



Item No.: 18

Date: 11 2025 NOV



24 October 2025

HON. LEONARDO M. JAVIER, Jr.
Vice Governor
Office of the LGU Legislative Body
Province of Leyte
Leyte Capitol Complex, West Bypass Road, Campetic
Palo, Leyte



SUBJECT: *“ERC Case No. 2025-182 RC entitled, “In the Matter of the 15th Application for the True-Up Adjustment of Fuel and Purchased Power Costs (TAFPPC) and Foreign Exchange Related Costs (TAFxA) under the Rules for the Automatic Recovery of Monthly Fuel and Purchased Power Costs and Foreign Exchange-Related Costs by the National Power Corporation, as Amended,”*

Dear HON. JAVIER, Jr.:

The Power Sector Assets and Liabilities Management (PSALM) Corporation is a government-owned and controlled corporation created by virtue of Republic Act (RA) No. 9136 or the “Electric Power Industry Reform Act of 2001” (EPIRA), with current office address at 24th Floor, Vertis North Corporate Center 1, Astra corner Lux Drive, North Avenue, Quezon City, Philippines, 1101.

The principal mandate of PSALM is to manage the orderly sale, disposition, and privatization of National Power Corporation’s (NPC) generation assets, real estate and other disposable assets, and Independent Power Producer (IPP) contracts with the objective of liquidating all NPC financial obligations and stranded contract costs in an optimal manner (Sec. 50, EPIRA). To attain its objectives, PSALM shall, among others, calculate the amount of the Stranded Debts (SD), and the True-Up Adjustments of Fuel and Purchased Power Costs (TAFPPC), and Foreign Exchange-Related Costs (TAFxA).

In this regard, PSALM filed with the ERC the above-stated Application and the ERC issued an (i) Order dated 20 October 2025; and [ii] Notice of Virtual Hearing dated 20 October 2025 with attached Application (Annex “A”). The said Order required PSALM to furnish your office with the Order and Notice for appropriate posting on your respective bulletin board.

In addition, may we kindly request **three (3) original copies of the Certificate of Posting**, signed by you or your authorized representative, and bearing the seal of your office. The Certificate should attest to the actual posting of the ERC Order and Notice on the bulletin board as specified above. To facilitate the

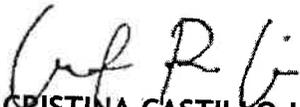


preparation of the Certificate of Posting, we have attached a pro-forma Certificate for your reference.

We would appreciate receiving the Certificate of Posting on or before **10 November 2025** so that we may file the same with the ERC prior to the scheduled Virtual Hearing of the instant Application.

Thank you very much for your usual prompt cooperation.

Respectfully,



CRISTINA CASTILLO-LIM

Corporate Attorney

PSALM Legal Group

24th Floor, Vertis North Corporate Center 1,

Astra corner Lux Drives, Vertis North, North

Avenue 1105 Quezon City Philippines

Email address: cclim@psalm.gov.ph

Encls: a/s

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Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE
15TH APPLICATION FOR
THE TRUE-UP
ADJUSTMENTS OF FUEL,
PURCHASED POWER
COSTS (TAFPPC), AND
FOREIGN EXCHANGE-
RELATED COSTS (TAFxA)
UNDER THE RULES FOR
THE AUTOMATIC
RECOVERY OF MONTHLY
FUEL, PURCHASED
POWER COSTS AND
FOREIGN EXCHANGE-
RELATED COSTS BY THE
NATIONAL POWER
CORPORATION, AS
AMENDED,

Sangguniang Panlalawigan
Province of Leyte
RECEIVED
Date: NOV 05 2025
By: _____

ERC CASE NO. 2025-182 RC

POWER SECTOR ASSETS
AND LIABILITIES
MANAGEMENT
CORPORATION (PSALM),
Applicant.

Promulgated:
October 20, 2025

X-----X

ORDER

On 13 October 2025, Power Sector Assets and Liabilities Management Corporation (PSALM) filed the instant *Application*, dated 12 September 2025, seeking the Commission's approval of its True-Up Adjustments of Fuel, Purchased Power Costs (TAFPPC), and Foreign Exchange-Related Costs (TAFxA) under the Rules for the Automatic Recovery of Monthly Fuel, Purchased Power Costs and Foreign Exchange-related Costs by the National Power Corporation (NPC), as amended.

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

send their duly authorized representatives and attend the scheduled hearings; and

- 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 virtual hearing, PSALM 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 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 PSALM to inform the consumers within the affected area of the filing of the *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 *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.

ERC CASE NO. 2025-182 RC
ORDER
PAGE 5 OF 32

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, PSALM, 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:

Maria Corazon C. Gines

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


LS: AVL/MVM

* Authority granted during Commission Meeting on 20 August 2025.

