

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

IN THE MATTER OF THE  
APPLICATION FOR  
APPROVAL OF  
CAPITAL EXPENDITURE  
PLAN FOR YEARS 2024 to  
2026

ERC CASE NO. 2026-013 RC

January 30, 2026

SULTAN KUDARAT  
ELECTRIC COOPERATIVE,  
INC. (SUKELCO),  
Applicant.

X-----X

## **APPLICATION**

**APPLICANT, SULTAN KUDARAT ELECTRIC  
COOPERATIVE, INC. (SUKELCO)**, through counsel, unto this  
Honorable Commission, most respectfully alleges, that:

### **THE APPLICANT**

1. SUKELCO is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at the National Highway, Kalandagan, Tacurong City, Sultan Kudarat;
2. It holds a franchise issued by the National Electrification Commission, to operate an electric light and power distribution service in the City of Tacurong and the municipalities of Isulan, Esperanza, Bagumbayan, Pres. Quirino, Lambayong (formerly Mariano Marcos),

Columbio, Palimbang, Senator Ninoy Aquino, Lebak, and Kalamansig, in the Province of Sultan Kudarat, and the municipalities of Buluan, Datu Paglas, General S.K. Pendatun, Pandag, Mangudadatu and Paglat, in the Province of Maguindanao.

### **LEGAL BASES FOR THE APPLICATION**

3. SUKELCO is filing the instant application to seek approval and authority from the Honorable Commission to implement its Capital Expenditure (CAPEX) Plan for Years 2024 to 2026 pursuant to Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 or EPIRA, ERC Resolution No. 26, Series of 2009 and other related 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 SUKELCO's CAPEX Plan for Years 2024 to 2026 are summarized hereunder, as follows:

<b>A. Network Projects:</b>		<b>Project Cost (Php)</b>			<b>Total Project Cost</b>
<b>No.</b>	<b>Project Title</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	
1	Refurbishment of Acquired 69kV Lines	902,000.00	7,273,124.00	7,290,131.00	<b>22,528,433.68</b>
2	Relocation of Acquired 69kV Lines from NGCP Tacurong to Datu Paglas Substation		29,565,035.78	27,210,302.76	<b>56,775,338.54</b>
3	Massive Replacement of Dilapidated Wood Poles	6,650,580.00	8,263,100.00	8,263,100.00	<b>23,176,780.00</b>
4	New 10 MVA Kalamansig Substation		98,248,967.92		<b>98,248,967.92</b>
5	Replacement of Malipayon Substation Power Transformer from 7.5 to 20 MVA		68,631,762.68		<b>68,631,762.68</b>
6	New 5 MVA Sen. Ninoy Aquino Substation			57,803,388.04	<b>57,803,388.04</b>
7	New 10 MVA Bagumbayan Substation			49,952,988.60	<b>49,952,988.60</b>
8	Distribution Transformer for New Connections	5,432,240.00	10,470,000.00	10,470,000.00	<b>26,372,240.00</b>
9	Customer Service Drop and Metering for New Connections	6,586,180.00	10,955,060.00	10,048,880.00	<b>27,590,120.00</b>
10	Secondary Line Extension for New Connections	1,067,427.28	2,886,870.00	2,886,870.00	<b>6,841,167.28</b>
11	Primary Line Extension for New Connections	620,431.67	1,096,566.00	1,096,566.00	<b>2,813,563.67</b>
12	Massive Replacement of Defective Meters	8,728,020.00	9,175,400.00	9,175,400.00	<b>27,078,820.00</b>
	<b>Sub-Total</b>	<b>29,986,878.94</b>	<b>246,565,886.38</b>	<b>184,197,626.40</b>	<b>460,750,391.72</b>
<b>B. Non-Network Projects:</b>					
13	SCADA System	17,907,064.05			<b>17,907,064.05</b>
14	Testing Equipment		3,385,000.00	4,900,000.00	<b>8,285,000.00</b>
15	Information and Communication Technology Projects	2,040,695.00	23,594,000.00	29,635,000.00	<b>55,269,695.00</b>

