ANNEX "A"

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF CAPITAL EXPENDITURE PLAN FOR THE YEAR 2026

ERC CASE NO. 2026-131 **RC**

September 09, 2026

CENTRAL PANGASINAN ELECTRIC COOPERATIVE., INC., (CENPELCO),
Applicant.
x - x

APPLICATION

APPLICANT, CENTRAL PANGASINAN ELECTRIC COOPERATIVE, INC., (CENPELCO), through counsel, unto this Honorable Commission, most respectfully alleges, that:

THE APPLICANT

1. CENPELCO is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Padilla Street, San Carlos City, Pangasinan.

2. CENPELCO is a holder of a franchise from the National Electrification Commission to operate an electric light and power distribution service in San Carlos City and certain municipalities of the Province of Pangasinan, namely: Aguilar, Alcala, Basita, Bautista, Bayambang, Binmaley, Bugallon, Labrador, Lingayen, Malasiqui, Mangaldan, Mangatarem, Sual, and Urbiztondo.

LEGAL BASES FOR THE APPLICATION

3. CENPELCO seeks approval and authority from this Honorable Commission to implement its Capital Expenditure (CAPEX) Plan for the year 2026 pursuant to Republic Act No. 9136, ERC Resolution No. 26, Series of 2009 and other laws and rules, and in line with its legal mandate to provide safe, quality, efficient and reliable electric service to the consumers in its franchise area,

THE CAPITAL EXPENDITURE PROJECTS

4. The projects under CENPELCO's CAPEX Plan for the year 2026, are summarized hereunder, as follows:

No.	Proposed Projects	Project Type	Project Cost (Php)
1	Construction of Power House, Installation of Medium Voltage Switch Gear (MVSG) at 20 MVA Binmaley Substation and Construction of Tie Lines for Two (2) Additional Feeder lines	Safety	33,145,722.00
2	Replacement of deteriorated 69 kV Lightning Arrester in Labrador and Bautista Substation	Safety	200,000.00
3	Installation of Intermediate poles and Installation of Guy Assembly for Strengthening Distribution System	Safety	18,172,621.00
4	Replacement of Dilapidated Poles	Safety	26,757,035.00
5	Replacement of Defective of 69 kV Air Break Switch at San Carlos Facing Malasiqui 69 kV lines and Lingayen Facing Binmaley 69 kV lines	Safety	1,200,000.00
6	Procurement of 48 units of Automatic Circuit Recloser, Vacuum, 3 Phase, 15 kV, 630 A	Safety	36,000,000.00
7	Installation of additional 30MVA Power Transformer in San Carlos including Primary Protection and Secondary Protection in San Carlos Substation.	Capacity	85,346,056.00
8	Uprating and installation of New 30 MVA in Mangatarem Substation	Capacity	92,186,245.00

9	Construction of new 15 MVA Substation at Basista	Capacity	76,626,119.00
10	Uprating and Installation of New 30 MVA Substation at Mangaldan	Capacity	84,683,994.00
11	Replacement of Overloaded Distribution Transformers	Capacity	24,797,100.00
12	Requisition of Distribution Transformers, Service Drops and Metering Equipment for New Customer Connections	Capacity	48,496,130.00
13	Procurement and installation of 12 units of Automatic Voltage Regulator 333 KVA	Power Quality	25,800,000.00
14	Construction of 9.28 kms 69 kV lines from Basista to Urbiztondo	Reliability	70,851,201.00
15	Replacement of Old Mechanical Meter	System Loss Reduction	20,060,000.00
16	Installation of Feeder Metering	System Loss Reduction	22,854,814.00
17	Procurement of Advance Metering Infrastructure (AMI) Pilot Project	System Loss Reduction	13,629,412.00
18	Acquisition of SCADA System for CENPELCO's thirteen (13) Substations in San Carlos City, Malasiqui, Bayambang, Alcala, Bautista, Mangaldan, Bugallon, Labrador, Mangatarem, Urbiztondo, Lingayen, Binmaley, and Sual including planned implementation of proposed two (2) Substations in Basista, and Aguilar.	Customer Service Efficiency Assessment	119,562,984.00
19	Procurement of Buffer Stock for Contingency / Emergency / Calamities	Customer Service Efficiency Assessment	137,036,832.00
20	Procurement of, 4 units of Manlift, 3 units of MPV (Multi-Purpose Vehicle), 4 Units Boom truck (3-5 tons), and 11 units of AUV (Asian Utility Vehicle)	Customer Service Efficiency Assessment	77,551,000.00
21	Procurement of Testing and Measuring Equipment	Customer Service Efficiency Assessment	13,690,000.00
Total Project Cost (Php)			**1,028,647,265.00**

