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COVER SHEET

Current Report under Section 17 of the Securities Regulation Code and SRC Rule 17.2 © Thereunder

4620

S.E.C. Registration Number

ANGELES ELECTRIC
CORPORATION

(Company's Full Name)

DON JUAN D NEPOMUCENO AVE COR
DOÑA TERESA AVE NEPOMART
COMPLEX ANGELES CITY

(Business Address : No. Street City / Town / Province)

CRISTINA ARBOLEDA	0908-8894463
Contact Person	Company Telephone Number

12	31	17-C	06	17
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

Permit to sell securities

Secondary License Type, If Applicable

SEC	N/A
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

142	-	-
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. March 6, 2026
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **4620** 3. BIR Tax Identification No. **000-088-802-000**

4. **ANGELES ELECTRIC CORPORATION**
   Exact name of issuer as specified in its charter

5. **ANGELES CITY, PAMPANGA, PHILIPPINES** 6. [ ] (SEC Use Only)
   Province, country or other jurisdiction of incorporation
   Industry Classification Code:

7. **NEPOMART COMPLEX, ANGELES CITY, PAMPANGA** **2009**
   Address of principal office Postal Code

8. **(632) 8636-6485 / +639088803567**
   Issuer's telephone number, including area code

9. **N/A**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON SHARES	**1,178,448,402**

11. Indicate the item numbers reported herein: **ITEM 5 - LEGAL PROCEEDINGS**

Angeles Electric Corporation ("AEC") reports on the Decision issued by the Energy Regulatory Commission ("ERC"), granting authority to implement its proposed capital expenditure projects for Calendar Year 2016, per ERC Case No. 2016-006 RC entitled "In the Matter of the Application for Approval of its Proposed 2016 Capital Expenditure Projects".

A copy of the ERC Decision granting the authority to implement is hereto attached as "Annex A".

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ANGELES ELECTRIC CORPORATION
Issuer

March 6, 2026
Date

[redacted]

ALDRIN ERWIN JAMES T. NEPOMUCENO
SVP & Chief Financial Officer

ANNEX A

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF ITS PROPOSED 2016 CAPITAL EXPENDITURE PROJECTS

ERC Case No. 2016-006 RC

ANGELES ELECTRIC CORPORATION (AEC),
Applicant.
x----------x

Promulgated:
February 23, 2026

DECISION

For resolution before the Commission is the *Application* dated 23 December 2015, filed by Angeles Electric Corporation (AEC) on 18 January 2016, seeking the Commission's approval of its proposed Capital Expenditure (CAPEX) Projects for Calendar Year 2016.

FACTUAL ANTECEDENTS

On 08 March 2016, AEC filed a *Motion to Admit Supporting Documents with Manifestation* dated 07 March 2016, praying that the attached documents be admitted as substitutes for the supporting documents originally contained in its *Application* dated 23 December 2015. AEC further manifested that it would proceed with the implementation of its proposed Design and Construction of Electric Power Distribution System (EPDS) for Fiesta Communities Mining, Angeles City (Project Code A4) as an emergency project.

The said *Application* was set for hearing on 08 June 2016, pursuant to the *Order* and *Notice of Public Hearing*, both dated 05 April 2016.

On 29 April 2016, AEC filed a *Manifestation with Motion* of even date, praying that the capital projects discussed therein be considered as emergency projects.

On 26 May 2016, AEC filed its *Pre-Trial Brief* of even date.

During the 08 June 2016 hearing, AEC appeared. No intervenor or oppositor appeared, neither was there any intervention nor opposition filed. AEC presented its compliance with the publication and jurisdictional requirements, including the publication of the *Notice of Public Hearing* in *The Manila Times* and *Malaya Business Insight* newspaper issues dated 13 and 20 May 2016. After finding AEC's submissions to be compliant, the Commission declared that it had acquired jurisdiction over the instant *Application*.

Thereafter, the Commission proceeded with the expository presentation wherein AEC discussed the instant *Application* through its witness, Engr. Allan Santilla (Engr. Santilla), the Energy Regulatory Affairs Engineer of AEC. At the end of the expository presentation, the Commission propounded questions, which were addressed by the Applicant.

The Commission proceeded with the Pre-Trial Conference. In the course thereof, AEC presented its proposed stipulation of facts and issues as stated in its *Pre-trial Brief*. Thereafter, the Commission terminated the Pre-Trial Conference and proceeded with the presentation of evidence.

