PHILIPPINE COMPETITION COMMISSION
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MERGERS AND ACQUISITIONS OFFICE OF THE PHILIPPINE COMPETITION COMMISSION,
Complainant,

- versus -

PILIPINAS ENTERPRISE MANAGEMENT HOLDINGS, INC. AND MERALCO POWERGEN CORP. (AS ATTORNEY-IN-FACT OF PILIPINAS ENTERPRISE MANAGEMENT HOLDINGS, INC.),
Respondents.
x----------x

PCC Case No. M-2026-001-ADM
Section 29(b) of the Philippine Competition Act

COMMISSION DECISION NO. 15-M-2026

THE CASE

Before the Commission is a *Complaint* filed by the Mergers and Acquisitions Office[1] (MAO) against Respondents Pilipinas Enterprise Management Holdings, Inc. (PEMHI) and MERALCO PowerGen Corp. (MGen) (collectively, the Respondents) for their failure to comply with the *Commitment Decision No. 017-M-2024* dated 20 December 2025 (Commitment Decision), particularly the Respondents' voluntary commitments as embodied in the *Undertaking* dated 19 December 2024 (Undertaking), in violation of Section 29(b) of the Philippine Competition Act (PCA).[2]

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1 *Complaint* dated 9 March 2026, filed on even date.

2 PCA, Section 29. *Administrative Penalties.* – [xxx]
(b) Failure to Comply with an Order of the Commission. – An entity which fails or refuses to comply with a ruling, order or decision issued by the Commission shall pay a penalty of not less than fifty thousand pesos (PHP 50,000.00) up to two million pesos (PHP 2,000,000.00) for each violation and a similar amount of penalty for each day thereafter until the said entity fully complies. Provided that these fines shall only accrue daily beginning forty-five (45) days from the time that the said decision, order or ruling was received. [xxx];
Schedule of fines was adjusted to fifty-five thousand pesos (PHP 55,000.00) up to two million two hundred thousand pesos (PHP 2,200,000.00) per violation pursuant to PCC Memorandum Circular No. 21-001 (19 January 2021).

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THE PARTIES

The MAO is the office of the Philippine Competition Commission (PCC or the Commission) that reviews mergers and acquisitions notified before the Commission.[3]

PEMHI is a corporation organized and existing under Philippine law. PEMHI is engaged in the purchase, acquisition, or investment in the shares of stock of a corporation, or partnership interest in a partnership.[4] It is the Ultimate Parent Entity (UPE) of Manila Electric Company (MERALCO).[5] The Retail Electricity Supplier (RES) entities under PEMHI are: (i) MPower Local RES; (ii) Cogent Energy; (iii) Clarion Energy Management Inc.; (iv) MeridianX, Inc. (Meridian); (v) Vantage Energy Solutions and Management, Inc.; (vi) Phoenix Power Solutions, Inc.; and (vii) Global Energy Supply Corporation (GESC) (collectively, MERALCO RES entities).

MGen is a wholly owned subsidiary of MERALCO and is primarily engaged in the business of power generation and/or transmission of electric energy and other sources for lighting and power purposes, and wholesale of electricity to power companies, distribution utility companies, electric cooperatives, retail electricity suppliers, aggregators, and other customers.[6] MGen is the attorney-in-fact of PEMHI with respect to the Undertaking.[7]

THE COMMITMENT DECISION

On 17 May 2024, the Respondents, along with other relevant entities[8] (collectively, the Parties), notified the subscription by MGen and Therma NatGas Power Inc. (Therma), through Chromite Gas Holdings, Inc. (Chromite), of an aggregate of 67% equity interest in each of South Premier Power Corp., Excellent Energy Resources, Inc., and Ilijan Primeline Industrial Estate Corp.; and the acquisition of shares by MGen and Therma, through Chromite and San Miguel Global Power Holdings Corp., of an aggregate of approximately 99.98% equity interest in Linseed Field Corporation (the

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3 PCA, Section 12. Powers and Functions. — The Commission shall have original and primary jurisdiction over the enforcement and implementation of the provisions of this Act, and its implementing rules and regulations. The Commission shall exercise the following powers and functions:[xxx]
(b) Review proposed mergers and acquisitions, determine thresholds for notification, determine the requirements and procedures for notification, and upon exercise of its powers to review, prohibit mergers and acquisitions that will substantially prevent, restrict, or lessen competition in the relevant market; [xxx].

