

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

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

ERC CASE NO. 2008-055 MC

**NATIONAL POWER CORPORATION
(NPC),**

Respondent.

x-----x

ORDER

D O C K E T E D
Date: MAY 8 8 2008
By: W

WHEREAS, on February 24, 2003, the Commission issued an Order under ERC Case No. 2003-44 (*In the Matter of the Adoption of Generation Rate Adjustment Mechanism [GRAM] and Incremental Currency Exchange Recovery Adjustment [ICERA]*) promulgating new mechanisms on GRAM and ICERA;

WHEREAS, pursuant to Section 5 of the Implementing Rules of the GRAM, a utility shall file a deferred generation cost accounting application setting forth its calculations of the generation rate. For NPC, said filing shall be for a particular grid and shall be made every three (3) months;

WHEREAS, pursuant to Section 5 of the Implementing Rules of the ICERA, a utility shall file a deferred currency exchange accounting application setting forth its calculations of the ICERA. The filing shall be every three (3) months;



WHEREAS, the latest GRAM and ICERA applications of NPC covered the period February 2006 to June 2006;

WHEREAS, to date, NPC has not filed its GRAM and ICERA applications for the period July 2006 to March 2008 in violation of the aforesaid Order;

WHEREAS, the Commission has estimated a deferred accounting adjustment (DAA) for the period July 2006 to March 2008 by NPC in the amount of Ten Billion Pesos (PhP10,000,000,000.00) or equivalent to PhP0.20/kWh over-recovery;

WHEREFORE, respondent NPC is hereby directed to submit to the Commission, within fifteen (15) days from receipt hereof, its explanation under oath on why no administrative penalty should be imposed upon it, and/or criminal action instituted against its directors and officers for the aforesaid violation.

SO ORDERED.

Pasig City, May 7, 2008.

FOR AND BY AUTHORITY
OF THE COMMISSION:



ALEJANDRO Z. BARIN
Commissioner