



National Association of Electricity Consumers for Reforms, Inc. (NASECORE)

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HON. FRANCIS SATURNINO C. JUAN

Executive Director

Energy Regulatory Commission

Pacific Ctr. Bldg, San Miguel Ave.

Ortigas Center, Pasig City

Delivered via Registered Mail
Registry Receipt No. 58
Domestic Airport Office

Dear Executive Director Juan,

Greetings!

We would like to thank the Honorable Commission for its reply dated 03 November 2010 through Executive Director Juan to our letter dated November 03, 2010.

Its explanation that expenses related only to the provision of electricity are considered in rate setting is well taken but we can not help but find such explanation as a clever way of avoiding our simple request as contained in our letters of 08 October and 02 November 2010.

While the reply assures consumers that expenses not required for the efficient provision of distribution electricity (like expenses for maintaining the MERALCO Bolts) is not and will never be considered for rate-making purposes, it, disappointingly, did not address our request for the Commission to direct MERALCO to show proof, like the copy of the contract of the individual team members and photocopy of the check it paid to the Philippine Basketball Association (PBA), including the salary of the team coach, assistant coaches, players and team staff rates, that the money used for the MERALCO Bolts does not come MERALCO funds?

We can not understand why the Commission will still have to wait for MERALCO to file a new rate adjustment when, under the PBR, MERALCO, applied for a yearly rate increase for four (4) consecutive years for what the Commission describes as a regulatory period and under which MERALCO was granted an annual maximum average price (MAP).

It is difficult to understand why the Commission deviates from directly addressing our request when the Electric Power Industry Reform Act (EPIRA) gave it sufficient quasi-judicial powers to ensure consumer protection from market power abuse of any power utility.

This is the kind of ERC attitude that leads consumers to perceptions of regulatory capture. We hope the Commission can be more conscientious in discharging its duties in protecting consumer interest.

For the 3rd time, may we reiterate our request for the Honorable Commission to use its investigative and quasi-judicial powers by directing MERALCO to show proof, like the copy contract of the individual team members and photocopy of the check it paid to the PBA, including the salary of the team coach, assistant coaches, players and staff , that the money used for the MERALCO BOLTS does not come from MERALCO funds?

Failure of the Commission to do this would be tantamount to gross negligence disadvantageous the consumers.

We look forward to the Commission's most favorable reply.

Thank you.

Very truly yours,

signed
Cathy M. Go
Head, Media and Communications