ERC CASE NO. 2025-182 RC
ORDER
PAGE 7 OF 32

18. Nueva Vizcaya Electric Cooperative, Inc. (NUVELCO)
Gabut, Dupax del Sur, Nueva Vizcaya
19. Quirino Electric Cooperative, Inc. (QUIRELCO)
Diffun, Quirino
20. Abra Electric Cooperative, Inc. (ABRECO)
Calaba, Bangued, Abra
21. Benguet Electric Cooperative, Inc. (BENECO)
South Drive, Baguio City
22. Ifugao Electric Cooperative, Inc. (IFELCO)
Lagawe, Ifugao
23. Kalinga Apayao Electric Cooperative, Inc. (KAELCO)
Bulanao, Tabuk, Kalinga
24. Mountain Province Electric Cooperative, Inc. (MOPRECO)
Poblacion, Bontoc, Mt. Province
25. Aurora Electric Cooperative, Inc. (AURELCO)
Reserva, Baler, Aurora
26. Zambales I Electric Cooperative, Inc. (ZAMECO I)
San Vicente, Palauig, Zambales
27. Zambales II Electric Cooperative, Inc. (ZAMECO II)
Magsaysay, Castillejos, Zambales
28. Tarlac I Electric Cooperative, Inc. (TARELCO I)
Amacalan, Gerona, Tarlac
29. Tarlac II Electric Cooperative, Inc. (TARELCO II)
San Nicolas, Concepcion, Tarlac
30. Nueva Ecija I Electric Cooperative, Inc. (NEECO I)
Malapit, San Isidro, Nueva Ecija
31. Nueva Ecija II- Area 1 Electric Cooperative, Inc. (NEECO II- AREA I)
Calipahan, Talavera, Nueva Ecija
32. Nueva Ecija II- Area 2 Electric Cooperative, Inc. (NEECO II- AREA II)
San Leonardo, Nueva Ecija
33. San Jose City Electric Cooperative, Inc. (SAJELCO)
San Jose City, Nueva Ecija
34. Pampanga Rural Electric Cooperative, Inc. (PRESCO)
Anao, Mexico, Pampanga
35. Pampanga I Electric Cooperative, Inc. (PELCO I)
Sto. Domingo, Mexico, Pampanga
36. Pampanga II Electric Cooperative, Inc. (PELCO II)
San Roque, Guagua, Pampanga
37. Pampanga III Electric Cooperative, Inc. (PELCO III)
San Vicente, Apalit, Pampanga
38. Peninsula Electric Cooperative, Inc. (PENELCO)
Tuyo, Balanga City, Bataan
39. First Laguna Electric Cooperative, Inc. (FLECO)
Lewin, Lumban, Laguna

ERC CASE NO. 2025-182 RC
ORDER
PAGE 9 OF 32

62. Ticao Island Electric Cooperative, Inc. (TISELCO)
San Jacinto, Masbate
63. Manila Electric Company (MERALCO)
Lopez Center, Ortigas Center, Brgy. Ugong, Pasig City
64. Ibaan Electric Corporation (IEC)
Poblacion Ibaan, Batangas
65. Lima EnerZone Corporation (LEZ)
President Jose P. Laurel Highway, Malvar, Batangas
66. Tarlac Electric, Inc. (TEI)
Mabini St., Tarlac City
67. Dagupan Electric Corporation (DECORP)
Dagupan, Pangasinan
68. Cabanatuan Electric Corporation (CELCOR)
Maharlika Highway, Bitas, Cabanatuan City
69. Olongapo Electric Distribution Company, Inc. (OEDC)
East Bajac, Olongapo City
70. Subic EnerZone Corporation (SEZ)
Labitan St., Olongapo, Zambales
71. San Fernando Light and Power Company, Inc. (SFELAPCO)
San Fernando, Pampanga
72. Angeles Electric Corporation (AEC)
Angeles, Pampanga
73. Clark Electric Distribution Corporation (CEDC)
Clark Freeport, Mabalacat, Pampanga
74. La Union Electric Company, Inc. (LUECO)
San Fernando, La Union
75. Albay Power And Energy Corporation (APEC)
Legazpi, Albay
76. Aklan Electric Cooperative, Inc. (AKELCO)
Lezo, Aklan
77. Antique Electric Cooperative, Inc. (ANTECO)
San Jose de Buenavista, Antique
78. Capiz Electric Cooperative, Inc. (CAPELCO)
Timpas, Panitan, Capiz
79. Iloilo I Electric Cooperative, Inc. (ILECO I)
Tigbauan, Iloilo
80. Iloilo II Electric Cooperative, Inc. (ILECO II)
Cau-ayan, Pototan, Iloilo
81. Iloilo III Electric Cooperative, Inc. (ILECO III)
Preciosa, Sara, Iloilo
82. Guimaras Electric Cooperative, Inc. (GUIMELCO)
San Miguel, Jordan, Guimaras Island
83. Northern Negros Electric Cooperative, Inc. (NONECO)
Tortosa, Manapla, Negros Occidental

ERC CASE NO. 2025-182 RC
ORDER
PAGE 11 OF 32

- Cobong, Borongan, Eastern Samar
107. Panay Electric Company, Inc. (PECO)
Gen. Luna Street, Iloilo City
 108. Bohol Light Company, Inc. (BLCI)
R. Enerio St., Tagbilaran City, Bohol
 109. Mactan Electric Company (MECO)
Sangi, Lapu-lapu City, Cebu
 110. Visayan Electric Company, Inc. (VECO)
J. Panis St., Banilad, Cebu City
 111. Mactan EnerZone (MEZ)
Lapu-Lapu City, Cebu
 112. Balamban EnerZone (BEZ)
West Cebu Industrial Park, Balamban, Cebu
 113. First Bukidnon Electric Cooperative, Inc. (FIBECO)
Anahawon, Maramag, Bukidnon
 114. Bukidnon Second Electric Cooperative, Inc. (BUSECO)
Manolo Fortich, Bukidnon
 115. Camiguin Electric Cooperative, Inc. (CAMELCO)
Pandan, Mambajao, Camiguin
 116. Lanao Del Norte Electric Cooperative, Inc. (LANECO)
Poblacion Tubod, Lanao del Norte
 117. Lanao del Sur Electric Cooperative, Inc. (LASURECO)
Marawi City, Lanao del Sur
 118. Misamis Occidental I Electric Cooperative, Inc. (MOELCI I)
Magcamiguing, Calamba, Misamis Occidental
 119. Misamis Occidental II Electric Cooperative, Inc. (MOELCI II)
Circumferential Road, Bitoon, Ozamiz City
 120. Misamis Oriental I Rural Electric Service Cooperative, Inc. (MORESCO I)
Iligan Rd., Laguindingan, Misamis Oriental
 121. Misamis Oriental II Electric Cooperative, Inc. (MORESCO II)
Medina, Misamis Oriental, Mindanao
 122. Agusan del Norte Electric Cooperative, Inc. (ANECO)
Km. 2 J.C. Aquino Avenue, Butuan City
 123. Agusan del Sur Electric Cooperative, Inc. (ASELCO)
San Isidro, San Francisco, Agusan del Sur
 124. Dinagat Island Electric Cooperative, Inc. (DIELCO)
San Jose, Dinagat Island
 125. Siargao Island Electric Cooperative, Inc. (SIARELCO)
Catabaan, Oapa, Surigao del Norte
 126. Surigao del Norte Electric Cooperative, Inc. (SURNECO)
Surigao City, Surigao del Norte
 127. Surigao del Sur I Electric Cooperative, Inc. (SURSECO I)
San Fernando, Bislig City, Surigao del Sur
 128. Surigao del Sur II Electric Cooperative, Inc. (SURSECO II)
Tandag City, Surigao del Sur