AEC presented Engr. Santilla as its witness, who testified under the same oath, on matters stated in his *Judicial Affidavit*. In the course of his direct examination, Engr. Santilla identified his *Judicial Affidavit* and his signature thereon.

On 24 June 2016, AEC filed its *Formal Offer of Evidence* with *Compliance* dated 23 June 2016.

On 16 December 2016, AEC filed a *Manifestation as Emergency Project* of even date, for consideration of several projects mentioned therein as emergency projects.

On 26 April 2019, AEC filed a *Manifestation as Emergency Project* of even date, stating that its CAPEX Project C.9 (Vehicles for Renewal) is an emergency project.

On 06 June 2019, AEC filed *Manifestation* of even date. AEC manifested that it will no longer pursue its proposed Line Material Warehouse and Supply and Purchasing Section Office designated as C.10 as it is located on leased land and the project will be curtailed upon termination of the lease.

On 10 February 2021, AEC filed a *Manifestation with Motion* dated 08 February 2021, giving the Commission a status report on projects implemented as emergency projects.

The Commission found the exhibits contained in the *Formal Offer of Evidence* of AEC to be relevant and material in the resolution of the case. Thus, the Commission admitted the same and declared the case submitted for resolution.

ISSUE

The issue for the Commission's resolution is whether AEC should be authorized to implement the proposed CAPEX projects covered by the instant *Application*.

THE COMMISSION'S RULING

After due deliberation and evaluation of the evidence submitted and information gathered, the Commission, pursuant to its regulatory powers, hereby resolves to **AUTHORIZE** AEC to implement the proposed CAPEX projects covered by the instant *Application*, **subject to optimization** based on its actual use and verified expenses incurred, based on invoices and other supporting documents, during the reset process for the pertinent regulatory

period, following the procedures stated in the *Rationalized Rules for Setting Distribution Wheeling Rates (RRDWR) for Privately-Owned Distribution Utilities* and other relevant issuances of the Commission.

DISCUSSION

AEC is a privately owned electric distribution utility in the Philippines that has operated under the Performance Based Regulation (PBR) methodology for setting its distribution rates. Currently, AEC belongs to the Fourth Entry Group as provided in the *Rationalized Rules for Setting Distribution Wheeling Rates (RRDWR) for Privately-Owned Distribution Utilities under Performance-Based Regulation (PBR).*

In determining the merits of the instant *Application*, the Commission focused its evaluation on the following parameters: (1) Legal Basis for Filing the Application; (2) The Proposed CAPEX Projects; and (3) Project Status.

1. Legal Basis for Filing the Application

Section 23 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), provides that a Distribution Utility (DU) shall have the obligation to provide distribution services and connections to its system for any end-user within its franchise area consistent with the distribution code.[1]

To fulfill said legal obligation and in the interest of the public good every DU must constantly upgrade and expand its existing facilities and assets, or construct new facilities or assets, to meet the growing demands for electricity of consumers within its franchise area.

[1] An Act Ordaining Reforms in the Electric Power Industry, Amending for the Purpose Certain Laws and for Other Purposes [Electric Power Industry Reform Act of 2001] Republic Act No. 9136, Section 23 (2001).

Section 20 of the Public Service Act, as amended,[2] provides:

> Section 20. Acts requiring the approval of the Commission. - Subject to established limitations and exceptions and saving provisions to the contrary, it shall be unlawful for any public service or for the owner, lessee or operator thereof, **without the approval and authorization of the Commission previously had**:
>
> (a) xxx.
>
> (b) To establish, construct, maintain, or operate new units or extend existing facilities or make any other addition to or general extension of the service: Provided, That only assets that are useful and necessary for the provision of the public service shall form part of the rate base as determined and approved by the Administrative Agency: Provided, further, That construction of such asset and implementation of such project may be allowed for emergency and other extraordinary cases: Provided, finally, That the public service provider files for approval of such extension or construction of facilities within sixty (60) days from implementation of the project, and without prejudice to the final determination by the Administrative Agency if the said asset is useful and necessary for inclusion in the rate base. "

Thus, AEC filed the instant *Application,* seeking the Commission's approval and authorization to implement its proposed CAPEX projects.

2. The Proposed CAPEX Projects

In its *Application,* AEC alleged that its proposed CAPEX projects were formulated as part of its efforts to systematically expand and rehabilitate its distribution system with the view of responding to the needs of its customers. It also claims that its CAPEX projects will enable it to meet operational capacity requirements, reliability, safety, performance standards, and regulatory requirements.

