Basic Energy Charge and Escalation/De-escalation Formula). The BEC may further be subject to Prompt Payment Discount in accordance with the PSA.

The Parties hereby further agree as follows under this Implementation Agreement:

1. This Implementation Agreement serves to implement Paragraph 3 of the dispositive portion of the Final Authority and Sections 7 and 8 of the Amendment on the rebasing of the BEC, as it is hereby made an integral part of the PSA, and shall be read, construed with, and implemented with the rest of the provisions of the PSA.
2. This Implementation Agreement supersedes any and all other previous discussions and correspondences related to the rebasing of the BEC.
3. The Parties agree to perform and execute such further acts and agreements and/or prepare and deliver such other documents, schedules, instruments or filings, including those before the ERC, as may be necessary, proper, or desirable to fully implement the PSA and this Implementation Agreement. The Parties further agree to file, as soon as practicable and as may be required by the ERC, a Joint Manifestation informing the ERC of this Implementation Agreement.
4. If any one or more of the terms of this Implementation Agreement is declared invalid, illegal, or unenforceable in any respect, the same shall not affect the validity, legality, or enforceability of the remainder thereof, and the Parties shall continue to perform the provisions of such remainder to the fullest extent permitted by applicable law.

² The estimate is based on an assumed annual increase of 3.2% for CPI.



5. In the event ERC *motu proprio* amends, modifies or nullifies any provision in this Implementation Agreement, either or both of the Parties may seek clarification, reconsideration, appeal, or contest such amendment, modification or nullification. During the pendency of the action for clarification, reconsideration or appeal, the Parties shall continue to implement the provisions of the PSA, using the rebased BEC, as escalated to the applicable year.

If the foregoing is in accordance with your understanding of our agreement, please signify your confirmation and conformity by affixing the signature of your authorized representative in the space provided below, whereupon this Implementation Agreement shall constitute a binding agreement between the Parties.

Thank you.

Very truly yours,

GREEN CORE GEOTHERMAL INC.

by:

DocuSigned by:

GABRIEL S. VERGARA
Vice-President

With our conformity and agreement:

LEYTE III ELECTRIC COOPERATIVE, INC.

By:

01-20-25
DR. ALLAN L. LANIBA, OFS
General Manager
01-20-25



**ANNEX "A"
SCHEDULE OF BASIC ENERGY CHARGE
AND ESCALATION/DE-ESCALATION FORMULA**

A. BASIC ENERGY CHARGE ("BEC")

The re-based Basic Energy Charge shall be:

Rebased BEC (PHP/kWh)	6.4415
Breakdown	
Non-Escalating BEC	1.2800
Escalating BEC	5.1615
Base Philippine Consumer Price Index	Average 2024

**Note: The BEC to be used in the year 2026 will be computed using the Rebased BEC.*

The Parties shall observe the following bases for Escalation / De-Escalation for its BEC from 2026-2035 (or from Billing Periods from January 2026 to December 2035) pursuant to the formula below:

B. ESCALATION / DE-ESCALATION FORMULA

CPI ₂₀₂₆ rate	CPI ₂₀₂₇ rate	CPI ₂₀₂₈ rate	CPI ₂₀₂₉ rate	CPI ₂₀₃₀ rate	CPI ₂₀₃₁ rate	CPI ₂₀₃₂ rate	CPI ₂₀₃₃ rate	CPI ₂₀₃₄ rate	CPI ₂₀₃₅ rate
CPI ₂₀₂₅	CPI ₂₀₂₆	CPI ₂₀₂₇	CPI ₂₀₂₈	CPI ₂₀₂₉	CPI ₂₀₃₀	CPI ₂₀₃₁	CPI ₂₀₃₂	CPI ₂₀₃₃	CPI ₂₀₃₄
CPI ₂₀₂₄	CPI ₂₀₂₅	CPI ₂₀₂₆	CPI ₂₀₂₇	CPI ₂₀₂₈	CPI ₂₀₂₉	CPI ₂₀₃₀	CPI ₂₀₃₁	CPI ₂₀₂₂	CPI ₂₀₃₃

The Illustrative Example is as follows:

