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DR. ALAN T. ORTIZ
President and CEO
National Transmission Corporation
Diliman, Quezon City

Dear President Ortiz:

Greetings!

In the Application by the Philippine Electric Market Corporation (PEMC) for the approval of the structure and level of its market fees, we found out that Transco lent PhP469 million to PEMC at an annual compounded interest of 12%. We looked into the provisions of EPIRA but we did not find any provision that specifically allows Transco to lend or grant loans to any entity or industry player. If we just missed it, could you please identify it for our guidance?

And in the interest of transparency, public service and the right of the public to information of public interest, may we request a copy of Transco Board Resolution approving/authorizing said PEMC loan.

We shall appreciate your prompt reply. Thank you and God bless.

Very truly yours,

PETE L. ILAGAN
President

cc: Secretary Raphael P. M. Lotilla, DOE
Chairman Rodolfo Albano, Jr., ERC
Sen. Miriam-Defensor-Santiago, Chair, Committee on Energy, Philippine Senate
Rep. Alipio V. Badelles, Chair, Committee on Energy, House of Representatives