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

IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT DATED 25 MARCH 2026 BETWEEN MALITA POWER INC. AND COTABATO ELECTRIC COOPERATIVE, INC., WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION,

ERC CASE NO. 2026-093 RC

June 25, 2026

MALITA POWER INC. AND COTABATO ELECTRIC COOPERATIVE, INC.,
Applicants.

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JOINT APPLICATION FOR APPROVAL OF EMERGENCY POWER SUPPLY AGREEMENT DATED 25 MARCH 2026

(with Motion for Confidential Treatment of Information)

Applicants **MALITA POWER INC.** ("MPI") (formerly San Miguel Consolidated Power Company), and **COTABATO ELECTRIC COOPERATIVE, INC.** ("COTELCO") (collectively, the "Applicants"), by their respective undersigned counsel, and to this Honorable Commission, most respectfully state:

I.

PARTIES

1. Applicant MPI is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with business address at Sitio Inaburan, Culaman 8012 Malita, Davao Occidental, represented in this instance by its General

Manager, Elenita D. Go, pursuant to a Secretary's Certificate issued by the corporation authorizing her to act on its behalf. Applicant MPI owns and operates the 2 x 150 MW Circulating Fluidized Bed Coal-Fired Thermal Power Plant located in its principal office.[1]

2. Applicant COTELCO is an electric cooperative duly organized and existing under the laws of the Republic of the Philippines, with principal office address at Brgy. Manubuan, Municipality of Matalam, Province of Cotabato, represented in this instance by Board President Jaime S. Calamaan, Jr., and General Manager Joel V. De Guzman, Jr.[2] Applicant COTELCO operates an electric light and power distribution service, for which it was issued an exclusive franchise, pursuant to the provisions of Republic Act No. 6038, Presidential Decree No. 269, as amended by Republic Act No. 10531, in the following municipalities of Kabacan, Mlang, Matalam, Carmen, Banisilan, Tulunan, Makilala, Magpet, Pres. Roxas, Antipas, Arakan, and City of Kidapawan, all in the province of North Cotabato.

3. The Applicants may be served with notices and other processes of this Honorable Commission through their respective counsel at the addresses indicated herein.

II.

STATEMENT OF FACTS

Two Failed Competitive Selection Processes and Failed Direct Contracting for 3 MW of Renewable Energy.

4. In recent years, there has been a sudden and significant load growth that exceeded prior demand projections for electricity within Applicant COTELCO's franchise area. However, Applicant COTELCO's current contracted capacity is sorely insufficient to fully cover the peak demand requirements of the end consumers within its franchise area. Applicant COTELCO's total contracted capacity currently stands at forty-five megawatts (45 MW), whereas its recorded peak demand as recent as February 2026 is at fifty-nine point

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[1] A copy of the MPI's Secretary's Certificate dated 22 April 2026 is hereto attached as **Annex "A"** and made an integral part hereof.

[2] A copy of the Board Resolution No. 29, Series of 2026 is hereto attached as **Annex "B"** and made an integral part hereof; A copy of the Board Resolution No. 60, Series of 2026 is hereto attached as **Annex "B-1"** and made an integral part hereof.

eighty-six megawatts (59.86 MW).[3] This translates to an energy supply gap of fourteen point eighty-six megawatts (14.86 MW) or nearly twenty-five percent (25%) of the total peak demand of its consumers.

5. Consequently, Applicant COTELCO had to resort to the Wholesale Electricity Spot Market ("WESM") to supply the variance of nearly twenty-five percent (25%) of its total demand. Due to this, Applicant COTELCO's end consumers were exposed to volatility in the market price of their electricity.

6. Considering the foregoing and that on 3 May 2019, the Supreme Court issued a *Decision* in the case entitled *"Alyansa Para sa Bagong Pilipinas, Inc. v. Energy Regulatory Commission, et. al."* (the *"Alyansa Case*),[4] wherein it held that all Power Supply Agreement ("PSA") applications filed with this Honorable Commission on or after 30 June 2015 must comply with the Competitive Selection Process ("CSP") requirement provided under the Department of Energy ("DOE") Circular No. 2018-02-0003 ("2018 DOE Circular"),[5] Applicant COTELCO resolved to conduct a CSP for the sourcing of renewable energy amounting to a range of two point seven megawatts (2.7 MW).[6]

7. On 10 and 17 February 2025, Applicant COTELCO issued its first Invitation to Bid of even date (*"First ITB"*) in accordance with DOE Department Circular No. 2023-06-0021 ("2023 CSP Circular").[7]

8. On 4 March 2025, during the Pre-Bid Conference, only Energy Development Corporation ("EDC") expressed interest in participating in the bidding. Based on Section 10(b), Article IV of the 2023 CSP Circular, there is a failed bidding when "[o]nly one Bidder submitted a proposal".[8] Consequently, the BAC-PSP issued Resolution No. 01, Series of 2025, declaring a First Failure of Bidding.[9] This was confirmed through Applicant COTELCO's Board Resolution No. 50, Series of 2025.[10]

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3 A copy of the Executive Summary is hereto attached as **Annex "X"** and made an integral part hereof.

4 G.R. No. 227670, May 03, 2019.

5 *Id.*

6 A copy of the Board Resolution No. 247, Series of 2023, dated 24 November 2023 is hereto attached as **Annex "C"** and made an integral part hereof.

7 A copy of the First Invitation to Bid for the 3MW RE Competitive Selection Process and the corresponding proof of publication are hereto attached as **Annexes "D"** to **"D-2"** and made integral parts hereof.

8 *See* Article IV, Section 10(b) of ERC Resolution No. 16, Series of 2023.

9 A copy of the BAC PSP's Resolution No. 1, Series of 2025 dated 4 March 2025 is hereto attached as **Annex "E"** and made an integral part hereof.

10 A copy of the Resolution No. 50, Series of 2025 dated 12 March 2025 is hereto attached as Annex **"F"** and made an integral part hereof.