Illustrative Example for the Determination of Adjusted Basic Energy Charge:

$$\text{Adjusted BEC}_n = \text{Non-Escalating BEC} + \text{Escalating BEC} \times (\text{CPI}_{n-1} / \text{CPI}_{n-2})$$

Where:



CPI_{n-1} = arithmetic average CPI of calendar year (n-1), as published by the Philippine Statistics Authority

CPI_{n-2} = arithmetic average CPI of calendar year (n-2), as published by the Philippine Statistics Authority

Sample Computation of Adjustment

For Adjusted BEC_n = Adjusted BEC_{2026} :

Given:

Non-Escalating BEC = 1.2800 PHP/kWh
 BEC_{n-1} = 6.4415 PHP/kWh
Escalating BEC_{n-1} = 5.1615 PHP/kWh

$$\begin{aligned} \text{Adjusted } BEC_{2026} &= \text{Non-Escalating BEC} + \text{Escalating } BEC_{n-1} \times (CPI_{n-1} / CPI_{n-2}) \\ &= 1.28000 + 5.1615 \times (130.59 / 126.54) \\ &= 1.28000 + 5.3267 \\ &= 6.6067 \text{ PHP/kWh} \end{aligned}$$

Year n	2026
BEC_{n-1} (PHP/kWh)	6.4415
CPI_{n-1} ³	130.59
CPI_{n-2} ⁴	126.54
Adjusted BEC_n (PHP/kWh)	6.6067
Applicable to Billing Periods	January 2026 to December 2026

C. PROMPT PAYMENT DISCOUNT

The Parties confirm that the BUYER shall continue to enjoy the PPD as specified in Section 5 of the Amendment, as follows:

BUYER shall be entitled to a prompt payment discount ("PPD") equivalent to:

³ CPI for 2024 (or CPI_{n-1}) is based on an assumed annual increase of 3.2% for CPI

⁴ CPI for 2024 (or CPI_{n-1}) is based on an assumed annual increase of 3.2% for CPI



- (a) 3.2% of the invoiced amount, if payment is made in full within five (5) Days from BUYER's receipt of invoice; or
- (b) 3% of the invoiced amount, if payment is made in full after five (5) Days but within seven (7) days from BUYER's receipt of invoice; or
- (c) 2.8% of the invoiced amount, if payment is made in full after seven (7) Days but within ten (10) Days from BUYER's receipt of the invoice.

The PPD shall be extended by SELLER to BUYER provided that there is no outstanding amount or unpaid invoice or debit memo for any charge, penalty or interest. Partially paid invoices shall be considered outstanding invoices.

Annex "B"

Yearly comparison of Final Authority Rate, First Rebasing Rate, and Latest Rebasing Rate

Rate*	[A] Final Authority Rate**	[B] First Rebasing Rates (in 2015)***	[C] Latest Rebasing Rates (in 2025)
2010	4.7000		
2011	4.8146		
2012	4.9504		
2013	5.0482		
2014	5.1799		
2015	5.2493	4.8884	
2016	5.277	4.9408	
2017	5.3602	5.0062	
2018	5.4711	5.1139	
2019	5.6736	5.3155	
2020	5.7711	5.4163	
2021	5.9094	5.5240	
2022	6.0476	5.6915	
2023	6.4054	5.9533	
2024	6.5965	6.2354	
2025	6.7428	6.3948	
2026	6.8986	6.5495	6.3853
2027	7.059	6.7088	6.5396
2028	7.2243	6.8729	6.6987
2029	7.3945	7.0419	6.8625
2030	7.5698	7.2160	7.0312
2031	7.7503	7.3953	7.2049
2032	7.9363	7.5800	7.3839
2033	8.1279	7.7702	7.5682
2034	8.3252	7.9661	7.7581
2035	8.5284	8.1680	7.9537

*All rates are net of Prompt Payment Discount. Forecasted rates for 2026 to 2035 are computed using an annual Philippine Consumer Price Index (PH CPI) increase of three percent (3%).

**Final Authority Rates are computed using the PH CPI (2018=100).

***First Rebasing Rates in years 2015-2025 are based on actual PH CPI during preparation of invoices.