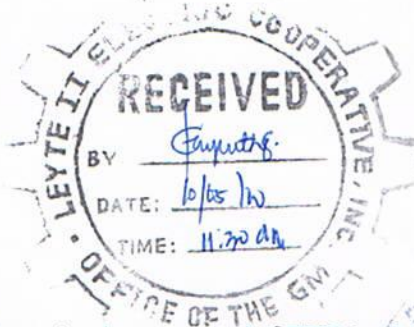


NASECORE

National Association of Electricity Consumers for Reforms
Tacloban City Regional Office
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October 5, 2010

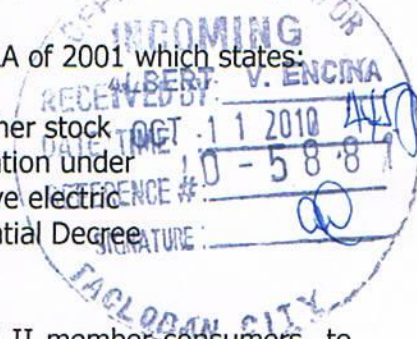
ATTY. JERRY GWEN CONDE, CPA
General Manager LEYECO II
Real St., Sagkahan, Tacloban City



Dear Atty. Conde,

This pertains to Chapter 7 Sec. 57 of RA 9136, otherwise known as the EPIRA of 2001 which states:

"Electric Cooperatives are hereby given the option to convert into either stock cooperative under the Cooperative Development Act or stock corporation under the Corporation Code. Nothing contained in this Act shall deprive electric cooperatives of any privilege or right granted to them under Presidential Decree No. 269, as amended and other existing laws."



As you very well know, it is the general sentiment of the LEYECO II member-consumers to have their patronage capital contributions, on a monthly and on a per kilowatt-hour bases, recorded in LEYECO II's books of accounts in accordance with our By-Laws in recognition of their joint ownership. Knowing that registration as a stock cooperative under the Cooperative Development Act will result to that recognition of ownership, a benefit to the member-consumers, among others, we would like to exercise our option to choose registration as a stock cooperative under the said Act.

In this regard, may we know what steps LEYECO II has taken since the passage of the EPIRA in compliance with the provision cited above up to the present? Further, may we be given copy of document/s that will show that LEYECO II is complying with the above cited provision?

Should the LEYECO II management fails to provide us answers and documents that will show that it is complying diligently with the above cited provision within 15 days from receipt hereof, we will interpret it as LEYECO II's abdication of its mandate and we will be constrained to seek relief in order to protect us from being denied the option due us.

Thank you.

Very Truly Yours,



Catalina P. Abeto
CATALINA P. ABETO, CPA, DM
President, NASECORE-LEYECO II Chapter

- Cc: Board of Directors, LEYECO II
Hon. Zenaida C. Ducut
Hon. Edita s. Bueno, NEA Administrator
✓ Hon. Alfred S. Romualdez, Mayor, Tacloban City
✓ Hon. Remedios L. Petilla, Mayor, Municipality of Palo, Leyte
✓ Hon. Charita M. Chan, Mayor, Municipality of Babatngon, Leyte
Pete L. Ilagan, NASECORE President
Files

NOTED by:
[Signature]
SERVANO