



**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.com.ph>

eMail: nasecore2003@yahoo.com

29 January 2009

Received by NEA Records  
January 30, 2009

**HON. EDITA S. BUENO**

*Administrator*

National Electrification Administration

NIA Road, Government Center

Diliman, Quezon City

**Dear Administrator Bueno:**

Greetings!

This pertains to a Philippine Daily Inquirer news item dated 31 December 2008 entitled "8 electric co-ops get P1.2B in loans" where the National Electrification Administration (NEA) was reported to have approved P1.2 billion in loans to eight electric cooperatives, in keeping with its mandate to help rural power distributors become more viable. It said the loans would cover part of the electric cooperatives' capital expenditure budget from 2008 to 2010.

The eight electric cooperatives mentioned with the corresponding amount of loan are the following:

1. First Laguna Electric Cooperative Inc. would get P213.7 million.
2. Pampanga I Electric Cooperative Inc. P190 million.
3. Oriental Mindoro Electric Cooperative Inc. P167.5 million,
4. Nueva Ecija II Area 1 Electric Cooperative Inc. P151.2 million,
5. Bohol II Electric Cooperative Inc. P131 million,
6. Tarlac I Electric Cooperative Inc. P130.0 million,
7. Surigao del Norte Electric Cooperative Inc. P117.0 million, and
8. Negros Oriental I Electric Cooperative Inc. P96.0 million.

Further, the report said that NEA had released initially P27.7 million to First Laguna Electric, P40.8 million to Nueva Ecija II Area 1 Electric, P26.3 million to Oriental Mindoro Electric, P6.3 million to Tarlac I Electric and P21.3 million to Bohol II Electric.

While we appreciate the government efforts in keeping with its commitment of providing electricity service to the unenergized barangays in the countryside through NEA, we are also aware that payment of these loans will be an additional burden to the member-consumers of these electric cooperatives as they are the ones who will absorb the amortization payments of said loans through their monthly rate payments.

Aware that electric cooperatives are regulated utilities, may we know if these loans extended to the electric cooperatives mentioned above have been subject of applications duly approved by the Energy Regulatory Commission (ERC)? If so, may we be furnished copy of said ERC decisions?

In addition, may we know where NEA got the amount of P1.2-billion that it is using as loans to these eight (8) electric cooperatives and the standard it used in selecting the beneficiaries of the said loans?

In light of the P18-billion NEA loan condonation extended to electric cooperatives which showed the credit unworthiness both of NEA as a borrower-lender and electric cooperatives as borrowers, we hope NEA will do its best this time to ensure that these P1.2-billion loans for electric cooperatives will serve best its purpose.

We look forward to your earliest favorable response.

Thank you and God bless.

Very truly yours,

signed  
**PETE L. ILAGAN**  
*President*