4 Commitment Decision, p. 2.

5 *Supra* note 1, at par. 1.

6 *Supra* note 4.

7 *Supra* note 1, at par. 2.

8 Composed of PEMHI, Aboitiz and Company, Inc., Top Frontier Investment Holdings, Inc., and all entities that the foregoing control, directly or indirectly; Undertaking, p. 4.

Transaction) to the MAO.[9] During Phase 1 review, the MAO identified competition concerns, including the likelihood of coordinated effects in the sale of energy to distribution utilities (DUs) through the Competitive Selection Process, coordinated effects in the sale of generation companies of energy to RES entities, and unilateral exercise of market power in the supply of energy to DUs.[10]

On 20 December 2025, pursuant to Section 18 of the PCA[11] and Sections 2.11[12] and 12.2[13] of the PCC Rules on Merger Procedure (Merger Rules), the Commission issued the Commitment Decision accepting the voluntary commitments proposed by the Parties[14] to address the competition concerns identified. The dispositive portion of the Commitment Decision states:

> "ACCORDINGLY, the Commission resolves to ACCEPT the Voluntary Commitments of the Parties contained in the Undertaking submitted 19 December 2024, a copy of which is hereby attached to form part of this Decision. The Transactions are hereby ALLOWED to proceed **subject to strict compliance to the commitments and other terms and conditions provided in the Undertaking.**
>
> **The Parties are reminded that a breach of any commitment, term, or condition set forth in the Undertaking will be subject to fines, additional remedies, and such other measures as the Commission may deem necessary, including the nullification of this Decision.**
>
> SO ORDERED.
>
> 20 December 2024."[15] (Emphasis supplied)

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9 *Supra* note 1, at par. 5.

10 *Id.*

11 PCA, Section 18. Effect of Notification. — If within the relevant periods stipulated in the preceding section, the Commission determines that such agreement is prohibited under Section 20 and does not qualify for exemption under Section 21 of this Chapter, the Commission may:
(a) Prohibit the implementation of the agreement;
(b) Prohibit the implementation of the agreement unless and until it is modified by changes specified by the Commission.
(c) Prohibit the implementation of the agreement unless and until the pertinent party or parties enter into legally enforceable agreements specified by the Commission.

12 PCC Merger Rules, Section 2.11. At any time before the PCC has rendered a decision, merger parties may propose commitments that remedy, mitigate or prevent the SLC arising from the merger (see Section 12 of these Rules). If the PCC approves the proposed commitments, the merger may be allowed to proceed subject to the commitments accepted by the PCC.

13 *Id.*, Section 12.2. The PCC may accept remedies proposed by the parties concerned, issue conditions, require parties to modify the terms of their agreement, or to desist from a particular conduct or practice, as a requirement to the approval of their merger.

14 Contained in the Undertaking submitted on 19 December 2024.

15 *Supra* note 4, at p. 21.

THE RELEVANT ANTECEDENTS

Section 2.2 of the Undertaking requires the Parties to submit to the MAO, within fifteen (15) days from the end of each calendar quarter, copies of the Comparative Retail Electricity Market (CREM) reports submitted by the RES entities to the Energy Regulatory Commission (ERC).[16] Thus, from the effectivity of the Undertaking, the Parties, including the Respondents, are required to submit CREM reports every fifteenth (15th) day of the months of January, April, July, and October.[17]

For the First Quarter (Q1) CREM Report due on 15 April 2025, the Commission, upon the Respondents' request,[18] extended the period of submission for all MERALCO RES entities to 15 May 2025. Despite this extension, Respondents failed to submit GESC's Q1 2025 CREM Report.