9. On 9 and 16 June 2025, Applicant COTELCO's BAC-PSP published the Invitation to Bid (*"Second ITB"*) for the second round of bidding.[11]

10. On 1 July 2025, during the Pre-Bid Conference for the second round, once again, only EDC submitted a proposal and showed interest to participate in the bidding. Consequently, the BAC-PSP issued Resolution No. 02, Series of 2025, declaring a Second Failure of Bidding.[12]

11. Pursuant to Section 10, Article IV of the 2023 CSP Circular, Direct Negotiation may be undertaken once there have been two (2) failed biddings, thus:

> "Section 10. Direct Negotiation - Direct negotiation with an interested Captive Market Supplier for the supply of electricity may be undertaken by the DU *x x x* after at least two (2) failed competitive public bidding or, in the case of EPSAs, in accordance with Section 6 of these Guidelines.
>
> A bidding is considered to have failed when, during its conduct, any of the circumstances exist:
>
> *x x x*
>
> (b) Only one Bidder submitted a proposal;
>
> *x x x*
>
> If direct negotiation results from two (2) failed biddings, the entire process of direct negotiation should be completed and the PSA signed within ninety (90) calendar days from the date that the second failure of bidding is declared. With respect to the ECs, the NEA guidelines for the timeline of submission will govern. Within thirty (30) calendar days from execution of the PSA resulting from the direct negotiation, the resulting PSA must be filed for approval with the ERC in accordance with these Guidelines."

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11 A copy of the Second Invitation to Bid for the 3 MW RE Competitive Selection Process and the corresponding proof of publication are hereto attached as **Annexes "G"** to **"G-2"** and made integral parts hereof.

12 A copy of the BAC PSP's Resolution No. 2, Series of 2025 dated 1 July 2025 is hereto attached as **Annex "H"** and made an integral part hereof.

12. On 13 July 2025, Applicant COTELCO's Board of Directors issued Board Resolution No. 145, Series of 2025, which confirmed the fact of the two (2) failed biddings and Applicant COTELCO's next course of action, *i.e.*, requesting for authority to undergo direct negotiations.[13]

13. Given the foregoing, on 18 July 2025, Applicant COTELCO requested from the National Electrification Administration ("NEA") the authority to undergo direct negotiations for the 3 MW Renewable Energy Supply pursuant to Section 10.1.2 of the NEA Competitive Selection Process Guidelines.[14]

14. On 5 August 2025, Applicant COTELCO's Board of Directors issued Board Resolution No. 169A, series of 2025, which authorized management to proceed with direct negotiations upon the approval of the NEA.[15]

15. On 3 September 2025, the NEA issued the notice informing Applicant COTELCO that it may now undertake Direct Negotiation for its Renewable Power Supply requirement consistent with the Certificate of Conformity issued to Applicant COTELCO. NEA also directed Applicant COTELCO to ensure that the entire process of Direct Negotiation is completed and the power supply agreement is signed within ninety (90) calendar days from the issuance of the notice.[16]

16. Thus, on 10 September 2025, Applicant COTELCO posted on its COTELCO Website the Invitation to Direct Negotiation, which details the Schedule of Activities and Specifications required by Applicant COTELCO. [17]

17. Once again, only EDC responded to the Invitation to Direct Negotiation. Unfortunately, when Applicant COTELCO and EDC entered into the negotiation stage, the ninety (90) day period to enter into a Power Supply Agreement had already lapsed.

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13 A copy of the Board Resolution No. 145, Series of 2025 dated 13 July 2025, is hereto attached as **Annex "I"** and made an integral part hereof.

14 A copy of the Letter Request dated 18 July 2025 addressed to the NEA is hereto attached as **Annex "J"** and made an integral part hereof.

15 A copy of the Board Resolution No. 169A, Series of 2025 dated 5 August 2025 is hereto attached as **Annex "K"** and made an integral part hereof.

16 A copy of the NEA's Notice to Undertake Direct Negotiation dated 3 September 2025 is hereto attached as **Annex "L"** and made an integral part hereof.

17 A copy of the COTELCO's Invitation to Direct Negotiation (Erratum) is hereto attached as **Annex "M"** and made an integral part hereof; A Screenshot of COTELCO's Website for the Publication of the Direct Negotiation is hereto attached as **Annex "M-1"** and made an integral part hereof.

18. Moreover, on 19 September 2025, Applicant COTELCO received a *Letter* of even date from EDC ("Letter"), informing it of the latter's incapability to provide the 3 MW Contract Capacity and thus, it could no longer participate in the direct negotiations. [18]

19. Nonetheless, in order to secure longer term supply for residents living within Applicant COTELCO's franchise area, Applicant COTELCO and EDC are in the process of negotiating a five megawatts (5 MW) renewable energy PSA, which would fall under the exceptions for the CSP Requirement pursuant to Section 3 of Department of Energy ("DOE") Department Circular No. 2025-10-0022 ("DOE DC 2025-10-0022").

20. In the meantime, Applicant COTELCO (and its end consumers) remained reliant on the volatile prices of the WESM to fill the energy supply gap of about fourteen point eighty-six megawatts (14.86 MW) or nearly twenty-five percent (25%) of the total peak demand of its consumers. Unfortunately, such volatility has only been exacerbated by geopolitical tensions in other parts of the world, contributing to soaring oil prices.

21. Hence, on 12 February 2026, Applicant COTELCO's Board of Directors issued Board Resolution No. 29, series of 2026, which approved the execution of an Emergency Power Supply Agreement ("EPSA") for five megawatts (5 MW).[19] The objective of the EPSA is to act as a stopgap measure to reduce Applicant COTELCO's real-time exposure to WESM spot market price volatility.[20] The EPSA would also act as a reliable source of electricity supply to Applicant COTELCO and its end consumers.[21]

22. In compliance with the rules promulgated by this Honorable Commission, on 24 February 2026, Applicant COTELCO sent letters of even date to the DOE,[22] this Honorable Commission,[23] and NEA[24] informing said government agencies that due to the sudden

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18 A copy of the Letter of Energy Development Corporation dated 19 September 2025 is hereto attached as **Annex "N"** and made an integral part hereof. A Screenshot of the Email Thread between Energy Development Corporation and COTELCO dated 19 September 2025, attached as **Annex "O"** and made an integral part hereof.

19 *See* Annex "B". [Board Resolution No. 29, Series of 2026].

20 *See* Annex "X", p. 2. [Executive Summary].

21 *Id.*

22 A copy of the Letter to DOE dated 24 February 2026 is hereto attached as **Annex "P"** and made an integral part hereof.

23 A copy of the Letter to ERC dated 24 February 2026 is hereto attached as **Annex "P-1"** and made an integral part hereof.

24 A copy of the Letter to NEA dated 24 February 2026 is hereto attached as **Annex "P-2"** and made an integral part hereof.

and significant load growth which exceeded Applicant COTELCO's projected demand for 2026 and in view of the unexpected failure to successfully negotiate the 3 MW CSP with EDC, it intends to enter into an EPSA for 5 MW contract capacity for a period of one (1) year in order to ease the burden on its consumers caused by the heavy yet necessary reliance on the WESM and its volatile prices.