16	Purchase of Operation and Maintenance Vehicles		9,000,000.00	9,000,000.00	<b>18,000,000.00</b>
17	Buildings for Storage & Area 2 Office		2,000,000.00	21,982,312.83	<b>23,982,312.83</b>
	<b>Sub-Total</b>	<b>19,947,759.05</b>	<b>37,979,000.00</b>	<b>65,517,312.83</b>	<b>123,444,071.88</b>
<b>TOTAL</b>		<b>49,934,637.99</b>	<b>284,544,886.38</b>	<b>249,714,939.23</b>	<b>584,194,463.60</b>

## **THE CAPITAL EXPENDITURE PLAN**

5. The proposed projects are discussed in detail in SUKELCO's Capital Expenditure Plan for Years 2024 to 2026 with technical and financial analysis and supporting data presented in ERC-prescribed templates.

## **FINANCIAL AND ECONOMIC EVALUATION**

6. **Financing Plan.** SUKELCO's CAPEX projects for years 2024 to 2026 amounting to Five Hundred Eighty Four Million One Hundred Ninety Four Thousand Four Hundred Sixty Three & 60/100 (PhP584,194,463.60) will be financed partially with the cooperative's Reinvestment Fund for Sustainable CAPEX (RFSC) collections, and through loans from the National Electrification Administration (NEA) and from banks or other financial institutions, summarized as follows, to wit:

DESIRED FINANCIER	TERM	INTEREST	PROJECT COST TO FINANCE ON NTH YEAR, PhP			TOTAL
			2024	2025	2026	
Reinvestment Fund for Sustainable CAPEX (RFSC) Collection	N/A	N/A	32,858,564.99	10,335,001.92		43,193,566.91
National Electrification Administration (NEA)	6 Years	6%	17,076,073.00	95,798,966.00		112,875,039.00
Bank	10 Years	6.25%		178,410,918.46	249,714,939.23	428,125,857.69
<b>TOTAL</b>			<b>49,934,637.99</b>	<b>284,544,886.38</b>	<b>249,714,939.23</b>	<b>584,194,463.60</b>

7. **Indicative Rate Impact.** The implementation of the CAPEX projects for Years 2024-2026 will require an increase in RFSC rate by PhP0.1218 per kWh, as the existing RFSC rate of SUKELCO will not be sufficient to finance the debt servicing of loans for the proposed three-year projects, debt servicing of loans for the pending CAPEX application (2023) and the recovery of the general funds used to finance partly the 2017-2023 CAPEX projects. This rate adjustment assumes that the proposed projects will be funded through bank loans

at 6.25% interest rate with no grace period, and a confirmed NEA loan at a 6% interest rate.

