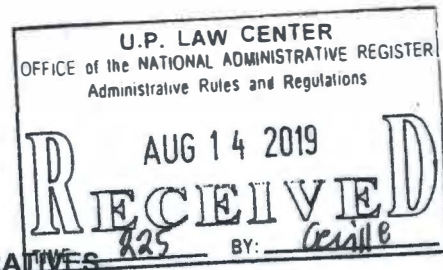




31 July 2019

MEMORANDUM No. 2019-044



TO : ALL ELECTRIC COOPERATIVES
SUBJECT : EC MEMBER-CONSUMER-OWNERS PROGRAM FOR EMPOWERMENT (MCOPE)

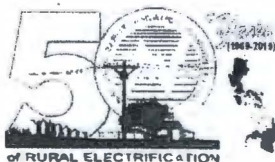
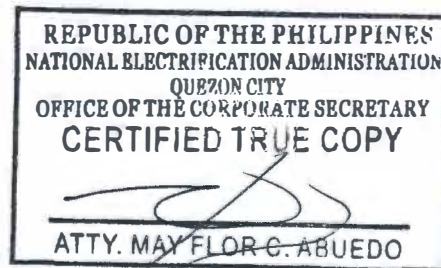
The NEA would like to guarantee the empowerment of MCOs as its partner in achieving its vision of providing sustainable rural development through rural electrification. As such, the program defines the mechanics of empowering the MCOs by organizing them from the barangay level; supplying them with appropriate information and trainings about their roles and responsibilities into the affairs of the cooperatives, its programs and activities, and engaging them in EC services to spur socio-economic development in their community.

Under the program, the organized MCOs generally will be involved in major programs and activities of ECs in (1) preparation and implementation of the EC Performance Scorecard (2) participation in EC affairs (3) protection of the rights and interests of MCOs (4) implementation of EC socio-economic development programs and other special projects.

- Particularly, the MCOs participation in the EC performance scorecard comprise assistance on campaign for sitio electrification and household connections, non-pilferage of electricity, improvement of collection and conduct of customer satisfaction survey. On the other hand, the organized MCOs will take part in the EC affairs by assisting the EC in the conduct of barangay assemblies, Annual General Membership Assemblies (AGMA) and District Elections (DE). Further, it will help in the protection of the rights and interest of MCOs by acting as linkage in addressing consumer complaints in the barangay level such as the program of the Office of the President of the Philippines, the Hotline 8888. In addition, the organized MCOs will support in the implementation of EC socio-economic development programs and other special projects for the MCOs.

Premises considered, we enjoin all electric cooperatives to strongly support the implementation of the MCOPE. Enclosed is a copy of the MCOPE.

EDGARDO R. MASONGSONG
 Administrator





EC Member-Consumer-Owners Program for Empowerment (MCOPE)

I. Rationale

The electric cooperative (EC) provides service to its member-consumers who are at the same time owners of the EC. As such there is a need to protect their rights and interests as member-consumer-owners (MCOs) and allow them to participate in programs and activities of the EC. To do so, the MCOs have to be organized, educated and ensure their involvement in the EC affairs.

Thus the NEA in 2006 organized the Multi-Sectoral Electrification Advisory Council (MSEAC) to strengthen the role of the ECs' member-consumers as important players in the rural electrification program. The MSEAC was organized as an initial step towards MCOs empowerment to be active partners of the EC in its operation and decision-making processes. Further, the MSEAC effectively served as information channels to disseminate EC programs and policies and act as effective catalyst in harnessing member-consumers' efforts in support of activities contributory to improvement of operations which later on was enhanced to adopt current realities brought about by the restructuring of the power industry.

To realize NEA's current vision to achieve sustainable rural development through the electrification program, it has initiated partnership with globally competitive ECs and empowered MCOs. A strongly organized, well informed, and actively engaged MCOs are necessary towards the fulfillment of NEA's agenda.

