

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



**IN RE: VIOLATION OF
RESOLUTION NO. 21, SERIES OF
2007 (NON/LATE PAYMENT OF
THE SUPERVISION AND
REGULATION FEES)**

ERC CASE NO. 2016-058 SC

**SULU ELECTRIC COOPERATIVE,
INC. (SULECO),**

Respondent.

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Promulgated:

SEP 05 2019

ORDER

On 12 August 2014, the Commission received the “Annual Audit Report on the ERC for the Calendar Year 2013” (2013 AAR) from the Commission on Audit (COA). In the said 2013 AAR, COA recommended to the Commission to consider more stringent sanctions or adopt other strategies to enforce the payment of the long overdue obligations of the Distribution Utilities (DUs) and if warranted, institute legal actions/remedies relative to the unpaid SRF and penalties of the fifty-seven (57) DUs. Acting on the said recommendation, a Show Cause Order (SCO) was issued on 02 February 2016, among others, to respondent Sulu Electric Cooperative, Inc. (SULECO).

A verification of the records of the Commission show the following:

- a) SULECO paid its 2009 and 2010 SRF in the total amount of PhP62,314.49, one of the subjects of the COA-AAR, on 22 January 2015¹, beyond the September 30, 2010 and September 30, 2011 deadline respectively;

¹ ERC OR. No. 000075.

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- b) For the said late payment, SULECO was assessed penalties, which is also the subject of the COA 2013 Annual Audit Report (AAR), as follows:

SRF	PENALTY (PhP)
2009	19,121.34
2010	18,813.69
Total	37,935.03

- c) The above penalties, including the additional penalties assessed until September 2014, in the total amount of PhP43,534.34 were duly settled by SULECO through Land Bank of the Philippines online collection payment on 27 March 2018, or more than one and a half (1 1/2) years after the lapse of the fifteen (15) day period to explain;
- d) SULECO is located in a remote area and presumably lacks the necessary technology and/or facilities that will facilitate SULECO's compliance with the ERC regulatory requirements; and
- e) SULECO is having a difficulty in paying its SRF, shown as follows:

YEAR	SRF (PhP)	DATE OF PAYMENT	O.R. No.	REMARK
2011	No SOA issued	-	-	-
2012	No SOA issued	-	-	-
2013	No SOA issued	-	-	-
2014	28,692.93	10/05/2016		late
2015	28,519.24	10/05/2016		late
2016	32,573.46	11/09/2017	11158	late
2017	35,326.19	09/27/2018	LBP	on-time


Considering the above premises, let a meeting or conference, in coordination with the National Electrification Administration (NEA), together with all other Distribution Utilities similarly situated be set to discuss and determine possible alternative measures to assist them in their compliance with the regulatory requirements of the Commission, including the payment of Supervision and Regulation

Fees, in a reasonable and just manner, among others, so as to avoid the imposition of administrative penalties in the future.

SO ORDERED.

Pasig City, 30 July 2019.

FOR AND BY AUTHORITY
OF THE COMMISSION:


AGNES VST DEVANADERA
Chairperson & CEO

brc
bcrc/rdd/sov/jap/bcs/fgb



Copy Furnished:

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