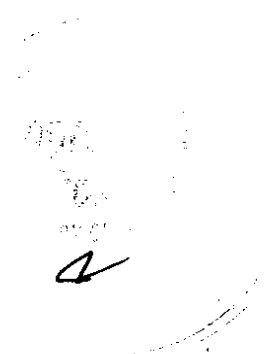


Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
San Miguel Avenue, Pasig City




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

**ERC CASE NO. 2008-018 MC  
RE: Failure to Implement the  
Energy Regulatory  
Commission's Order on  
Purchased Power Adjustment  
(PPA)**

**ZAMBOANGA CITY ELECTRIC  
COOPERATIVE, INC. (ZAMCELCO),  
Respondent.**

X-----X

**D O C K E T E D**  
Date: **FEB 12 2010**  
By: 

**DECISION**

On January 17, 2008, the Commission issued a Show Cause Order directing Zamboanga City Electric Cooperative, Inc. (ZAMCELCO), among other Distribution Utilities (DUs), to explain why no administrative penalty should be imposed upon it, and/or criminal action instituted against its directors and officers, for its failure to implement the Energy Regulatory Commission's Purchased Power Adjustment (PPA) Refund Order covering the period February 1996 to May 2004.

On July 11, 2008, ZAMCELCO submitted its "Compliance" stating the following: 1) that it need to be clarified on how the amount of PhP12,545,086.00 PPA over-recovery was computed; 2) that a Motion for Reconsideration was filed regarding this matter; and 3) that during the conference held on June 23, 2008, the amount was reduced to less than PhP2 million and ZAMCELCO was just waiting for a modified Order from the Commission to effect the refund.

On February 4, 2010, ZAMCELCO provided the Commission an update of the PPA refund of PhP0.0200/kWh under ERC Case No. 2001-343 (ERB Case No. 96-49), attesting that it implemented the same starting the billing period of November 2008. 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 ZAMCELCO for its failure to comply with the Commission's directive on time.

**WHEREFORE**, the foregoing premises considered, respondent Zamboanga City Electric Cooperative, Inc. (ZAMCELCO) is hereby **REPRIMANDED** for the delay in its implementation of ERC PPA Refund Order and **WARNED** that a similar offense in the future shall be dealt with more severely.

**SO ORDERED.**

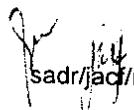
Pasig City, February 3, 2010.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**ALEJANDRO Z. BARIN**  
Commissioner

Copy furnished:

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sadr/jac/ngc

Reference: No. 2010-D1-D024