

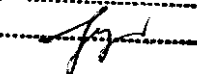
Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



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

**ERC CASE NO. 2007 - 516 MC
For: Failure to Submit 2005
Annual Report**

**TICAO ISLAND ELECTRIC
COOPERATIVE, INC. (TISELCO),
Respondents.**
X ----- X

D O C K E T E D
Date: **SEP 29 2008**
By: 

DECISION

On January 18, 2006, the Commission issued Resolution No. 1, series of 2006, directing all Distribution Utilities (DUs) to adopt the Distribution Services and Open Access Rules (DSOAR) which provides the rules, terms and conditions for distribution services and open access. Article I, Section 1.16 of the DSOAR provides that:

Article I, Section 1.16 –“Every DU shall as prescribed by the ERC submit the statistics on electric power operations and automatic adjustment clause computations (power costs adjustment, fuel cost adjustment, currency exchange rate adjustment and other cost adjustments approved by the ERC) together with the supporting documents corresponding to the previous month in accordance with the prescribed form.

Likewise, the DU shall file with the ERC on or before May 31st of every year a detailed report of its finances and operations corresponding to the previous year, in accordance with the form prescribed by the ERC. Said annual report shall be based on audited financial statement.”



On May 30, 2006, the Commission issued Resolution No. 27, Series of 2006, providing the template for the submission of Annual Reports. Thereafter, the Commission issued on September 20, 2006 Resolution No. 50, Series of 2006, clarifying the effectivity of said Resolution No. 27 and extending the deadline for those DUs who have not yet submitted their respective Annual Reports for the year ended 2005 to October 31, 2006, as follows:

1. For utilities that submitted their report using the old format before May 30, 2006, they are deemed to have complied with the MFSR and annual report submission requirement and would not be required to comply with Resolution No. 27 on May 30, 2006; while
2. For those utilities that have not yet submitted the annual reports, they must use the new format and submit the same on or before October 31, 2006.

Relative thereto, the Commission issued a Show Cause Order directing TISELCO to submit to the Commission its explanation under oath why no administrative penalty should be imposed upon it, and/or criminal action instituted against its directors and officers for failure to comply with the said directive.

On September 16, 2008, TISELCO submitted its "Manifestation" that the reason for the delay in the submission of its 2005 Annual Report was that several records which were left unattended and unmonitored were not turned over properly by its previous management. On June 6, 2008, TISELCO submitted



its 2005 Annual Report. 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 this DU for its failure to comply with the Commission's directive on time.

WHEREFORE, the foregoing premises considered, respondent Ticao Island Electric Cooperative, Inc. (TISELCO) is hereby **REPRIMANDED** for the delay in the submission of its respective 2005 Annual Report and **WARNED** that a similar offense in the future shall be dealt with more severely.

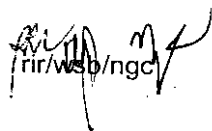
SO ORDERED.

Pasig City, September 17, 2008

FOR AND BY AUTHORITY
OF THE COMMISSION:


ALEJANDRO Z. BARIN
Commissioner

Reference No. 2008-D1-D191


rir/wsb/ngc

Copy furnished:

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