

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

RESOLUTION NO. _____, Series of 2008

**IN THE MATTER OF AMENDING 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**

This is to AMEND Sections 4 and 5, Article III of 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 ("Guidelines") approved on May 17, 2002 which reads as follows:

"ARTICLE III

ADMINISTRATIVE SANCTIONS

SECTION 4. NON-SUBMISSION OF DOCUMENTS. - Any person who failed to submit documents such as Annual Reports, Monthly Financial and Statistical Reports, computations of the Purchased Power Adjustment, Mandated Rate Reduction, Wage Adjustment Clause, Fuel and Purchase Power Cost Adjustment (FPPCA) and Foreign Exchange (FOREX), Financial Statements, sample bills and other documents required by the ERC shall be subject to the following sanctions:

A. For non-submission of the required documents within the period prescribed by the Commission without justifiable reason-

No. of Violation	Basic Amount of Penalty	Additional Penalty shall be Imposed for the Delay of the Compliance from Notification
1st and 2 nd violation	PhP50,000.00	a) More than 1 (one) month but less than three (3) months - 10% of the basic amount of penalty.
2nd and 3 rd violation	PhP100,000.00	b) Three (3) months to six (6) months - 50% of the basic amount of penalty.
4th and subsequent violations	PhP200,000.00	c) More than six (6) months - 50% of the basic amount of penalty for every month of delay

B. Submission of fraudulent reports/documents -

No. of Violation	Basic Amount of Penalty	Additional Penalty
1st violation	PhP200,000.00	a) 50% of the basic amount of penalty if there were financial benefits that may be derived as a result of the violation.
2nd violation	PhP300,000.00	b) 75% of the basic amount of penalty if the violation is intended to conceal illegal acts. c) 100% of the basic amount of penalty if the violation directly affects the consumers
3rd violation and subsequent violations	PhP500,000.00 and Cancellation of the Certificate of Public Convenience and Necessity (CPCN)	

The President and/or official/personnel of the distribution utility (DU) responsible for the submission of the fraudulent reports shall be subject to the following sanctions:

1st violation	A penalty of PhP100,000.00
2nd violation	A penalty of PhP200,000.00
3rd and subsequent violations	A penalty of PhP400,000.00

In cases where the same violation was committed for the second time or more, a distribution utility/person shall not be allowed to enter into compromise agreement.

SECTION 5. NON COMPLIANCE WITH THE PROVISIONS OF THE ACT AND ITS IRR, GRID AND DISTRIBUTION CODES AND RULES REGULATIONS, ORDERS, RESOLUTIONS AND OTHER LAWS OF THE ERC. Any person who has been found to have committed a violation of any provisions of the Act and its IRR, the Philippine Grid and Distribution Codes (PGDC) and rules, regulations, orders, resolutions and other laws the implementation and enforcement of which are assigned to the ERC, including but not limited to the following, shall be subject to the following sanctions:

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No. of violation	Basic Amount of Penalty	Additional Penalty Shall be Imposed for Any Willful Delay of the Implementation from Notification
1st and 2 nd violation	PhP100,000.00	a) 10% of the basic amount of penalty if the compliance was made after one (1) month from notice.
3 rd and 4 th violation	PhP300,000.00	b) 50% of the basic amount of penalty if the compliance was made after two (2) months from notice.
5 th and subsequent violations	PhP500,000.00	c) 100% of the basic amount of penalty if the compliance was made after three (3) months from notice.

The President and/or official/personnel of the distribution utility (DU) responsible for the commission of the violation shall be subject to the following sanctions:

1st violation	A penalty of PhP200,000.00
2nd violation	A penalty of PhP300,000.00

3rd violation and
subsequent violations

A penalty of PhP500,000.00

In cases where the same violation was committed for the second time or more, a distribution utility/person shall not be allowed to enter into a compromise agreement.

This Resolution shall take effect fifteen (15) days after publication in two (2) newspapers of general circulation in the country.

Pasig City,_____.

ZENAIDA G. CRUZ-DUCUT
Chairperson

RAUF A. TAN
Commissioner

ALEJANDRO Z. BARIN
Commissioner

MARIA TERESA A.R. CASTAÑEDA
Commissioner

JOSE C. REYES
Commissioner