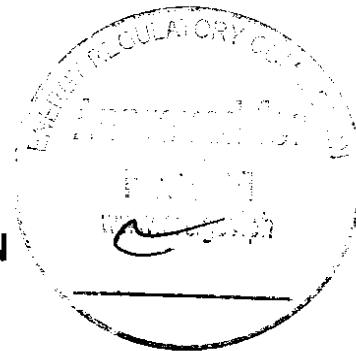


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Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



**IN THE MATTER OF VIOLATION OF ERC
ORDERS, RULES AND REGULATIONS**

**ERC CASE NO. 2007 – 338 MC
RE: Non-Inclusion of Pilferage
Recovery in PPA Computation**

**ERC CASE NO. 2007 – 311 MC
RE: Failure to Implement PPA
using Power Cost at “Net” of
Discounts**

**ISABELA I ELECTRIC COOPERATIVE, INC.
(ISELCO I),**

Respondent.

x ----- x

D O C K E T E D
Date: JUN 21 2010
By: [Signature]

D E C I S I O N

The Commission takes note of the “Proposal for Settlement” filed by Isabela I Electric Cooperative, Inc. (ISELCO I) on June 15, 2010, offering to pay PhP295,350.00 for the settlement of these cases. The said amount represents fifty percent (50%) of the imposable penalty for the alleged violations, computed as follows:

Particulars	Amount (PhP)
For Non-Inclusion of Pilferage Recovery in PPA Computation	
ERB: (April 1996 to June 17, 2002) (PhP200 x 1,536 days)	307,200.00
Under R. A. 9136 Initial Amount:	100,000.00
Plus: PhP100 a day for every day of violation (June 18, 2002 to March 2004) (PhP100 x 653 days)	65,300.00
Total	472,500.00

[Handwritten Signature]

For Failure to Implement PPA using the Power Cost at "Net" of Discounts	
Under R. A. 9136	
Initial Amount:	100,000.00
Plus: PhP100 a day for every day of violation (September 2003 to February 2004) (PhP100 x 182 days)	18,200.00
Total	118,200.00
Grand Total	590,700.00
Fifty Percent (50%) thereof	295,350.00

Finding the said offer to be just and reasonable, and in accordance with the "*Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of Republic Act No. 9136*", the same is hereby **ACCEPTED** and **APPROVED**. Accordingly, Isabela I Electric Cooperative, Inc. (ISELCO I) is hereby directed to remit the total amount of **TWO HUNDRED NINETY-FIVE THOUSAND THREE HUNDRED FIFTY PESOS (PhP295,350.00)** in the name of the Energy Regulatory Commission within fifteen days (15) from receipt hereof.

SO ORDERED.

Pasig City, June 17, 2010.

FOR AND BY AUTHORITY OF
THE COMMISSION:


ALEJANDRO Z. BARIN
Commissioner

SM JAC NGC
FJRT / JACF / NGC
Reference No. 2010-D1-0066

Copy furnished:

1. MR. RAMON C. POSADAS

President

Philippine Rural Electric Cooperative Association (PHILRECA)
4th Floor Casman Building, Quezon Avenue
Quezon City 1198

2. ENGR. VIRGILIO L. MONTANO

General Manager

Isabela I Electric Cooperative, Inc. (ISELCO I)
Victoria, Alicia, Isabela