



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.org>
eMail: nasecore2003@yahoo.com

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ATTY. FRANCIS SATURNINO C. JUAN
Executive Director, Energy Regulatory Commission
Pacific Center Bldg. San Miguel Avenue
Pasig City

Dear Executive Director Juan:

Greetings!

This is to acknowledge receipt of your letter dated 21 May 2008 replying to our letter of 09 May 2008 addressed to the Honorable Chairman.

We thank the Commission for its explanation that Meralco used the formula provided under the ERC Guidelines for Automatic Adjustment of Generation Rates and System Loss Rates by Distribution Utilities (AGRA) in charging its customers P4.90/kwh in April 2008 despite its purchased cost of power from Napocor which was only at P4.01/kWh. It is also quite assuring that this monthly adjustment of utilities, like Meralco, are subject to a verification and confirmation process periodically by the Commission.

However, this does not remove the fact that Meralco charged its customers by P0.89/kwh higher than the P4.01/kwh that Napocor charged them in the month of April 2008 and we find this a violation of the least cost supply of electricity provision of the Electric Power Industry Reform Act (EPIRA). It was in light of ERC's mandate of ensuring adequate promotion of consumer interests under the EPIRA that we wrote the Commission last May 9, 2008 and on our belief that EPIRA is superior than the ERC Guidelines used by distribution utilities in effecting increases in its generation charge.

May we know if the Commission believes otherwise? If so, may we be privileged to be provided the Commission's stand?

May we also request for Meralco's submissions supporting such increase in the generation charge in April 2008 and the Commission's verification and confirmation report?

We hope for the Commission continued support in our desire to educate and protect consumers from the high cost of power.

Thank you and God bless.

Very truly yours,

PETE L. ILAGAN
President

Cc: ERC Chair and Commissioners