



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

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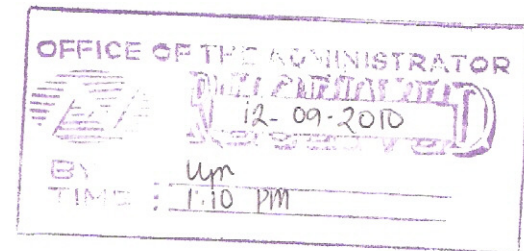
08 December 2010

HON. EDITA S. BUENO

Administrator, National Electrification Administration
NIA Road, Government Center
Diliman, Quezon City

Dear Administrator Bueno,

Greetings!



This refers to the country's rural electrification program which started thirty-seven (37) years ago through the electric cooperatives (ECs) which NEA organized in accordance with its mandate under Presidential Decree 269 which was later amended by Presidential Decree 1645 which broaden its lending and regulatory powers.

Both the lending and regulatory powers of NEA have helped it in pursuing its mandate except that majority of these electric cooperatives have failed in paying back its debts to NEA which also clearly and disappointingly showed NEA's weakness as a lending and supervising institution. This is very unfortunate considering the monopolistic nature of the business that placed all the consumers, within their respective franchise areas, captive.

The condonation of the debts of the ECs as provided for by the Electric Power Industry Reform Act (EPIRA) effectively bailed out NEA from its inability to ensure the financial viability of most of the electric cooperatives as this has effectively cleaned up the books of the electric cooperatives and gave them a fresh start anew.

We are puzzled, however, that NEA has resumed its lending functions after the debt condonation when electric cooperatives can go to any lender who will deal with them in a very business-like manner that they will be compelled to behave and think as a business organization.

Nevertheless, in order to protect NEA's financial exposure to the ECs which are shouldered by the consumers through their monthly rate payments, we would like to be furnished with certain data and documents.

In this regard, may we reiterate our request dated November 18, 2010 that we be furnished detailed summary of the individual loans availed of by each of the electric cooperatives from 2003-2010 and copy of the loan contracts between NEA and the eleven (11) electric cooperatives in Region VIII from 2003-2010, if there are any?

Further, may we be furnished NEA's total loans to each of the electric cooperative from the start of their operations up to the passage of the EPIRA, including the debts condoned?

We hope you will give this request your immediate and favorable response.

Thank you and more power!

Very truly yours,

A handwritten signature in black ink, appearing to be 'PA', with a long horizontal line extending to the right.

PETE L. ILAGAN
President

cc: Hon. Juan Ponce Enrile, Senate President
Hon. Vicente C. Sotto III, Majority Floor Leader, Philippine Senate
Hon. Alan Peter S. Cayetano, Minority Floor leader, Philippine Senate
Hon. Rene D. Almendras, DOE Secretary
NASECORE Chapter Presidents