COVER SHEET

for

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

S.E.C. Registration Number

0	0	0	0	0	0	2	3	8	7	4

Company Name

TARLAC ELECTRIC INC.

Principal Office (No./Street/Barangay/City/Town/ Province)

MABINI ST., TARLAC CITY, TARLAC

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-C	SEC	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
corporate@teiph.com	(045) 606 - 1834	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
49	Every 3rd Friday of May	12 / 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
FLORIZA D. FORLALES	fforlales@teiph.com	(045)606-1834	0920-951-0075

Contact Person's Address

Mabini St., Tarlac City, Tarlac

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

TARLAC ELECTRIC

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. 15 April 2023
   Date of Report (Date of earliest event reported)

2. SEC Identification Number 23874 3. BIR Tax Identification No. 004-070-881

4. TARLAC ELECTRIC INC.
   Exact name of issuer as specified in its charter

5. TARLAC CITY, TARLAC, PHILIPPINES 6. [ ] (SEC Use Only)
   Province, country or other jurisdiction of incorporation
   Industry Classification Code:

7. MABINI ST., TARLAC CITY, TALAC, PHILIPPINES 2300
   Address of principal office Postal Code

8. (045) 606 1834
   Issuer's telephone number, including area code

9. N/A
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON SHARES	5,750,000

11. Indicate the item numbers reported herein: ITEM 9 - OTHER EVENTS

TARLAC ELECTRIC INC. ("TEI" or the "Company") reports on the use of the proceeds of its primary offering to the general public as of 31 March 2023. Please see attached reports:

1. Quarterly Progress Report on the Application of Proceeds from the Public Offer of Tarlac Electric Inc. as of and for the quarter ended March 31, 2023; and

2. Report of Independent Auditors on Factual Findings.

TARLAC ELECTRIC

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TARLAC ELECTRIC INC.
Issuer

14 April 2023
Date

VITUS M. ROMERO
President and General Manager

Tarlac Electric Inc. Mabini Street, Tarlac City 2300 Philippines
T +63 45 606 1834 F +63 45 982 2842 E cwd@teiph.com

COVER SHEET

for

Quarterly Progress Report on the Application of Public Offer Proceeds with Certification by the Company's External Auditors

S.E.C. Registration Number

0	0	0	0	0	0	2	3	8	7	4

Company Name

TARLAC ELECTRIC INC.

Principal Office (No./Street/Barangay/City/Town/ Province)

MABINI ST., TARLAC CITY, TARLAC

Form Type	Department requiring the report	Secondary License Type, If Applicable
	SEC	

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corporate@teiph.com	(045) 606 - 1834	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
49	Every 3rd Friday of May	12 / 31

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FLORIZA D. FORLALES	fforlales@teiph.com	(045)606-1834	0920-951-0075

Contact Person's Address

Mabini St., Tarlac City, Tarlac

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

April 14, 2023

SECURITIES AND EXCHANGE COMMISSION
Secretarial Building, PICC Complex
Roxas Boulevard
Pasay City, 1307

Attention: **HON. VICENTE GRACIANO P. FELIZMENIO, JR.**
Director

Dear Sir:

In compliance with the disclosure requirements of the Securities and Exchange Commission, please find the following:

1. Quarterly Progress Report on the Application of Proceeds from the Public Offering of Tarlac Electric Inc. as of and for the quarter ended March 31, 2023; and,

2. Report of Independent Auditors on Factual Findings.

Very truly yours,

TARLAC ELECTRIC INC.