23. Through these letters, Applicant COTELCO also notified the DOE, ERC, and NEA of its intention to proceed with direct negotiations with EDC for 5MW Renewable Energy PSA, which falls outside the CSP requirements pursuant to DOE DC 2025-10-0022.

24. On 4 March and 9 March 2026, Applicant COTELCO sent Letters of even date ("Invitation to EPSA") to four (4) prospective power suppliers, particularly: Energy Development Corporation (EDC),[25] GN Power Kauswagan Ltd. Co. (GNPK),[26] Therma South Inc. ("TSI")[27], and Applicant MPI[28].

25. In response to Applicant COTELCO's Letter dated 24 February 2026, the NEA acknowledged the Letter and indicated that EPSAs "no longer require prior clearance from the NEA or the Department of Energy prior to execution." Moreover, EPSAs are immediately implementable.[29]

26. On 10 March 2026, the DOE also acknowledged receipt of Applicant COTELCO's Letter dated 24 February 2026.[30]

27. Only TSI and Applicant MPI were able to submit their respective offers within the timeline provided in the Invitation for EPSA, or by 11 March 2026.[31]

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25 A copy of the Letter to Energy Development Corporation dated 4 March 2026 with Addendum dated 9 March 2026 is hereto attached as **Annexes "Q" and "Q-1"** and made an integral part hereof.

26 A copy of the Letter to GN Power Kauswagan Ltd. Co. dated 4 March 2026 with Addendum dated 9 March 2026 is hereto attached as **Annexes "Q-2" and "Q-3"** and made an integral part hereof.

27 A copy of the Letter to Therma South Inc. dated 4 March 2026 with Addendum dated 9 March 2026 is hereto attached as **Annexes "Q-4" and "Q-5"** and made an integral part hereof.

28 A copy of the Letter to Malita Power Inc. dated 4 March 2026 with Addendum dated 9 March 2026 is hereto attached as **Annexes "Q-6" and "Q-7"** and made an integral part hereof.

29 A copy of the Letter of the NEA dated 5 March 2026 is hereto attached as **Annex "R"** and made an integral part hereof.

30 A copy of the Letter of the DOE dated 10 March 2026 is hereto attached as **Annex "R-1"** and made an integral part hereof.

31 *See* Executive Summary, p. 3.

28. On 25 March 2026, the Honorable Commission acknowledged the Letter dated 24 February 2026 and directed Applicant COTELCO to observe the 2023 CSP Circular and ERC Resolution No. 16, series of 2023, for the application of the EPSA with the Honorable Commission.[32]

29. Upon evaluation of the submitted proposals based on price and compliance with technical and commercial requirements, Applicant MPI was determined to have the lower evaluated offer and was able to meet the requirements of Applicant COTELCO.[33]

30. Due to the occurrence of the foregoing unforeseen events constituting *force majeure,* Applicant COTELCO had to enter into an EPSA with Applicant MPI dated 25 March 2026 ("March 2026 EPSA") for a period of one (1) year in order to provide electric power to its consumers.[34]

Nature of the Application of the March 2026 EPSA; Exemption from the Conduct of CSP and Compliance with Requirements for Exemption

31. Pursuant to Section 2.3.5 of 2023 CSP Circular, the conduct of CSP shall not be required in cases of negotiated EPSAs, thus:

> **"SECTION 2. COVERAGE AND EXEMPTIONS**
>
> xxx xxx xxx
>
> 2.3 In the following instances, the conduct of CSP shall not be required:
>
> xxx xxx xxx
>
> 2.3.5 Negotiated procurement of Emergency Power supply wherein the [EPSA] shall be filed with the ERC within thirty (30) calendar days after the **<u>occurrence of the Force Majeure/Fortuitous Events</u>**,

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32 A copy of the Letter of the ERC dated 25 March 2026 is hereto attached as **Annex "R-2"** and made an integral part hereof.

33 A copy of MPI's offer to COTELCO dated 20 March 2026 is hereto attached as **Annex "S"** and made an integral part hereof.

34 A copy of the Emergency Power Supply Agreement dated 25 March 2026 between Malita Power Inc. and COTELCO is attached hereto as **Annex "V"**, and made an integral part hereof.

without need of any prior clearance or certification from the DOE, and shall have a maximum and non-extendible period of one (1) year from its execution. **The EPSA shall be immediately implemented to address the emergency, subject to conditions to be defined by the ERC;** Provided, that the procurement of emergency power supply shall not be entitled to any form of subsidy; x x x"[35]

32. Likewise, Section 3 (w) of the ERC Resolution No. 16, Series of 2023 ("IRR of 2023 CSP Circular") define *Force Majeure*/Fortuitous Events as follows:

> "[']Force Majeure['] or [']Fortuitous Event['] refers to any extraordinary event not foreseeable or avoidable, or to an event that could not be foreseen, or which, though foreseen, is inevitable and independent of human will or the DU's participation, whether by active intervention, neglect or failure to act.
>
> This further refers to an event or circumstance generally caused:
>
> 1. by nature, such as, but not limited to, fires, floods, typhoons, or acts of God; and/or
>
> 2. by the acts of man, such as, but not limited to, war, national emergencies, revolution, riot, insurrection, civil unrest, or any other similar violent, or threatening actions.
>
> Work stoppage due to labor strikes, picketing, lockouts or any other labor dispute is not considered as force majeure or fortuitous event.[36]

33. Likewise, the Sections 3.7 and 3.8 2023 CSP Circular defines "emergency power" and "*force majeure*" as follows:

> "3.7 Emergency Power refers to the power required by the DU in the event that its actual power supply falls below its load demand due to Force Majeure or Fortuitous Events that are beyond the control of the

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35 Emphasis and underscoring supplied.

36 Resolution No. 16, Series of 2023.

DU, subject to the final determination by the ERC."

"3.8. **Force Majeure or Fortuitous Event** refers to any extraordinary event not foreseeable or avoidable, or to an event that could not be foreseen, or which, though foreseen, is **inevitable and independent of human will or the DU's anticipation**, whether by active intervention, neglect or failure to act."[37]

34. Considering the existence of a *force majeure*, particularly the two (2) failed bidding for CSP, failure of direct negotiations and sudden and significant increase in demand experienced by Applicant COTELCO's end consumers, which resulted in an unavoidable situation where the parties had to resort to measures that would meet the growing demand of electric power supply from its end consumers in the least cost manner, there is a necessity for the Applicants to enter into an EPSA in order to ease the burden on the end consumers due to the volatile prices of electric power supply sourced from WESM.

