



National Association of Electricity Consumers for Reforms
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20 May 2011

HIS EXCELLENCY, BENIGNO C. QUINO, JR.
President of the Philippines
Malacanang Palace
Manila

Office of the President of the Philippines



In Reply, Please Cite: RE0055899

Received On: 05/20/11 By: MRO

**Subject: ATTENDANCE OF ELECTRIC COOPERATIVES
TO THE 2011 NRECA ANNUAL CONFERENCE**

Dear President Aquino,

Warm greetings!

This refers to the attached letter we sent to the National Electrification Administration (NEA) pertaining to the attendance of the general managers (GMs) and directors of electric cooperatives (ECs) under NEA as participants to the 2011 annual conference of the National Rural Electric Cooperatives Association of America (NRECA) held last March in Orlando, Florida, USA, which we strongly believe was a "junket trip". NEA and the management of electric cooperatives under it do attend this NRECA annual conference every year for the past many years now.

For the record, NASECORE supports attendance to conferences by the management of the ECs for as long as the cooperative - the member/consumers - will benefit from said attendance in terms of new knowledge that will be acquired and can be applied to help improve the efficiency of the cooperative's operation which the consumers expect would translate to a rate reduction and improved services. This is a standard set by the Energy Regulatory Commission (ERC) to ensure and justify that cooperative expenses are directly related to the coop operations and that these should redound to the interests of the consumers.

The participation of these GMs and Directors was governed by the NEA - issued Institutional Advisory of 04 November 2010 which imposed upon the electric cooperatives the costs of attendance to the said conference. It is because of this that we wrote NEA to ask for copy of the list of the participants and photocopy of the participants' official receipt of their registration fee as it was NEA which issued the "Institutional Advisory", so we will know and be assured that the purpose of the travel was achieved.

But instead of being straightforward, NEA's reply was so evasive that our initial suspicion of irregularity in the travel was heightened. Thus, we wrote them again requesting for copy of the liquidation report of each participant, especially copy of the NRECA Official Receipt (OR) representing payment of the registration fee of US\$140.00 and copy of the O.R. of the hotel for the duration of the conference as these two (2) documents

of the hotel for the duration of the conference as these two (2) documents (not to mention all the materials and brochures from the conference workshops) can strongly establish whether they attended the 7-11 March 2011 NRECA conference or not.

The participants may have secured a "Certificate of Attendance" for their appearance only during the opening day for the opening program and fellowship night but this is not the main purpose of the travel under the NEA- issued Institutional Advisory upon which the costs of travel was imposed upon the cooperative, meaning from the rate payments of the member-consumers. Again, the only way such travel can be justified is when the member-consumers, who actually shouldered the costs of said travel, will be benefitted through the new knowledge the participant will be able to acquire from the conference workshops that should translate to better and efficient service and reduced cost of electricity.

In this regard, may we respectfully request His Excellency, our President, to direct the NEA Administrator through the Secretary of Energy (NEA Chairman) to produce within 15 days the liquidation report of all the participants to the 2011 NRECA conference governed by the NEA- issued Institutional Advisory of 04 November 2010? And may we also be furnished copy of such directive and copy of the documents being requested?

This request is our manifestation and commitment of support to the President's call for us to take the "RIGHT PATH". If our suspicion is validated that the attendance of the participants was a junket trip, we request our highly esteemed President to take the appropriate punitive action against the NEA officials and the participants who have taken advantage of their respective positions in defrauding the member-consumers.

We pray that His Excellency will give this request his immediate and precious attention.

Thank you so much and may our Lord Almighty continue to bless our President with strength, courage, wisdom, and faith as he continues to serve the best interests of the member-consumers of the electric cooperatives.

Most respectfully yours,



PETE L. TUGAN
President

Cc: Hon. Paquito Ochoa, Executive Secretary
Hon. Jose Rene Almendras, DOE Secretary and NEA Chairman
Hon. Cesar Purisima, Finance Secretary
Hon. Antonio P. Roman, PLLO, Secretary
Hon. Juan Ponce Enrile, Senate President
Hon. Sonny P. Belmonte, Speaker - House of Representatives
Hon. Juan Miguel Zubiri, Chair- Senate Committee on Cooperatives Development
Hon. Jose Ping-ay, Chair, House Committee on Cooperatives Development
Hon. Sergio Osmena III, Chair- Senate Committee on Energy
Hon. Henedina Abad, Chair-House Committee on Energy
Hon. Benjo A. Benaldo, Cagayan de Oro, 1st District Representative
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