

05-06-2010 Protests continue despite Meralco's rate reduction

Press Release

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"Meralco's announcement may have been prepared to diffuse the rapid buildup of protest against its unjust rates," said PM spokesman Wilson Fortaleza, referring to the growing outbursts against power rate hikes that now even reaches the cyberspace prior to the announcement.

Fortaleza said that despite the announced rate cut, more mass protests should be launched against Meralco and other utilities in the face of the failed regulatory functions by the government and the power firms' insatiable greed for profit.

"Meralco is a regulated utility. But when regulation fails to protect consumers from corporate greed and repeated abuse, street protests become the necessary option for the hapless consumers," explained Fortaleza.

Meralco's rate surged to the highest level this month due to tight supply and the hikes in the price of electricity traded at the Wholesale Electricity Spot Market (WESM). According to Meralco, its IPPs which provide more than half of Meralco's requirements were forced to shutdown their operations last month due to routine maintenance at the Malampaya gas field, forcing them to source power at WESM but for more than what is required of them, which is limited to only 10%.

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Under the Electric Power Reform Act or EPIRA, Meralco has the obligation to deliver power to its customers at the least cost manner.

"Yet, Meralco always has this predilection of passing the burden of its erroneous practices to its captive clients by way of over-charging and through other forms of corporate fraud," protested Fortaleza, insisting that instead of a price hike, Meralco rather owe the consumers refundable amounts in over-charging as found in the 2009 COA Audit.

The COA audit revealed that Meralco has over billed its customers by at least P15-B from 2003 onwards.

Before proceeding to the Meralco's Kamuning branch, PM members made a kick-off protest at the gates of the National Power Corporation (NPC) to highlight what the group claims is the symbol of failed electricity governance.

Some 80% of NPC assets have already been privatized, including many of its pivotal plants. But contrary to what the Electric Power Industry Reform Act (EPIRA) has envisioned in 2001, the privatization program led to more power rate hikes, and now the new episode of power crisis. "Now who is afraid of people power? Power rate hikes, power crisis, and a failing electoral exercise could be a perfect combination for another one," concludes Fortaleza. ###

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