**ERC CASE NO. 2025-182 RC
ORDER
PAGE 13 OF 32**

151. Office of the Provincial Governor
Province of Ilocos Norte
152. Office of the Provincial Governor
Province of Ilocos Sur
153. Office of the Provincial Governor
Province of La Union
154. Office of the Provincial Governor
Province of Pangasinan
155. Office of the Provincial Governor
Province of Batanes
156. Office of the Provincial Governor
Province of Cagayan
157. Office of the Provincial Governor
Province of Isabela
158. Office of the Provincial Governor
Province of Nueva Vizcaya
159. Office of the Provincial Governor
Province of Quirino
160. Office of the Provincial Governor
Province of Abra
161. Office of the Provincial Governor
Province of Benguet
162. Office of the Provincial Governor
Province of Ifugao
163. Office of the Provincial Governor
Province of Kalinga
164. Office of the Provincial Governor
Province of Apayao
165. Office of the Provincial Governor
Province of Mountain Province
166. Office of the Provincial Governor
Province of Aurora
167. Office of the Provincial Governor
Province of Bataan
168. Office of the Provincial Governor
Province of Bulacan
169. Office of the Provincial Governor
Province of Nueva Ecija
170. Office of the Provincial Governor
Province of Pampanga
171. Office of the Provincial Governor
Province of Tarlac
172. Office of the Provincial Governor
Province of Zambales

**ERC CASE NO. 2025-182 RC
ORDER
PAGE 15 OF 32**

- Province of Negros Oriental
196. Office of the Provincial Governor
Province of Cebu
 197. Office of the Provincial Governor
Province of Bohol
 198. Office of the Provincial Governor
Province of Siquijor
 199. Office of the Provincial Governor
Province of Leyte
 200. Office of the Provincial Governor
Province of Southern Leyte
 201. Office of the Provincial Governor
Province of Biliran
 202. Office of the Provincial Governor
Province of Samar
 203. Office of the Provincial Governor
Province of Eastern Samar
 204. Office of the Provincial Governor
Province of Northern Samar
 205. Office of the Provincial Governor
Province of Bukidnon
 206. Office of the Provincial Governor
Province of Camiguin
 207. Office of the Provincial Governor
Province of Lanao del Norte
 208. Office of the Provincial Governor
Province of Lanao del Sur
 209. Office of the Provincial Governor
Province of Misamis Occidental
 210. Office of the Provincial Governor
Province of Misamis Oriental
 211. Office of the Provincial Governor
Province of Agusan del Norte
 212. Office of the Provincial Governor
Province of Agusan del Sur
 213. Office of the Provincial Governor
Province of Dinagat Island
 214. Office of the Provincial Governor
Province of Surigao del Norte
 215. Office of the Provincial Governor
Province of Surigao del Sur
 216. Office of the Provincial Governor
Province of Compostela Valley
 217. Office of the Provincial Governor
Province of Davao del Norte

ERC CASE NO. 2025-182 RC
ORDER
PAGE 17 OF 32

240. Office of the Municipal Mayor
Municipality of Diffun, Quirino
241. Office of the Municipal Mayor
Municipality of Bangued, Abra
242. Office of the Municipal Mayor
Municipality of Lagawe, Ifugao
243. Office of the Municipal Mayor
Municipality of Bontoc, Mountain Province
244. Office of the Municipal Mayor
Municipality of Baler, Aurora
245. Office of the Municipal Mayor
Municipality of Palauig, Zambales
246. Office of the Municipal Mayor
Municipality of Castillejos, Zambales
247. Office of the Municipal Mayor
Municipality of Gerona, Tarlac
248. Office of the Municipal Mayor
Municipality of Concepcion, Tarlac
249. Office of the Municipal Mayor
Municipality of San Isidro, Nueva Ecija
250. Office of the Municipal Mayor
Municipality of Talavera, Nueva Ecija
251. Office of the Municipal Mayor
Municipality of San Leonardo, Nueva Ecija
252. Office of the Municipal Mayor
Municipality of Mexico, Pampanga
253. Office of the Municipal Mayor
Municipality of Guagua, Pampanga
254. Office of the Municipal Mayor
Municipality of Apalit, Pampanga
255. Office of the Municipal Mayor
Municipality of Lumban, Laguna
256. Office of the Municipal Mayor
Municipality of Calaca, Batangas
257. Office of the Municipal Mayor
Municipality of Pitogo, Quezon
258. Office of the Municipal Mayor
Municipality of Infanta, Quezon
259. Office of the Municipal Mayor
Municipality of Lubang, Occidental Mindoro
260. Office of the Municipal Mayor
Municipality of San Jose, Occidental Mindoro
261. Office of the Municipal Mayor
Boac, Marinduque
262. Office of the Municipal Mayor

