



National Association of Electricity Consumers for Reforms, Inc.

Unit 616 Roxas Seafront Gardens, Roxas Blvd.,

Pasay City 1300 Philippines

Phone No.: +63.2.8346489

TeleFax No.: +63.2.8518363

<http://www.nasecore.com>

eMail: nasecore2003@yahoo.com

May 11, 2005

MR. JESUS P. FRANCISCO

President, MERALCO

Pasig City

Dear Mr. Francisco:

The exhibits attached to Ms. Ivanna De la Pena's letter dated April 28, 2005 are very helpful in our search for ways to mitigate the increasing cost of electricity. Thank you.

We have compared data from your Exhibits with information in the NPC website, and found out the following: NPC's current generation charge is P3.9384/kwh for Luzon, according to the NPC website (Annex A). This amount does not tally with the NPC applicable generation charge of P4.0049/kWh shown in Column 1 of your Exhibit 2.

Our computation based on Meralco's monthly bill in our Annex A shows that Meralco may have possibly overcharged its customers by P0.0405/kWh for the month of February 2005. Using the same process, our Annex B shows that Meralco may have overcharged its customers by P0.0281/kWh and p0.0903/kWh in March and April 2005, respectively.

If our computations are correct, this had given Meralco additional revenues for the months of February, March and April 2005, representing a possible overcollection based on Meralco's monthly average sales of 2 billion kWh per month, as follows:

P0.0405 x 2B kWh = P81M for February 2005

P0.0281 x 2B kWh = P56.2M for March 2005

P0.0903 x 2B kWh = P180.6M for April 2005

TOTAL POSSIBLE OVERCOLLECTION: P317.8M

May we be clarified on this soonest? Thank you and God bless.

Very truly yours,

PETE L. ILAGAN

President

Cc: Sec. Raphael P. M. Lotilla, DOE
JCPC Co-Chairs and Members

Chairman Rodolfo B. Albano, Jr., ERC
President Cyril Del Callar, NPC