



National Association of Electricity Consumers for Reforms

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DR. ALAN T. ORTIZ

President and CEO

National Transmission Corporation

Power Center, BIR Road cor Quezon Avenue

Diliman, Quezon City

Dear Dr. Ortiz:

Warm greetings!

During the last hearing on the Transmission Wheeling Rate Guidelines (TWRG) petition of the National Transmission Company (Transco) about two (2) to three (3) months ago, one of Transco's lawyers explained that Transco have many delinquent customers that owe their company billion of pesos in debts. According to him, Meralco tops the short list of its delinquent customers, with an outstanding debt of Four Billion One Hundred Thirty-One Million Pesos (P4.131B) representing non-payment of 50% Imbalance Charges and Ancillary Charges for the period October 2002 to October 2004.

We did some inquiry after that hearing and we came to know that while these two (2) charges are not part of Transco's revenue, these are part of its power bills that once collected are automatically remitted to the National Power Corporation (NPC). If this is so, then, it is very safe to assume that these charges made in the period mentioned above must have been collected already by Meralco through its bundled rate monthly billings (October 2002-May 2003) and unbundled rates monthly billings to its captive customers from June 2003 up to the present in behalf of Transco.

This being the case and considering the huge amount involved, the non-payment/remittance of Meralco of these collections made from October 2002 to October 2004 to Transco had deprived and significantly affected the financial

condition of NPC. Worse, under the current industry practice, the electricity consumers are the ones badly affected because all the financial inadequacies of NPC are passed on to the consumers through their generation rates.

In this regard, may we know the efforts taken by Transco in collecting this P4.131B receivable from Meralco? May we be furnished machine copies of its collection letters involving this amount?

We hope that Transco will not deprive us of our right as guaranteed by the Magna Carta for Residential Electricity Consumers under Article 4. Basic Rights, (d) which says, *"To be an informed electric consumer and given adequate access to information on matters affecting the electric service of the consumer concerned."*

Thank you as we look forward to Transco's favorable response.

Very truly yours,

PETE L. ILAGAN
President