



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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COVER SHEET

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

4 6 2 0

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

Contact Person

0908-8894463

Company Telephone Number

1 2 3 1

Month Day Fiscal Year

1 7 - C

FORM TYPE

0 6

Month Day Annual Meeting

Permit to sell securities

Secondary License Type, If Applicable

M S R D

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

142

Total No. of Stockholders

Total Amount of Borrowings

-

Domestic

-

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

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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. April 10, 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                      Industry Classification Code:  
incorporation
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
<u>COMMON SHARES</u>	<u>1,178,448,402</u>

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 emergency capital expenditure projects for Calendar Year 2017, per ERC Case No. 2017-053 RC entitled "In the Matter of the Application for Approval of Emergency Capital Expenditure Projects for Regulatory Year 2017".

A copy of the ERC Decision 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

**April 10, 2026**

Date

  
**CRISTINA L. ARBOLEDA**  
Compliance Officer

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**IN THE MATTER OF THE  
APPLICATION FOR  
APPROVAL OF EMERGENCY  
CAPITAL EXPENDITURE  
PROJECTS FOR  
REGULATORY YEAR (RY)  
2017**

**ERC CASE NO. 2017-053 RC**

**ANGELES ELECTRIC  
CORPORATION,**  
*Applicant.*

**Promulgated:**  
March 26, 2026

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**DECISION**

For resolution before the Commission is the *Application* dated 12 May 2017, filed by Angeles Electric Corporation (AEC) on 30 May 2017, seeking the Commission's approval of its Emergency Capital Expenditure (CAPEX) projects for Regulatory Year (RY) 2017.

**FACTUAL ANTECEDENTS**

On 27 July 2017, AEC filed a *Supplemental Application* dated 17 July 2017, praying for the Commission to approve additional Emergency CAPEX project.

On 04 September 2017, the Commission issued an *Order* and a *Notice of Public Hearing*, both dated 02 August 2017, setting the case for hearing for the determination of compliance with the jurisdictional requirements, expository presentation, Pre-Trial Conference, and presentation of evidence on 18 October 2017.

On 12 October 2017, AEC filed its *Pre-Trial Brief* dated 11 October 2017.

During the 18 October 2017 hearing, only AEC appeared. No petition for intervention or opposition was filed, neither was there any intervenor nor oppositor who appeared. After a review of AEC's submission, including the publication of the *Notice of Public Hearing* in the newspaper issues of *The Manila Times* and the *Malaya Business Insight* on 15 September 2017 and 22 September 2017, the Commission declared that it acquired jurisdiction over the instant case.

AEC then conducted its expository presentation through Engr. Allan M. Santillan (Engr. Santillan), its Energy Regulatory Affairs Engineer, under oath.

At the end of the expository presentation, the Commission propounded clarificatory questions relative thereto. Engr. Joseph Quiambao was sworn in to answer some of the questions on behalf of AEC.

The hearing then proceeded with the Pre-Trial Conference. In view of the absence of any intervenor or oppositor, AEC moved for the issuance of an Order of General Default, which the Commission granted. The Commission took note of all the allegations contained in AEC's *Pre-Trial Brief* and set the issues to be resolved before terminating the Pre-Trial Conference.

Subsequently, AEC presented its lone witness, Engr. Santillan, who testified under the same oath on matters stated in his *Judicial Affidavit*. In the course thereof, Engr. Santillan identified his *Judicial Affidavit* and his signature thereon.

Thereafter, the Commission propounded clarificatory questions and directed AEC to formally offer its evidence and submit additional documents within fifteen (15) days from the said hearing.

On 02 November 2017, AEC filed its *Formal Offer of Evidence* of even date.

On 08 July 2019, the Commission issued an *Order* dated 04 June 2019, directing AEC to submit an update on the CAPEX projects subject of the instant *Application*.

Pursuant to the said *Order*, on 25 July 2019, AEC filed its *Compliance* of even date.

On 04 September 2019 and 11 November 2019, AEC filed its *Manifestation* and its *Compliance*, both of even date, respectively.

The Commission found the exhibits contained in AEC's *FOE*, as well as the various submissions, to be relevant and material in the resolution of the instant *Application*. Thus, the Commission admitted the same and declared the case submitted for resolution.

