




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. 2005-319 MC
For: Failure to Implement
the Rate Reduction due to
Loan Condonation and
Cross Subsidy Removal

CENTRAL PANGASINAN ELECTRIC
COOPERATIVE, INC. (CENPELCO),
Respondent.

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DOCKETED
Date: MAR 19 2009
By: 

DECISION

On December 7, 2005, the Commission issued a Show Cause Order directing Central Pangasinan Electric Cooperative, Inc. (CENPELCO) to explain why no administrative penalty and/or criminal action should be imposed upon it, and/or against its directors and officers, for its failure to implement on time its approved rate reduction due to loan condonation and the cross subsidy removal.

On October 9, 2007, CENPELCO filed a "Justification/Explanation with Motion for Reconsideration", stating that implementing the rate reduction due to loan condonation will result to immediate bankruptcy of the cooperative. Hence, the management of CENPELCO opted to defer implementation of the rate reduction due to loan condonation. Based on its submitted consumer bills, CENPELCO started



implementing the said rate reduction due to loan condonation on January 2009. Available records with the Commission confirm this.

Finding this as substantial compliance with the Commission's directive, albeit done belatedly, in the interest of justice the Commission deems it proper, at this time, to simply issue a reprimand to CENPELCO for its failure to comply with the Commission's directive on time.

WHEREFORE, the foregoing premises considered, respondent Central Pangasinan Electric Cooperative, Inc. (CENPELCO) is hereby **REPRIMANDED** for its failure to implement on time the Commission's directive and **WARNED** that a similar offense in the future shall be dealt with more severely.

SO ORDERED.

Pasig City, March 16, 2009.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ALEJANDRO Z. BARIN
Commissioner

Copy furnished:

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