

Received by Transco
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May 23, 2005

DR. ALAN T. ORTIZ

President and CEO

National Transmission Company

Power Center, BIR Road cor. Quezon Avenue

Diliman, Quezon City

Dear President Ortiz:

Warm greetings!

This refers to the materials you presented to the Senate Committee on Energy where it is explained that Transco's 10-year Transmission Development Plan (TDP) will require P148 billion or US\$2.8 billion from where US\$ 500M will be shouldered by the Department of Finance on the first 5-year of its Development Plan. We were informed though that the said plan is being revised at the moment.

We are very much interested in this TDP especially so that it defines the justification for the privatization of Transco and shall serve as a guide to the Concessionaire in the implementation of the approved TDP.

May we, then, take this opportunity of requesting the following:

1. a copy of the original TDP and the revised one for our study;
2. a copy of its Consultation Plan with the end-users separate from that of the generation and distribution utilities?

Further, may we also be informed how much in terms of Philippine Peso (PHp) is the payment in cash of a minimum of 25% of present value of total consideration with the balance payable over a period not to exceed 25 years, as mentioned in Item 4.5 of the Transco privatization concept ?

And lastly, in the preparation of the TDP, had Transco conducted consultations with the participants of the electric power industry as provided for under Section 9 (f) of the Electric Power Industry Reform Act (EPIRA) which states, “ In the preparation of the TDP, TRANSCO shall consult the other participants of the electric power industry such as the generation companies, distribution utilities, and the electricity end-users”, before submitting the same to the Department of Energy?

Please consider the above-stated request as our manifestation of interest to be part of the consultations that EPIRA mandates.

Your early reply will be highly appreciated.

Thank you and God bless.

Very truly yours,

PETE L. ILAGAN

President

Cc: Secretary Raphael P.M. Lotilla, DOE
Chairman Rodolfo B. Albano, Jr., ERC
JCPC Members