

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. 2006-092MC
RE: Failure to Implement the
Approved Rate Reduction
Due to Loan Condonation
and the Cross Subsidy
Removal**

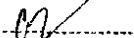
**AURORA ELECTRIC COOPERATIVE,
INC. (AURELCO),**

Respondent.

X-----X

D O C K E T E D

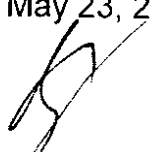
Date: **FEB 24 2009**

By: 

DECISION

On May 10, 2006, the Commission issued a Show Cause Order directing directing Aurora Electric Cooperative, Inc. (AURELCO) 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 final rate reduction due to loan condonation and the cross-subsidy removal.

On June 28, 2006, AURELCO filed a "Motion for Reconsideration" stating that:
a) it received the Commission's Order dated March 21, 2005 in ERC Case No. 2001-961 regarding inter-class cross subsidies on May 23, 2005; b) it immediately implemented the said Order on its next billing period which is June 2005; c) it received the Commission's Decision dated March 21, 2005 in ERC Case No. 2003-88 regarding its Final Loan Condonation on May 23, 2005 and was able to implement only in August



2005 on the ground that its Board of Directors had passed a resolution on June 18, 2005, requesting for a consideration from the Commission to allow it to defer its implementation of the Final Loan Condonation Order for at least two (2) years and an extension of time to refund the Final Rate Reduction due to losses in its monthly operations since January 2005; d) on August 19, 2005 the Commission denied said Resolution; e) upon receipt of the Order denying its request it implemented the same in August 2005 billing. 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 AURELCO for its failure to comply with the Commission's directive on time.

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

SO ORDERED.

Pasig City, February 16, 2009.

FOR AND BY AUTHORITY
OF THE COMMISSION


ALEJANDRO Z. BARIN
Commissioner

47

ria
ria/fp/hgc

Copy furnished:

1. MR. AGRIPINO A. TEH SAN

General Manager

Aurora Electric Cooperative, Inc. (AURELCO)

Brgy. Reserva, Baler, Aurora

2. MR. PEDRITO BACULIO

President

Philippine Rural Electric Cooperative Association (PHILRECA)

4th Floor Casman Building

Quezon Avenue, Quezon City 1198