ERC CASE NO. 2025-182 RC
ORDER
PAGE 19 OF 32

- Municipality of Poro, Cebu
285. Office of the Municipal Mayor
Municipality of Tubigon, Bohol
 286. Office of the Municipal Mayor
Municipality of Jagna, Bohol
 287. Office of the Municipal Mayor
Municipality of Larena, Siquijor
 288. Office of the Municipal Mayor
Municipality of Tolosa, Leyte
 289. Office of the Municipal Mayor
Municipality of Tunga, Leyte
 290. Office of the Municipal Mayor
Municipality of Hilongos, Leyte
 291. Office of the Municipal Mayor
Municipality of Naval, Biliran
 292. Office of the Municipal Mayor
Municipality of Bobon, Northern Samar
 293. Office of the Municipal Mayor
Municipality of Paranas, Samar
 294. Office of the Municipal Mayor
Municipality of Balamban, Cebu
 295. Office of the Municipal Mayor
Municipality of Maramag, Bukidnon
 296. Office of the Municipal Mayor
Municipality of Manolo Fortich, Bukidnon
 297. Office of the Municipal Mayor
Municipality of Mambajao, Camiguin
 298. Office of the Municipal Mayor
Municipality of Tubod, Lanao del Norte
 299. Office of the Municipal Mayor
Municipality of Calamba, Misamis Occidental
 300. Office of the Municipal Mayor
Municipality of Laguindingan, Misamis Oriental
 301. Office of the Municipal Mayor
Municipality of Medina, Misamis Oriental
 302. Office of the Municipal Mayor
Municipality of San Francisco, Agusan del Sur
 303. Office of the Municipal Mayor
Municipality of San Jose, Dinagat Islands
 304. Office of the Municipal Mayor
Municipality of Dapa, Surigao del Norte
 305. Office of the Municipal Mayor
Municipality of Montevista, Davao de Oro
 306. Office of the Municipal Mayor
Municipality of Matalam, Cotabato

**ERC CASE NO. 2025-182 RC
ORDER
PAGE 21 OF 32**

- 329. Office of the City Mayor
Pasig City
- 330. Office of the City Mayor
Tarlac City, Tarlac
- 331. Office of the City Mayor
Dagupan City, Pangasinan
- 332. Office of the City Mayor
Cabanatuan City, Nueva Ecija
- 333. Office of the City Mayor
Olongapo City
- 334. Office of the City Mayor
San Fernando City, Pampanga
- 335. Office of the City Mayor
Angeles City
- 336. Office of the City Mayor
San Fernando City, La Union
- 337. Office of the City Mayor
Legazpi City, Albay
- 338. Office of the City Mayor
Mabalacat City, Pampanga
- 339. Office of the City Mayor
Bacolod City
- 340. Office of the City Mayor
Kabankalan City, Negros Occidental
- 341. Office of the City Mayor
Dumaguete City, Negros Oriental
- 342. Office of the City Mayor
Bogo City, Cebu
- 343. Office of the City Mayor
Toledo City, Cebu
- 344. Office of the City Mayor
Tacloban City
- 345. Office of the City Mayor
Ormoc City, Leyte
- 346. Office of the City Mayor
Maasin, Southern Leyte
- 347. Office of the City Mayor
Calbayog City, Samar
- 348. Office of the City Mayor
Borongan City, Eastern Samar
- 349. Office of the City Mayor
Iloilo City
- 350. Office of the City Mayor
Tagbilaran City, Bohol

ERC CASE NO. 2025-182 RC
ORDER
PAGE 23 OF 32

- 373. Office of the LGU Legislative Body
Province of La Union
- 374. Office of the LGU Legislative Body
Province of Pangasinan
- 375. Office of the LGU Legislative Body
Province of Batanes
- 376. Office of the LGU Legislative Body
Province of Cagayan
- 377. Office of the LGU Legislative Body
Province of Isabela
- 378. Office of the LGU Legislative Body
Province of Nueva Vizcaya
- 379. Office of the LGU Legislative Body
Province of Quirino
- 380. Office of the LGU Legislative Body
Province of Abra
- 381. Office of the LGU Legislative Body
Province of Benguet
- 382. Office of the LGU Legislative Body
Province of Ifugao
- 383. Office of the LGU Legislative Body
Province of Kalinga
- 384. Office of the LGU Legislative Body
Province of Apayao
- 385. Office of the LGU Legislative Body
Province of Mountain Province
- 386. Office of the LGU Legislative Body
Province of Aurora
- 387. Office of the LGU Legislative Body
Province of Bataan
- 388. Office of the LGU Legislative Body
Province of Bulacan
- 389. Office of the LGU Legislative Body
Province of Nueva Ecija
- 390. Office of the LGU Legislative Body
Province of Pampanga
- 391. Office of the LGU Legislative Body
Province of Tarlac
- 392. Office of the LGU Legislative Body
Province of Zambales
- 393. Office of the LGU Legislative Body
Province of Cavite
- 394. Office of the LGU Legislative Body
Province of Laguna