### **ISSUE**

The issue for the Commission's resolution is whether the Emergency CAPEX projects subject of the instant *Application*, as supplemented, should be approved.

### **THE COMMISSION'S RULING**

After due deliberation and evaluation of all evidence submitted, and information gathered, the Commission, pursuant to its regulatory powers, resolves to **APPROVE WITH MODIFICATION** the Emergency CAPEX projects of AEC for RY 2017, as supplemented, subject to certain conditions.

### **DISCUSSION**

AEC is a privately-owned electric distribution utility in the Philippines operated under the Performance-Based Regulation (PBR) methodology for setting its distribution rates. Currently, AEC belongs to the Fourth Entry Group, as specified 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 Bases for Filing the *Application*; and (2) the proposed Emergency CAPEX projects.

**1. Legal Bases 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.<sup>1</sup>

To fulfill said legal obligation and in the interest of 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 of electricity consumers within its franchise area.

Section 20 of the Public Service Act, as amended,<sup>2</sup> 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. xxx"

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<sup>1</sup> 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).

<sup>2</sup> C.A. No. 146, as amended by R.A. 11659.

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

## **2. The Proposed CAPEX Project**

In its *Application*, AEC alleged that the proposed Emergency CAPEX projects were intended to immediately address identified system constraints and operational issues within its distribution network. These projects involve the immediate rerouting of existing sub-transmission and distribution facilities due to right-of-way limitations, the construction of distribution facilities to serve customer demand, the upgrading of secondary distribution lines to reduce technical system losses within the prescribed regulatory cap, and the replacement of obsolete electromechanical meters to enhance metering accuracy and reduce non-technical losses. According to AEC, the immediate implementation of these projects is necessary to ensure the safe, reliable, and efficient operation of its distribution system and continued compliance with applicable technical and regulatory standards.

Table 1 presents the detailed components of the proposed CAPEX projects, which include their classification, description, and project rationale/justification.

**Table 1.** Details of AEC Emergency CAPEX Projects

<b>Proposed Project</b>			<b>Project Rationale/ Justification</b>
<b>No.</b>	<b>Title</b>	<b>Type</b>	
1	Rerouting of 2 sets, 6-Span, 69kV Subtransmission Lines and corresponding underbuilt 13.8kV Feeder Lines from Don Bonifacio Avenue Extension, Pulung Maragul to Barangay Road, Pulung Maragul, and Relocation of 13.8kV Line along Service Road going to Angeles City Hall Complex	Capacity	The developer of the land where AEC's sub-transmission facilities traverse is demanding that the facilities be buried underground. Rather than go underground, AEC opted to economically reroute the subject facilities.
2	Design and Construction of Electric Power Distribution System (EPDS) for Solana Frontera Subdivision, Sapalibutad, Angeles City	Capacity	This project was necessitated by the demand of new customers not forecasted in AEC's Capex program for RY 2017
3	Upgrading of Secondary Distribution Lines to #4/0 AAC PE-covered to Reduce Technical Losses on the Secondary Distribution System	Capacity	To reduce AEC's technical system losses within the cap

4	Replacement of Old Electromechanical Kilowatt-hour Meters to Electronic Type-Tested Kilowatt-hour Meters to Improve AEC's Metering Standards and Lower System Losses	Service Efficiency	To phase out AEC's non-technical losses.
5	Design and Construction of Electric Power Distribution System (EPDS) for Solana Sunshine Homes, Sapalibutad, Angeles City	Capacity	This project was necessitated by the demand of new customers not forecasted in AEC's Capex program for RY 2017

The Commission notes that AEC's original *Application* consists of the rerouting of sub-transmission lines, relocation and construction of distribution lines, upgrading of secondary distribution lines, and the replacement of old electromechanical kilowatt-hour meters, all of which form part of its Emergency CAPEX projects. Further, AEC filed a *Supplemental Application* dated 17 July 2017 covering an additional project entitled, the Design and Construction of Electric Power Distribution System (EPDS) for Solana Sunshine Homes, Sapalibutad, Angeles City.

Based on the submission of AEC, it received a notice that the project developer requires the installation and energization of power lines at the Solana Sunshine Homes Project in the soonest possible time. As the development and corresponding demand were not included in AEC's original CAPEX program, the required facilities were being applied for as a Supplemental Emergency CAPEX project.

