

Item No.: 19
Date: 04 2026 AUG

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF THE POWER
SUPPLY AGREEMENT (PSA)
BETWEEN LEYTE III
ELECTRIC COOPERATIVE,
INC. (LEYECO III) AND SAN
MIGUEL ENERGY
CORPORATION (SMEC),
WITH PRAYER FOR
CONFIDENTIAL
TREATMENT OF
INFORMATION AND
ISSUANCE OF PROVISIONAL
AUTHORITY

Sangguniang Panlalawigan
Province of Leyte
RECEIVED
Date: JUL 29 2026
By: [Signature]

ERC Case No. 2018-008 RC

LEYTE III ELECTRIC
COOPERATIVE, INC.
("LEYECO III") AND SAN
MIGUEL ENERGY
CORPORATION ("SMEC"),
Applicants.

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OMNIBUS MANIFESTATION AND MOTION
FOR CLARIFICATION AND RESERVATION
WITH EXTREME CAUTION
(to the Order promulgated 16 March 2026)

APPLICANT SAN MIGUEL ENERGY CORPORATION
("SMEC")¹, through the undersigned counsels, respectfully
move/request for the *clarification* of the Decision promulgated by the
Honorable Commission on 16 March 2026 ("March 2026 Decision")
that was received on 17 March 2026² at 05:18pm, and further state that:

¹ Now known as SUAL POWER INC. ("SPI")
² Via electronic mail. Thus, the filing of this pleading has been timely pursued for the purpose of submitting
a motion for reconsideration as may be necessary or warranted by the attendant circumstances.

1. At the onset, SPI hereby offers its firm appreciation for the judicious exercise of the Honorable Commission's mandate through the promulgation of the March 2026 Decision which approved the Power Supply Agreement ("PSA") between the parties herein.
2. The March 2026 Decision provides, among others, pronouncements and guiding principles from this august tribunal that further fortify said decision, the screenshot of which provides:

WHEREFORE, the *Application* filed by Leyte III Electric Cooperative, Inc. (LEYECO III) and San Miguel Energy Corporation (SMEC) for approval of their Power Supply Agreement (PSA), is hereby **APPROVED**, subject to the following modifications:

1. The applicable base rates shall be the rates provided under the PSA, which shall be adjusted in accordance with the Adjustment Formula stated therein;
3. It is clear from the preceding provisions of the March 2026 Decision (to be referred to herein as the "**Cited Dispositive Portions**" or the "**Cited DP**" for brevity) that the approval and implementation of the subject PSA along with the applicable rates therein which shall be adjusted in accordance with the "Adjustment Formula" thereof will be beneficial to the member-consumers of LEYECO III and will also allow the full recovery of SMEC's prudent and reasonable economic costs as allowed and approved in this case. This was further bolstered by a portion³ of the March 2026 Decision, the screenshot of which reads - - -

(Nothing follows for this page)

³ Fourth paragraph, page 5, March 2026 Decision.

III. Evaluation of the Proposed Rate

To ensure that the base electricity fees would be for the recovery of prudent and reasonable costs incurred, and consistent with the previous approvals issued for the Sual Power Plant, the Commission made an evaluation of SMEC's true cost of generation by referring to the historical cost of operations as reflected in its Audited Financial Statements (AFS). The figures reflected in the AFS represent the actual costs incurred which were objectively verified and validated by an Independent Third Party.

4. With the foregoing, SMEC humbly submits that the Cited DP of the March 2026 Decision constitutes the complete yardstick or parameter for purposes of arriving and/or computing the applicable reasonable rates in accordance with the pricing structure set forth in the PSA, *to the exclusion of other conditions*, such as the mechanism/provisions provided under items "2"⁴ and "3"⁵ of the dispositive portion of the March 2026 Decision.
5. Thus, SMEC hereby respectfully seeks a *confirmatory clarification* from the Honorable Commission that, in view of the all-encompassing applicability of the Cited DP of the March 2026 Decision for purposes of determining the applicable rates under the approved PSA, items "2" and "3" of the dispositive portion of the said decision *are no longer necessary*, as the intended purpose thereof is already deemed included therein (i.e., Cited DP) as may be necessary and/or applicable.
6. SMEC humbly believes and so submits that the inclusion of items "2" and "3" in the dispositive portion of the March 2026 Decision was due to mere inadvertence, considering that item "1" of the dispositive portion of said decision already provides the entire gamut of regulatory parameters necessary for the computation of the reasonable rates consistent with the relevant provisions of the Electric Power Industry Reform Act of 2001⁶ ("EPIRA").