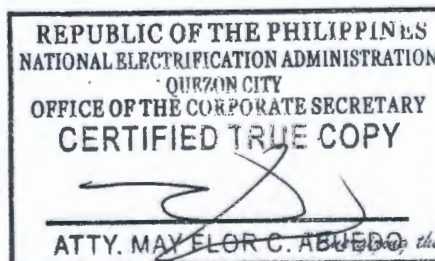
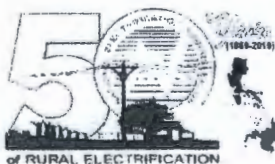
II. Objectives

1. To organize, educate and involve all MCOs in the barangay level to improve the EC's operation in the community;
2. To protect the rights and interests of MCOs;
3. To immediately address improvement of EC services in the barangay; and,
4. To get the MCOs involvement in the EC's CSR programs and other activities.

III. Mechanics of Implementation

A. Organization

1. The ISD Manager together with the District Director and Branch/Area Manager will coordinate with the concerned barangay officials or key leaders and officers in the locality on the conduct of MCOs assembly to elect a set of officers composed of Chairman, Vice-Chairman, Secretary and Treasurer which shall come from different sectors in the community.

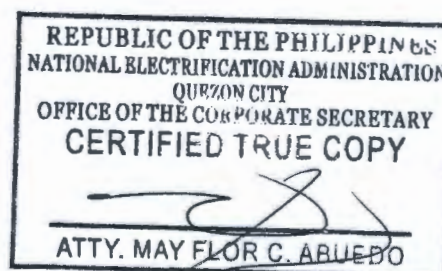


2. All MCOs in the barangay shall register as members of the Member-Consumer-Owners Organization (Example: Sta. Lucia Member-Consumer-Owners Organization (SLMCOO)) before the start of the MCO assembly. Registered members are entitled to vote and be elected as officers of the MCOO except the Barangay Chairman.
3. Each sector present in the barangay assembly shall choose their nominees for the four (4) officers of the MCOO. The four officers shall be chosen from the nominees of all the sectors through election by secret balloting or "viva voce" of all MCOs who registered before the start of the assembly.
4. Elected MCOO Chairmen from different barangays shall elect from among themselves a set of officers (Chairman, Vice-Chairman, Secretary and Treasurer) for the District MCO Organization (DMCOO). The MCO Organization in the district have the option to choose the name of the District MCO Organization.
5. Elected DMCOO Chairmen from different districts shall elect from among themselves a set of officers (Chairman, Vice-Chairman, Secretary and Treasurer) for the EC-wide representatives (MCOO). Example: ISELCO1 MCO Organization
6. Any vacancy in the MCOO, DMCOO and MCOO (EC-wide) can be replaced by their respective organization through an election.

7. Sectoral Representation

Sectoral representatives of MCOs may come from the following:

- 1) Agro-fishery
- 2) Labor
- 3) Youth
- 4) Women
- 5) Education
- 6) Senior Citizen
- 7) Civic
- 8) Business
- 9) Religious
- 10) Indigenous People



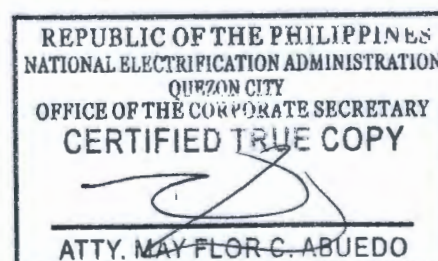
B. Education

1. The ECs, with the assistance of the National Center for Electric Cooperative Consumers (NCECCO), an umbrella organization of MCOs, shall undertake information, education and training activities to ensure that the MCOs have a complete understanding of the EC operations and their roles/duties/responsibilities such as:
 - 1) EC Charter Statements
 - 2) EC Performance Scorecard
 - 3) EC by-laws, policies and programs
 - 4) CSR programs and activities
 - 5) Meter Reading, Billing, Collection and Disconnection
 - 6) Energy efficiency and conservation
 - 7) Magna Carta for Residential Electricity Consumers
 - 8) Power rates
 - 9) RA 7832 (Anti-Pilferage Law)
 - 10) PD269/RA 10531
 - 11) Simplified Procurement and Bidding Procedures
 - 12) RA 9136 or EPIRA
 - 13) Competitive Selection Process (CSP)
 - 14) Cooperative Management Course 1 (CMC-1)