**Rate Impact Analysis on RFSC with Loan  
For the 3-Year Period, 2024 to 2026**

	2024	2025	2026	TOTAL
Energy Sales, kWh	278,023,977	302,061,666	329,847,076	909,932,719
Existing RFSC Rate, Peso/kWh	0.3783	0.3783	.3783	
Indicative rate increase, Peso/kWh		0.1218	0.1218	
RFSC Balance Beg. Php	10,526,384	14,507,678	8,545,391	10,526,384
Cash Inflows (Php):				-
Forecasted/Actual RFSC Collection-existing RFSC rate, Php	78,960,252	108,556,432	118,542,091	306,058,775
RFSC Collection-indicative rate increase @ Php 0.1218		36,795,019	40,179,641	76,974,660
Loan Proceeds from NEA for the subject CAPEX Application 2024 & 2025 @ 6%		112,875,039		112,875,039
Loan Proceeds from Bank for the subject CAPEX application 2025 @ 6.25%		178,410,918		178,410,918
Loan Proceeds from Bank for the subject CAPEX application 2026 @ 6.25%			249,714,939	249,714,939
Loan Proceeds from Bank for replenishment of General Fund @6.25%		168,215,764		168,215,764
Loan Proceeds from NEA for Pending CAPEX application - ERC Case No.2023-106 RC	50,000,000	17,709,806		67,709,806
Fund Transfer from General Fund	31,681,326			31,681,326
Interest Income	3,016	3,167	3,325	9,508
Available Cash for CAPEX Projects	171,170,977	637,073,823	416,985,388	1,202,177,119
Cash Outflows (Php):				
CAPEX Payment for the subject case-2024, Php Total cost incurred/ to be incurred	24,039,715	25,894,923		49,934,638
CAPEX Payment for the subject case-2025, Php Total cost incurred/ to be incurred		284,544,886		284,544,886
CAPEX Payment for the subject case-2026, Php Total cost incurred/ to be incurred			249,714,939	249,714,939
CAPEX payment for pending CAPEX application, Php ERC Case No. 2023-106 RC	58,406,483	17,709,806		76,116,289
Annual NEA Loan amortization payment for the subject case – 2024 & 2025		9,118,820	11,465,136	20,583,956
Annual Bank Loan amortization payment for the subject case - 2025		24,528,252	24,528,252	49,056,503
Annual Bank Loan amortization payment for the subject case - 2026			34,331,256	34,331,256
Annual Loan Amortization payment for previous approved CAPEX application (NEA, DBP & NTC 69KV) ERC Case No. 2011-150 RC	31,021,674	36,679,963	36,038,908	103,740,545

Annual Loan Amortization payment for pending CAPEX application- Security Bank 83 Million, ERC Case No. 2023-106 RC	4,454,301	15,660,333		20,114,634
Annual Loan Amortization payment for pending CAPEX application- Security Bank 83 Million) Paid thru General Fund (2023-2024) ERC Case No. 2023-106 RC			18,977,854	18,977,854
Annual Loan amortization payment for pending CAPEX application- REFC ERC Case No. 2023-106 RC	13,302,376	9,315,865	7,918,959	30,537,200
Annual NEA Loan amortization payment for pending CAPEX application - CAPEX 2023 ERC Case No. 2023-106 RC	750,000	5,989,733	6,877,536	13,617,269
Annual Bank Loan Amortization Payment for pending capex application - Replenishment of General Fund Used for Implemented CAPEX ERC Case No. 2023-106 RC		23,126,604	23,126,604	46,253,207
Projected ERC Permit Fee for the subject 2024-2026 CAPEX Application		2,508,596	1,872,862	4,381,458
Payment of ERC Permit Fee for Pending CAPEX Application, ERC Case No.2023-106 RC		5,234,888		5,234,888
Replenishment of the General fund	24,665,300	168,215,764	2,000,000	194,881,064
Cost of checkbook and Bank service charge	23,450			23,450
Total Cash Outflows, Php	156,663,299	628,528,432	416,852,305	1,202,044,036
RFSC Balance Ending, Php Excess (Shortfall)	14,507,678	8,545,391	133,083	133,083

### **SUBMISSION OF DOCUMENTARY AND PRE-FILING REQUIREMENTS**

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

<b>Annex Markings</b>	<b>Description of Documents</b>
<b>“A”</b>	SUKELCO’s Capital Expenditure Plan for Years 2024 to 2026
<b>“B”</b> <b>“B-1”</b>	Affidavit of Posting of Notice to the Consumers The Notice to the Consumers
<b>“C”</b>	Affidavit of Undertaking that the corresponding application for approval of concerned agencies shall be filed, when required
<b>“D”</b>	Proof of furnishing of copies of the Application to the Offices of the Mayor and Sangguniang Panlungsod of

<b>and series</b>	Tacurong City and Governor and Sangguniang Panlalawigan of Sultan Kudarat
<b>“E” and series</b>	Proof of publication of the Application in a newspaper of general circulation in SUKELCO’s franchise area or where it principally operates.

