

Copy - Mr. [unclear] [unclear]



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14 March 2011

HON. EDITA S. BUENO
Administrator, National Electrification Administration
NIA Road, Government Center
Diliman, Quezon City

Handwritten signature

Dear Administrator Bueno,

Greetings!

Thank you for your prompt letter-reply dated 02 March 2011 through Deputy Administrator Cuenco which we received on 05 March 2011 furnishing us the following:

1. NEA's Corporate Operating Budget for years 2005 to 2010 as contained in the General Appropriations Act and approved by Congress;
2. The agency's audited actual expenditures for Years 2005-2009 and unaudited figures for Year 2010; and
3. The amount loaned out to individual electric cooperatives (ECs) for the above stated years.

Going through the one (1) page Corporate Operating Budget, our attention were drawn to the "Support to Operations/Operations" item under the Maintenance and Other Operating Expenses (MOOE) and the Rural/Sitio Electrification (Subsidy) under the Locally-Funded Projects item.

The "Support to Operations/Operations" showed increases from P88.16 million in 2005 and 2006, as the base years, to P415.71 million or 372% in 2007, P352.59 million or 299% in 2008, P290.56 million or 229% in 2009 and P331.76 million or 276% in P2010.

Similarly, the Rural/Sitio Electrification (Subsidy) showed increases from P260 millions in 2005 and 2006, as the base years, to P602.4 million or 131% in 2007, P 922.4 million or 254% in 2008, P790 million or 203% in 2009 and P644.18 million or 147% in 2010.

In order for us to have a better appreciation and understanding of these components of NEA's MOOE, may we know the sub-components of the "Support to Operations/Operations" and the Rural/Sitio Electrification (Subsidy)? Further, may we also be furnished a detailed summary of the actual expenses incurred by NEA

on each of the sub-components of the "Support to Operations/Operations" and the Rural/Sitio Electrification (Subsidy) on a yearly basis from 2005-2010?

In addition, the last item (item 3) on the Maintenance and Other Operating Expenses (MOOE) is Debt Servicing (Principal). It shows an annual budget of P1,785.96 billion for both Years 2005 and 2006, P899.47 billion in 2007, P847.56 billion in 2008, P733.21 billion in 2009, and P880.21 billion in 2010, giving us a total of P6,032.37 billion for a period of six (6) years.

Since this one (1) page NEA Corporate Operating Budget for 2005-2010 is contained in the General Appropriations Act and approved by Congress, it means this Operating Budget was provided for Congress.

Thus, the annual total budget approved by Congress which NEA received from the National Government as shown by the one (1) page Corporate Operating Budget furnished us were P3,366.11 billion in 2005, P3,366.11 billion in 2006, P6,480.4 billion in 2007, P8,313.38 billion in 2008, P5,402.89 billion in 2009, and P6,020.73 in 2010.


This brings to mind the explanation in your letter that NEA derives its earnings mainly from interest earned on loans granted to the electric cooperatives (ECs) for rural electrification and other related purposes.

If this is so, may we know also the total amount of money collected by NEA from the amortization payments of the ECs for the same period cited above and copy of its annual transmittal of the said collections to the Office of the National Treasurer?

We look forward to your continued support and cooperation.

Thank you so much.

Very truly yours,


PEPE L. ILAGAN
President

Cc:

Hon. Juan Ponce-Enrile, Senate President
Hon. Feliciano R. Belmonte, Jr., Speaker of the House of Representatives
Hon. Sergio R. Osmeña, III, Chair - Senate Committee on Energy
Hon. Henedina S. Abad, Chair - House of Representative Committee on Energy
Hon. Florencio Abad, DBM Secretary
Hon. Jose Rene D. Almendras, DOE Secretary
Hon. Zenaida Cruz-Ducut, ERC Chairperson
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