ANNEX "A"

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Exquadra Tower, Jade Drive, Ortigas Center, Pasig City

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF A TAX RECOVERY ADJUSTMENT CHARGE ON TAX ARREARAGES PAID ON BUSINESS TAX AND REAL PROPERTY TAX ON MACHINERIES WITH PRAYER FOR PROVISIONAL AUTHORITY

ERC Case No. 2026-062 CF

July 03, 2026

ANGELES ELECTRIC CORPORATION (AEC),
Applicant.

X -X

APPLICATION

APPLICANT AEC, through counsel, respectfully alleges:

1. AEC is a Distribution Utility duly organized and existing under Philippine law, with principal office address at Don Juan Nepomuceno cor. Teresa Avenue, Nepo Center, Angeles City; franchised under Republic Act No. 9381 to construct, operate, and maintain in the public interest and for commercial purposes, a Distribution System for the conveyance of electric power to the end-users of Angeles City, Pampanga. AEC is represented here by its President, Maria Rita Josefina V. Chua.

2. AEC seeks to recover tax adjustment charges on arrearages paid to the local government unit of Angeles City, Pampanga on Business Tax and Real Property Tax on machineries, such as transformers, electric posts, transmission lines, insulators, and electric meters.

3. This application was filed pursuant to ERC Resolution No. 09, Series of 2026, entitled: "***A RESOLUTION GOVERNING THE REVISED RULES ON THE RECOVERY OF PASS-THROUGH TAXES (REAL PROPERTY, LOCAL FRANCHISE, AND BUSINESS TAXES) OF DISTRIBUTION UTILITIES***" which allowed recovery of tax arrearages, excluding interests, penalties and other charges, imposed on and paid by DUs for the years prior to the effectivity of these Rules, subject to confirmation process under Article IV, of Annex "A" of the aforementioned ERC resolution.

4. Applicant AEC seeks to recover the following amounts paid on Business Tax and Real Property Tax, to wit:

Business Tax (Previous Years)

Years	Payment Date	Official Receipt Number	Total BT Amount Paid
2000 to 2004	November 6, 2019	AC-1450946	63,369,097.80
2018	June 11, 2020	AC-1541978	29,943,720.25
2019	June 11, 2020	AC-1541979	33,908,543.43
2020	January 29, 2020	AC-1495730	34,416,561.77
			161,637,923.25

Real Property Tax (Previous Years)			
Years	**Payment Date**	**OR Number**	**Total RPT Amount Paid**
2012	September 7, 2012	AC0060311 - AC0060343	4,234,285.20
2012	September 10, 2012	AC0060345	350,668.80
2012	September 10, 2012	AC0060346	116,889.60
2013	December 27, 2012	ACF0229824 - ACF0229842	3,769,896.48
2014	November 26, 2013	ACF0268184 - ACF0268309	3,769,890.44
2015	December 15, 2014	ACF0292631 - ACF0292632	3,888.00
2015	December 18, 2014	ACF0332959 - ACF0332977	4,225,948.02
2016	February 26, 2015	ACF0364353 - ACF0364354	127,109.48
2016	December 29, 2015	ACF041399 - ACF0413418	4,272,593.76
2017	December 15, 2016	ACF0460717 - ACF0460742	4,272,593.76
2018	December 20, 2017	ACF0533557 - ACF0533583	4,272,593.76
2019	December 27, 2018	ACF0606161 - ACF0606158	4,272,593.76
2019	January 22, 2019	ACF0622000	9,195.12
2020	December 23, 2019	ACF0680885 - ACF0680905	4,280,767.20
2021	December 21, 2020	ACF0744855 - ACF0744876	4,285,875.60
2022	December 28, 2021	ACF0832645 - ACF0832677	4,282,470.00
TOTAL			***46,547,258.98***
LESS: Real Property Tax Forecast Amount Included in the 2RP Final Determination			
RY2012		591,524.00	
RY2013		620,063.00	
RY2014		648,741.00	
RY2015		679,069.00	**2,539,397.00**
LESS: Real Property Tax Collected in 2021 and 2022			
2021		3,526,485.46	
2022		3,241,419.64	**6,767,905.10**
Net RPT Amount for Recovery			**37,239,956.88**

5. AEC proposes to recover the tax arrearages paid on BT and RPT under the following schemes:

Proposed Recovery Scheme:

		Simulated Recovery Rates Per kWh		
Business Tax Paid	**Recent 12 Months Actual kWh Sales (Within Angeles City)**	**If 1 Year**	**If 2 Years**	**If 3 Years**
161,637,923.25	746,582,247	0.2165	0.1083	0.0722

		Simulated Recovery Rates Per kWh		
Real Property Tax Paid	**Recent 12 Months Actual kWh Sales (Within Angeles City)**	**If 1 Year**	**If 2 Years**	**If 3 Years**
37,239,956.88	746,582,247	0.0499	0.0249	0.0166

ALLEGATIONS IN SUPPORT OF THE PRAYER FOR PROVISIONAL AUTHORITY

6. One of the objectives of ERC Resolution No. 09, Series of 2026, is *to allow Distribution Utilities full recovery of all just and reasonable components of the taxes levied by Local Government Units (LGUs) against the DUs to enable the latter to operate viably*.