THE CAPITAL EXPENDITURE PLAN

5. The proposed projects are discussed in detail in CENPELCO's Capital Expenditure Plan for the year 2026 with technical and financial analysis and supporting data presented in ERC-prescribed templates

FINANCIAL AND ECONOMIC VALUATION

6. **Financing Plan.** CENPELCO's CAPEX projects for the year 2026 amounting to One Billion Twenty-Eight Million Six Hundred Forty-Seven Thousand Two Hundred Sixty-Five Pesos only (₱1,028,647,265.00) will be financed partly through the cooperative's Reinvestment Fund for Sustainable Capital Expenditures (RFSC), and partly with funds to be acquired through loans from the National Electrification Administration (NEA), banks, or other financial institutions, as shown in the Table below, to wit:

Proposed Projects		Project Cost and Source of Fund		
No.	**Title**	**Type**	**2026**	**Source of Fund**
1	Construction of Power House, Installation of Medium Voltage Switch Gear (MVSG) at 20 MVA Binmaley Substation and Construction of Tie Lines for Two (2) Additional Feeder lines	Safety	33,145,722.00	**RFSC**
2	Replacement of deteriorated 69 kV Lightning Arrester in Labrador and Bautista Substation	Safety	200,000.00	**RFSC**
3	Installation of Intermediate poles and Installation of Guy Assembly for Strengthening Distribution System	Safety	18,172,621.00	**RFSC**
4	Replacement of Dilapidated Poles	Safety	26,757,035.00	**RFSC**
5	Replacement of Defective of 69 kV Air Break Switch at San Carlos Facing Malasiqui 69 kV lines	Safety	1,200,000.00	**RFSC**

	and Lingayen Facing Binmaley 69 kV lines			
6	Procurement of 48 units of Automatic Circuit Recloser, Vacuum, 3 Phase, 15 kV, 630 A	Safety	36,000,000.00	**RFSC**
7	Installation of additional 30MVA Power Transformer in San Carlos including Primary Protection and Secondary Protection in San Carlos Substation.	Capacity	85,346,056.00	**BANK**
8	Uprating and installation of New 30 MVA in Mangatarem Substation	Capacity	92,186,245.00	**BANK**
9	Construction of new 15 MVA Substation at Basista	Capacity	76,626,119.00	**BANK**
10	Uprating and Installation of New 30 MVA Substation at Mangaldan	Capacity	84,683,994.00	**BANK**
11	Replacement of Overloaded Distribution Transformers	Capacity	24,797,100.00	**RFSC**
12	Requisition of Distribution Transformers, Service Drops and Metering Equipment for New Customer Connections	Capacity	48,496,130.00	**RFSC**
13	Procurement and installation of 12 units of Automatic Voltage Regulator 333 KVA	Power Quality	25,800,000.00	**RFSC**
14	Construction of 9.28 kms 69 kV lines from Basista to Urbiztondo	Reliability	70,851,201.00	**BANK**
15	Replacement of Old Mechanical Meter	System Loss Reduction	20,060,000.00	**RFSC**
16	Installation of Feeder Metering	System Loss Reduction	22,854,814.00	**RFSC**
17	Procurement of Advance Metering Infrastructure (AMI) Pilot Project	System Loss Reduction	13,629,412.00	**RFSC**

18	Acquisition of SCADA System for CENPELCO's thirteen (13) Substations in San Carlos City, Malasiqui, Bayambang, Alcala, Bautista, Mangaldan, Bugallon, Labrador, Mangatarem, Urbiztondo, Lingayen, Binmaley, and Sual including planned implementation of proposed two (2) Substations in Basista, and Aguilar.	Customer Service Efficiency Assessment	119,562,984.00	**NEA**
19	Procurement of Buffer Stock for Contingency / Emergency / Calamities	Customer Service Efficiency Assessment	137,036,832.00	**RFSC**
20	Procurement of, 4 units of Manlift, 3 units of MPV (Multi-Purpose Vehicle), 4 Units Boom truck (3-5 tons), and 11 units of AUV (Asian Utility Vehicle)	Customer Service Efficiency Assessment	77,551,000.00	**BANK**
21	Procurement of Testing and Measuring Equipment	Customer Service Efficiency Assessment	13,690,000.00	**RFSC**
Total cost (Php)			**1,028,647,265.00**	