VITUS M. ROMERO
President and General Manager

April 14, 2023

SECURITIES AND EXCHANGE COMMISSION
Secretarial Building, PICC Complex
Roxas Boulevard
Pasay City, 1307

Attention: **Hon. Vicente Graciano P. Felizmenio, Jr.**
Director

Re: **Tarlac Electric Inc.**
Quarterly Progress Report on the Application of Public Offering Proceeds with Certification by the Company's External Auditors

Gentlemen:

In connection with the Public Offer of **Tarlac Electric Inc.** (the "Company") on June 28, 2021, we submit herewith our report on the application of the offering proceeds. The details of the disbursements as of and for the quarter ended March 31, 2023 are as follows:

Offering Proceeds		
(1,750,000 shares at Php380.00 per share)	P	665,000,000.00
Less: Public offer-related expenses*		
Underwriting and financial advisory		9,975,000.00
Legal		8,000,000.00
Audit		1,750,000.00
Taxes		1,750,000.00
Securities and Exchange Commission registration fee		837,037.50
Publication		47,628.00
Net Offering Proceeds		642,640,334.50
Less: Disbursement		
Costs incurred for the period ended December 31, 2021		486,994,882.42
Costs incurred for the quarter ended March 31, 2022		3,476,425.96
Costs incurred for the quarter ended June 30, 2022		60,441,664.29
Costs incurred for the quarter ended September 30, 2022		14,331,774.22
Costs incurred for the quarter ended December 31, 2022		33,741,584.26
Costs incurred for the quarter ended March 31, 2023		3,383,509.76
Total disbursements		602,369,840.91
Balance of the Offering Proceeds	**P**	**40,270,493.59**

**Certain expenses were initially funded using the Company's working capital and were subsequently reimbursed upon receipt of the Offering Proceeds*

We hope you find everything in order.

Very truly yours,

VITUS M. ROMERO
President and General Manager

Tarlac Electric Inc. Mabini Street, Tarlac City 2300 Philippines
T +63 45 606 1834 F +63 45 982 2842 E cwd@teiph.com

P&A Grant Thornton

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Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Tarlac Electric Inc.
Mabini Street
Tarlac City, Tarlac

We have performed the procedures agreed with you and enumerated in the succeeding page with respect to the attached Quarterly Progress Report (the Report) as of and for the quarter ended March 31, 2023 on the application of proceeds from the public offering (Offering Proceeds) of Tarlac Electric Inc. (the Company) on June 28, 2021. The procedures were performed solely to enable the Company to comply with the requirement of the Securities and Exchange Commission (SEC) to submit the Report relating to the application of the Offering Proceeds accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*, applicable to agreed-upon procedures engagements.

We present below the summary of the breakdown and application of the Offering Proceeds as of March 31, 2023 based on the information we obtained from the Company.

	Allocation Based on Actual Net Proceeds	Balance of Offering Proceeds as of December 31, 2022	Application of Offering Proceeds for the Quarter ended March 31, 2023	Balance of Offering Proceeds as of March 31, 2023
Retirement of Short-term Loans	P 308,000,000.00	P -	P -	P -
Capital Expenditure Project	202,073,290.74	43,654,003.35	3,383,509.76	40,270,493.59
General Working Capital	132,567,043.76	-	-	-
	P 642,640,334.50	**P 43,654,003.35**	**P 3,383,509.76**	**P 40,270,493.59**

Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
   a.) The Report;
   b.) Schedule of planned use of proceeds from the Offering Prospectus; and,
   c.) Detailed schedule of disbursements of proceeds for the quarter ended March 31, 2023;

2. Agreed total amount of disbursements of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds for the quarter ended March 31, 2023;

3. Compared the disbursements of the Offering Proceeds shown in the Report with the schedule of planned use of proceeds indicated in the Offering Prospectus;

4. Inquired and identified the nature of disbursements of the Offering Proceeds in the detailed schedule and checked that such disbursements were consistent with the planned use of the Offering Proceeds; and,

5. Traced to and examined supporting documents of the disbursements in the schedule and agreed the total amount of disbursements per category in the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules;

2. With respect to item 2, we noted that the total amount of disbursements appearing in the Report agrees with the amount in the detailed schedule of disbursements of the Offering Proceeds;

3. With respect to item 3, we found the disbursements of proceeds in the Report as of and for the quarter ended March 31, 2023 consistent with the planned application of proceeds indicated in the Use of Proceeds section of the Offering Prospectus; and,

4. With respect to item 4, we noted the following:

   a.) The details of the disbursements incurred for the quarter ended March 31, 2023 showed that the Company used the Offering Proceeds for the following purposes:

   - ***Retirement of Short-term Loans***

     The amount allocated is intended to repay short-term loans obtained by the Company from local banks to fund its general working capital requirement. Since the Company's collection level declined significantly due to the COVID-19 pandemic, the Company availed of several working capital loans to support its operations.

