

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 – 471 MC
RE: Failure to Implement
Unbundled Rates on Time**

PANAY ELECTRIC COMPANY, INC. (PECO)
Respondent.
X ----- X

D O C K E T E D
Date: **AUG 20 2008**
By: *[Signature]*

DECISION

On August 22, 2007, the Commission issued a Show Cause Order directing Panay Electric Company, Inc. (PECO), to explain why no administrative penalty and /or criminal action should be imposed upon it, and/or against its directors and officers, for its failure to implement on time its approved Unbundled Rates as per Commission's Decision dated May 19, 2004, in ERC Case Nos. 2002-07 and 2001-903, entitled "In the Matter of the Application for Authority to Revise/Unbundle Rates in Accordance with Section 36 of Republic Act No. 9136, with Provisional Authority.

On August 11, 2008, PECO submitted its Verified Explanation stating that the Unbundling Decision did not obtain finality until the expiration of the Temporary Restraining Order (TRO) on July 29, 2005 issued by the Court of Appeals. Hence,. it implemented the aforesaid Decision on August 2005 billing. Available records with the Commission confirm this.

[Handwritten signature]

Considering PECO's implementation of the approved unbundled rate on the next billing cycle upon expiration of the TRO, the imposition of penalty against it is unwarranted.

WHEREFORE, the foregoing premises considered, having been found in compliance with the Commission's directive to implement the Unbundled Rate, Panay Electric Company, Inc. (PECO) is hereby **EXONERATED** from any administrative liability.

SO ORDERED.

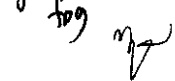
Pasig City, August 12, 2008

FOR AND BY AUTHORITY
OF THE COMMISSION:


ALEJANDRO Z. BARIN
Commissioner

Reference No. 2008 - D1 - D217

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Copy furnished:

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