35. Clearly, Applicant COTELCO needs emergency power to meet its consumers' growing demand, considering that its recent attempts at CSP and direct negotiations for the 3 MW power supply have failed. Moreover, the end consumers of Applicant COTELCO remain exposed to the volatility of the WESM during the time it is negotiating with EDC for a PSA for 5 MW.

36. Pursuant to Section 2.3.5 of the 2023 CSP Circular and in relation to the foregoing provisions, on 25 March 2026, Applicants COTELCO and MPI executed the March 2026 EPSA for the purchase of up to 5,000 kW capacity and energy from the Circulating Fluidized Bed ("CFB") Coal-Fired Thermal Power Plant ("Plant") starting from Supply Effective Date ("SED") until one (1) year thereafter, or until 26 March 2027.

37. The Applicants had to immediately implement the March 2026 EPSA beginning 12:01 a.m. of 26 March 2026 (*i.e.*, SED) in the interest of providing least cost to COTELCO's customers and end consumers, and pursuant to Section 2.3.5 of the 2023 CSP Circular, which provides that "the EPSA shall be immediately implemented to address the emergency".

38. ERC Resolution No. 16, series of 2023 entitled "*Implementing Guidelines for the Procurement, Execution, and Evaluation*

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37 Emphasis and underscoring supplied.

of Power Supply Agreements Entered into by Distribution Utilities for the Supply of Electricity to their Captive Market" ("CSP Guidelines") outlines the compliance parameters for the execution of an EPSA without the conduct of a CSP, thus:

> "The EPSA shall be **immediately implementable without need of a Provisional Authority or Interim Relief**, provided that the following conditions are present:
>
> (1) The EPSA rate shall not be higher than the latest ERC-approved generation tariff specific for the plant, if available. Otherwise, it shall be capped at the latest ERC-approved generation tariff for the same technology. Such rate shall apply until the ERC issues its approval of the EPSA;
> (2) The cooperation period of such EPSA shall not exceed one (1) year from its execution;
> (3) The DU shall, within five (5) calendar days from the occurrence of the force majeure or fortuitous event, notify in writing the ERC, Department of Energy (DOE), National Electrification Administration (NEA) in the case of ECs, and the NPC, in the case of off-grid areas, of such emergency power supply procurement; and
> (4) Filed with the ERC for approval within thirty (30) calendar days after the occurrence of the force majeure or fortuitous event."

39. Here, all the foregoing requirements were substantially complied with.

40. *First*, the March 2026 EPSA rate is not higher than the latest ERC-approved generation tariff rate as approved in the *Order* dated 23 March 2026 in ERC Case No. 2026-004 RC.

41. *Second*, the period of the March 2026 EPSA between the Applicants does not exceed one (1) year. Section 2.1 of the March 2026 EPSA provides, thus:

> "2.1 This Agreement shall be binding and effective between the Parties on the date of signing ("Execution Date") and **the supply duration shall be up to a maximum period of one (1) year or twelve (12) Billing**

<u>Periods</u> <u>from</u> <u>Supply</u> <u>Effective</u> <u>Date</u> <u>("SED")</u> unless earlier terminated due to the following instances: xxx."[38]

42. *Third,* Applicant COTELCO was able to send the notification letters to the respective government agencies in substantial compliance with the CSP Guidelines. Applicant COTELCO complied with the notification requirement when it sent to this Honorable Commission, the DOE, and the NEA its letters on 24 February 2026 informing such agencies of the two (2) failed biddings, direct negotiations for 3 MW renewable energy supply, and the need to enter into the EPSA.[39]

43. Notably, this Honorable Commission, in ERC Case No. 2007-254 MC dated 23 June 2010 entitled *"In the Matter of Violation of ERC Orders, Rules and Regulations, Isabela I Electronic Cooperative Inc. (ISELCO I),"* ruled that ISELCO I's late implementation of the PPA Refund was, in the interest of justice, and was meted with a simple reprimand from this Honorable Commission. In so ruling, this Honorable Commission stated, thus:

> "**<u>Finding its implementation as substantial compliance with the Commission's directive, albeit done belatedly, in the interest of justice,</u>** the Commission deems it proper, at this time, to simply issue a reprimand to ISELCO I for its failure to comply with the Commission's directive on time."[40]

44. Moreover, one of the governing principles of the CSP Guidelines is to "promote the protection of public interest as the paramount consideration of all relevant government agencies amidst the various interests in the electric power industry to ensure sustainability, sufficiency and stability of supply."[41] Here, while the notifications were only made on 24 February 2026, the same may be considered substantially compliant with the CSP Guidelines. This is because entering into an EPSA is aligned with the paramount consideration of protecting the public interest, considering that the EPSA will ensure that the consumers are afforded with reliable supply of electricity at reasonable rates. In any case, the notification to the relevant government agencies adequately afforded the latter ample opportunity to ensure that the relevant regulations are being followed.

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38 Emphasis and underscoring supplied.

39 *See* Annex "P" to "P-2" [Letters dated 24 February 2026].

40 Emphasis and underscoring supplied.

41 ERC Resolution No. 16, Series of 2023 ("CSP Guidelines"), Article I, Section 1(a).

45. *Fourth,* the CSP Guidelines require that an application for approval of the EPSA must be filed with the ERC within thirty (30) calendar days after the occurrence of the force majeure or fortuitous event. Section 50 of the 2023 CSP Guidelines provides that a relaxation of the rules may be warranted, provided good cause is shown, and such exception is for the interest of the public, thus:

> "Section 50. **Exception Clause** - Where good cause appears, the ERC may allow an exception from any provisions of these Guidelines **<u>if such exception is found to be for the interest of the public</u>** and is not contrary to law or any other related rules and regulations."[42]

46. In this case, the Applicants were constrained to belatedly file the Joint Application as it believed, in good faith, that the implementation of the EPSA would be more beneficial to its end consumers, considering that the EPSA rates are lower than those already previously approved by this Honorable Commission.

47. To reiterate, there is clearly good cause for the approval of the 2026 March EPSA, considering that such is aligned with the least cost principle that guides the DUs, including Applicant COTELCO, in their procurement of generation supply for their end consumers. **Ultimately, the approval of the 2026 March EPSA will benefit the consuming public as this is aimed to protect them from exposure to the volatile prices of the WESM.**

48. Based on the foregoing discussion, it is clear that a relaxation of the rules is warranted, given that the circumstances leading to the filing of this Joint Application were unforeseen and beyond the control of the parties, and its grant is for the protection of the consuming public.