For the Second Quarter (Q2) CREM Report due on 15 July 2025, the Respondents again failed to submit GESC's Q2 2025 CREM Report.

For the Third Quarter (Q3) CREM Report due on 15 October 2025, Respondent PEMHI submitted Meridian's Q3 2025 CREM Report on 17 October 2025, two (2) days after the deadline, and again failed to submit GESC's Q3 2025 CREM Report.

On 3 November 2025, the MAO sent a Notice to Explain to the Respondents, requiring them to explain why they should not be penalized under Section 29(b) of the PCA for their failure to comply with Section 2.2 of the Undertaking and why the Transaction should not be nullified under Section 11.4.1 of the Merger Rules.[19]

On 18 November 2025, Respondent PEMHI submitted an explanation,[20] stating that the delay in the submission of Meridian's Q3 2025 CREM Report was due to the need for extensive collation and review of information and documents sourced from different departments. Meanwhile, the non-submission of GESC's CREM Reports was due to "sheer oversight and the mistaken understanding" that GESC was not covered by the said commitment.[21]

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[16] Undertaking, Section 2.2. To address the concerns regarding coordinated effects in the sale by [Generation Companies] of energy to [Retail Electricity Supplier] Entities, the Notifying Groups undertake, for a period of five (5) years from Completion, to provide to the MAO, within fifteen (15) days from the end of each calendar quarter, copies of the Competitive Retail Electricity Market reports submitted by its RES entities to the ERC; *See also* note 1, par. 8.

[17] *Supra* note 1, at par. 11.

[18] Cogent Energy's Letter-Request for Extension dated 15 April 2025; Meridian's Letter-Request for Extension dated 15 April 2025; and MPower Local RES' Letter-Request for Extension dated 15 April 2025.

[19] *Supra* note 1, at par. 24; *See also Complaint*, Annex E.

[20] *Id.*, par. 25; *See also Complaint*, Annex F; *See also Comment*, Annex D.

[21] *Id.*

After the MAO clarified that the submission of GESC's CREM Reports was covered by Section 2.2 of the Undertaking, the Respondents submitted all pending CREM Reports of GESC on 18 November 2025.[22] Respondents apologized for these lapses and assured the Commission that it continues to take its commitments seriously, and that these lapses are due to simple human error, with no intent to disregard the significance of the Transaction and the Undertaking.[23]

For the Respondents' repeated failure to timely comply with Section 2.2 of the Undertaking, the MAO filed the subject *Complaint* on 9 March 2026, alleging that the Respondents committed four (4) counts of violation of Section 29(b) of the PCA, the details of which are summarized in **Table 1** below.

Table 1. Respondent PEMHI's Alleged Violations and the MAO's Recommended Fine.[24]

Entity	CREM Report	Due Date	Date of Submission	Number of Days of Delay	Violation of Section 29(b) of the PCA	The MAO's Recommended Fine (PHP)
Meridian	Q3 2025	15 October 2025	17 October 2025	2 days	1st Count	200,000.00
GESC	Q1 2025	15 April 2025	18 November 2025	215 days	2nd Count	21,500,000.00
	Q2 2025	15 July 2025		126 days	3rd Count	12,600,000.00
	Q3 2025	15 October 2025		34 days	4th Count	3,400,000.00
Total				**379 days**	**4 counts**	**37,900,000.00**

The MAO claims that the repeated and unsubstantiated delays in the submission of the CREM Reports by PEMHI, on their face, cannot be considered compliance with Section 2.2 of the Undertaking.[25] The Respondents' failure to submit CREM Reports effectively limited the PCC's opportunity to monitor the Transaction and promptly address any anti-competitive concerns that could have arisen during each compliance period.[26]

On 19 March 2026, the Commission issued a *Notice* directing the Respondents to file their verified comment within fifteen (15) days from receipt thereof. The *Notice* was personally served on the Respondents on 26 March 2026.