ERC CASE NO. 2025-182 RC
ORDER
PAGE 25 OF 32

417. Office of the LGU Legislative Body
Province of Bohol
418. Office of the LGU Legislative Body
Province of Siquijor
419. Office of the LGU Legislative Body
Province of Leyte
420. Office of the LGU Legislative Body
Province of Southern Leyte
421. Office of the LGU Legislative Body
Province of Biliran
422. Office of the LGU Legislative Body
Province of Samar
423. Office of the LGU Legislative Body
Province of Eastern Samar
424. Office of the LGU Legislative Body
Province of Northern Samar
425. Office of the LGU Legislative Body
Province of Bukidnon
426. Office of the LGU Legislative Body
Province of Camiguin
427. Office of the LGU Legislative Body
Province of Lanao del Norte
428. Office of the LGU Legislative Body
Province of Lanao del Sur
429. Office of the LGU Legislative Body
Province of Misamis Occidental
430. Office of the LGU Legislative Body
Province of Misamis Oriental
431. Office of the LGU Legislative Body
Province of Agusan del Norte
432. Office of the LGU Legislative Body
Province of Agusan del Sur
433. Office of the LGU Legislative Body
Province of Dinagat Island
434. Office of the LGU Legislative Body
Province of Surigao del Norte
435. Office of the LGU Legislative Body
Province of Surigao del Sur
436. Office of the LGU Legislative Body
Province of Compostela Valley
437. Office of the LGU Legislative Body
Province of Davao del Norte
438. Office of the LGU Legislative Body
Province of Davao Occidental
439. Office of the LGU Legislative Body

ERC CASE NO. 2025-182 RC
ORDER
PAGE 27 OF 32

462. Office of the LGU Legislative Body
Municipality of Lagawe, Ifugao
463. Office of the LGU Legislative Body
Municipality of Bontoc, Mountain Province
464. Office of the LGU Legislative Body
Municipality of Baler, Aurora
465. Office of the LGU Legislative Body
Municipality of Palauig, Zambales
466. Office of the LGU Legislative Body
Municipality of Castillejos, Zambales
467. Office of the LGU Legislative Body
Municipality of Gerona, Tarlac
468. Office of the LGU Legislative Body
Municipality of Concepcion, Tarlac
469. Office of the LGU Legislative Body
Municipality of San Isidro, Nueva Ecija
470. Office of the LGU Legislative Body
Municipality of Talavera, Nueva Ecija
471. Office of the LGU Legislative Body
Municipality of San Leonardo, Nueva Ecija
472. Office of the LGU Legislative Body
Municipality of Mexico, Pampanga
473. Office of the LGU Legislative Body
Municipality of Guagua, Pampanga
474. Office of the LGU Legislative Body
Municipality of Apalit, Pampanga
475. Office of the LGU Legislative Body
Municipality of Lumban, Laguna
476. Office of the LGU Legislative Body
Municipality of Calaca, Batangas
477. Office of the LGU Legislative Body
Municipality of Pitogo, Quezon
478. Office of the LGU Legislative Body
Municipality of Infanta, Quezon
479. Office of the LGU Legislative Body
Municipality of Lubang, Occidental Mindoro
480. Office of the LGU Legislative Body
Municipality of San Jose, Occidental Mindoro
481. Office of the LGU Legislative Body
Boac, Marinduque
482. Office of the LGU Legislative Body
Municipality of Odiongan, Romblon
483. Office of the LGU Legislative Body
Municipality of Romblon, Romblon

ERC CASE NO. 2025-182 RC
ORDER
PAGE 29 OF 32

506. Office of the LGU Legislative Body
Municipality of Jagna, Bohol
507. Office of the LGU Legislative Body
Municipality of Larena, Siquijor
508. Office of the LGU Legislative Body
Municipality of Tolosa, Leyte
509. Office of the LGU Legislative Body
Municipality of Tunga, Leyte
510. Office of the LGU Legislative Body
Municipality of Hilongos, Leyte
511. Office of the LGU Legislative Body
Municipality of Naval, Biliran
512. Office of the LGU Legislative Body
Municipality of Bobon, Northern Samar
513. Office of the LGU Legislative Body
Municipality of Paranas, Samar
514. Office of the LGU Legislative Body
Municipality of Balamban, Cebu
515. Office of the LGU Legislative Body
Municipality of Maramag, Bukidnon
516. Office of the LGU Legislative Body
Municipality of Manolo Fortich, Bukidnon
517. Office of the LGU Legislative Body
Municipality of Mambajao, Camiguin
518. Office of the LGU Legislative Body
Municipality of Tubod, Lanao del Norte
519. Office of the LGU Legislative Body
Municipality of Calamba, Misamis Occidental
520. Office of the LGU Legislative Body
Municipality of Laguindingan, Misamis Oriental
521. Office of the LGU Legislative Body
Municipality of Medina, Misamis Oriental
522. Office of the LGU Legislative Body
Municipality of San Francisco, Agusan del Sur
523. Office of the LGU Legislative Body
Municipality of San Jose, Dinagat Islands
524. Office of the LGU Legislative Body
Municipality of Dapa, Surigao del Norte
525. Office of the LGU Legislative Body
Municipality of Montevista, Davao de Oro
526. Office of the LGU Legislative Body
Municipality of Matalam, Cotabato
527. Office of the LGU Legislative Body
Municipality of Midsayap, Cotabato
528. Office of the LGU Legislative Body

**ERC CASE NO. 2025-182 RC
ORDER
PAGE 31 OF 32**

- Tarlac City, Tarlac
551. Office of the LGU Legislative Body
Dagupan City, Pangasinan
 552. Office of the LGU Legislative Body
Cabanatuan City, Nueva Ecija
 553. Office of the LGU Legislative Body
Olongapo City
 554. Office of the LGU Legislative Body
San Fernando City, Pampanga
 555. Office of the LGU Legislative Body
Angeles City
 556. Office of the LGU Legislative Body
San Fernando City, La Union
 557. Office of the LGU Legislative Body
Legazpi City, Albay
 558. Office of the LGU Legislative Body
Mabalacat City, Pampanga
 559. Office of the LGU Legislative Body
Bacolod City
 560. Office of the LGU Legislative Body
Kabankalan City, Negros Occidental
 561. Office of the LGU Legislative Body
Dumaguete City, Negros Oriental
 562. Office of the LGU Legislative Body
Bogo City, Cebu
 563. Office of the LGU Legislative Body
Toledo City, Cebu
 564. Office of the LGU Legislative Body
Tacloban City
 565. Office of the LGU Legislative Body
Ormoc City, Leyte
 566. Office of the LGU Legislative Body
Maasin, Southern Leyte
 567. Office of the LGU Legislative Body
Calbayog City, Samar
 568. Office of the LGU Legislative Body
Borongan City, Eastern Samar
 569. Office of the LGU Legislative Body
Iloilo City
 570. Office of the LGU Legislative Body
Tagbilaran City, Bohol
 571. Office of the LGU Legislative Body
Lapu-Lapu City
 572. Office of the LGU Legislative Body
Cebu City