7. Until ERC Res. No. 09, Series of 2026 was published on 02 April 2026 in the Business Mirror, Distribution Utilities could not recover their paid local taxes arrearages.

8. Since these paid local tax arrearages were not included in AEC's Annual Revenue Requirement, AEC had to advance the cost of these local tax arrearages.

9. It is a **Guiding Principle** of ERC Res. No. 09, Series of 2026, that Distribution Utilities shall be allowed the recovery of all just and reasonable costs pertaining to taxes that are levied by LGUs, *subject to the post-validation* and confirmation mechanism of the Commission.

10. Premises considered, it is imperative that AEC pray that it be granted provisional authority to include in its power bills to its customers a Tax Recovery Adjustment Charge to recover tax arrearages paid on Business Tax and Real Property Tax so it can operate viably.

11. The following documents are submitted in support of this application:

Annexes	Particulars
1	Certified true copy of Angeles City Tax Ordinance.
2	Certified true copies of Business Tax Official Receipts.
3	Certified true copies of Business Tax Supporting Documents (Business Tax Clearance for 2000 to 2004, Statement of Account for 2018 and 2019, Order of Payment for 2020)
4	Certified true copies of RPT Official Receipts (Year 2012 to 2022).
5	Certified true copies of RPT Tax Declaration (Year 2012 to 2022).
6	Certified true copies of RPT Tax Assessments (Year 2012 to 2022).
7	Summary of BT and RPT Tax Arrears to be Recovered (in Excel).
8	BT and RPT Proposed Recovery Scheme.

PRAYER

WHEREFORE, AEC respectfully prays that the Honorable Commission issue a Decision/Provisional Authority to AEC to include as separate line item in its bills to customers in Angeles City a Tax Recovery Adjustment Charge (TRAC) to recover the following:

1. Business Tax in the net amount of **P161,637,923.25** under any of the proposed recovery schemes; and

2. Real Property Tax in the net amount of **P37,239,956.88** under any of the proposed recovery schemes.

Applicant AEC also prays for such other relief or remedy as may be just and equitable under the circumstances.

RESPECTFULLY SUBMITTED this 16th day of June 2026 at Pasig City.

[redacted]

RANULFO M. OCAMPO
Counsel for AEC
Road | Ortigas Center | Pasig City
| Email: ranulfoocampo@outlook.com
PTR No. 10434217 / 06 January 2026 / Marikina City | MCLE No. VIII-0010986 valid until 14 April 2028
Roll No. 33872 | IBP Lifetime No. 014284 | ERC Registration ER No. 2022-0481-3

REPUBLIC OF THE PHILIPPINES)
) S.S.

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, **MARIA RITA JOSEFINA V. CHUA**, of legal age, with office address at Angeles Electric Corporation, Nepo Mart Complex, Don Juan Nepomuceno corner Doña Teresa Streets, Angeles City, state under oath:

1. That I am the President and Chief Executive Officer of Angeles Electric Corporation (AEC), and that I have been authorized by AEC to verify and certify under oath the foregoing application for approval of a tax recovery adjustment charge on tax arrearages paid on local business tax and real property tax with prayer for provisional authority.

2. On behalf of AEC, I caused the preparation of the foregoing application; read and understood the allegations contained therein insofar as AEC is concerned; and all the facts stated therein are true and correct based on my own knowledge and the authentic records of AEC made available to me in the ordinary course of business.

3. The application was not filed to harass, cause unnecessary delay, or needlessly increase the cost of actions or proceedings.

4. AEC has not commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other tribunal or agency; that to the best of my knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals, or different Divisions thereof, or any other tribunal or agency, which involve issues that may somehow be related to this Complaint for consignation of sum due; and that, if I should learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or different divisions thereof, or any other tribunal or agency, I undertake to promptly inform this Honorable Commission within five (5) days from receipt of such knowledge of such fact.

[redacted]

MARIA RITA JOSEFINA V. CHUA
Affiant

JURAT

SUBSCRIBED AND SWORN to before me this 16 JUN 2026, affiant exhibited to me her Driver's License No. [illegible] December 2031.

[redacted]

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Book No. XIII ;
Series of 2026 .

ATTY. MARIE EUGENIE LOURDES B. ABELEDA
NOTARY PUBLIC - ANGELES CITY
COMMISSION NO. 24-1180
UNTIL DECEMBER 31, 2026
ROLL NO. 74620
IBP NO. 566430 / 12-16-2025 FOR 2026 / PAMPANGA
PTR NO. AC-2353834/ 11-21-2025 FOR 2026 / ANGELES CITY
MCLE COMPLIANCE NO. VIII-0012170/ 08-20-2024/ PASIG CITY
RM. 105 1ST FLR, ABC BLDG., TERESA AVE.
NEPO CENTER, STO. ROSARIO, ANGELES CITY