Table 1 provides a summary of the proposed CAPEX projects, including their classification, description, and project rationale/justification.

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[2] C.A. No. 146, as amended by R.A. 11659.

Table 1. Summary of the Proposed CAPEX Projects of AEC

Proposed Project				Project Rationale/Justification
No.	**Title**	**Type**	**Project Description**	
1	Installation of Feeder Breaker at Petersville Substation	Safety	Installation of Sulfur Hexafluoride (SF6) Circuit Breaker, 3-phase, rated 72.5kV, Dead Tank Type as protection for the 69kV Petersville-Pampang Sub-transmission Line located at Petersville Substation.	The Petersville–Pampang 69kV sub-transmission line currently lacks a protective device, which is required to comply with Section 6.2.1.4 of the PDC 2017 Edition to design, install, and maintain a distribution protection system to ensure the timely disconnection of faulty facilities and equipment. Installing the feeder breaker at Petersville Substation fulfills this requirement, ensuring regulatory compliance and mitigating risks associated with system faults.
2	Procurement of Pole-Mounted Distribution Transformers	Capacity	Purchase of 123 DT of additional Distribution Transformers (DT) with various rating capacities in the distribution network of AEC.	In order to cope with the yearly increasing demand for the distribution system and the continuous influx of new customers intending to connect to the distribution network of AEC, there is a need to install additional distribution transformers to cater to the load growth in its franchise area.
3	Procurement of kWh Meters and Instrument Transformers (CT and PT)	Capacity	Purchasing 6,193kWh meters accommodates new customers and 274 Instrument Transformers to replace the old CTs installed in the system and to accommodate additional customers.	In compliance with Article 2.11.1 of the DSOAR, AEC, being the default MSP, has an obligation to provide the necessary metering facility for every customer within its distribution system. Thus, the project is necessary to accommodate the growing demand of AEC and to maintain metering accuracy, prevent system failures, and ensure safety.
4	Construction of 69kV Line @ Sto. Cristo	Reliability	Construction of 1.5km 69kV tie line from the Pampang-Petersville 69kV line at Magcalinis St. corner Jake Gonzales Blvd, traverse through McArthur Highway, Salapungan, and connect to Petersville-Calibu 69kV line at Sto.Nino St. near the corner of Diversion Road, Sto. Cristo.	The proposed 69kV line will improve AEC's system reliability and flexibility, reduce power losses, and strengthen its sub-transmission network during single contingency events. It will serve as an alternate source for the Petersville-Pampanga 69kV line, ensuring a continuous power supply to Pampanga Substation and other critical loads. Without this project, AEC faces prolonged outages and operational risks during faults or maintenance on the existing line. This initiative supports efficient power delivery and enhances service reliability for customers.

Table 1. Summary of the Proposed CAPEX Projects of AEC

Proposed Project				Project Rationale/Justification
No.	**Title**	**Type**	**Project Description**	
5	Reconductoring of 13.8kV Lines to 336.4MCM ACSR	Reliability	The project involves reconductoring of the 11 feeders of 13.8kV primary distribution lines with 336.4MCM ACSR conductors to replace aging wires and increase capacity.	The existing 13.8kV primary distribution lines were constructed over 30 years ago and have deteriorated due to age and exposure to harsh conditions. Reconductoring these lines with 336.4MCM ACSR conductors will increase capacity, reduce the risk of line failures, and improve system reliability and flexibility. This upgrade will minimize outages during maintenance or faults, accommodate additional load growth, and enhance operational efficiency. Without this project, AEC faces higher risks of prolonged outages and compromised service quality.
6	Design and Construction of Distribution System for Fiesta Communities	Reliability	The project is the design and construction of a 13.8kV primary distribution system, installation of distribution transformers, and design and construction of a 230V secondary distribution system to serve the electricity requirements at Fiesta Communities Mining, Angeles City.	Fiesta Communities is a real estate developer building affordable housing subdivisions in Pampanga and Angeles City. Several units in Fiesta Communities Mining have already been sold or reserved, creating an immediate need for reliable electric service with a total demand load requirement of 378kVA. AEC, as the distribution utility, must design and construct a complete electric power distribution system (EPDS) to ensure continuous and safe power delivery throughout the subdivision. This project is necessary to meet customer demand, comply with AEC standards, and support the developer's commitment to providing livable communities. Implementing this system will enhance service reliability, operational efficiency, and customer satisfaction.
7	Purchase of 45 units, 13.8kV Fault Indicator	Reliability	Installation of 45 pcs. of Fault Indicator in various locations, to quicken the pace of troubleshooting.	AEC identified 15 lateral primary lines in remote areas that historically require long troubleshooting times due to the absence of customer reports and eyewitness feedback. When faults occur, crews must patrol the entire feeder line pole-to-pole, delay restoration, and expose personnel to hazards. Installing 45 units of 13.8kV fault indicators will allow quick identification of faulty sections, reducing troubleshooting time, improving safety, and

