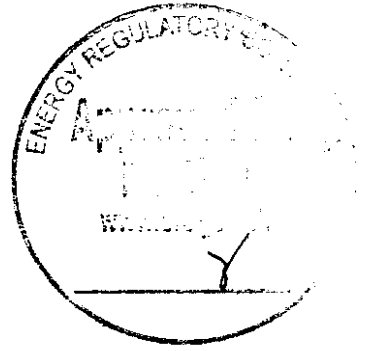


Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



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

**ERC CASE NO. 2006- 024 MC
RE: 1) Belatedly implemented
its approved Rate Reduction
due to Loan Condonation on
March 2005 instead of
February 2005
2) Not implemented its Cross
Subsidy**

**AGUSAN DEL SUR ELECTRIC
COOPERATIVE, INC. (ASELCO),**

Respondent.

x-----x

D O C K E T E D
Date: **SEP 16 2006**
By: *[Signature]*

DECISION

On January 18, 2006, the Commission issued a Show Cause Order directing Agusan del Sur Electric Cooperative, Inc. (ASELCO) to explain why no administrative penalty and/or criminal action should be imposed upon it, and/or criminal action instituted against its directors and officers, for its violation of the Commission's directive to implement on time the approved rate reduction due to loan condonation and the cross-subsidy removal.

[Handwritten signature]

On November 15, 2007, ASELCO filed its Justification/Explanation manifesting that it had already issued its customer's power bills for the billing month of February 2005 when it received the Commission's Order dated August 23, 2004 in ERC Case No. 2003-120. The management deemed it prudent to implement the rate reduction due to loan condonation and the inter-class cross subsidy removal in the next billing month rather than recall all the consumer bills that were already issued.

With respect to the issue on the inter-class cross subsidy removal, ASELCO explains that it had all the intention to simultaneously implement the same with the rate reduction due to loan condonation on the billing month of March 2005. Regrettably, due to inadvertence, its Billing Section failed to include such charge in its billings. ASELCO implemented the rate reduction due to loan condonation in its March 2005 billing, while the inter-class cross subsidy removal was implemented in April 2005. Available records of the Commission confirm this.

Considering ASELCO's implementation, albeit done belatedly, in the interest of justice the Commission deems it proper, at this time, to simply issue a reprimand to this DU for its failure to comply with the Commission's directive on time.

WHEREFORE, the foregoing premises considered, respondent Agusan del Sur Electric Cooperative, Inc. (ASELCO) is hereby **REPRIMANDED** for the delay in the implementation of its rate reduction and



inter-class cross subsidy removal and **WARNED** that a similar offense in the future shall be dealt with more severely.

SO ORDERED.

Pasig City, September 10, 2008.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ALEJANDRO Z. BARIN
Commissioner

Reference No. 2008-D1-D245


<http://www.nec/FSJC>

Copy furnished:

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