



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

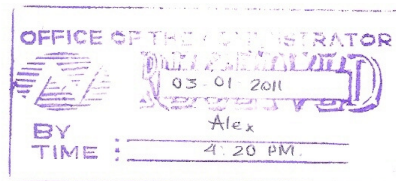
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28 February 2011

HON. EDITA S. BUENO

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

Dear Administrator Bueno,



Greetings!

This refers to the monthly membership contributions of the electric cooperatives (ECs) to the Philippines Rural Electric Cooperatives Association (PHILRECA). These electric cooperatives referred to are all under the direct control and supervision of the National Electrification Administration (NEA) by virtue of its powers under Section 3, 5, and 7 of Presidential Decree (PD) 1645 amending PD 269 which gave it the mandate to provide financial, institutional, and technical assistance to the EC. Further, under the Electric Power Industry Reform Act passed in June 26, 2001, NEA was given the additional mandate to develop and implement programs, to wit:

1. To prepare electric cooperatives in operating and competing under the deregulated electricity market within five (5) years from the effectivity of this Act, specifically in an environment of open access and retail wheeling;
2. To strengthen the technical capability and financial viability of rural electric cooperatives; and
3. To review and upgrade regulatory policies with a view to enhancing the viability of rural cooperatives as electric utilities.

With all these powers and mandates granted by Congress to NEA, we do not see any assistance that PHILRECA can provide its members which are not covered by what is already required by law of NEA.

It is a common knowledge in the industry that PHILRECA is an association of the directors and general managers (ex-officio directors) of electric cooperatives and its existence has nothing to do with the service of distributing electricity to its captive market.

Thus, we find the monthly membership dues of each electric cooperative to PHILRECA and the cost of the individual attendance of every director of the Cooperative to the PHILRECA organized-conferences as expenses not beneficial to the millions of consumer-owners who own these electric cooperatives under NEA.

While, there is nothing wrong with the directors and general managers joining this association, we would like to put it on record that we do not object to their membership but the costs of their membership and attendance to PHILRECA conferences and meetings which may entail hotel accommodations should not be shouldered by the electric cooperative but from their individual pockets especially in light of the increasing cost of electricity brought about by NEA's seeming failure to comply with its mandate as cited above.

In this regard, may we request NEA to immediately direct the management of all these cooperatives to stop this long-time practice of charging to the electric cooperatives these PHILRECA-related expenses so that the rates of these electric cooperatives may only apply to the recovery of costs directly to the service of distributing electricity to its consumer-owners?

Further, may we also request NEA to furnish us the following?

1. The amount of the monthly contribution of each Coop to PHILRECA from 2001-2010;
2. The activities/events, conferences attended by each Coop director and general manager, description of events including the total expenses spent and incurred by each director and general manager;
3. Photocopy of the EC Board Resolution approving such attendance and expenses supported by invoices and vouchers; and
4. Copy of NEA's confirmation of each of these Board Resolutions.

You may provide us these data/documents on a per grid basis (Luzon, Visayas, and Mindanao) order.

Thank you very much and we look to your immediate and favorable response based on your avowed policy of protecting consumer interests.

Very truly yours,



PETE L. ILAGAN
President

Cc: Hon. Jose Rene D. Almendras, DOE Secretary
Hon. Zenaida C. Ducut, ERC Chairperson
Hon. Sergio Osmena III, Senate Committee on Energy Chairperson
Hon. Henedina Abad, House Committee on Energy Chairperson
Hon. Ma. Milagros H. Magsaysay, Representative Zambales First District
Hon. Ponciano D, Payuyo, APEC
Hon. Isidro Q. Lico, ATING KOOP
Hon. Jose R. Ping-ay, COOP NATCCO
Hon. Edita S. Bueno, NEA Administrator
Member Consumers
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