Table 1. Summary of the Proposed CAPEX Projects of AEC

Proposed Project				Project Rationale/Justification
No.	**Title**	**Type**	**Project Description**	
				minimizing prolonged outages. This project is necessary to enhance operational reliability, support customer satisfaction, and align with best practices for safe and efficient fault management.
8	Procurement of Back-Up Generators & Automatic Transfer Switch	Reliability	The project involves the procurement and installation of 2-20kVA electric generators and 3 Automatic Transfer Switches (ATS) for AEC substations and the Main Control Center.	Currently, Pampang Substation has a generator and ATS, while Milenyo has a generator but no ATS, Petersville and Calibu have. Completing these installations will ensure all substations have reliable backup power systems. Backup generators and ATS ensure the uninterrupted operation of critical substation equipment during outages by providing automatic power transfer. This project improves system reliability and prevents disruptions.
9	Procurement of Uninterruptible Power Supply for Substations & SCADA	Reliability	The project involves the purchase and installation of 6-3kVA Uninterruptible Power Supply (UPS) units to provide emergency power for SCADA equipment at AEC's main SCADA station and substations.	AEC's SCADA system relies on advanced monitoring and control equipment such as relays and communication devices. Power interruptions can disrupt these functions, leading to delayed restoration and operational risks. UPS units provide seamless backup power during outages, ensuring uninterrupted SCADA operations and enhancing system reliability.
10	Procurement of Check Meters & Cluster Metering Facilities	System Efficiency	The project involves the procurement of 256 Cluster Metering Facilities, 16 Secondary Check Meters and 1 Primary Check Meter.	The EPZA Resettlement Area currently lacks adequate metering infrastructure, making it difficult to ensure accurate energy measurement, monitor system losses, and maintain fair billing for customers. Thus, the project is necessary to improve operational efficiency, reduce losses, and ensure accurate billing.
11	Procurement of Back-Up Wireless Broadband Communication System	Service Efficiency	The project involves the purchase and installation of a Wireless Broadband Communication System that will serve as back-up for AEC's Fiber Optic Cabling System to ensure unimpeded system monitoring and control in case the primary communication system fails.	The SCADA system depends on a reliable communication channel to monitor and control substations. Currently, AEC uses fiber optic cabling as its primary communication system. However, any failure in this system would disrupt SCADA operations and compromise power distribution. To mitigate this risk, the project will

Table 1. Summary of the Proposed CAPEX Projects of AEC

Proposed Project				Project Rationale/Justification
No.	**Title**	**Type**	**Project Description**	
				procure a backup wireless broadband communication system, provide an alternative link to ensure uninterrupted SCADA functionality, system reliability, and operational continuity.
12	Procurement of 2 Units High Reach Bucket Trucks	Service Efficiency	The project involves the procurement of 2 units of 60 ft. insulated platform trucks to support repair and maintenance operations on AEC's 69kV sub-transmission system.	Currently, AEC has no high-reach bucket truck capable of safely servicing the backbone system. Existing trucks have a maximum working height of only 40 ft, which is insufficient to clear energized underbuilt lines, compromising linemen's safety. The new trucks, equipped with 50kV bucket liner insulation and advanced safety features, will ensure safe and efficient operations and provide redundancy when one unit is unavailable.
13	Procurement of 2 Units Boom Trucks	Service Efficiency	The project involves the procurement of 2 units of boom truck Digger Derrick trucks mounted on Isuzu FRR34 chassis for pole setting and line construction.	The new boom trucks will replace AEC's aging units—Truck #50 (1992 model) and Truck #25 (1995 model)—which have exceeded the recommended 10-year service life for trucks and trailers. These existing trucks are second-hand and have been in service for over 10 to 16 years, making them unreliable for current operational needs. Procuring two new units will ensure safe, efficient, and continuous support for line construction and maintenance activities.
14	Procurement of Information Technology (IT) Equipment	Service Efficiency	The project involves the procurement of 34 computers and 2 printers to replace outdated units running unsupported operating systems (e.g., Windows XP) and other equipment beyond their expected lifespan.	Old systems pose security risks, including exposure to viruses and vulnerabilities that may cause service interruptions and data loss. Aging printers and computers frequently malfunction, slowing operations and requiring costly repairs. Upgrading ensures reliability, compatibility with current software, and improved efficiency to meet growing operational demands.
15	Billing, Collection, Customer Service, Crew Dispatch System Upgrade	Service Efficiency	The project involves upgrading the database and front-end from DBF files to SQL Server and procuring new servers to separate	AEC's current DBF-based system is outdated and not integrated, storing customer and financial data in separate files. DBF is a flat-file format with limited security,

