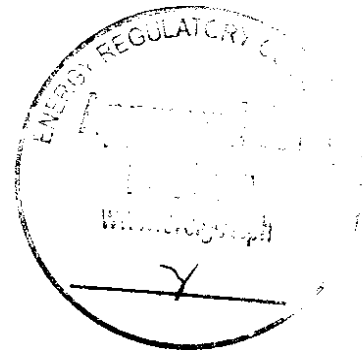


Republic of the Philippines
ENERGY REGULATORY COMMISSION
 San Miguel Avenue, Pasig City



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

**ERC CASE NO. 2008 – 090 MC
 For: Implementing Capital
 Projects without Prior Approval
 from the Commission**

**NEGROS ORIENTAL II ELECTRIC
 COOPERATIVE, INC., (NORECO II)
 Respondent.**

x ----- x

D O C K E T E D
 Date: JAN 12 2009
 By: [Signature]

D E C I S I O N

The Commission takes note of the "Offer of Settlement" submitted by Negros Oriental II Electric Cooperative, Inc. (NORECO II) on November 14, 2008, offering to pay as settlement of the case fifty percent (50%) of the total amount of the imposable penalty for the alleged violations, computed as follows:

Particulars	Amount (PhP)
For Implementing Capital Projects without Prior Approval from the Commission	
Tanjay Substation :	
Under R.A. 9136	
Initial Amount	100,000.00
Plus: PhP100 a day for every day of violation (August 6, 2007 to January 15, 2008) (P100/day x 163 days)	16,300.00
Sub-Total	116,300.00
Bayawan Substation :	
Under R.A. 9136	
Initial Amount	100,000.00
Plus: PhP100 a day for every day of violation (December 2007 to January 15, 2008) (P100/day x 46 days)	4,600.00
Sub-Total	104,600.00

Pulantubig Substation 2 :	
Under R.A. 9136	
Initial Amount	100,000.00
Plus: PhP100 a day for every day of violation (October 22,2007 to January 15, 2008)	
(P100/day x 86 days)	8,600.00
Sub-Total	108,600.00
Total Amount of Penalty	329,500.00
Fifty Percent (50%) thereof	164,750.00

Finding the said offer to be just and reasonable, and in accordance with the “Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of Republic Act No. 9136”, the same is hereby **ACCEPTED** and **APPROVED**. Accordingly, Negros Oriental II Electric Cooperative, Inc. (NORECO II), is hereby directed to remit the total amount of **ONE HUNDRED SIXTY FOUR THOUSAND SEVEN HUNDRED FIFTY PESOS (PhP164, 750.00)** in the name of the Energy Regulatory Commission within fifteen days (15) from receipt hereof.

SO ORDERED.

Pasig City, January 12, 2009

FOR AND BY AUTHORITY
OF THE COMMISSION:


ALEJANDRO Z. BARIN
Commissioner *4*

Reference: No. 2008-D1-D285



decision-50% NORECO II CAPEX

Copy furnished:

1. **MR. PEDRITO BACULIO**
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2. **ENGR. EPHRAIM T. TACLOB**
General Manager
Negros Oriental II Electric Cooperative, Inc. (NORECO II)
Real Street, Dumaguete City, Negros Oriental 6200