On 10 April 2026, the Respondents jointly filed their *Comment*[27] arguing that Section 29(b) of the PCA does not apply to the Commitment Decision, as it was rendered on

[22] *Supra* note 1, at par. 25.
[23] *Id.*
[24] *Id.*, p. 12.
[25] *Id.*, par. 39.
[26] *Id.*, par. 40.
[27] *Comment* dated 7 April 2026, filed on 10 April 2026.

the basis of the Undertaking, not on any of the prohibited acts of the PCA.[28] Further, Section 29(b) of the PCA penalizes failure or refusal to comply with a ruling, order, or decision of the Commission, not a delay in the submission of what was required to be submitted under a ruling, order, or decision. In this case, there was merely a delay in the submission of the CREM reports. These reports were submitted, albeit belatedly, and were never concealed or suppressed.[29]

The Respondents also claim that they substantially complied with the Commitment Decision, acted in good faith, and exerted earnest efforts to comply with the submission of the CREM Reports, given that only two (2) RES entities submissions (*i.e.,* GESC and Meridian) out of the seven (7) incurred in delay.[30] Such delay was made during the first year when the Respondents were all in the process of transition to ensure compliance with the Undertaking and the Commitment Decision, which included multiple parties, workstreams, and timelines.[31]

Furthermore, the Respondents claim that the period for the submission of the CREM Reports was not intended to be a firm deadline, as this was determined by them based on the prevailing circumstances at the time of the Undertaking. The period was always subject to the operational realities of the RES entities and inherent restrictions that complicate timely compliance with the requirements.[32] In fact, the ERC, through ERC Resolution No. 13, Series of 2024 (ERC Resolution), provides a longer period of twenty (20) days of the following month after the quarter for the submission of the CREM Reports.[33]

On 4 May 2026, the MAO filed its *Reply*,[34] arguing that the non-fulfillment of an obligation on a fixed date constitutes a failure.[35] The delay totaling 379 days should not be considered as substantial compliance to the Commitment Decision, as compliance came after the fact of discovery by the MAO. [36] To add, the Undertaking, which was proposed by the Respondents, presupposes that the Respondents performed their due diligence in identifying all the relevant RES entities in their Notifying Group.[37]

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[28] *Supra* note 27, at par. 1.04(ii).
[29] *Id.,* par. 3.05.
[30] *Id.*, par. 2.07.
[31] *Id.*, par. 2.08.
[32] *Id.*, par. 2.10.
[33] Omnibus Rules for Customer Choice Programs in the Retail Market, N4. Retail Suppliers –
N4.1. All Retail Suppliers shall submit to the ERC, without need of further notice, the following:
(a) A quarterly report providing for the information below, every 20th day of the following month after the quarter (e.g. April 20 for January to March report):
[xxx];
Supra note 27, at par. 2.13.
[34] *Motion to Declare Respondents in Default and Reply* dated 4 May 2026.
[35] *Id.*, par. 24.
[36] *Id.*, par. 48.
[37] *Id.,* par. 47.

The MAO also contends that the Commission has been flexible and granted all the numerous requests for extension by PEMHI to submit the CREM Reports of its RES entities.[38] Respondents cannot claim that the period under Section 2.2 of the Undertaking is suddenly flexible when the proposal for the period originated from them. Thus, strict compliance with prescribed deadlines is mandatory and cannot be made contingent upon a party's convenience.[39]

The MAO also filed a *Motion to Declare Respondents in Default* (Motion), alleging that in accordance with Sections 4.1 and 4.2 of the PCC Interim Guidelines during Periods of Community Quarantine (Interim Guidelines), electronic filings received beyond 5:00 PM shall be considered filed at 8:00 AM of the next business day. The last day for the Respondents to file their verified comment was 10 April 2026. Since the *Comment* was electronically filed on 10 April 2026 at 9:47 PM, the same was considered received by the Commission on 13 April 2026, at 8:00 AM,[40] and was, therefore, filed out of time. In effect, Respondents waived their right to contest the *Complaint* and their right to participate in the proceedings.[41]