Table 1. Summary of the Proposed CAPEX Projects of AEC

Proposed Project				Project Rationale/Justification
No.	**Title**	**Type**	**Project Description**	
			test/development and production environments.	scalability, and no relational features, making reporting and analysis inefficient. Upgrading to SQL Server will centralize data, improve security, and reduce crash risks. Separate servers will protect live data and ensure uninterrupted service. Thus, the project is necessary to ensure data integrity and operational efficiency.
16	Purchase of 7 Units of Inverter Split-Type Air Conditioners	Service Efficiency	The project involves the procurement of 7 units of ACU to replace the existing centralized conditioning system of AEC's offices.	The current centralized air conditioning system of AEC has deteriorated and is no longer efficient. Repairs are costly, and the ducting system is beyond economical repair, resulting in poor ventilation and uneven cooling. Based on recommendations from ABServe Airconditioning and Refrigeration Services, replacing the system with new units is necessary to ensure proper cooling and cost efficiency. Thus, the project is necessary to maintain comfort and operational effectiveness.
17	Purchase of Service Vehicles to Replace Old Vehicles	Service Efficiency	The project involves the procurement of 6 vehicles to replace the old vehicles of AEC.	Currently, there are 6 vehicles in AEC's fleet that are over ten years old; most have exceeded 200,000 km, and parts are increasingly difficult to source. Frequent repairs result in high maintenance costs and operational inefficiency. Thus, it is essential to ensure efficient and timely response during maintenance activities or when addressing system issues.
18	Construction of Buildings for Line Material Warehouse/ Supply & Purchasing Section Office	Service Efficiency	The project involves the construction of a 2-floor concrete building with a total floor area of 400 sq. meters (200 sq. meters per floor) and a 400 sq. meter warehouse with steel trusses and concrete foundations.	The current warehouse of AEC is temporary, made of light wooden materials, and only partially covers line hardware, leaving items exposed to weather damage. Additionally, relocating the supply and purchasing section closer to the equipment will improve material flow and operational efficiency. Therefore, the project is essential to ensure proper storage, protect assets, and support timely maintenance and system reliability. However, AEC filed a Manifestation dated 06 June 2019, stating that the

Table 1. Summary of the Proposed CAPEX Projects of AEC

Proposed Project				Project Rationale/Justification
No.	**Title**	**Type**	**Project Description**	
				project will no longer be pursued because the proposed site is on leased land, and the lessor indicated plans not to extend the lease. Pursuing the project under these conditions would make the investment impractical and unsustainable, as the facility's economic life could be cut short if the lease ends. Thus, the project was discontinued to avoid unnecessary costs and operational risks.

AEC formulated these projects to support the expansion and rehabilitation of its distribution system, with the primary objective of addressing customer demand, resolving operational deficiencies, and ensuring compliance with performance standards on capacity, reliability, safety, and service efficiency requirements.

In its *Application,* AEC proposed 18 CAPEX projects with a total amount of **PhP165,059,326.66.** On 10 February 2021, AEC submitted a *Manifestation and Motion* stating the status report and actual cost of the CAPEX projects in the amount of **PhP131,827,438.87**.

Table 2 shows the project's published cost and updated cost based on *Application* and *Manifestation and Motion,* respectively.

