

LOOKING IN

BY ROD BALBON

It's good that Mayor Beng Salazar has called all power stake holders—Zamcelco, WMPC, Thermal Marine (Aboitiz), and San Miguel to a meeting at City Hall, with the end in view of finding and seeking solutions to the city's supply of electricity and our impending brownouts. She cannot just sit down and remain unmindful to these problems which if not remedied or solved will greatly affect the progress and development of the city and the well-being of its denizens.

My well-informed source told me that Meralco has sought the reconsideration of its move in repudiating the IMC (Integrated Management Contract) it entered into with Zamcelco and presented for the latter's approval. Meralco's repudiation of the proposal is reasonable and founded on thorny and unacceptable issues such as its non-agreement to the Energy Regulatory Commission's (ERC) unreasonable lowering of the benchmark of system's loss from 13.5 percent to 8.5 percent. While this ERC is laudable and intended to increase the efficiency of electric cooperatives, Meralco finds such yardstick as almost impossible to attain considering Zamcelco's system's loss is now at 25 percent. Meralco likewise wants to remove and retire Zamcelco's entire Board, the Manager, including the Division Heads Section Heads. The reason is very obvious.

Many are wondering how can Zamcelco—a sole distributor of electric power to the city, having no competitor, and collecting millions of pesos daily from consumers, would accumulate 2 billion pesos of debt to power producers? Where did the collections go and how were these spent? Why has its system's loss ballooned to 25 percent? These questions must be answered by these above-mentioned officials.

If these people still have even an ounce of civic concern for the city and its populace, they should not insist on clinging to their respective positions. Incompetence and unabated theft of electricity, resulting to a very high system's loss, has bled and sunk the electric cooperative into the morass of financial quicksand that only Meralco or any private power provider can save it from sinking.

The electric cooperatives in the cities of Cebu and Davao are now being run by Aboitiz. At first their populaces were apprehensive that this might result to higher electricity rates. But this was proven wrong and they are now very much contented with the continuous supply of electricity.

We are hoping that our city government could help iron out the contentious issues set forth in the IMC proposals involving Meralco and Zamcelco. If this cannot be done and Zamcelco will not be able to pay power provider WMPC its P300 million debt by July 24 of this month, it will accordingly cut off its power supply to the city from 50 MW to 20 MG. Our city needs the supply 90 MG. With this cut in power supply, we will expect to have four (4) hours of daily brownouts despite the power supplied by Aboitiz and San Miguel. That's if they will continue their supply. But Zamcelco also has unpaid debts to these power providers. The San Ramon Power Incorporated (SRPI) is merely waiting on the wings to supply the city with 100 MG power. With Meralco taking over the management of Zamcelco, SRPI will now be assured of payment of the power it will provide the city. Otherwise, we will be thrown back to the dark age.