



**National Association of Electricity Consumers for Reforms**  
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**ZENAIDA G. CRUZ-DUCUT**  
*Chairperson*, Energy Regulatory Commission  
Pacific Center Building  
San Miguel Avenue  
Ortigas Center, Pasig City

**Attention: Atty. Juan, Executive Director**

**Dear Chairperson Ducut,**

This refers to the TV and newspaper reports that MERALCO will raise its rates in October 2010 owing to ERC's decision allowing MERALCO to recover P3.371 billion from its excess purchases from the Wholesale Electricity Spot Market (WESM) from August 2006 to May 2007.

It was also reported that MERALCO shall collect from its customers P0.0314 per kilowatt hour (kWh) effective next October until the full P3.371 billion, including interest, is collected.

Instinctively, we are alarmed by the report considering that MERALCO's power purchases from WESM is its own decision and it is very much aware that electricity price at WESM is very volatile. Therefore, prudence dictates that MERALCO should source only the allowed minimum transaction/purchases from WESM in order to protect consumers from this uncontrollable factor.

Nonetheless, we would like to hold back our position until given the chance to study the decision of the Commission.

In this regard, may we be furnished copy of the said ERC decision?

Thank you.

Very truly yours,

**PETE L. ILAGAN**  
President

