

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. 2006-027 MC
RE: Late Implementation of Final
Rate Reduction due to Loan
Condonation and Cross Subsidy
Removal.**

**CAMARINES NORTE ELECTRIC
COOPERATIVE, INC. (CANORECO),**

Respondent.

x ----- x

DOCKETED
Date: **JUN 03 2009**
By: _____

D E C I S I O N

On January 23, 2006, the Commission issued a Show Cause Order directing Camarines Norte Electric Cooperative, Inc. (CANORECO) to explain why no administrative penalty and/or criminal action should be imposed upon it, its directors and officers, for its failure to implement its final rate reduction due to loan condonation and cross-subsidy removal on time.

On July 26, 2004, the Commission issued a Decision directing CANORECO to implement the rate reduction simultaneously with the cross-subsidy removal scheme prescribed in the June 24, 2004 Order of the Commission in ERC Case No. 2001-914 (In the Matter of the Application for the Approval of Unbundled Rates Pursuant to the Provisions of Republic Act No. 9136 – Camarines Norte Electric Cooperative, Inc. [CANORECO] – Applicant).

Thereafter, on September 22, 2004, CANORECO filed its "Motion for Reconsideration and Deferment of Implementation" seeking reconsideration considering the huge amount to be refunded will cause a reduction in revenue and would greatly jeopardize the operations and cause financial imbalance.

On February 11, 2009, CANORECO filed its "Verified Explanation" stating that it implemented the rate reduction due to loan condonation and removal of cross-subsidy on January 2005 instead of September 2004, as directed. Available records with the Commission confirm this. Finding its implementation 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 CANORECO for its failure to comply with the Commission's directive on time

WHEREFORE, the foregoing premises considered, Camarines Norte Electric Cooperative, Inc. (CANORECO) is hereby **REPRIMANDED** for its late implementation of final rate reduction due to loan condonation and removal of cross-subsidy and **WARNED** that a similar offense in the future shall be dealt with more severely.

SO ORDERED.

Pasig City, May 26, 2009.

FOR AND BY AUTHORITY
OF THE COMMISSION


ALEJANDRO Z. BARIN
Commissioner


NGC/WSB/RIR/CANORECO

Reference No. 2009-D1-D036

Copy furnished:

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