## **PRAYER**

**WHEREFORE**, premises considered, applicant Sultan Kudarat Electric Cooperative, Inc. (SUKELCO) respectfully prays of this Honorable Commission that after due notice and hearing, its Capital Expenditure Plan for Years 2024 to 2026 be approved accordingly.

Other reliefs, just and equitable under the premises are likewise being prayed for.

Pasig City, 13 January 2026.

**DECHAVEZ LERIOS-AMBOY AND EVANGELISTA  
LAW OFFICES<sup>1</sup>**  
Counsel for the Applicant  
**Sultan Kudarat Electric Cooperative, Inc. (SUKELCO)**  
Unit 2008, Tycoon Centre  
Pearl Drive, Ortigas Center, Pasig City 1605  
Tel. Nos. 79101587  
E-mail: powerlawfirm@gmail.com

By:

<sup>1</sup>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



**DITAS/A. LERIOS-AMBOY**

Roll of Attorneys No. 40628

PTR No. 3985831, 7 January 2026, Pasig City

IBP Lifetime Member No. 012301, RSM

MCLE Compliance No. VIII-0042308, valid until 14 April 2028

E-mail: [ditaslerios.amboy@gmail.com](mailto:ditaslerios.amboy@gmail.com)

[ditasamboy@powerlawfirm.net](mailto:ditasamboy@powerlawfirm.net)



**JUSTINE CAMILLE E. REYES**

Roll of Attorneys: 87146

PTR No. 8368261, 5 January 2026, Quezon City

IBP No. 587247, 5 January 2026, Quezon City Chapter

MCLE Compliance No. VIII-0032110, valid until 14 April 2028

Email: [jcereyes@powerlawfirm.net](mailto:jcereyes@powerlawfirm.net)

## VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

Wilfredo M. Evangelista, of legal age, Filipino and with address at the Sultan Kudarat Electric Cooperative, Inc. SUKELCO, National Highway, Kalandagan, Tacurong City, Sultan Kudarat, after being sworn to according to law, depose and state that:

1. I am the OIC-General Manager and authorized representative of SUKELCO in filing 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 attest that the allegations therein are true and correct based on my personal knowledge as well as based on authentic documents;
3. I also attest that the Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;
4. 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;
5. I attest furthermore that SUKELCO has previously filed a similar application before the Energy Regulatory Commission (ERC) docketed as ERC Case No. 2025-192 RC, but in an Order promulgated on 08 January 2026, the ERC cancelled the Application and directed SUKELCO to re-file the same. SUKELCO has not commenced or filed any claim involving the same issues herein with any court or tribunal, or, I am not aware of any such other case or claim pending before any court or tribunal; and
6. Should I hereinafter learn that the same or a similar action or claim has been filed or is pending before any court or tribunal, the cooperative shall report said fact within five (5) days from discovery thereof to this Honorable Commission.

  
**WILFREDO M. EVANGELISTA**  
Affiant

**SUBSCRIBED AND SWORN TO** before me in Tacurong City, this 14<sup>th</sup> day of January 2026, by the affiant who exhibited to me his Driver's License bearing No. M07-00-023036 with validity until 2033/09/23, as competent evidence of his identity.

Doc. No. 125 ;  
Page No. 27 ;  
Book No. 431 ;  
Series of 2026.

  
**ATTY. CIRILO Y. FLORES**  
Notary Public  
Notarial Commission No. 026-25  
Until December 31, 2027  
IBP OR NO. 347427 Oct 9, 2025 for 2026  
PTR NO. 1906500 Jan. 5, 2026  
Tacurong City, Sultan Kudarat  
MCLE/VIII-0025686 March 31, 2025  
ROLL NO. 34812  
48 Ledesma St., Poblacion, Tacurong City  
Email: attyciriloflores@yahoo.com