⁴ Subjecting the pass-through fuel cost (actual fuel cost) to Net Plant Heat Rate schedule under the IPPA Agreement between SMEC and PSALM.

⁵ The inclusion by LEYECO III in the monthly calculation of its generation rate the indices used by SMEC vis-à-vis the other items stated in said paragraph.

⁶ Republic Act No. 9136.

7. In the alternative, and with great reverence to the Honorable Commission, SMEC hereby pleads its reservation out of *extreme caution*, that in the event the requested clarification may not be obtained from this august tribunal, the instant entreaty for *clarification*, as requested and discussed, *should be considered / treated* as a "Motion for Partial Reconsideration" (the "MPR") of the March 2026 Decision.
8. As necessary, SMEC hereby repleads, by way of incorporation and/or reference, the arguments utilized above in support of the objective of the supposed MPR, which is for the deletion of items "2" and "3" of the dispositive portion of the March 2026 Decision for being unnecessary. Further, it is likewise argued with utmost respect to the Honorable Commission that the presence of items "2" and "3" in the subject Decision contradicts, rather than promote, the principles of EPIRA concerning the full recovery of prudent and reasonable costs incurred in power generation.
9. Lastly, SMEC hereby manifests that the foregoing discussions in support of the instant submittal, particularly concerning the provisions of the dispositive portion of the March 2026 Decision must not be construed in any manner that would give rise to any conclusion---much less any suspicion --- of an attempt to curtail or diminish the regulatory mandates of the Honorable Commission. Rather, the same should be viewed as an effort to augment and fortify this august tribunal's mandate of balancing and promoting the interests of all participants in this industry that is imbued with public interest.

PRAYER

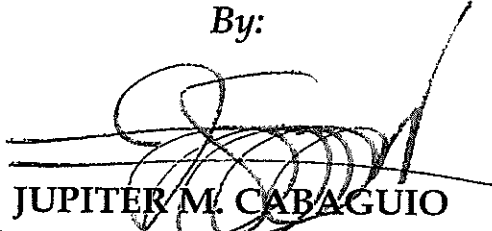
WHEREFORE, premises considered, it is most respectfully prayed that the Honorable Commission to favorably act upon and take note of this Omnibus Manifestation and Motion for Clarification, coupled with a reservation for the conversion thereof, out of extreme caution, into a Motion for Partial Reconsideration, as may be necessary and/or warranted by the attendant circumstances.

Other just and equitable relief are likewise prayed for.

Pasig City, 31 March 2026.

SAN MIGUEL ENERGY CORPORATION
(Now SUAL POWER INC.)

By:



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Roll No. 54500

NOTICE OF HEARING

The Executive Clerk of the Commission
Energy Regulatory Commission

All copy furnished

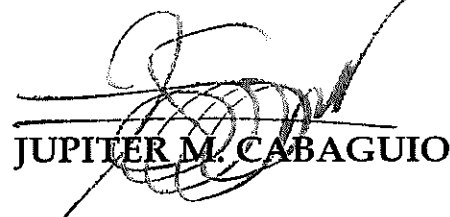
Greetings:

Please take note that the undersigned will submit the foregoing pleading for the kind consideration and approval of the Honorable Commission immediately upon receipt hereof sans further arguments and appearances from counsel unless otherwise directed by the Honorable Commission.


JUPITER M. CABAGUIO

EXPLANATION OF FILING AND SERVICE BY ELECTRONIC MEANS

The undersigned counsel respectfully manifests that the foregoing pleading will be filed /served by electronic means pursuant to Rule 10 of ERC's Rules of Practice and Procedure and ERC Resolution No. 9, Series of 2020, with reservation for further compliances and/or utilization of other means possible/available as maybe necessary in order to ensure the service and filing under the attendant circumstances.


JUPITER M. CABAGUIO

Copy furnished:

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Delos Angeles Aguirre Olaguer
Salomon Fabro & Ojeda Law Office
Counsel for Applicant LEYECO III
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X-----X

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8. Office of the Sangguniang Panlalawigan
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10. Office of the Sangguniang Bayan
Alangalang, Leyte
11. Office of the Municipal Mayor
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12. Office of the Sangguniang Bayan
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13. Office of the Municipal Mayor
Capoocan, Leyte
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15. Office of the Municipal Mayor
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22. Office of the Sangguniang Bayan
San Miguel, Leyte
23. Office of the Municipal Mayor
Sta. Fe, Leyte

*Omnibus Manifestation and Motion for Clarification
and Reservation with Extreme Caution*

ERC Case No. 2018-008 RC

x-----x

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