

****Title: Ilocos Norte Electric Cooperative, Inc. (INEC) vs. Energy Regulatory Commission****

****Facts:****

The case revolves around the Petition for Review on Certiorari filed by the Ilocos Norte Electric Cooperative, Inc. (INEC) against the Energy Regulatory Commission (ERC) concerning the Decision and Resolution issued by the Court of Appeals (CA). The CA had affirmed the ERC's earlier decision and order which directed INEC to refund its customers a significant amount representing overrecoveries in electric billings from 2004 to 2010.

The legal journey began with Republic Act No. 9136, known as the Electric Power Industry Reform Act of 2001 (EPIRA), which restructured the electric power industry and created the ERC. The ERC, then, issued various resolutions and guidelines to ensure transparent, reasonable prices of electric power services, and allow full recovery of all allowable costs. INEC filed its application for approval of its over/under-recoveries based on these guidelines, specifically, ERC Case No. 2011-023 CF.

The ERC ordered a substantial refund by INEC to its customers due to over-recoveries. Dissatisfied, INEC sought reconsideration, leading to a partial grant that adjusted the over-recovery figures but maintained the directive for a refund. INEC's continued appeal to the CA resulted in the affirmation of the ERC's decision, leading to the petition under review.

****Issues:****

1. Whether the CA erred in finding that INEC failed to prove ERC's negligence in verifying generation and system loss rates.
2. Whether the CA erred in not recognizing the violation of INEC's substantive due process rights through the ERC's retroactive application of Resolution 16-09.
3. Whether the CA erred in not finding that ERC gravely abused its discretion by denying INEC access to data and information used in the re-computation of over-recoveries, violating procedural due process.
4. Whether the CA erred in affirming ERC's computation of INEC's over-recoveries.

****Court's Decision:****

The Supreme Court found the petition to lack merit and affirmed the CA's decision. The Court clarified that issues raised for the first time on appeal cannot be entertained. It also established that the purported misapprehension of facts regarding the material dates for verification by the ERC was non-prejudicial and non-material. Regarding the retroactive application of Resolution 16-09, the Court held that it did not impair any vested rights of

INEC since it aligned with pre-existing guidelines that sought to ensure reasonable and transparent electricity pricing. Concerning procedural due process, it was determined that INEC was not denied the opportunity to present its case. Lastly, the Supreme Court deferred to the expertise and findings of the ERC on technical matters as they were supported by substantial evidence.

****Doctrine:****

The case reiterated doctrines on non-retroactivity of laws which do not prejudice any vested right or impose new obligations that could violate substantive due process rights. It also underscored the principle that findings of administrative bodies, if supported by substantial evidence, are accorded respect and finality, particularly on technical matters within their expertise. Additionally, the aspect of procedural due process with regard to administrative tribunals' discretion to withhold certain data from parties was touched upon, highlighting the balance between due process and regulatory bodies' mandates.

****Class Notes:****

1. ****Non-retroactivity of Laws and Regulations:**** A regulation is considered retroactive if it negatively affects vested rights, imposes new duties, or attaches new disabilities in respect of past transactions.
2. ****Substantive Due Process:**** Relates to the right against laws and regulations that impact vested rights without proper legal process.
3. ****Procedural Due Process in Administrative Bodies:**** Administrative bodies must provide fair processes, including the opportunity to be heard and challenge evidence.
4. ****Finality of Administrative Decisions:**** Technical findings of administrative bodies are accorded respect and finality if they are based on substantial evidence.
5. ****Rule on Raising Issues on Appeal:**** Parties cannot raise issues for the first time on appeal if they were not brought up in the proceedings below.

****Historical Background:****

This case illustrates the evolving regulatory landscape of the Philippine electric power industry post-EPIRA enactment. It showcases the complex interplay between regulatory bodies and utilities in the transition to a more competitive and transparent system. The discussion on the retroactive application of resolutions and the recognition of procedural due process rights in regulatory proceedings also highlight the judiciary's role in balancing public interest with private rights within the context of major industry reforms.