



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

No. 10 Bayside Court Compound, 680 Quirino Ave., Tambo,

Parañaque City 1700 Philippines

Phone No.: +63.2.8530731

TeleFax No.: +63.2.8530732

<http://www.nasecore.org>

eMail: nasecore@nasecore.org

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HON. EDITA S. BUENO

Administrator, National Electrification Administration
NIA Road, Government Center
Diliman, Quezon City

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Dear Administrator Bueno,

Greetings!

This refers to the loans granted by NEA to LEYECO I (DORELCO) after the passage of the Electric Power Industry Reform Act (EPIRA) in 2001 which amounted to P131,349,161.13 from 05 April 2005 to December 2010.

Interestingly, NEA records show that of this P131,349.161.13 total loans of LEYECO I, P10,000,000.00 was availed of in 05 April 2005, P10,000,000.00 in 21 September 2005, P9,300,000.00 in 15 March 2006, and another P10,000,000.00 in 08 November 2006, all for the purpose of “ financing its monthly shortfall in the settlement of its power accounts with NPC and Transco”.

This loan as well as the loans to the other electric cooperatives (ECs) in the country highlights NEA’s additional mandate under Section 58 of the EPIRA which is to strengthen their technical capability and financial viability as electric utilities.

However, the years prior 2005 which made LEYECO I incur such shortfalls in its payables to NPC and Transco compel us to ask NEA the following questions and to furnish us the requested supporting documents:

1. What were the reasons for LEYECO I’s shortfall in its collection efficiency targets that it needed to avail of loans amounting to P40 million from April 2005 to November 2006? May we be provided with a list of customers with uncollected bills and total amount of collectibles/receivables beginning 2005, 2006, 2007, 2008, 2009, and 2010?

2. What were the percentage in its annual collection efficiency and corresponding amount of total annual collection/revenue from 2005 - 2010? May we be provided summary of this collection efficiency percentage and revenue from 2005-2010?
3. How much is LEYECO I's monthly average sales in kilowatt-hours from 2005-2010? May we be furnished a summary, too?
4. Have these loans been fully paid in mid 2007? May we be furnished summary of LEYECO I's payments of its first, second, third, and fourth loan to finance its shortfall as described above?

It is interesting to note that of the five (5) electric cooperatives in the in province of LEYTE, it was only LEYECO I which availed of loans to "*finance its shortfall in payables with NPC and Transco*". This only shows NEA's glaring failure in its mandate of strengthening the capabilities of LEYECO I as an electric utility.

Finally, may we be furnished a detailed list of its loan, amount, year contracted, terms of payment, and type and purpose of loan granted to each electric cooperative from 2002 up to December 2010?

We look forward to NEA's earliest and favorable reply.

Thank you.

Very truly yours,



PETE L. ILAGAN
President

Cc: Hon. Jose Rene Almendras, DOE Secretary
Hon. Zenaida C. Ducut, ERC Chairperson
Hon. Ferdinand Martin G. Romualdez, Leyte 1st District Congressman
Hon. Carlos Jericho L. Petilla, Leyte Governor
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