In their *Comment and Opposition* filed on 8 May 2026,[42] the Respondents opposed and prayed for the denial of the Motion, arguing that the Interim Guidelines no longer apply, as no part of the country is presently under Community Quarantine. Through Proclamation No. 297, the President lifted the state of public health emergency throughout the Philippines due to COVID-19, ending all orders, memoranda, and issuances that were effective during the state of public health emergency.[43]

Respondents relied on the requirement under Section 4.12(a) of the 2017 Rules of Procedure of the PCC (PCC Rules of Procedure) that a soft copy of any pleading must be submitted via email within twenty-four (24) hours from the filing of the hard copy.[44] Respondents filed their *Comment* by registered mail on 10 April 2026.[45] The email sent on the same date, even if sent beyond 5:00 PM, was in compliance with the requirement that a soft copy of any pleading filed must be submitted via email within 24 hours from filing.[46]

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[38] *Supra* note 34, at par. 53.
[39] *Id.*, par. 55.
[40] *Id.*, par. 12.
[41] *Id.*, par. 14.
[42] *Comment and Opposition* dated 8 May 2026, filed on even date.
[43] *Id.*, par. 1.05.
[44] *Id.*, par. 2.01.
[45] *Id.*, par. 2.02; *See also Comment and Opposition*, Annex 1 and Annex 1-A.
[46] *Id.*, par. 2.02.

THE ISSUES

1. Whether Respondents PEMHI and MGen filed their *Comment* on time; and

2. Whether there exists substantial evidence to hold the Respondents PEMHI and MGen liable for violation of Section 29(b) of the PCA.

THE DISCUSSION

Respondents filed their Comment on time

Records show that Respondents filed their *Comment*: (i) via registered mail, with the post office stamp indicating that the date of mailing was on 10 April 2026; and (ii) via email on 10 April 2026 at 9:47 PM.[47]

Section 15.1 of the Merger Rules, in relation to Section 4.12 of the PCC Rules of Procedure, allows the filing of pleadings via registered mail. The filing of a pleading via registered mail shall be proved by the affidavit of the person who did the mailing, containing a full statement of the date and place of depositing the mail in the post office in a sealed envelope addressed to the PCC. Further, applying suppletorily the 2019 Rules of Civil Procedure, the date of mailing of pleadings as shown by the post office stamp on the envelope or the registry receipt, shall be considered as the date of their filing.[48]

Respondents filed their *Comment* via registered mail on 10 April 2026, within the prescribed period. This was evidenced by (i) the *Affidavit of Service* of their messengerial staff,[49] detailing that the *Comment*[50] and *Entry of Appearance* were deposited in Mall of Asia (MOA) Extension Post Office on 10 April 2026,[51] and (ii) the post office stamp in the envelope bearing the date of mailing of the *Comment*, that is, 10 April 2026.

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47 *Supra* note 27.

48 2019 Rules of Civil Procedure, Rule 13, Section 3. *Manner of filing.* – The filing of pleadings and other court submissions shall be made by: [xxx]
(b) Sending them by registered mail; [xxx]
[xxx] In the second and third cases, the date of the mailing of motions, pleadings, and other court submissions, and payments or deposits, as shown by the post office stamp on the envelope or the registry receipt, shall be considered as the date of their filing, payment, or deposit in court. The envelope shall be attached to the record of the case. [xxx] (Emphasis supplied)

49 *Affidavit of Service* dated 10 April 2026 executed by Ricky T. Malipot, messenger at Picazo Buyco Fider Santos & Dee Law Offices.

50 Filed with the Respondents' *Entry of Appearance* dated 7 April 2026.

51 *Supra* note 42, at par. 2.02; *See also Comment and Opposition*, Annex 1 and 1-A.

