

Received by ERC on  
January 6, 2010



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January 06, 2010

**HON. ZENAIDA C. DUCUT**

*Chairperson*, Energy Regulatory Commission  
Pacific Center Bldg. San Miguel Avenue  
Pasig City

**Dear Chairperson Ducut:**

Greetings!

This refers to the news item entitled “Meralco rate hike offset by less systems losses Reduced generation charge also cited”, (PDI, 12/29/2009) where Ms. Ivanna De La Pena, Head of Utility Economics, MERALCO, was quoted as saying that “the company’s independent power producers’ Sta. Rita and San Lorenzo natural gas plants had already met their contracted levels of natural gas for 2009 in November and were already starting to use the so-called “banked gas.” This is lower-priced, as it reflects price levels in 2002-2003.” (news item attached)

The mention of “banked gas” brings back to mind our letter to the Honorable Chairperson dated December 5, 2008 requesting for a public consultation on the “banked gas” of MERALCO with its two (2) IPPs, Sta. Rita and san Lorenzo.

We received a reply dated 06 January 2009 in your behalf from Atty. Francis Saturnino C. Juan, ERC Executive Director, informing that, instead of our requested consultation, the Honorable Commission shall direct MERALCO, within ten (10) days from its receipt of the ERC’s letter-directive, to explain in detail how this arose, under what covenants and conditions banked gas may be availed of, and the impact thereof on its costs.

We would like to inform the Honorable Commission that as of today, exactly a year after, Nasecore has not received yet copy of Meralco’s compliance with this ERC letter -directive which was in lieu of our requested public consultation.

In this regard, may we request copy of Meralco's compliance as per the ERC letter-directive?

We hope we will get our copy the soonest possible time.

Thank you and God bless.

Very truly yours,

**PETE L. ILAGAN**  
*President*