

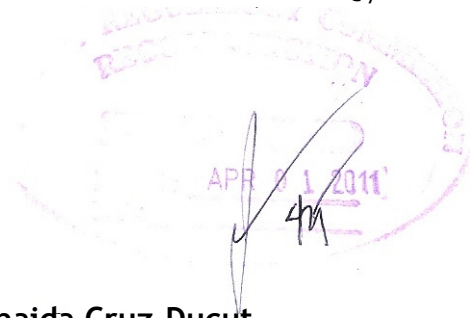


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30 March 2011

THE HONORABLE COMMISSIONERS
 Energy Regulatory Commission
 16th Floor, Pacific Center Building
 San Miguel Avenue, Pasig City



Attention: **ERC Chairperson Zenaida Cruz-Ducut**

Dear ERC Commissioners:

Greetings!

This pertains to our study of BILECO's financial statements showing an over collection of **P26,249,766.83** from 2005 to 2009.

Our finding is based on this Honorable Commission's *Unbundling Decision* dated 29 December 2003 granting BILECO's revenue requirement of **P21,301,294.00** (net of purchased power cost) in the latter's rate unbundling application¹

To determine if BILECO was getting its ERC-approved revenue requirement, NASECORE studied BILECO's 2006-2009 annual reports and compared the allowed revenue requirements versus actual revenue generated by BILECO as shown in the table below:

ERC Approved vs Actual Distribution Revenue

Year	Total Revenue	Cost of Power	Actual Distribution Revenue	Approved Revenue-Unbundling	Over/ (under)
	(A)	(B)	(C=A-B)	(D)	(E=C-D)
2005	90,943,965.00	67,037,181.00	23,906,784.00	21,301,294.00	2,605,490.00
2006	96,589,075.54	71,899,840.71	24,689,234.83	21,301,294.00	3,387,940.83
2007	100,398,662.00	71,411,136.00	28,987,526.00	21,301,294.00	7,686,232.00
2008	107,041,998.00	81,389,639.00	25,652,359.00	21,301,294.00	4,351,065.00
2009	134,351,772.00	104,831,439.00	29,520,333.00	21,301,294.00	8,219,039.00
				Total Over/(Under)	P26,249,766.83

¹ ERC Case No. 2001-956

The table above shows that BILECO has an over collection in the amount of **P26,249,766.83**. The Honorable Commission's silence on this over collection could only be the result of ERC's failure to study and review BILECO's reportorial submissions, giving BILECO undue advantage to the detriment of trusting consumers.

In light of BILECO's over collections, we hope the Honorable Commission will exercise its *motu proprio* powers under the EPIRA and direct BILECO to immediately put in an escrow account the said over collections and penalize BILECO for abuse of its market power.

Further, we hope this Honorable Commission will not simply advise NASECORE to file a more formal complaint with the Commission because that will be an abdication of this Commission's functions of reviewing and evaluating submissions of the utilities to determine compliance and that the rate it granted BILECO was just and reasonable.

We look forward to the Commission favorable response to a consumer initiative such as this volunteered information.

Thank you.

Very truly yours

A handwritten signature in black ink, appearing to read 'PA', with a long horizontal line extending to the right from the end of the signature.

PETE L. ILAGAN
President

Cc: Hon. Juan Ponce Enrile, Senate President
Hon. Feliciano Belmonte, Speaker of the House
Hon. Rene D. Almendras, DOE Secretary
NASECORE Chapter Presidents