Section 4.12(a) of the PCC Rules of Procedure also allows for the submission of soft copies of all pleadings simultaneously or within twenty-four (24) hours from the filing of the hard copy. Thus, the subsequent filing of the Respondents via email, even beyond business hours, is allowed.

Even if the Commission only applies the Interim Guidelines as a basis, the *Comment* would still be admitted. While procedural rules are essential in the administration of justice, their strict and rigid application, which would result in technicalities that tend to frustrate, rather than promote, substantial justice must be avoided.[52] As such, a strict and rigid application of the filing schedule under the Interim Guidelines that may result in the non-admission of the Respondents' *Comment* would amount to a deprivation of their right to due process and hence should be avoided.

Respondents are liable for three (3) counts of failing to comply with the Decision of the Commission

Section 29(b) of the PCA pertains to the failure or refusal to comply with a ruling, order, or decision of the Commission, *viz*:

> "An entity which fails or refuses to comply with a ruling, order or decision issued by the Commission shall pay a penalty of not less than fifty thousand pesos (P50,000.00) up to two million pesos (P2,000,000.00) for each violation and a similar amount of penalty for each day thereafter until the said entity fully complies. Provided that these fines shall only accrue daily beginning forty-five (45) days from the time that the said decision, order or ruling was received."

Based on PCC Memorandum Circular No. 21-001 dated 19 January 2021 (MC 21-001), the foregoing schedule of fines was adjusted to range from fifty-five thousand pesos (PHP 55,000.00) up to two million two hundred thousand pesos (PHP 2,200,000.00) per violation.

For a violation of Section 29(b) of the PCA to arise, the following elements must concur:

(1) There is a ruling, order, or decision issued by the Commission; and

(2) The entity fails or refuses to comply with the said ruling, order, or decision.

[52] *Barroga v. Data Center College of the Philippines*, G.R. No. 174158, 27 June 2011.

A Commitment Decision falls under the ambit of Section 29(b) of the PCA

Pursuant to Section 11.4,[53] in relation to Section 12.5.6,[54] of the Merger Rules, the Commitment Decision was issued to reflect the deliberation and acceptance by the Commission of the Respondents' voluntary commitments contained in the Undertaking. Based on the said accepted voluntary commitments, the Transaction was allowed to proceed, subject to strict compliance with the commitments and other terms and conditions provided in the Undertaking.[55]

Contrary to the Respondents' contention, there is no mistaking that the Commitment Decision is a *decision* on the Transaction that was subject of a merger review. The Commitment Decision was issued as a result of the Commission's competition assessment of the proposed commitments and their sufficiency to address the identified competition concerns. There is no reason to carve it out from the purview of Section 29(b) of the PCA.

Moreover, in the signed Undertaking submitted by the Respondents to the Commission and thereafter incorporated as an integral part of the Commitment Decision, the Respondents expressly subjected themselves to the application of Section 29 of the PCA, particularly paragraphs (b), (c), and (d) thereof.[56] The Commitment Decision itself also provides that a breach of any commitment, term, or condition set forth in the Undertaking will be subject to fines, particularly those provided in Section 29 of the PCA,[57] and such other measures as the Commission may deem necessary.[58]

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[53] PCC Rules on Merger Procedure, 11.4. Commitment Decisions. On the basis of commitments proposed by the parties pursuant to Section 12 of these Rules, the Commission may issue a commitment decision that is binding without concluding whether the merger is prohibited.

[54] *Id.,* 12.5.6. The PCC will adopt a Commitment Decision once it decides to accept the commitments of the merger parties.

[55] *Supra* note 4, at p. 21.

[56] Undertaking, Section 4.1. "The Notifying Groups shall cooperate with the PCC in good faith and do all things reasonably necessary to comply with the terms of this Undertaking.
The Notifying Groups agree to be subject to the provisions of the PCA and its implementing rules and regulations and other relevant PCC regulations relating to fines and penalties, particularly paragraph (b), (c) or (d) of Section 29 of the PCA [xxx]." (Emphasis supplied)

[57] *Id.*

[58] *Supra* note 4, at p. 21.