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE
15TH APPLICATION FOR
THE TRUE-UP
ADJUSTMENTS OF FUEL,
PURCHASED POWER
COSTS (TAFPPC), AND
FOREIGN EXCHANGE-
RELATED COSTS (TAFxA)
UNDER THE RULES FOR
THE AUTOMATIC
RECOVERY OF MONTHLY
FUEL, PURCHASED
POWER COSTS AND
FOREIGN EXCHANGE-
RELATED COSTS BY THE
NATIONAL POWER
CORPORATION, AS
AMENDED,

Sangguniang Panlalawigan
Province of Leyte
RECEIVED
Date: NOV 05 2025
By: _____

ERC CASE NO. 2025-182 RC

POWER SECTOR ASSETS
AND LIABILITIES
MANAGEMENT
CORPORATION (PSALM),
Applicant.

Promulgated:
October 20, 2025

X-----X

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 13 October 2025, Power Sector Assets and Liabilities Management (PSALM) Corporation filed the instant *Application*, dated 12 September 2025, seeking the Commission's approval of its True-Up Adjustments of Fuel, Purchased Power Costs (TAFPPC), and Foreign Exchange-Related Costs (TAFxA) under the Rules for the Automatic Recovery of Monthly Fuel, Purchased Power Costs and Foreign Exchange-related Costs by the National Power Corporation (NPC), as amended.

ERC CASE NO. 2025-182 RC
NOTICE OF VIRTUAL HEARING
PAGE 3 OF 4

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, and 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. Rule 9 of the ERC Revised Rules of Practice and Procedure shall govern. 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 such 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 acknowledgment receipt e-mail sent by the Commission.

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Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE 15th
APPLICATION FOR THE TRUE-UP
ADJUSTMENTS OF FUEL,
PURCHASED POWER COSTS
(TAFPPC), AND FOREIGN
EXCHANGE-RELATED COSTS
(TAFxA) UNDER THE RULES FOR
THE AUTOMATIC RECOVERY OF
MONTHLY FUEL, PURCHASED
POWER COSTS AND FOREIGN
EXCHANGE-RELATED COSTS BY
THE NATIONAL POWER
CORPORATION, AS AMENDED,

Sangguniang Panlalawigan
Province of Leyte
RECEIVED
Date: NOV 05 2025
By: _____

ERC CASE NO. 2025-182 RC

October 13, 2025

POWER SECTOR ASSETS
AND LIABILITIES MANAGEMENT
CORPORATION (PSALM),
Applicant

X-----X

APPLICATION

Applicant **POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT (PSALM) CORPORATION**, through the undersigned counsel and unto this Honorable Commission, most respectfully states that:

1. Applicant PSALM is a government-owned and controlled corporation created by virtue of Republic Act No. 9136 or the "Electric Power Industry Reform Act of 2001" (EPIRA), with principal office address at 10^h Floor, Vertis North Corporate Center 1, Astra corner Lux Drives, North Avenue, Quezon City.
2. The instant application is being filed by PSALM pursuant to Section 4(e), Rule 3 of the Implementing Rules and Regulations of the EPIRA (EPIRA-IRR), Rule 6 of the Energy Regulatory Commission

NPC/PSALM to reflect the current year's actual/allowable fuel and purchased power costs (FPPC) in accordance with the prevailing market prices and capture the change in generation mix brought about by the privatization of PSALM's generating assets and the existing contracts with the Independent Power Producers (IPPs).

7. Further, the ERC set the base foreign exchange rate (FX) covering the principal portion of debt at PHP 44.0494/USD⁶. Since the FX varies at the time of debt payment, the ERC allowed an adjustment under the ACRM to cover FX fluctuations (FxA).

8. Similar to the BGC, cost adjustments, namely, the FPPCA and the FxA, are collected from regular TSC/CSEE customers through: i) monthly ACA, and ii) ACRM True-Up Adjustments, by virtue of the ACRM Rules.

9. With the effectivity of the ACRM Rules on 27 February 2010, PSALM implemented the ACRM Rules starting March 2010 billing period and calculated the monthly FPPCA and FxA, or the Monthly ACA using economic indices to reflect the movement in the fuel, purchased power, and foreign exchange-related costs. This Monthly ACA was however set to zero (0) beginning June 2016 billing period in the Luzon, Visayas, and Mindanao Grids in accordance with ERC Order dated 28 June 2016 in ERC Case No. 2008-019 RM.

10. Article V of the ACRM Rules requires the submission of an application for the TAFPPC and TAFxA (collectively referred as "ACRM True-Up Adjustments" at least every twelve (12) months, in order for the ERC to verify the recovery of FPPCA and FxA by comparing the actual allowable costs incurred for the period with the actual revenues for the same period generated by the Fuel Cost Base (FCB) and Power Purchase Cost Base (PPCB) under the BGC and the FPPCA and FxA under the monthly ACA.