49. Therefore, in accordance with Section 45(b) of Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 ("EPIRA"), which provides that distribution utilities may enter into bilateral power supply contracts subject to review by the ERC," the Applicants hereby file this Joint Application to seek the approval of the March 2026 EPSA.

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[42] Emphasis and underscoring supplied.

III.

SALIENT FEATURES OF THE 2026 MARCH EPSA

50. The 2026 March EPSA between Applicants COTELCO and MPI contains the following salient features:

"ARTICLE 1
DEFINITION OF TERMS AND INTERPRETATION

The following terms as used in this Agreement shall have the meanings given to them below:

x x x

CONTRACT CAPACITY - means the capacity, expressed in kilowatts ("kW") that the BUYER may utilize and the SELLER shall supply during each of the Billing Period within the Agreement Term, in quantities specified in Annex I.

x x x

ARTICLE 2
TERM AND SUPPLY EFFECTIVE DATE

2.1 This Agreement shall be binding and effective between the Parties on the date of signing ("Execution Date") and the supply duration shall be up to a maximum period of one (1) year or twelve (12) Billing Periods from Supply Effective Date ("SED") unless earlier terminated due to the following instances:

2.1.1 The BUYER secured an ERC approval for the power supply agreement it has concluded after its conduct of a Competitive Selection Process as required under prevailing applicable circulars for that purpose; or

2.1.2 Termination pursuant to the circumstances under Section 3.4 and Article 12 of this Agreement.

2.2 The SED shall be on 00:01 hour on 26 March 2026, or on the 26th day of the calendar month, whichever comes later, subject to the condition that copies of resolutions approved by the BUYER's Board of Directors authorizing the execution, delivery and performance of the BUYER of this Agreement, duly certified by the BUYER's Board Secretary, have been received by SELLER from the BUYER.

ARTICLE 3
ERC APPROVAL

3.1 The Parties shall jointly file the application for the approval of the Agreement ("ERC Application") with the ERC. The Parties shall exert their best efforts to secure the ERC Approval of the Agreement within a reasonable time. The BUYER shall, within five (5) Days from receipt of the written approval of the Agreement from the ERC, provide a copy of such approval to the SELLER.

x x x

ARTICLE 5
SALE AND PURCHASE OF CONTRACT CAPACITY AND ASSSOCIATED ENERGY

5.1. **Contract Capacity and Associated Energy**

5.1.1 Beginning SED, the SELLER shall make available to the BUYER, and the BUYER shall purchase from the SELLER the Contract Capacity as stated in Annex I. The quantities specified in Annex I shall not be changed by either Party except in cases provided for this Agreement.

5.1.2. The Contract Capacity and Associate Energy shall be delivered by the SELLER at the high voltage side of the main transformer of the Plant, as provided in Annex IV, or from plants owned and/or operated by any of its Affiliates, other electricity generators, including the WESM. This will be used for purposes of declaration of BCQ's, billing and settlement. Title and risk of loss for the Contract Capacity and Associated Energy, such as but not limited to, Line Rental and other WESM Charges, shall be transferred to the BUYER at the high voltage side of the Plant's transformer.

5.2. **Supply**

5.2.1 SELLER shall have no obligation to supply more than the Contract Capacity as provided for in Annex I. The BUYER acknowledges that it is obligated to take or pay the Contract Capacity. Any AMQ in excess of the Contract Capacity shall be deemed purchased from the WESM and shall be passed on to the Buyer.

5.2.2 For Associated Energy, the BUYER shall submit to the SELLER, a month-ahead and binding day-ahead nomination translated into five (5) minute and daily schedule referred as the BCQ in five (5) Days prior to the start of the next Billing Period, in accordance with the "Nomination Protocol" as agreed by the Parties. The BUYER may submit revisions on the BCQ schedule on day-ahead basis. If the BUYER fails or is unable for any reason to submit such nominations, the SELLER shall use the BUYER's best available data for the same hour, day or week, and the BUYER shall be bound by this. In the event that the capability of the SELLER to deliver Contract Capacity or the capability of the BUYER to take the Contract Capacity are each affected by the occurrence of an Event of Force Majeure, the provisions in Article 11 (Force Majeure) shall apply.

ARTICLE 6
OUTAGES

During the term of this Agreement, except during Events of Force Majeure, the SELLER shall guarantee the supply of the Contract Capacity and Associated Energy to the BUYER, even during Scheduled and Unscheduled Outages of the Plant. For avoidance of doubt, an Event of Force Majeure as defined in Article 11 shall not be considered as an Outage.

x x x

ARTICLE 8
CHARGES AND ADJUSTMENTS

8.1 **Monthly Contract Charges.** Beginning SED and subject to the terms and conditions of this Agreement, the BUYER shall pay the following:

8.1.1 **Contract Price ("CP").** The base Contract Price shall be the Capacity Fee and Energy Fee as provided for in Annex II. The SELLER shall bill the BUYER's Contract Capacity and Associated Energy based on the Monthly Billing Formula provided in Annex III.

8.1.2 Throughout the duration of the Agreement, except during Force Majeure Events, the SELLER shall guarantee the supply of Contract Capacity to the BUYER, even during Scheduled and/or Unscheduled Outages of the Plant, to be paid by the BUYER at Contract Charges.

8.1.3 The BUYER agrees that it will pay the adjusted CP as stated in Annex II for the Contract Capacity and Associated Energy. If at any time during the implementation of this Agreement and prior to the Parties' receipt of the ERC Approval, should the BUYER refuse and/or make payments for power supply lower than CP pursuant to whatever government regulatory issuance of whatever nature, the BUYER knowingly acknowledges the SELLER's right to immediately suspend the supply thereof. If within the period of five (5) Days after the suspension of the supply to the BUYER and the Parties still fail to arrive at an amicable solution, the BUYER conclusively acknowledges the SELLER's right to terminate the Agreement without prejudice to all the available remedies it has such as but not limited to the collection of all outstanding accounts accrued prior to the termination of the Agreement.

x x x

8.3 **Associated Charges.** The BUYER shall bear all other costs and charges incurred after the Delivery Point, such as WESM Charges, including Line Rental, transmission line losses, any interconnection charges and site specific loss adjustments, among others.

ARTICLE 9
DISCOUNTS

9.1 **Prompt Payment Discount ("PPD").** The BUYER may avail of the PPD equivalent to one percent (1.0%) applied to the Capacity Fee of the power bill invoice, (excluding Replacement Power cost, if any, Associated Charges and VAT) provided that:

1. The BUYER has no arrears from previous power billings including the Security Deposit or any unpaid charges or penalties including VAT, or any unpaid amounts under this Agreement;
2. The Security Deposit has been posted and maintained at the required amounts under this Agreement, and no other default is committed by the BUYER under this Agreement[;]
3. The BUYER has submitted all necessary BIR Tax Certificates for all taxes withheld as well as for all zero-rated VAT end-consumers and;
4. The BUYER pays the power bill in full on or before the tenth (10^{th}) Day of the calendar month following the current Billing Period[.]