Respondents failed to comply with the Commitment Decision for their belated submission of GESC's Q1, Q2, and Q3 CREM Reports

A reading of Section 2.2 of the Undertaking establishes that the Respondents are required to provide the MAO copies of CREM Reports that have been submitted to the ERC within fifteen (15) days from the end of each calendar quarter.

The MAO alleges that the Respondents committed four (4) counts of violation of Section 29(b) of the PCA for the belated submission of Meridian's Q3 CREM Report,[59] and GESC's Q1 to Q3 2025 CREM Reports.[60]

For Meridian's Q3 2025 CREM Report, the Commission finds that the two-day delay in its submission warrants relaxation of the rules[61] and considers the submission as substantially compliant[62] with Section 2.2 of the Undertaking.[63] In this particular instance, the two-day delay did not deprive the Commission, through the MAO, the opportunity to review Meridian's CREM Reports and timely monitor any possible anti-competitive conduct. However, despite this relaxation, strict compliance with the Commitment Decision remains the general rule.

Thus, the Commission finds that the Respondents committed three (3) counts of violation of Section 29(b) of the PCA for its belated submission of GESC's Q1, Q2, and Q3 CREM Reports as required under Section 2.2 of the Undertaking:

(1) GESC's Q1 CREM Report,[64] for a total delay of 215 days;
(2) GESC's Q2 CREM Report,[65] for a total delay of 126 days; and
(3) GESC's Q3 CREM Report,[66] for a total delay of 34 days.

Respondents' alleged oversight and human error for the belated submission of the CREM Reports are not valid justifications for the belated compliance with the voluntary commitments.

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[59] Delay of two (2) days.
[60] Total delay of 375 days.
[61] *Security Bank Corporation v. Indiana Aerospace University*, G.R. No. 146197, 27 June 2005.
[62] Substantial compliance is defined as compliance with the essential requirements, whether of a contract or a statute; *Alvarez v. People*, G.R. No. 192591, 30 July 2012.
[63] The Respondents exerted efforts to duly comply with the subject deadline and prevent the delay from occurring by persistently following up the submission of Meridian's Q3 2025 CREM Report; *Comment*, par. 2.04, Annex D.
[64] Due on 15 April 2025, submitted on 18 November 2025.
[65] Due on 15 July 2025, submitted on 18 November 2025.
[66] Due on 15 October 2025, submitted on 18 November 2025.

Based on Section 2.2 of the Undertaking, it is clear that the Respondents are required to submit CREM Reports within fifteen (15) days from the end of each quarter (*i.e.,* 15 April, 15 July, and 15 October). The MAO has established, and Respondents do not dispute, that there was a clear delay on the part of Respondent. It was clearly established that Respondents incurred delays of 215 days, 126 days, and 34 days in the submission of GESC's Q1, Q2, and Q3 CREM Reports, respectively. These delays constitute a failure to timely comply with the Commitment Decision and the Undertaking.

Further, Respondents cannot rely on the ERC's Resolution to justify the inordinate delay in the submission of the required CREM Reports. The period provided in the Undertaking is binding, notwithstanding the issuance and effectivity of the ERC Resolution on 6 September 2024. Respondents cannot invoke flexibility under the said Resolution, considering that the proposed period of compliance[67] originated from the Respondents, and that they failed to propose an alternative deadline despite ample opportunity to do so prior to the perfection of the Undertaking on 20 December 2024.

The Commission emphasizes that the Undertaking was voluntarily signed, executed, and submitted by the Parties, including the Respondents, as a condition to the Commission's approval of the Transaction. As such, the Respondents are expected to comply with its terms and timelines in good faith.

