



National Association of Electricity Consumers for Reforms
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06 August 2007

HON. EDITA S. BUENO
Administrator
National Electrification Administration
Diliman, Quezon City

Registry Receipt No. 201
Domestic Airport Post Office
August 7, 2007

Dear Administrator Bueno:

Greetings!

We acknowledge receipt of Deputy Administrator Pan's letter dated 02 May 2007, apparently in reply to our letter to the Honorable Administrator dated 26 February 2007.

The letter of Deputy Pan refers to a portion of the Honorable Administrator's letter addressed to the Leyte II Electric Cooperative, Inc. (Leyeco II) which reads, "*Wherefore, in sum, and with respect to Board Resolution Nos. 001 and 002, the General Manager and all the members of the Board of Directors who allowed the disbursement and who actually received the subject benefits without first awaiting this agency's approval thereto are hereby REPRIMANDED and STERNLY WARNED that a harsher penalty shall be imposed upon a repetition of the same or similar act.*"

We appreciate NEA's action on the matter but we find the decision very much passive, least stringent and disappointingly almost lenient, in so far as truly protecting the member-owners of Leyeco II is concerned. The decision came by silent and lacked the imperative authority of what is expected from the Administration to have imposed stricter penalty on how the illegal disbursement of the P 2,797,190.50, used as payment of the 2005 14th month pay/Productivity Incentive Bonus (PIB) , should be returned to the cooperative's ailing coffer.

Further, it occurred to us that had not a concerned consumer acted on this issue, the illegal disbursements would have gone and passed by NEA's attention which could have inflicted more abusive acts to the detriment of the coop's member-owners.

What makes the issue at hand more serious is the admission of GM Conde in his 13 February 2007 letter to Deputy Administrator Pan in item 2.6.1. which reads, *"In the case of LEYECO II, the same benefit has been consistently given by the EC to all officers and regular employees of the cooperative since 1999."* This admission clearly establishes the same illegal disbursements had been going on for the years he had mentioned in his letter in utter disregard of NEA's guidelines.

With such admission of illegal disbursements amounting to more millions of pesos, we believe it is imperative upon NEA to motu proprio take action against the general manager of Leyeco II, being the agency's extension in ensuring sound management of the cooperative if only to prove its seriousness in protecting the member-consumers. Such illegal acts have no place in the government's desire to weed out corruption in its ranks including government controlled-electric cooperatives.

In closing, may we respectfully reiterate our request of swift justice that will more suitably penalize Leyeco II's GM of his grave misconduct, and that the illegally disbursed PIB Bonus of P2,797,190.50 be immediately returned to the coffers of the electric cooperative for the sake of its hapless member-consumers.

Thank you very much.

Very truly yours,

PETE L. ILAGAN

President

Cc: DOE Secretary Angelo T. Reyes
ERC Chairman & Commissioners