     As of March 31, 2023, P308.0 million from the Offering Proceeds were allocated and fully used for this purpose. There were no disbursements for the quarter ended March 31, 2023.

- ***Capital Expenditure Project***

  The Company intends to use a portion of the offering proceeds to fund its capital expenditure projects to enable the Company to provide continuous and reliable service to its customers especially in line with its forecasted load growth. Some of the projects have already been started by the Company using its internally generated funds.

  P202.1 million of the Offering Proceeds were allocated for this purpose, P161.8 million of which was released as of March 31, 2023. Disbursements for the quarter ended March 31, 2023 amounted to P3.4 million. Disbursements as of and for the quarter ended March 31, 2023 are broken down below.

	Allocation Based on Actual Net Proceeds	Balance of Offering Proceeds as of December 31, 2022	Application of Offering Proceeds for the Quarter ended March 31, 2023	Balance of Offering Proceeds as of March 31, 2023
Construction of Three-story Headquarters	P 60,021,769.53	P -	P -	P -
Upgrade to Full SCADA Implementation	20,007,256.51	14,370,682.77	-	14,370,682.77
Purchase and installation of distribution transformers	20,007,256.51	-	-	-
Purchase and installation of meters and metering equipment	10,003,628.25	-	-	-
Line extension, rehabilitation and upgrade	15,005,442.38	-	-	-
Construction of Ayala substation	20,007,256.51	9,513,911.51	3,148,200.00	6,365,711.51
Acquisition of additional cyber security and threat protection	19,006,893.68	4,131,061.34	-	4,131,061.34
Additional data domain capacity and disaster recovery software	14,005,079.56	-	-	-
Additional Private Branch Exchange (PBX) hardware and licenses and radio communication system	5,001,814.13	2,838,961.38	-	2,838,961.38
Installation of fiber optic loop	4,001,451.30	1,852,427.16	235,309.76	1,617,117.40
69Kv Line rehabilitation and upgrading to 795 mcm ACSR Conductor and conversion to ring-type system	10,003,628.25	6,352,035.06	-	6,352,035.06
Installation of 69Kv disconnect switches and fault indicators	5,001,814.13	4,594,924.13	-	4,594,924.13
	P 202,073,290.74	**P 43,654,003.35**	**P 3,383,509.76**	**P 40,270,493.59**

- ***General Working Capital***

  The Company intends to use a portion of the net proceeds to fund the Company's general working capital to support its operations.

  As of March 31, 2023, P132.6 million from the Offering Proceeds were allocated and fully used for this purpose.

b.) The remaining balance of the Offering Proceeds amounting to P40.3 million as of March 31, 2023 is expected to be applied on costs to be incurred in accordance with the planned use and estimated completion during the year as disclosed in the Offering Prospectus.

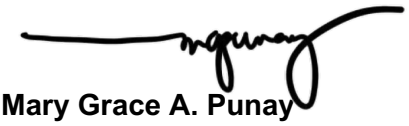
5. We found no exceptions with respect to item 5.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of Offering Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO



By: Mary Grace A. Punay
Partner

CPA Reg. No. 0116576
TIN 244-931-755
PTR No. 7962301, January 13, 2023, City of Davao
SEC Group A Accreditation
Partner - No. 116576-SEC (until Dec. 31, 2025)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-043-2021 (until Nov. 9, 2024)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 14, 2023