Fines

Section 29 of the PCA, in relation to MC 21-001, provides for a fine of not less than fifty-five thousand pesos (PHP 55,000.00) to two million two hundred thousand pesos (PHP 2,200,000.00)[68] for failure to comply with a ruling, order, or decision of the Commission. In determining the appropriate administrative penalty, the Commission considered the following: (1) the duration of non-compliance;[69] (2) the fact that the affected market belongs to the priority sectors pre-identified by the Commission;[70] and (3) the need to deter the Respondents from engaging in a similar conduct.[71]

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67 *Supra* note 4.

68 Schedule of fines adjusted by PCC Memorandum Circular No. 2021-002.

69 PCC Rules of Procedure, Section 6.3. *Computation of the fine.* — Unless otherwise provided in this Section, the Basic Fine shall be up to thirty percent (30%) of the Relevant Turnover of the Respondent, depending on the gravity of the violation, multiplied by the duration of the infringement in years: [xxx].

70 For 2024 to 2028, the identified priority sectors are as follows: (1) water; (2) food and agriculture; (3) health and pharmaceuticals; (4) transportation and logistics; (5) telecommunications, financial services, and digital platforms; and (6) energy.

71 PCC Rules of Procedure, Section 6.4(c). Other relevant factors. – The amount of fine to be imposed may be adjusted, on a case-by-case basis, to deter the Respondents as well as other Entities from engaging in anti-competitive practices.

ACCORDINGLY, the Commission finds Pilipinas Enterprise Management Holdings, Inc. and MERALCO PowerGen Corp. **LIABLE**, jointly and severally, for administrative penalties under Section 29(b) of the PCA for a total fine of **FIVE MILLION EIGHT HUNDRED THOUSAND PESOS (PHP 5,800,000.00)** computed as follows:

i. **TWO MILLION TWO HUNDRED THOUSAND PESOS (PHP 2,200,000.00)** for the delay totaling 215 days in the submission of GESC's Q1 2025 CREM Report;

ii. **ONE MILLION NINE HUNDRED THOUSAND PESOS (PHP 1,900,000.00)** for the delay totaling 126 days in the submission of GESC's Q2 2025 CREM Report; and

iii. **ONE MILLION SEVEN HUNDRED THOUSAND PESOS (PHP 1,700,000.00)** for the delay totaling 34 days in the submission of GESC's Q3 2025 CREM Report.

The Respondents are hereby **ORDERED** to pay the total fine within fifteen (15) days from receipt of this Decision. The Respondents are also reminded to strictly comply with the terms of its Undertaking and Commitment Decision. Any repetition of the same or similar infraction in the future shall be dealt with more severely.

Failure to comply with this Decision may result in the imposition of additional fines, which shall accrue for each day of non-compliance pursuant to Section 29(b) of the PCA.[72]

SO ORDERED.

11 June 2026.

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[72] PCA, Section 29. *Administrative Penalties.* – [xxx]
(b) Failure to Comply with an Order of the Commission. – An entity which fails or refuses to comply with a ruling, order or decision issued by the Commission shall pay a penalty of not less than fifty thousand pesos (PHP 50,000.00) up to two million pesos (PHP 2,000,000.00) for each violation and a similar amount of penalty for each day thereafter until the said entity fully complies. Provided that these fines shall only accrue daily beginning forty-five (45) days from the time that the said decision, order or ruling was received. [xxx];
Schedule of fines was adjusted to sixty thousand pesos (PHP 60,000.00) up to two million five hundred thousand pesos (PHP 2,500,000.00) per violation pursuant to PCC Memorandum Circular No. 26-002 (16 April 2026).

(*Original Signed*)
MICHAEL G. AGUINALDO
Chairperson

(*Original Signed*)
MARAH VICTORIA S. QUEROL
Commissioner

(*On leave*)
MICHAEL B. PELOTON
Commissioner

(On official business)
LOLIBETH RAMIT-MEDRANO
Commissioner

(*Original Signed*)
FERDINAND M. NEGRE
Commissioner

Copies furnished:

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