



National Association of Electricity Consumers for Reforms

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11 December 2006

HON. EDITA S. BUENO

Administrator

National Electrification Administration

Diliman, Quezon City

Dear Administrator Bueno:

Greetings!

This refers to our letter of 15 September 2006 where we stated our position that Leyeco II does not qualify from giving its officers and employees a Productivity Incentive Bonus (PIB) on the ground that it was not able to comply with the requirements under the NEA Revised Guidelines on Benefits, Allowances and Other Incentives to EC Officers and Employees.

What is behooving is that NEA immediately disapprove Leyeco II's request for the approval of its Board Resolution No. 110, S. 2006 entitled "*Resolution Approving the Appropriation of the amount of P2, 797,190.50 to Cover the Cost of Productivity Incentive Bonus (PIB) for the year 2005 of Leyeco II Officers and Regular Employees*" transmitted to NEA on 04 April 2006 .

The reply of NEA in its letter of 02 October 2006 through **Ms. Nora I. Rivera** gives us the notion that NEA, after six (6) months from the time of Leyeco II's transmittal, has not yet acted on Leyeco II's request. We find this delay hard to believe as this leaves us under a puzzling impression that something is amiss given that NEA is consistently prompt in granting our letters very timely response.

In light of this seeming inconsistency, we are constrained to believe that NEA had already disapproved this Leyeco II request but is just hesitant to admit so, for the reason that may put the management of Leyeco II in a very bad light. If our misgiving is correct, then NEA

will be liable for covering up a violation of Leyeco II management under the above-mentioned NEA's Revised Guidelines.

In order to take this unpleasant suspicion off our minds to our growing fear that something indeed might be muddled, may we ask NEA to immediately favor us with a copy of its decision disapproving Leyeco II's request for approval of its Board Resolution No. 110, S 2006 on the basis of the highest integrity demanded of public servants?

Thank you so much.

Very truly yours,

PETE L. ILAGAN

President

Cc: Hon. Raphael P.M. Lotilla, DOE Secretary and Chairman, NEA Board of Administrators
ERC Commissioners
Francisco G. Silva, Presidential Adviser on Rural Electrification
Leyeco II Board of Directors