

Received by ERC on
January 18, 2010



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January 18, 2010

HON. ZENAIDA C. DUCUT
Chairperson, Energy Regulatory Commission
Pacific Center Bldg. San Miguel Avenue
Pasig City

Dear Chairperson Ducut,

Subject: P4 Billion Napocor Loan

Greetings!

This refers to a news item entitled, "Napocor gets P4-B financing" (Business World, Jan.13, 2010) which explains the loan obtained by Napocor from the Land Bank of the Philippines for a bridge financing for its missionary electrification in the off grid areas.

It is our understanding that a need for loan by a regulated power utility would require a prior approval by the Honorable Commission if the amount of the loan is to be passed on ultimately to the electricity consumers.

In this regard, may we know if PSALM and/or Napocor have filed an application with the ERC for the approval of the above-mentioned loan? If it did, may we request for copy of the application and decision of the Honorable Commission?

And if PSALM and/or Napocor did not file an application with the ERC, does this mean the P4 billion Napocor loan will not be passed-on to the consumers?

We look forward to the Commission's much needed answer for our enlightenment and understanding of the said Napocor loan.

Very truly yours,

PETE L. ILAGAN
President

