



National Association of Electricity Consumers for Reforms
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January 26, 2010

MR. JOSE C. IBAZETA
President & CEO, PSALM
7th Floor Bankmer Building
Ayala Avenue, Makati City

Dear President Ibazeta,

Greetings!

This refers to the letter of Mr. Conrad S. Tolentino, PSALM's Acting Vice-President, dated 18 January 2010 but faxed to us on 21 January 2010, apparently in your behalf in reply to our letter of 6 January 2010.

The letter explains PSALM's constraints in furnishing us our requested documents which evidently will unduly delay the furnishing of the documents we are requesting.

We find the explanation unacceptable because of the following reasons:

1. The letter failed to state that Mr. Conrad Tolentino was under instruction from the PSALM president to prepare and sign PSALM's reply to our letter of 6 January 2010.
2. The letter failed to attach the PSALM Rules cited in the letter of 6 January 2010, thus we can not accept Rules of which we have no knowledge of.
3. NASECORE in requesting for documents is not bound by the PSALM Rules.
4. PSALM is governed by laws, as follows:

Section 2 (c) of the Electric Power Industry Reform Act (EPIRA) states,

“To ensure transparent and reasonable prices of electricity in a regime of free and fair competition and full public accountability to achieve greater operational and economic efficiency and enhance the competitiveness of Philippine products in the global market.”

PSALM knows very well that the ongoing privatization of the NPC generation assets and IPP Contracts have a direct impact on the cost electricity prices in the country

and the documents we have been requesting are directly related to the electricity prices.

Proofs of these are its pending applications with the Energy Regulatory Commission for rate increases under ERC Case Nos. 2009-004RC, 2009-046RC and 2009-047RC. One of the reasons PSALM cites in its application under ERC Case No. 2009-004RC is the high cost of operation of the plants that are left with them.

Further, Article III, Section 7 of the under the Bill of Rights of the Philippine Constitution states,

“The right of the people to information on matters of public concern shall be recognized. Access to official records, and to documents and papers pertaining to official acts, transactions, or decisions, as well as to government research data used as basis for policy development, shall be afforded the citizen, subject to such limitations as may be provided by law.”

Nevertheless, let it be known that our purpose in requesting said documents is to provide PSALM the opportunity to prove that it is transparent in its transactions, decisions, and policy making which consumers expect will benefit them. Denial by PSALM of our request will be taken to mean that it is not transparent and is not working for the interests and welfare of the consumers. Worse, it may mean that PSALM is committing certain acts it does not want the public to know for reasons not difficult to understand.

We hope the aforementioned purpose will now satisfy PSALM and we look forward to PSALM’s earliest granting of our request.

Thank you.

Very truly yours,

PETE L. ILAGAN
President

Cc: Her Excellency, Gloria Macapagal-Arroyo, *President of the Philippines*
Hon. Eduardo Ermita, *Executive Secretary to the President*
Hon. Angelo T. Reyes, *DOE Secretary*
Hon. Gregorio Honasan, *Chair, Committee on Energy, Philippine Senate*
Hon. Mikey M. Arroyo, *Chair, Committee on Energy, House of Representatives*
Hon. Zenaida C. Ducut, *ERC Chairperson*