To implement the proposed Emergency CAPEX projects, AEC proposed a total project cost of **PhP231,183,684.32**. A summary of the proposed Emergency CAPEX projects and their corresponding costs are provided below.

**Table 2.** AEC Proposed Emergency CAPEX with Applied Cost (PhP)

No.	Title	Type	Total
1	Rerouting of 2 sets, 6-Span, 69kV Subtransmission Lines and corresponding underbuilt 13.8kV Feeder Lines from Don Bonifacio Avenue Extension, Pulung Maragul to Barangay Road, Pulung Maragul and Relocation of 13.8kV Line along Service Road going to Angeles City Hall Complex	Capacity	27,693,382.16

2	Design and Construction of Electric Power Distribution System (EPDS) for Solana Frontera Subdivision, Sapalibutad, Angeles City	Capacity	3,711,756.49
3	Upgrading of Secondary Distribution Lines to #4/0 AAC PE-covered to Reduce Technical Losses on the Secondary Distribution System	Capacity	146,834,293.51
4	Replacement of Old Electromechanical Kilowatthour Meters to Electronic Type-Tested Kilowatthour Meters to Improve AEC's Metering Standards and Lower System Losses	Service Efficiency	49,999,620.00
5	Design and Construction of Electric Power Distribution System (EPDS) for Solana Sunshine Homes, Sapalibutad, Angeles City	Capacity	2,944,632.16
<b>Grand Total (PhP)</b>			<b>231,183,684.32</b>

The Commission emphasizes that the proposed project cost of the CAPEX project subject of the instant *Application* shall be subject to optimization based on their actual use and verified expenses incurred, as supported by invoices and other supporting documents during the reset process for the pertinent regulatory period, following the procedures stated in the *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-plating”<sup>3</sup> 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 has to be undertaken while taking into account the entire distribution system and not only facilities in specific areas.

### **3. Payment of CAPEX Permit Fee**

Section 40 of the Public Service Act, as amended,<sup>4</sup> provides the legal basis for the collection of the Permit Fee, *to wit*:

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<sup>3</sup> Incorporation of costly and unnecessary refinements into the structure.

<sup>4</sup> Commonwealth Act No. 146, An Act to Reorganize the Public Service Commission, prescribe its Powers and Duties, Define and Regulate Public Services, Provide and Fix Rates and Quota of Expenses to be Paid by the Same, and for Other Purposes, as amended by R.A. 11659 (2022).

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,<sup>5</sup> the applicable permit fee shall be calculated as follows:

$$\frac{\text{PhP}231,183,684.32}{\text{PhP}100.00} \times \text{PhP}0.75 = \text{PhP}1,733,877.63$$

The calculated permit fee, amounting to **One Million Seven Hundred Thirty-Three Thousand Eight Hundred Seventy-Seven Pesos and Sixty-Three Centavos (PhP1,733,877.63)**, 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 project 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 Emergency Capital Expenditure (CAPEX) projects for Regulatory Year 2017 of Angeles Electric Company (AEC), subject of the instant *Application*, as supplemented, is hereby **RESOLVED**, as follows:

1. AEC is **AUTHORIZED** to implement its proposed Emergency CAPEX Projects subject to optimization based on their actual use and verified expenses incurred, as supported by 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)*

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<sup>5</sup> ERC Resolution No.21, Series of 2007, entitled, "A Resolution Approving the Revised ERC Fees and Charges."

for Privately Owned Distribution Utilities and other relevant issuance of the Commission; and

2. AEC is hereby **DIRECTED** to pay the Commission, within fifteen (15) days from receipt of this *Decision*, the full amount of **One Million Seven Hundred Thirty-Three Thousand Eight Hundred Seventy-Seven Pesos and Sixty-Three Centavos (PhP1,733,877.63)**, as payment for the permit fee, pursuant to Section 40 of 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.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**FRANCIS SATURNINO C. JUAN**  
*Chairperson and CEO*<sup>6</sup>

  
LS: CSU/ARG/MCCG

  
ROS: JMSF/PJCP/LLG

*\*Deliberated and approved during the 11 March 2026 Commission Meeting.*

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<sup>6</sup> Authority granted during CM on 11 March 2026.

**Copy Furnished:**

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