



**National Association of Electricity Consumers for Reforms, Inc. (NASECORE)**

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18 January 2011

**THE HONORABLE ERC COMMISSIONERS**

Energy Regulatory Commission  
 Pacific Center Building  
 San Miguel Avenue, Ortigas Center  
 Pasig City

**Attention: Zenaida C. Ducut, Chairperson**

Dear ERC Commissioners,

Greetings!

This refers to the various loans availed of by the Don Orestes Romualdez Electric Cooperative, Inc. (DORELCO) with the National Electrification Administration which totaled to P131,349,161.13 from 2005 to 2009, as summarized below:

DATE	AMOUNT		TERMS	Type of Loan	Purpose of Loan
	Short Term	Long term			
20-Apr-05	10,000,000.00		1% Interest, 6 months to pay	STCF-Short Term Credit Facility	To finance its monthly shortfall on the settlement of its power accounts with NPC and TRANSCO
30-Jun-05		34,774,703.42	12% Interest, 10 yrs to pay	Restructured Loan	To finance the construction and operation of its electric generation transmission and distribution systems and other facilities.
21-Sep-05	10,000,000.00		1% Interest, 6 months to pay	STCF-Renewal, Short Term Credit Facility	To finance its monthly shortfall on the settlement of its poweraccounts with NPC and TRANSCO
15-Mar-06	9,300,000.00		1% Interest, 6 months to pay	STCF-Short Term Credit Facility	To finance its monthly shortfall on the settlement of its poweraccounts with NPC and TRANSCO
8-Nov-06	10,000,000.00		1% Interest, 6 months to pay	STCF-Short Term Credit Facility	To finance its monthly shortfall on the settlement of its poweraccounts with NPC and TRANSCO
5-Sep-07	879,444.40		10% interest, 1 yr to pay	OECF-RE	Overseas Economic Cooperation Fund Transco Security Deposit
5-Sep-07		10,786,957.12	10% interest, 2 yrs. To pay	OECF-RE	Overseas Economic Cooperation Fund Working Capital-Power Accts.

12-Dec-07		12,000,000.00	10% interest, 5 yrs to pay	Single digit System Loss strategic Plan	To finance Single digit System Loss strategic Plan project
18-Dec-08		11,914,679.30	9% Interest, 10 yrs to pay	Single digit System Loss strategic Plan	To finance Single digit System Loss strategic Plan Project
18-Dec-08		5,066,000.00	9% Interest, 7 yrs. To pay	Calamity Loan- Typhoon Frank	Rehabilitation and restoration of its systems
26-Nov-09		6,627,376.89	9% Interest, 10 yrs to pay	Single digit System Loss	Single digit System Loss
10-Dec-09		10,000,000.00	8% Interest, 2 yrs. To pay	Rural Electrification- Working Capital	To finance the Rural Electrification-Working Capital.
Subtotal	<b>P40,179,444.40</b>	<b>P91,169,716.73</b>			
TOTAL LOANS	<b>P131,349,161.13</b>				

May we know if DORELCO filed the corresponding petitions for each of these loans?

Knowing that the amortization payment for these loans will come from the rate payments of its consumers, may we know if DORELCO filed petitions for rate adjustments so as to enable the coop to pay its financial obligation to NEA?

If DORELCO did not, may we request the Commission to exercise its investigative powers and subject DORELCO to a regulatory audit in order to find out how DORELCO is paying its loan obligations and how the loans were applied?

We trust the Commission will give this request its immediate and favorable response in accordance with its mandate of protecting consumer interests.

Thank you.

Very truly yours,



**PETE L. ILAGAN**  
*President*

cc: Hon. Juan Ponce Enrile, Senate President  
Hon. Feliciano Belmonte, Speaker of the House  
Hon. Rene D. Almendras, DOE Secretary  
NASECORE Chapter Presidents