INDICATIVE RATE IMPACT

7. The CAPEX Plan was envisioned to bring the most value to CENPELCO's member-consumer-owners at the most reasonable and justifiable electricity rates, such that implementing the projects will have a reasonable rate impact per kWh, as shown in the Table below, wit:

A. Rate Impact Analysis with Availment of Loan

	2026
Forecasted / Actual Energy Sales, kWh	697,529,405
RFSC Rate, PhP/KWh	0.4456

Fund Beginning balance, PhP, excess/(shortfall)	**620,209**

FUND INFLOWS

	Forecasted / Actual RFSC Collection, PhP	310,819,103
	50% income on leased properties, PhP	15,944,646
	Loan proceeds from financial institutions for the subject application, PhP	606,807,599
	Note: indicate the amount for the subject case	
	Total Fund Inflows, PhP	**933,571,348**
Available Fund for Disbursement, PhP		**934,191,557**

FUND OUTFLOWS

	CAPEX payment for the subject case, PhP		1,028,647,265
	- total cost incurred / total cost to be incurred)		
	Note: indicate the recommended amount for the subject case		
	Annual loan amortization payment for the subject case, PhP (if applicable)		161,692,681
	Note: indicate the recommended amount for the subject case		
	Annual loan amortization for previous approved application/s, PhP (if applicable)		34,139,385
	ERC Case No. 2012-029 RC	*5,470,779*	
	ERC Case No. 2016-002 RC	*28,668,606*	
	Projected ERC permit fees for the subject case, PhP		7,714,854
	-- 0.75% of the subject Application		
	Total Fund Outflows, PhP		**1,539,945,997**
Fund Ending Balance, PhP, excess/(shortfall)			**-605,754,440**
Excess/(shortfall) on RFSC, PhP/kWh			**-0.8684**

B. Rate Impact Analysis Without Availment of Loan

	2026
Forecasted / Actual Energy Sales, kWh	697,529,405
RFSC Rate, PhP/KWh	0.4456

Fund Beginning balance, PhP, excess/(shortfall)	**620,209**

FUND INFLOWS

	Forecasted / Actual RFSC Collection, PhP	310,819,103
	50% income on leased properties, PhP	15,944,646
	Loan proceeds from financial institutions for the subject application, PhP	
	Note: indicate the amount for the subject case	
	Total Fund Inflows, PhP	**326,763,749**
Available Fund for Disbursement, PhP		**327,383,958**

FUND OUTFLOWS

	CAPEX payment for the subject case, PhP		1,028,647,265
	- total cost incurred / total cost to be incurred)		
	Note: indicate the recommended amount for the subject case		
	Annual loan amortization payment for the subject case, PhP (if applicable)		
	Note: indicate the recommended amount for the subject case		
	Annual loan amortization for previous approved application/s, PhP (if applicable)		34,139,385
	ERC Case No. 2012-029 RC	*5,470,779*	
	ERC Case No. 2016-002 RC	*28,668,606*	
	Projected ERC permit fees for the subject case, PhP		7,714,854
	-- 0.75% of the subject Application		
	Total Fund Outflows, PhP		**1,285,012,386**
Fund Ending Balance, PhP, excess/(shortfall)			**-957,628,428**
Excess/(shortfall) on RFSC, PhP/kWh			**-1.3729**

8. As shown in the above Indicative Rate Impact, there would be a shortfall of **₱0.8684/kWh** on CENPELCO's existing RFSC rate in case the proposed projects are implemented with funding partly sourced from the RFSC and partly with funds to be acquired through loans from the NEA, banks, and other financial institutions. This

shortfall of **₱0.8684/kWh** would be the projected increase in RFSC rate of CENPELCO if the proposed CAPEX projects are implemented.

SUBMISSION OF DOCUMENTARY AND PRE-FILING REQUIREMENTS

9. Finally, in compliance with the documentary as well as pre-filing requirements for the instant application, CENPELCO is submitting herewith the following documents, which are being made integral parts hereof as follows, to wit:

Annex Markings	Documents
"A"	CENPELCO's Capital Expenditure Plan for Year 2026
"B" **"B-1"**	Affidavit of Posting of Notice to the Consumers Notice to the Consumers
"C"	Affidavit of Undertaking that the corresponding application for approval of concerned agencies shall be filed, when required
"D" series	Proof of furnishing of copies of the Application to the Offices of the Mayor and Sangguniang Panlungsod of San Carlos City and Governor and Sangguniang Panlalawigan of Pangasinan
"E" series	Proof of publication of the Application in a newspaper of general circulation in CENPELCO's franchise area or where it principally operates.