Table 2. Summary of the proposed costs of the subject CAPEX Projects

No.	**Title**	**Proposed Project Cost** (PhP)	
		Application	**Updated**
1	Installation of Feeder Breaker at Petersville Substation	16,217,500.00	12,332,430.56
2	Procurement of Pole-Mounted Distribution Transformers	17,880,407.29	16,306,724.13
3	Procurement of kWh Meters & Instrument Transformers (CT & PT)	17,731,651.86	15,247,062.99
4	Construction of 69 kV Line @ Sto. Cristo	9,032,605.63	8,308,570.47
5	Reconductoring of 13.8 kV Lines to 336.4 MCM ACSR	7,453,895.26	8,231,316.23

Table 2. Summary of the proposed costs of the subject CAPEX Projects

No.	Title	**Proposed Project Cost** (PhP)	
		Application	**Updated**
6	Design & Construction of Distribution System for Fiesta Communities	9,453,448.56	9,453,448.56
7	Purchase of 45 units, 13.8 kV Fault Indicator	1,080,000.00	733,258.93
8	Procurement of Back-Up Generators & Automatic Transfer Switch	1,071,000.00	1,189,285.72
9	Procurement of Uninterruptible Power Supply for Substations & SCADA	285,600.00	359,889.60
10	Procurement of Check Meters & Cluster Metering Facilities	8,544,922.46	8,544,922.46
11	Procurement of Back-Up Wireless Broadband Communication System	1,973,000.00	1,973,000.00
12	Procurement of 2 Units High Reach Bucket Trucks	18,600,000.00	15,892,857.14
13	Procurement of 2 Units Boom Trucks	17,960,000.00	10,615,114.29
14	Procurement of Information Technology (I.T.) Equipment	1,324,200.00	1,585,986.61
15	Billing, Collection, Customer Service, Crew Dispatch System Upgrade	12,854,691.00	15,191,097.65
16	Purchase of 7 Units of Inverter Split-Type Air Conditioners	912,404.60	958,559.25
17	Purchase of Service Vehicles to Replace Old Vehicles	5,034,000.00	4,903,914.28
18	Construction of Buildings for Line Material Warehouse/ Supply & Purchasing Section Office	17,650,000.00	0.00
Total Project Cost (PhP)		**165,059,326.66**	**131,827,438.87**

The updated cost was adopted by the Commission but shall be used only for the purpose of determining the permit fee.

It should be emphasized that the proposed CAPEX project cost shall be subject to optimization based on its actual use and/or implementation during the reset process for the next regulatory period, following the procedures stated in the *Rationalized Rules for Setting Distribution Wheeling Rates (RRDWR) for Privately-Owned Distribution Utilities* and other relevant issuances of the Commission.

Optimization is to be undertaken on an incremental basis, where the focus is on removing inefficient design and "gold-plated" [3]

[3] Incorporation of costly and unnecessary refinements into the structure.

engineering within the existing network. The optimization review will be done during the reset process under the existing mechanism when the new distribution rates are set. This is because optimization must be undertaken while accounting for the entire distribution system, not just facilities in specific areas.

3. Project Status

Table 3 presents the implementation status of the proposed CAPEX projects based on the information submitted to the Commission.

Table 3. Implementation Status of the Proposed Projects

Proposed Project		Status (% Completion)
No.	**Title**	
1	Installation of Feeder Breaker at Petersville Substation	100%
2	Procurement of Pole-Mounted Distribution Transformers	100%
3	Procurement of kWh Meters & Instrument Transformers (CT & PT)	100%
4	Construction of 69 kV Line @ Sto. Cristo	100%
5	Reconductoring of 13.8 kV Lines to 336.4 MCM ACSR	100%
6	Design and Construction of Distribution System for Fiesta Communities	86%
7	Purchase of 45 units, 13.8 kV Fault Indicator	100%
8	Procurement of Back-Up Generators & Automatic Transfer Switch	100%
9	Procurement of Uninterruptible Power Supply for Substations & SCADA	100%
10	Procurement of Check Meters & Cluster Metering Facilities	42.1%
11	Procurement of Back-Up Wireless Broadband Communication System	100%
12	Procurement of 2 Units High Reach Bucket Trucks	100%
13	Procurement of 2 Units Boom Trucks	100%
14	Procurement of Information Technology (I.T.) Equipment	100%
15	Billing, Collection, Customer Service, Crew Dispatch System Upgrade	85%
16	Purchase of 7 Units of Inverter Split-Type Air Conditioners	100%
17	Purchase of Service Vehicles to Replace Old Vehicles	100%
18	Construction of Buildings for Line Material	0%

Table 3. Implementation Status of the Proposed Projects

Proposed Project		Status (% Completion)
No.	**Title**	
	Warehouse/Supply & Purchasing Section Office	

Notes: AEC's *Manifestation and Motion* dated 08 February 2021 provides the status of the proposed projects in terms of their schedule of implementation.

