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**HON. ZENAIDA CRUZ-DUCUT**  
*Chairperson, Energy Regulatory Commission*  
16<sup>th</sup> Floor Pacific Center Bldg.  
San Miguel Avenue, Pasig City

**Dear Chairperson Ducut:**

Greetings!

This has reference to the letter-reply of the former *ERC Chair, Rodolfo B. Albano, Jr.*, dated June 24, 2008 that we received, in response to Nasecore's letter dated June 13, 2008 requesting for the immediate resolution of its Two Motions for Refund under ERC Case Nos. 2006-052RC and 2006-062RC that call for Refund of Meralco's overcharges in the amount of Php Two Billion Four Hundred Ninety-Nine Million Eight Hundred Fifty-Three Thousand Two Hundred Eleven and Seventy-Six Pesos (P 2,499,853,211.76). The said cases were filed with the ERC on October 11, 2007.

In the letter response we received last July 9, 2008, it was mentioned that the Commission is still in the process of evaluating the nine (9) applications of Meralco for authority to recover adjustment in its monthly generation charge and systems loss charge from August 2006 to May 2007.

There are actually (10) subject applications but the Commission missed to mention ERC Case No. 2007-101RC, likewise its decision authorizing Meralco to collect from its customers the amount of Php Eight Billion Eight Hundred Twenty-Eight Million Nine-Hundred One Thousand Five Hundred and Thirty-Four Pesos (P 8,828,901,534.00) dated January 18, 2008. We respectfully reminded the Commission about this in our June 13, 2008 letter.

In light of Executive Director Francis Saturnino Juan's letter to us dated July 16, 2007, already a year ago, it explained that the Commission had already issued a directive to Meralco to refund the same. To quote, *"The directive to submit a refund presupposes that there is a directive to refund. Otherwise, it will be absurd for the ERC to issue such directive to submit a refund scheme when there is no duty on the part of the utility to make a refund."*

It only suggests that the letter of ED Francis Saturnino C. Juan needs a directive, therefore, a formal Order from the Commission for Meralco to refund the subject overcharges. It has been a year now and yet no refund has been implemented so far. We hope the Commission takes heed of this we entreat in our June 13, 2008 letter.

We believe that our request for a directive from the Commission for Meralco to refund its overcharges needs no further evaluation. We are very much aware that Meralco's collection of overcharges has been discovered by the Commission as early as February 1, 2007 when it issued an Order with the directive for Meralco to submit a refund scheme. Since reason dictates to put action in order, the directive for Merlaco to refund is only rightfully necessary. However, it seemed to us it's not the case.

While Meralco filed a Motion for Reconsideration on the said ERC Order on March 1, 2007, the Commission just left the Applicant and Intervenor Nasecore to exchange motions which up to this time has made Nasecore's two (2) motions unacted, to the consumers' dismay. As a consumer-oriented group, we are deeply saddened by the response of the Commission in its June 24, 2008 letter where we feel that it is not the consumers that the Commission favors.

For the Commission to continue delaying the Order to implement this long-overdue refund will only confirm the consumers' general impression that ERC has undeniably succumbed to regulatory capture. But with the Honorable Chair at the helm of ERC now, we believe this will never happen.

We hope the Commission will realize that what we are asking is simply the refund of *Php Two Billion Four Hundred Ninety-Nine Million Eight Hundred Fifty-Three Thousand Two Hundred Eleven and Seventy-Six Pesos (P 2,499,853,211.76)* that Meralco should have never collected from its customers. We have also included in our prayer that Meralco be penalized for this.

In this regard, we humbly beg the Honorable Chair to immediately act on our request based on our own findings and that of the Commission in order to give justice to the consumers who are always abused by Meralco through its oppressive rates that this Commission had approved, as conveniently claimed by Meralco.

May the Lord Almighty, in His infinite love and mercy, bless you with wisdom, courage, and protection as you live up to your promise of giving priority to protecting consumer interests.

Thank you so much.

Very truly yours,

**PETE L. ILAGAN**  
*President*