11. Since the implementation of the ACRM Rules, PSALM filed before the ERC annual petitions for TAFPPC and TAFxA. Details and respective status of which are as follows:

⁶ Page 12, ERC Order dated 14 December 2009 under ERC Case No. 2008-019 RM.

DISCUSSION

I. COVERAGE

1. The TAFPPC and TAFxA, collectively known as ACRM True-Up Adjustments, are applicable only to PSALM's regular TSC/CSEE customers. This refers to customers being billed with the approved BGC rate including the ERC-approved adjustments. Those customers with special or preferential rates are excluded from this adjustment.

2. In the Luzon Grid, twenty-four (24) customers were serviced by PSALM in 2024. The Caliraya-Botocan-Kalayaan Power Company Limited's (CBK-PCL) station use was billed with the Luzon BGC rate and ERC-approved adjustments, in accordance with the provisions in the Independent Power Producer (IPP) contract. However, Bohol Enterprises Incorporated (BEI), a Visayas customer, draws energy from the Luzon Grid and is billed using Wholesale Electricity Spot Market (WESM) rates, and hence, is excluded from the ACRM True-Up Adjustment. Thus, only twenty-three (23) customers are eligible for the recovery/refund of the 15th ACRM True-Up Adjustment.

3. The Visayas Grid is no longer covered by the ACRM True-Up Adjustment since the Power Purchase Agreement between PSALM and the Energy Development Corporation for the supply of energy from the Unified Leyte Geothermal Power Plant expired on 25 July 2022.

4. In the Mindanao Grid, forty-one (41) customers were serviced by PSALM in 2024. As none of these customers were billed using WESM rates, all forty-one (41) customers are eligible for the recovery/(refund) under the 15th ACRM True-Up Adjustment.

5. Furthermore, the corresponding Energy Sales of eligible customers exclude the energy purchased from the WESM to meet the TSC/CSEE requirements during the test period as these were not generated by the PSALM power plants and were not part of PSALM's recoverable costs under the ACRM True-Up Adjustment.

6. Below is the annual average percentage of energy sales of customers that were considered in the 15th ACRM True-Up Adjustments based on the Total Energy Sales in the Grid (Net TSC/CSEE Energy Sales Ratio) for January 2024 to December 2024:

LUZON		MINDANAO	
Casecnan	ERC Case No. 2001-457	Mt. Apo II	ERC Case No. 2001-714
Caliraya - Botocan - Kalayaan	ERC Case No. 2007-159 RC	Mindanao Coal	ERC Case No. 2001-811

Table 4: IPPs supplying TSC/CSEE Customers

12. In accordance with the ERC Decision dated 20 June 2017⁷, covering the 1st to 5th ACRM application filed by PSALM, the Honorable Commission adopted PSALM's consideration or treatment of APPC as that which corresponds to whichever is lower between the actual Purchased Power Costs (PPC) paid to the IPPs vis-a-vis calculated PPC based on the ERC approval of the IPP contracts.

13. Out of the total APPC, only the portion used to supply the Regular TSC/CSEE customers was considered in the TAFPPC. This was derived by multiplying the APPC of each plant of the grids by their corresponding TSC/CSEE Energy Sales Ratio.

14. The $FPPCA_{afppc}$ is the sum of AFC and APPC, as summarized below:

PARTICULARS	LUZON	MINDANAO
	In PHP	
AFC	0.00	0.00
APPC	1,526,813,866.50	4,300,952,308.63
$FPPCA_{afppc}$	1,526,813,866.50	4,300,952,308.63

Table 5: Actual Allowable Fuel and Purchased Power Costs

15. The schedule of Allowable Fuel and Purchased Power Costs per Grid - TSC/CSEE Share is hereto attached as Annex "C."

B. Second component of the TAFPPC: $FPPCA_{billed}$

16. $FPPCA_{billed}$ is the Fuel and PPC billed to TSC/CSEE customers through the ERC-approved base rate. Fuel cost billed is calculated by multiplying Regular TSC/CSEE Energy Sales (in kWh) with the FCB (in PHP/kWh) of the provisionally approved BGC, while the PPC billed is derived by multiplying Regular TSC/CSEE Energy Sales (in kWh) with the PPCB (in PHP/kWh) of the provisionally approved BGC.

⁷ ERC Case No. 2011-115 RC, ERC Case No. 2012-067 RC, ERC Case No. 2013-092 RC, ERC Case No. 2014-098 RC, ERC Case No. 2015-124 RC

III. TRUE-UP ADJUSTMENT OF FOREIGN EXCHANGE-RELATED COSTS (TAFxA)

21. In accordance with Article V, Section 5 of the Rules, PSALM shall calculate the TAFxA based on the following formula:

$$\text{TAFxA} = \text{FxA}_{\text{afxc}} - \text{FxA}_{\text{peso}}$$

where:

- TAFxA = True-Up Adjustment of Foreign Exchange-Related Costs, in PHP
- FxA_{afxc} = Actual Foreign Exchange-Related Costs for the test Period, in PHP
- FxA_{peso} = Recovered/billed Foreign Exchange-Related Costs from Customers under the monthly ACA, in PHP

A. First Component of TAFxA: FxA_{afxc}

22. FxA_{afxc} is calculated as the difference between: 1) principal debt payments made during the test period converted into Peso using the actual exchange rate at the time of payment and 2) principal payments during the same period converted to Peso using the ERC-approved base foreign exchange rate of PHP44.0494/USD.

23. The FxA_{afxc} is adjusted to reflect costs incurred only for Regular TSC/CSEE customers. This is derived by multiplying the FxA_{afxc} allocated for each plant with their TSC/CSEE Energy Sales Ratio. The summary of FxA_{afxc} for regular TSC/CSEE customers is as follows:

PARTICULARS	LUZON	MINDANAO
	In PHP	
FxA _{afxc}	5,921,888,110.21	730,991,978.44

Table 9: Actual Foreign Exchange-Related Costs

24. The schedule of Actual Foreign Exchange-Related Costs – TSC/CSEE Share is hereto attached as Annex “E.”

B. Second Component of TAFxA: FxA_{peso}

30. Details of the above TAFPPC and TAFxA covering each Eligible and Ineligible Plant and IPP are shown and attached hereto as Annex "G."

