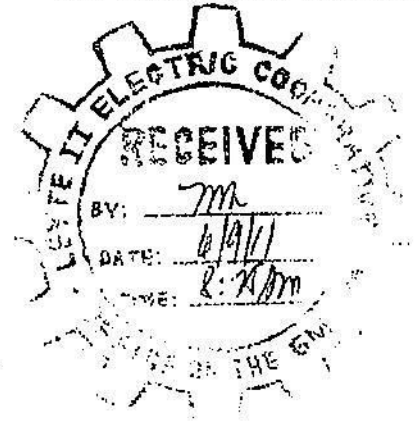


NASECORE

National Association of Electricity Consumers for Reforms
Leyeco II Chapter
208-F Real St., Brgy. 53, Tacloban City

June 8, 2011

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



ATTENTION: THE BOARD OF DIRECTORS

SUBJECT: VALUE ADDED TAX (VAT) COLLECTIONS

Dear Atty. Conde,

Our records show that on October 15, 2010, we sent you a letter requesting for the yearly total collection of LEYECO II from the Value Added Tax on a per electricity charge basis from 2006 up to present.

Owing perhaps to your multi-positions and work, you overlooked to favor us with a reply so we thought of sending a follow up letter on November 25, 2010 reiterating our request. However, the same was not given due attention which only reflect an unfriendly and negative attitude contrary to the transparency and accountability called for in the ongoing restructuring of the power industry. This is made worse when we think of the huge amount involved in these VAT collections as the arrogance in your silence lead us to suspect that there may be something irregular in the handling of these huge collections from the consumers. We pray there is none.

Perhaps, it may help transform the unfriendly attitude we are getting from you by reminding you that you have been hired and appointed by the National Electrification Administration (NEA), a government-controlled corporation created during the dreaded Martial Law regime, to serve the best interests of the cooperative's member-consumers who are the joint owners of LEYECO II. This is so because all the capital needed by LEYECO II to ensure its viable operations are provided for by its member-consumers, including its debt servicing and capital expenditures and energization and electrification of Barangays/Sitios/Puroks. And one of the services expected from a general manager like you is the implementation of the policy on transparency and accountability which is an important factor in efficient operations of a monopolist utility.

Perhaps, it will help transform your attitude to be consumer-friendly by reminding you that the operations of LEYECO II is imbued with public interests especially that it is under the direct control and supervision of NEA by virtue of Section 3, 5, and 7 of Presidential Decree 1645 amending Presidential Decree 269. And as its GM, you are expected to conduct yourself in a manner that will make the member-consumers proud of their Cooperative and their GM. Don't you?

This will be our last request and we sincerely hope you will turn away from your "lording it over" attitude and learn to be consumer-friendly. Should you still persist on ignoring this request for the total LEYECO II collections from the Value Added tax (VAT), then you will lead us to believe that there are irregularities in the handling of these VAT collections and you will be leaving us no option but to seek relief from the agencies which have authority over LEYECO II.

We look forward to your favorable and immediate reply.

Thank you.

Very truly yours,



ERLINDA L. BUTALID

President, NASECORE Leyeco II Chapter

cc: Hon. Paquito Ochoa, Executive Secretary
Hon. Jose Rene D. Almendras, Secretary, Department of Energy
Hon. Zenaída C. Ducut, ERC Chairperson
Hon. Edita S. Bueno, NEA Administrator
Hon. Sergio Osmena III, Chair-Senate Committee on Energy
Hon. Henedina Abad, Chair-House Committee on Energy
Hon. Jose R. Ping-ay, Chair-House Committee on Cooperative development
Hon. Isidro Lico, Representative, Ating Koop Part list
Hon. Ponciano Payuyo, Representative, APEC Party List
Hon. Ferdinand Martin Romualdez, Representative 1st District Leyte
Hon. Florencio G. Noel, Representative, An Waray Party List
Hon. Jericho L. Petilla, Governor, Leyte
Hon. Ma. Mimieta S. Bagulaya, Vice-Governor, Leyte
Hon. Members of the Sangguniang Panlalawigan, Province of Leyte
Hon. Vincent Emnas, Leyte Provincial Administrator
Hon. Alfred S. Romualdez, Tacloban City Mayor
Hon. Arvin Antoni, Tacloban City Vice-Mayor
Hon. Members of the Sangguniang Panglunsod, Tacloban City
Hon. Remedios L. Petilla, Mayor Municipality of Palo
Hon. Members of the Sangguniang Bayan, Municipality of Palo
Hon. Charita M. Chan, Mayor Municipality of Babatngon
Hon. Members of the Sangguniang Bayan, Municipality of Babatngon
Pete Ilagan, Nasecore President
Member Consumers
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