9.2 The PPD shall take upon SED, provided that, the BUYER complies with the conditions set forth in Section 9.1 and 9.2.

9.3 BUYER shall not automatically deduct the PPD from the payment of its current power bill and any unilateral deduction shall be considered a breach of its obligation under the EPSA. Discount for the current power bill will be made available to the BUYER in the succeeding power bill through the issuance of a Credit Memo. The PPD for the current power bill will be made available to the BUYER in the succeeding power bill. The BUYER with an expiring Agreement who is qualified to avail of the PPD under its power bill, shall receive its PPD upon determination by the Seller of the Buyer's compliance with the conditions set forth under Section 9.1 and 9.2.

x x x"

ANNEX I
CONTRACT CAPACITY AND ASSOCIATED ENERGY

1. BUYER's Contract Capacity shall be 5,000 kW.

2. BUYER shall take or pay the Contract Capacity and the Associated Energy for every Billing Period at Contract Price.

x x x

ANNEX II
CONTRACT PRICE ("CP")

Contract Price ("CP") Components	Unit	Rate
Capacity Fee	PhP/kW-month	2,263.00
Energy Fee	PhP/kWh	pass-through cost

***Note*:**

- Capacity Fee shall be fixed for the entire Contract Term and billed based on Annex III (Monthly Billing Formula).
- Energy Fee shall not be subject to any index but to be charged based on actual cost of fuel, Transport Cost, Import Duties, and Taxes among others.
- Guaranteed Supply, except during Events of Force Majeure (no Outage Allowance).
- Line Rental cost and other WESM Charges shall be for the account of the BUYER (pass-through cost).
- Contract Price (Gross) and other Associated Charges shall be subject to applicable Value Added Tax ("VAT").

x x x"

IV.

GENERATION RATE IMPACT

51. Based on the simulations of the Generation Rate Impact Analysis with Applicant MPI, the total amount of electricity fees for Applicant MPI, for the period covering March 2026 to March 2027, is Twenty-One Million Seven Hundred Seventy-Six Thousand Eight Hundred Eighty Pesos (PhP21,776,880.00) per month. This amount accounts for 100% of the load factor of energy, with energy produced amounting to Three Million Seven Hundred Twenty kWH, equivalent to Five Pesos and 854/1000 (PhP5.8540) per kWH, as shown in the calculation below:

Rate Impact Simulation on EPSA for March 26, 2026 to March 25, 2027 (@100% LF)
Month____

BILLING COMPONENT	UNIT	BASE RATE1	BILLING DETERMINANT 2		AMOUNT (PhP)
A. Monthly Energy Payment (MEP)					
Peso Portion	(PhP/kWh)	5.8540	3,720,000	kWh	21,776,880.00
Total Payment (Exclusive of VAT)	**(PhP)**				**21,776,880.00**
Effective Rate at Plant Gate	**(PhP/kWh)**				**5.8540**
WESM Line Rental Rate3	(PhP/kWh)				-
Delivered Rate (VAT Exclusive)	**(PhP/kWh)**				**5.8540**
Effective Cost if Sourced from WESM 4	(PhP/kWh)				7.33
Increase/(Decrease) over WESM Price	**(PhP/kWh)**				**(1.48)**
COTELCO Captive Energy Demand5	(kWh)				26,743,500.00
Increase/(Decrease) in Generation Cost	(PhP)				(5,490,720.00)
Increase/(Decrease) in Generation Cost	**(PhP/kWh)**				**(0.2053)**

Notes:
1 *Proposed Base Rate*
2 *Total Energy Billing Determinant based on 100% PCF*
3 *Provision for Line Rental*
4 *Cost if sourced from WESM based on projected market price for 2026 under tight supply conditions (assuming no Market Suspension).*
5 *Forecasted Captive Energy in a Month (Average) based on submitted PSPP*

Rate Impact Simulation on EPSA for March 26, 2026 to March 25, 2027 (@100% LF)
Month____

BILLING COMPONENT	UNIT	BASE RATE1	BILLING DETERMINANT 2		AMOUNT (PhP)
A. Monthly Energy Payment (MEP)					
Peso Portion	(PhP/kWh)	5.8540	3,720,000	kWh	21,776,880.00
Total Payment (Exclusive of VAT)	**(PhP)**				**21,776,880.00**
Effective Rate at Plant Gate	**(PhP/kWh)**				**5.8540**
WESM Line Rental Rate3	(PhP/kWh)				-
Delivered Rate (VAT Exclusive)	**(PhP/kWh)**				**5.8540**
Effective Cost if Sourced from WESM 4	(PhP/kWh)				6.3596
Increase/(Decrease) over WESM Price	**(PhP/kWh)**				**(0.51)**
COTELCO Captive Energy Demand5	(kWh)				26,743,500.00
Increase/(Decrease) in Generation Cost	(PhP)				(1,880,832.00)
Increase/(Decrease) in Generation Cost	**(PhP/kWh)**				**(0.0703)**

Notes:
1 *Proposed Base Rate*
2 *Total Energy Billing Determinant based on 100% PCF*
3 *Provision for Line Rental*
4 *Cost if sourced from WESM based on 3-Month Historical Average Rate (Jan-Mar 2026)*
5 *Forecasted Captive Energy in a Month (Average) based on submitted PSPP*

52. The above Rate Impact Simulation tables show the projected generation cost savings of Applicant COTELCO with the execution of the EPSA with Applicant MPI in two (2) scenarios. *First,* the generation cost saving would be valued at 0.2053 PhP/kWh as against sourcing from WESM based on its projected market price under tight supply conditions. *Second,* the generation cost saving would be valued at 0.0703 PhP/kWh in comparison with sourcing from WESM based on its three-month historical average rate from January to March 2026. Ultimately, the execution of the EPSA would ensure savings to its consumers, whether the projected WESM prices are based on tight supply conditions or based on its January-March 2026 historical average rate.

53. The simulation uses the actual energy purchased for the period and projected WESM rates at the time. Among the suppliers with a Load Factor of One Hundred Percent (100%), Applicant MPI with a rate of Five Pesos and 854/1000 (PhP5.8540) has the lowest cost per kWH.

