



National Association of Electricity Consumers for Reforms
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MR. JOSE C. IBAZETA

President & CEO, Power Sector Assets & Liabilities Management Corp.
2nd Floor SGV II Building
Ayala Avenue, Makati City

Dear President Ibazeta:

Greetings!

This has reference to the letter we received from your office dated 25 April 2007 in response to our previous letters dated 03 April 2007 and 27 February, 2007 regarding PSALM's current privatization practice.

We take comfort on the assurance that PSALM is guided by existing policies, rules and regulations under the EPIRA anent the ongoing privatization of the NPC generation assets in Luzon and in the Visayas.

We appreciate your kind invitation to us for a consultative meeting, which may address the concerns we have raised in our previous letters. We believe, however, that we can be fully prepared for such meeting if your office can kindly furnish us in advance copies of the written policies, rules and regulations which you explained govern PSALM in its current efforts to privatize NPC generation assets.

This request becomes necessary in the light of the past practice of PSALM of selling the generation plants as separate or individual units, like that of the sold hydroelectric plants. We find this practice, as already stressed in our previous letter, contrary to Section 47(c) of the EPIRA, which requires sale in clusters or groupings of different generation mixes to ensure that all generating plants are eventually sold at the best price.

In this regard, may we also be furnished a copy of PSALM's total privatization schedule including the existing IPP contracts of NPC?

In view of the reported scheduled bidding of the Masinloc plant next month, we hope for your favorable and immediate response.

Thank you very much and God bless.

Very truly yours,

PETE L. ILAGAN

President

*cc: Joint Congressional Power Committee (JCPC)
Energy Regulatory Comm (ERC) Chairman
National Power Corporation (NPC)President*