PRAYER

WHEREFORE, premises considered, Applicant **Central Pangasinan Electric Cooperative, Inc., (CENPELCO)** respectfully prays of this Honorable Commission that after due notice and hearing, its Capital Expenditure Plan for the year 2026 be confirmed and approved accordingly.

Other kinds of relief, just and equitable under the premises are likewise being prayed for.

Pasig City, Metro Manila, 10 August 2026.

DECHAVEZ LERIOS-AMBOY AND EVANGELISTA LAW OFFICES[1]
Counsel for the Applicant
Central Pangasinan Electric Cooperative, Inc., (CENPELCO)
Unit 2008, Tycoon Centre
Pearl Drive, Ortigas Center, Pasig City 1605
Tel. No. 79101587
E-mail: powerlawfirm@gmail.com; dlaelaw@powerlawfirm.net

By:

JOSEPH FERDINAND M. DECHAVEZ, ESQ
Roll of Attorneys No. 38015
PTR No. 3985840, 07 January 2026, Pasig City
IBP Lifetime Membership No. 04968, Rizal Chapter
MCLE Exemption Certificate No. VIII-Acad004390, 2/26/25
Valid Until 14 April 2028; CP No. 09178541331
Email Address: jfmdechavez@gmail.com

[redacted]

MARIE ANN CLAIRE D. MARQUEDA
Roll of Attorneys No. 79269
PTR No. 8355206, 08 January 2026, Quezon City
IBP No. 587192, 05 January 2026, Quezon City Chapter
MCLE Compliance No. VIII-0040569; valid until 14 April 2028
E-mail: macmarqueda@powerlawfirm.net

[1]Pursuant to Office of the Court Administrator Circular No. 56-2015, hereunder are the MCLE Compliance Numbers of the undersigned Firm's named partners, to wit:

Partners	MCLE Compliance	Validity
Joseph Ferdinand M. Dechavez	MCLE Exemption Certificate No. VIII-Acad004390	14 April 2028
Ditas A. Lerios-Amboy	MCLE Compliance No. VIII-0042308	14 April 2028
Nelson V. Evangelista	MCLE Compliance No. VIII-0041847	14 April 2028

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, **ENGR. RODRIGO F. CORPUZ**, of legal age, Filipino and with office address at Central Pangasinan Electric Cooperative, Inc. (CENPELCO) at Padilla Street, San Carlos City, Pangasinan, after being sworn to according to law, depose and state that:

1. I am the General Manager and authorized representative of CENPELCO in the instant application, as evidenced by the Board Resolution attached hereto;

2. I have caused the preparation of the instant Application and read the contents thereof, and I attest that the allegations therein are true and correct based on my personal knowledge as well as based on authentic documents; I also attest that the Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;

3. I attest further that the factual allegations in the Application have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;

4. I attest furthermore that CENPELCO has not commenced or filed any claim involving the same issues herein with any other Court, Tribunal or Quasi-Judicial Agency or, I am not aware of any such other case or claim pending before any other court, tribunal or quasi-judicial agency; and

5. Should I hereinafter 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, the cooperative shall report said fact within five (5) days from discovery thereof to this Honorable Commission.

[redacted]

ENGR. RODRIGO F. CORPUZ
Declarant

SUBSCRIBED AND SWORN TO, before me in SAN CARLOS CITY, PANGASINAN this 10th day of August 2026 by Declarant who exhibited to me his competent proof of identity, to wit: Driver's License ID with No. [redacted], with validity until 15 January 2034.

[redacted]

Doc. No. 195;
Page No. 40;
Book No. XLIII;
Series of 2026.

ATTY. JONATHAN B. LOMBOY
Notary Public
NOTARY PUBLIC
VALID UNTIL DECEMBER 31, 2026
ROLL NO. 54715
IBP NO. INV 1892112-26-2025
PTR NO. 9362538/01-02-2025
NEW COMMERCIAL COMPLEX
SAN CARLOS CITY, PANGASINAN