Table 1: Historical and Forecasted Supply-Demand Scenario

	ERC Case No.	Historical Months (12 months prior to implementation of Emergency PSA)											
		Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026
Peak Demand (MW)		**56.26**	**55.55**	**55.91**	**56.90**	**61.36**	**56.88**	**58.30**	**58.11**	**59.91**	**59.63**	**59.86**	**55.93**
Suppliers:													
PSALM		10	10	10	10	10	10	10	10	10	10	10	10
GNPK	ERC Case No. 2014-011 RC	5	5	5	5	5	5	10	10	10	10	10	10
FDC	ERC Case No. 2015-048 RC	5	5	5	5	5	5	5	5	5	5	5	5
TSI	ERC Case No. 2013-036 RC	10	10	10	10	10	10	10	10	10	10	10	10
SEC	ERC Case No. 2014-121 RC	10	10	10	10	10	10	10	10	10	10	10	10
EPSA													
WESM		16	16	16	17	21	17	13	13	15	15	15	11
Total Supply (MW)		**56.26**	**55.55**	**55.91**	**56.90**	**61.36**	**56.88**	**58.30**	**58.11**	**59.91**	**59.63**	**59.86**	**55.93**
(Deficit)/Surplus		-	-	-	-	-	-	-	-	-	-	-	-

Months Covered by the EPSA											
Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Jan 2027	Feb 2027	Mar 2027
59.4	**60.7**	**59.54**	**57.91**	**61.68**	**60.95**	**62.94**	**63.4**	**60.52**	**58.35**	**61.95**	**61.26**
10	10	10	10	10	10	10	10	10	10	10	10
10	10	10	10	10	10	10	10	10	10	10	10
5	5	5	5	5	5	5	5	5	5	5	5
10	10	10	10	10	10	10	10	10	10	10	10
10	10	10	10	10	10	10	10	10	10	10	10
5	5	5	5	5	5	5	5	5	5	5	5
9	11	10	8	12	11	13	13	11	8	12	11
59.40	**60.70**	**59.54**	**57.91**	**61.68**	**60.95**	**62.94**	**63.40**	**60.52**	**58.35**	**61.95**	**61.26**
-	-	-	-	-	-	-	-	-	-	-	-

Note:
Peak Demand (MW) on months covered by EPSA is based on PSPP

54. As such, Applicant COTELCO entered into an EPSA with Applicant MPI to mitigate the impact of increasing prices in the world market for electricity. Verily, the fixed tariff structure of Applicant MPI helped lessen its exposure to the volatility of WESM prices. This is especially urgent at this time of geopolitical unrest and high volatility in oil prices.

55. In view of the foregoing, Applicants COTELCO and MPI respectfully seek the confirmation and approval of the Honorable Commission of its EPSA.

V.

COMPLIANCE WITH DOCUMENTARY REQUIREMENTS

56. In support of this Joint Application with Motion for Confidential Treatment of Information, the Joint Affidavits of **Jamie S. Calamaan, Jr.**, the Board President of Applicant COTELCO, and **Joel V. De Guzman, Jr.**, the General Manager of Applicant COTELCO, which details the due diligence exercised by Applicant COTELCO in view of the emergency situation and the details on the existence of the *force majeure* to support the claim of its occurrence which led to the necessity to enter into a EPSA, is attached hereto as **Annexes "T" and "U"**, respectively.

57. Applicants provide the following documents for the pre-filing conference and pre-filing marking of annexes with the Honorable Commission:

DESCRIPTION OF DOCUMENT	ANNEX
Applicant MPI's Secretary's Certificate dated 22 April 2026	"A"
Board Resolution No. 29, Series of 2026 Board Resolution No. 60, Series of 2026	"B" and series
Board Resolution No. 247, Series of 2023, dated 24 November 2023	"C"
First Invitation to Bid for the 3MW RE Competitive Selection Process and the corresponding proof of publication	"D" and series
BAC PSP's Resolution No. 1, Series of 2025 dated 4 March 2025	"E"
Resolution No. 50, Series of 2025 dated 12 March 2025	"F"
Second Invitation to Bid for the 3MW RE Competitive Selection Process and the corresponding proof of publication	"G" and series
BAC PSP's Resolution No. 2, Series of 2025 dated 1 July 2025	"H"

Board Resolution No. 145, Series of 2025 dated 13 July 2025	"I"
Letter Request dated 18 July 2025 addressed to the NEA	"J"
Board Resolution No. 169A, Series of 2025 dated 5 August 2025	"K"
NEA's Notice to Undertake Direct Negotiation dated 3 September 2025	"L"
Applicant COTELCO's Invitation to Direct Negotiation (Erratum) with Screenshot of Applicant COTELCO's Website for the Publication of the Direct Negotiation	"M" and series
Letter of Energy Development Corporation dated 19 September 2025	"N"
Printout of the Email Thread between Energy Development Corporation and Applicant COTELCO dated 19 September 2025	"O"
Letter to DOE dated 24 February 2026 Letter to ERC dated 24 February 2026 Letter to NEA dated 24 February 2026	"P" and series
Letter to Energy Development Corporation dated 4 March 2026 with Addendum dated 9 March 2026 Letter to GN Power Kauswagan Ltd. Co. dated 4 March 2026 with Addendum dated 9 March 2026 Letter to Therma South Inc. dated 4 March 2026 with Addendum dated 9 March 2026 Letter to Malita Power Inc. dated 4 March 2026 with Addendum dated 9 March 2026	"Q" and series
Letter of the NEA dated 5 March 2026 Letter of the DOE dated 10 March 2026 Letter of the ERC dated 25 March 2026	"R" and series
Applicant MPI's offer to Applicant COTELCO dated 20 March 2026	"S"
Applicant COTELCO's Affidavit of Due Diligence	"T"
Applicant COTELCO's Affidavit of Force Majeure	"U"

TECHNICAL DOCUMENTS	
Emergency Power Supply Agreement dated 25 March 2026	"V"
Applicant COTELCO's Supply and Demand Scenario (during the time of emergency situation), Details of Existing Suppliers, Contract Utilization, Average Daily Load Curve, in accordance with the ERC's templates under Annex "1" and "2" of the Prefiling Checklist Requirement	"W"
Executive Summary of the EPSA	"X"
Generation Rate and Derivation, Indexation Write-up (*Confidential*)	"Y" and series
Sample Bill Rate Impact Analysis	"Z" and series
Write Up of Previously Submitted Documents: ➢ Relevant technical and economic characteristics of the generation capacity; Scheduled and Unscheduled Outage ➢ Sworn Statement detailing how fuel was competitively procured, contract terms, unbundled price components (product cost, transshipment, delivery container, etc.).	"AA" and series

ALLEGATIONS IN SUPPORT OF THE MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION

58. Applicants respectfully highlight that the documentary evidence, **Annex "Y" and series** (collectively, the "Confidential Documents"), contain numbers, methodology, and calculations such as debt or equity ratio, capital costs, weighted average cost of capital, and fuel cost that provide valuable information and insight on how it arrives at its power generation rate and/or on its trading in the WESM.

