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23 May 2008

HON. RODOLFO B. ALBANO, JR.
Chairman, Energy Regulatory Commission
16th Floor Pacific Center Bldg.
San Miguel Avenue, Pasig City

Dear Chairman Albano:

Greetings!

This pertains to the Meter and Bill Deposits lumped and booked as Customer Deposits in Meralco's 2006 Audited Annual Financial Statements in the amount of P19.95Billion. These deposits were given a 6% interests until the issuance of ERB Resolution No. 95-21 in 1995 increasing said interest to 10%.

In light of the ongoing formulation of the Proposed Guidelines to Govern Refund of Meter Deposits and in the interest of transparency called for under the EPIRA, we felt it was necessary for the Honorable Commission to issue a directive to Meralco and the other Distribution Utilities who also lumped and booked both the Meter and Bill Deposits as Customer Deposits to break this into Meter and Bill Deposits so that the total accumulated amount of the Meter Deposit can be shown separately. Apparently, the Honorable Commission overlooked the necessity of this directive.

In this regard, may we request the Energy Regulatory Commission to direct MERALCO to break the current amount of the Customers Deposit into the meter and bill deposits in order to show the total accumulated amount of the Meter Deposit which is the subject for refund under the Proposed Guidelines to Govern Refund of Meter Deposits? Without this total accumulated amount, we believe the ongoing discussion of the Proposed Guidelines to Govern Refund of Meter Deposits will be undermined.

We look forward to your favorable action on this request as ERC is mandated to ensure the adequate promotion of consumer interests.

Thank you so much.

Very truly yours,

PETE L. ILAGAN
President