



National Association of Electricity Consumers for Reforms
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May 14, 2009

MR. JOSE C. IBAZETA

President & CEO, Power Sector Assets & Liabilities Management Corp.
7th Floor Bankmer Building
Ayala Avenue, Makati City

Dear President Ibazeta:

Greetings!

This pertains to the reported plan of PSALM for a global bond offer of up to US\$1 Billion through a roadshow which will cover Manila, London, New York, and Boston.

While borrowing money and incur such liabilities, including the issuance of bonds, is provided for by law as one of PSALM's powers, there is a condition attendant to this which states, "That all such debts or borrowings shall have been paid off before the end of its corporate life."

The amount involved is so huge that if used to build a plant will give us a capacity of about 1,000 megawatt (MW) based on industry costing. But we know it will not be for this purpose as this will be contrary to the very efforts of privatizing the assets and liabilities of the National Power Corporation (NPC).

We believe the decision of PSALM to issue bond offerings of this amount is appropriately covered by a Board resolution including the manner of how it will be paid in compliance with the provision of the law and how much is the total budget for this global bond roadshow.

In this regard, may we request for a certified true copy of the said Board Resolution approving such global bond roadshow in the places mentioned above, the manner by which the liability will be paid back, and the total budget for such roadshow?

This request is anchored on matters of public interest governing the operation of a government corporation, like PSALM, that owns the assets and liabilities of NPC. It is of general knowledge that all revenues of NPC comes from the Energy Regulatory Commission (ERC) -approved rate that are directly passed-on to consumers, like us, on a monthly basis.

We hope to receive your favorable reply within fifteen days (15) from receipt hereof.

Thank you and God bless.

Very truly yours,

PETE L. ILAGAN
President