VI. RECOVERY/REFUND FROM/TO PSALM TSC/CSEE CUSTOMERS

31. To implement the recovery/refund scheme under the ACRM, PSALM proposes that for TSC/CSEE customers in CY 2024, who have transferred thereafter to other power suppliers, can directly recover/refund the TAFPPC and TAFxA True-Up Adjustments by issuing a corresponding debit/credit memo. For TSC/CSEE customers who are still sourcing their power requirements from PSALM at the time of issuance or implementation of ERC Decision/Order on the TAFPPC and TAFxA, the same shall be reflected in their power bill.

32. Attached hereto as Annex "H" is the Schedule of the 15th TAFPPC and TAFxA allocated per customer based on Annex "H-1" Schedule of Energy Sales per Customer for the year 2024.

COMPLIANCE WITH THE HONORABLE COMMISSION'S PRE-FILING REQUIREMENTS

33. In compliance with Section 2, Rule 6 (Pre-Filing Requirements) of the Honorable Commission's Resolution No. 01, Series of 2021 (the "ERC Revised Rules of Practice and Procedure"), a copy of the instant Application (including its Annexes) will be furnished to the offices of the City Mayor and the Sangguniang Panlungsod of Quezon City and be published (excluding its Annexes) in a newspaper of general circulation.

34. The proof of compliance with the Pre-Filing Requirements, particularly, the service to the Mayor and the Sangguniang Panlungsod of Quezon City as well as the publication of the instant Application, shall be attached to the instant Application as Annexes "I" and series, pursuant to Section 3, Rule 6 of the ERC Revised Rules of Practice and Procedure.

**POWER SECTOR ASSETS AND LIABILITIES
MANAGEMENT CORPORATION**

24th Floor Vertis North Corporate Center 1

Astra corner Lux Drive

North Avenue, 1105 Quezon City

Telefax No. (+632) 902-9000

Email address: mardelacruz@psalm.gov.ph

by:

MARIA I  O-ALBITO

Vice-President for the Legal Group

Roll of Attorneys No. 58287

IBP O.R. No. 487185/12.25.2024 / RSM Chapter

MCLE Compliance No. VIII-0032789 / 5.08.2025

Email address: migalbito@psalm.gov.ph

GRACIELA M  -GUTIERREZ

Corporate Legal Counsel

Roll of Attorneys No. 42822

IBP O.R. No. 494207 / 01.02.2025

MCLE Compliance No. VIII-0004893/11.20.2023

Email address: gmlgutierrez@psalm.gov.ph

CRI  M

Corporate Attorney

Roll of Attorneys No. 61075

IBP O.R. No. 542263 / 03.04.2025

MCLE Compliance No. VIII-00390048/06.25.25

Email address: cclim@psalm.gov.ph

6. If I or PSALM should thereafter 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, I undertake to inform the Honorable Local Board of Assessment Appeals City of Muntinlupa of said fact within five (5) calendar days from discovery thereof.

IN WITNESS WHEREOF, I have hereunto affixed my signature this SEP 15 2025 September 2025 at Quezon City, Metro Manila.


DENNIS EDWARD A. DELA SERNA
Affiant

SUBSCRIBED and SWORN TO before me this SEP 15 2025
with affiant having presented to me his Philippine Passport I.D. No. P5991577A, issued at DFA Manila valid until 09 February 2028, as competent and reliable evidence of his identity.

Doc. No.: 155 ;
Page No.: 03 ;
Book No.: 11 ;
Series of 2025.



 DO
Commissioned Notary Public for Quezon City
Adm. Matter No. NP-154 (until 31 Dec 2026)
Roll of Attorneys No. 70294; IBP Life Member Roll No. 19242
MCLE Compliance No.: 171-033413
PTR No. 719623D / 10 January 2015 / Quezon City
24/F Vertis North Corporate Center 1, Astra cor. Luz Drives,
Barangay Bagong Pag-Asa, Quezon City

2. Authority of the President and CEO or his duly authorized representative to sign, execute, and deliver documents, and to perform such other actions necessary to implement the same, including the following:
 - a. Commence, initiate, file, and represent PSALM in its 15th ACRM True-Up Adjustment Application; and
 - b. Execute a verification and certification against forum shopping on PSALM's behalf.

APPROVED and CONFIRMED.
20 August 2025.

3. The foregoing resolution has not been revoked, amended, nor in any manner modified and may be relied upon until written notice to the contrary is issued by PSALM.

REY [REDACTED] GO
Corporate Secretary

Republic of the Philippines }
Quezon City, Metro Manila }

SUBSCRIBED AND SWORN TO BEFORE ME on 09 September 2025 at Quezon City, Metro Manila, affiant exhibiting to me his Integrated Bar of the Philippines ID No. 74460.

DOC NO. 85
PAGE NO. 18
BOOK NO. XX
SERIES OF 20 20

[REDACTED] A, JR.
[NOTARY PUBLIC FOR QUEZON CITY
UNTIL DECEMBER 31, 2025
ROLL NO. 13003
ADM NO. NP-003 (2024-2025)
IBP NO. 481438 / CY 2025 / PASIG CITY
PTR NO. 3536602 / CY 2025 / COT. CITY
MCLE NO. VIII-0004620 / 11-07-2023 / PASIG CITY
RGH BLDG. TIMOG COR. PANAY AVE., Q.C.