



National Association of Electricity Consumers for Reforms
No. 10, Bayside Court Compound, 680 Quirino Avenue Tambo
Parañaque City 1700 Philippines
Phone No.: +63.2.8530731
TeleFax No.: +63.2.8530732
<http://www.nasecore.org>
eMail: nasecore2003@yahoo.com

03 November 2009

HON. FRANCIS SATURNINO C. JUAN
Executive Director, Energy Regulatory Commission
16th Floor Pacific Center Bldg.
San Miguel Avenue, Pasig City

Dear Executive Director Juan,

Greetings!

NASECORE is currently doing a study on the rates being charged by Davao Light and Power Company (DLPC) to its customers. Our study revealed that the distribution charge in all classes of DLPC's customers on a Php/kWh which was provisionally approved by this Honorable Commission on 22 December 2003 had been adjusted since September 2005, as shown in the table below:

	August 2005 ¹	September 2005	INCREASE
Residential 1.1	1.1982	1.2409	0.0427
Secondary Retail 2.1	0.6371	0.6694	0.0323
Secondary Retail 3.1	0.2390	0.2603	0.0213
Primary Retail 4.1	0.1050	0.1130	0.0080
Flat Lighting Service 5.1	0.7005	0.8317	0.1312

Source: DLPC 2005 Revised Annual Report submitted with ERC (P.S.C. Form No. 44)

Unfortunately, the same 2005 annual report of DLPC did not offer any explanation for such rate adjustment which makes it highly questionable.

Surprisingly, on 22 January 2007, this Honorable Commission issued an Order, a portion of which reads:

¹ Provisionally approved in the 22 December 2003 Unbundling Decision under ERC Case No. 2001-897

“WHEREFORE, the foregoing premises considered, the provisional authority granted to Davao Light and Power Company, Inc (DLPC) on December 22, 2003 is hereby made PERMANENT”

It is worth stressing that the above-mentioned Order has, all the more, made the adjustment implementation by DLPC since September 2005, very disturbing.

As of now, the adjusted rates (column 3) are still being charged by DLPC and this can be seen in their website, www.davaolight.com.

In this regard, may we be informed if there was an Order issued by this Honorable Commission authorizing the above-mentioned adjustment implemented by DLPC since September 2005 and may we also request for a certified copy of the said Order?

If ERC did not issue an order authorizing DLPC to effect such adjustment in its distribution charge, may we further request ERC to immediately issue an Order directing DLPC to stop charging the adjusted distribution charge, revert back to the approved distribution charge, and to refund its excess collections?

Considering the importance of our request which will give light to our findings, we fervently hope the Honorable Commission will favor us with its prompt and favorable reply on this matter.

Thank you and God bless.

Very truly yours,

PETE L. ILAGAN
President