59. Applicants therefore respectfully submit that the Confidential Documents fall within the bounds of proprietary "trade secrets", which are entitled to protection under the Constitution, statutes, and rules and regulations of this Honorable Commission.

60. Under Section 1, Rule 4 of the Revised ERC Rules of Practice and Procedure (the "Revised ERC Rules"), this Honorable Commission may, upon request of a party and determination of the existence of conditions that would warrant such remedy, treat certain information submitted to it as confidential. Pursuant to such provision, Applicant MPI respectfully prays for the issuance of a protective order declaring the foregoing documents confidential, since Applicant MPI intends to present them as evidence in the instant Application.

61. The data contained in the Confidential Documents constitute "trade secrets" of Applicant MPI; thus, Applicant MPI has actual and valuable proprietary interest to protect with respect to such information. If the information contained in these documents is unduly disclosed, it will seriously prejudice the competitiveness of Applicant MPI.

62. The Supreme Court, in the case of *Air Philippines Corporation vs. Pennswell, Inc.*,[43] had the opportunity to discuss the definition of "trade secrets" and the great extent to which the same are protected under our laws, thus:

> "A trade secret may consist of any formula, pattern, device, or compilation of information that: (1) **is used in one's business**; and (2) **gives the employer an opportunity to obtain an advantage over competitors who do not possess the information**. Generally, a trade secret is a process or device intended for continuous use in the operation of the business, for example, a machine or formula, but **can be a price list or catalogue or specialized customer list. It is indubitable that trade secrets constitute proprietary rights**. The inventor, discoverer, or possessor of a trade secret or similar innovation has rights therein which may be treated as property, and ordinarily an injunction will be granted to prevent the disclosure of the trade secret by one who obtained the information 'in confidence' or through a 'confidential relationship.' American jurisprudence has utilized the following factors to determine if an information is a trade secret, to wit:
>
> (1) the extent to which the information is known outside of the employer's business;
> (2) the extent to which the information is known by

43 G.R. No. 172835, 13 December 2007.

employees and others involved in the business;
(3) the extent of measures taken by the employer to guard the secrecy of the information;
(4) the value of the information to the employer and to competitors;
(5) the amount of effort or money expended by the company in developing the information; and
(6) the extent to which the information could be easily or readily obtained through an independent source."[44]

63. Further, in *Philpotts vs. Philippine Manufacturing Company*[45] and *Garcia vs. Board of Investments*,[46] the Supreme Court has held that the confidential nature of trade secrets protects them from disclosure even in the face of the right of inspection given to stockholders or the constitutional right to information.

64. Additionally, in the Decision of this Honorable Commission in ERC Case No. 2015-111 RC dated 30 May 2017 entitled *"In the Matter of the Application for Approval of the Power Supply Agreement Between Nueva Ecija II Electric Cooperative, Inc.- Area 2 (NEECO II – Area 2) and PNOC Renewables Corporation (PNOC RC)"*, the Honorable Commission categorically stated that formulas and pricing structures of a generation company must be treated as confidential and may not be publicly disclosed, thus:

> "In the case of PNOC RC, the documents sought to be protected from disclosure contains formula and pricing structures used in arriving at their proposed tariff. In fact, all three (3) documents were used by the Commission in evaluating the reasonableness of the proposed rate. **In the electric power industry w(h)ere prices is[sic] a major consideration in selecting one's supplier, it is apparent that the assumptions used in arriving at one's proposed tariff is considered a competitive leverage by one player against its competitors.**
>
> **Thus, the Commission resolves to treat the said documents confidential and may not be publicly disclosed.**"[47]

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44 Emphasis and underscoring supplied.
45 G.R. No. L-15568, 8 November 1919.
46 G.R. No. 88637, 7 September 1989.
47 Emphasis and underscoring supplied.

65. The foregoing evidently shows that this Honorable Commission has consistently recognized the importance of maintaining pricing structures as confidential in order to ensure the competitiveness of the generation sector. Information, which falls within the definition of a trade secret as defined by jurisprudence, is clearly information that merits the confidential treatment provided for under Rule 4, Section 1 of the Revised ERC Rules. The Confidential Documents should therefore be entitled to the protection of confidential information provided under Rule 4 of the Revised ERC Rules.

66. The interest of the consuming public is sufficiently protected by the review and evaluation of the rates under the EPSA by this Honorable Commission, without the need to disclose the contents of the Confidential Documents. Further, the negotiating power of Applicant MPI with parties it plans to contract with or with whom it is currently doing business will be impeded if it is compelled to disclose such information.

67. Considering the foregoing, the Confidential Documents qualify as "confidential information".

68. Accordingly, one (1) copy of each of the foregoing confidential documents is placed in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential."

PRAYER

WHEREFORE, premises considered, it is respectfully prayed that the Honorable Commission:

a) Issue an Order **TREATING Annex "Y" and series** and all other information contained therein as **CONFIDENTIAL**, directing their non-disclosure to persons other than officers and staff of this Honorable Commission, continuously protecting the said information from public disclosure by maintaining the same separate and apart from the records of the case, and ensuring that these are not divulged to unauthorized persons, and that the same will be returned to the Applicants, as applicable, pursuant to Rule 4 of the Revised ERC Rules; and

b) After hearing on the merits, **RENDER** a Decision **GRANTING** the Joint Application and **APPROVING** the EPSA, including all the rates, fees, charges, and tariff adjustment mechanism set out therein at the rates provided in the EPSA, and authorizing COTELCO to charge and collect the fees therein from its customers reckoned from the start of the power supply by Applicant MPI to Applicant COTELCO under the EPSA.

Other relief, just and equitable under the circumstances, are likewise prayed for.

Pasig City, 29 May 2026.

(signature pages of counsel will follow)

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By: [redacted]

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Co-Applicant
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PTR No. 3978629; 01/06/2026; Pasig City
IBP No. 587630; 01/05/2026; RSM
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PTR No. 3978636; 01/06/2026; Pasig City
IBP No. 012780; 04/22/2014 (Lifetime); RSM
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