Table 3 shows that among the 18 proposed CAPEX projects, 14 have been fully implemented, 3 have been partially implemented, and one (1) project will not be implemented as manifested by AEC.

AEC claimed that implementation of the said projects was undertaken to fulfill its mandate of providing continuous, safe, reliable, secure, and efficient service to its consumers.[4]

4. CAPEX Permit Fee

Section 40 of the Public Service Act, as amended,[5] provides the legal basis for the collection of the permit fee, *to wit*:

> SEC. 40. *Administrative Fees and Charges*. – Administrative Agencies may collect from any public service, including any public utility, reasonable fees and charges, and impose appropriate penalties and fines as provided by law: Provided, that such fees, charges, penalties and fines may be adjusted to its present value every five (5) years using the Consumer Price Index (CPI) as published by the Philippine Statistics Authority (PSA).

Based on the proposed total project cost and the Commission's schedule of fees and charges,[6] the applicable permit fee shall be calculated as follows:

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[4] Section 2 of the EPIRA provides, *viz*:

SECTION 2: Declaration of Policy. – It is hereby declared the Policy of the State:

(a) To ensure and accelerate the total electrification of the country.
(b) To ensure the quality, reliability, security and affordability of the supply of electric power; xxx

(f) To protect the public interest as it is affected by the rates and services of electric utilities and other providers of electric power; xxx

[5] Commonwealth Act No. 146, as amended by R.A. 11659.

[6] ERC Resolution No.21, Series of 2007, entitled *"A Resolution Approving the Revised ERC Fees and Charges."*

$$\frac{\textbf{PhP131,827,438.87}}{\textbf{PhP100.00}} \times \textbf{PhP0.75} = \textbf{PhP988,705.79}$$

The calculated permit fee, amounting to **PhP988,705.79**, shall be remitted to the Commission within fifteen (15) calendar days from receipt of this *Decision*.

After a thorough evaluation of all the evidence submitted, and appreciation of all the information gathered, the Commission finds that the implementation of the subject CAPEX projects, as contained in AEC's *Application*, will benefit its consumers, in accordance with its obligation to provide continuous, safe, reliable, secure, and efficient service for its consumers, as mandated by Section 2 of the EPIRA.

WHEREFORE, the *Application* filed by the Angeles Electric Corporation (AEC) for the approval of the implementation of its proposed Capital Expenditure (CAPEX) projects for the year 2016 is hereby **RESOLVED**, as follows:

1. AEC is **AUTHORIZED** to implement its proposed CAPEX projects subject to optimization based on their actual use and verified expenses incurred based on, invoices and other supporting documents during the reset process for the subsequent regulatory period, following the procedures stated in the *Rationalized Rules for Setting Distribution Wheeling Rates (RRDWR) for Privately-Owned Distribution Utilities* and other relevant issuances of the Commission;

2. AEC's manifestation that the *"Construction of Buildings for Line Material Warehouse/Supply and Purchasing Section Office"* project will no longer be pursued is hereby **NOTED** and the same is **EXCLUDED** from the CAPEX projects approved under this *Decision*; and

3. AEC is hereby **DIRECTED** to pay the Commission, within fifteen (15) days from receipt of this *Decision*, the full amount of **PhP988,705.79,** as payment for the permit fee, pursuant to Section 40 of the Public Service Act, as amended, the Commission's Amended CAPEX Rules, and the Commission's Revised Schedule of Fees and Charges.

SO ORDERED.

Pasig City.

(On Official Business)
FRANCIS SATURNINO C. JUAN
Chairperson and CEO

[redacted]
FLORESINDA G. BALDO-DIGAL
Commissioner

[redacted]
MARKO ROMEO L. FUENTES
Commissioner

[redacted]
AMANTE A. LIBERATO
Commissioner

[redacted]
PARIS G. REAL
Commissioner

[redacted]
LS: BBB/ JGGW/ MCCG

[redacted]
ROS: ASPT/NLG/REM/LLG

**Deliberated and approved during the 05 February 2026 Commission Meeting.*

Copy furnished:

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