C. Engagement

The MCOOs, as a strong community-based association of consumers, may be involved in the EC programs and activities but not limited to the following:

1. Preparation and implementation of the EC Performance Scorecard
 - 1.1. Campaign for Sitio Electrification and Household Connections
 - 1.2. Campaign for Non-pilferage of electricity
 - 1.2.1. Support the management in carrying out campaign for non-pilferage of electricity
 - 1.2.2. Assist in the campaign for system loss reduction program
 - 1.3. Campaign for Improvement of Collection and other services that can be downloaded to MCOOs
 - 1.3.1. Assist the management in carrying out campaign for prompt payment of electric bills



1.3.2. Assist in campaign for increase in collection

1.3.3. Other services that can be downloaded to MCOOs such as location and inspection, etc.

1.4. Serve Notice of Disconnection

1.5. Help secure right of way and provide assistance to facilitate the grant of permits on beneficiaries of the Sitio Electrification Program/Barangay Line Enhancement Program from the LGUs and other concerned parties.

1.6. Provide line clearing services

1.7. Conduct annual strategic planning and development workshop (MCOO, DMCOO and EC wide MCO) with the assistance of the EC and submit its output.

1.8. Provide feedbacks regarding EC policies and performance, EC officials and employees' efficiency and performance for presentation to the EC board/management as basis in determining the effectiveness of said policies in rendering services to member-consumer-owners.

1.9. Assist in the conduct of Customer Satisfaction Survey.

2. Participation in EC affairs

2.1. MCO assemblies, EC AGMA and District Election

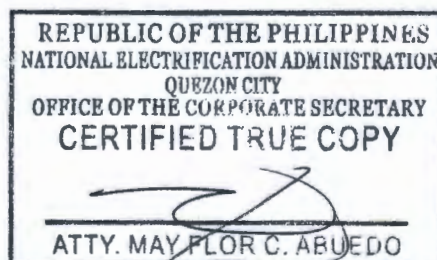
2.1.1. Assist the EC in the preparation of the conduct of district, annual and other general membership meetings.

2.1.2. Educate members on the significance and implications of holding district, annual and other general membership meetings and how they could be conducted in the most meaningful, productive, orderly and peaceful manner.

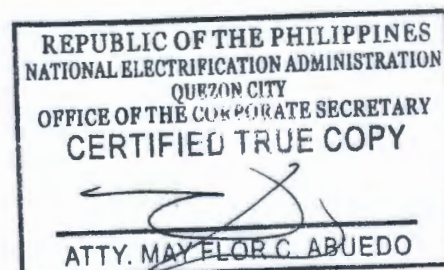
2.1.3. Assist in the updating/sanitation of masterlist of members.

2.1.4. Assist in the approval by the General Assembly of the EC's Capital Expenditure (CAPEX) as required by the ERC.

2.2. Participate in public hearings and consultations conducted by NEA, ERC, DOE, other government agencies and EC allied organizations such as Power rate application, Power Supply Agreements/Contracts (PSAs/PSCs).



- 2.3. Act as observer through the Chairman of the EC wide MCO organization in the conduct of bidding process, Competitive Selection Process (CSP) and board meetings.
 - 2.4. Recommend through the MCOO qualified nominees for the vacant position in the EC Board of Directors
 - 2.5. Sit as member of the consultative panel in the review and negotiation of proposed provisions of Collective Bargaining/Negotiation Agreements (CBAs/CNAs)
 - 2.6. EC-wide MCOO Chairman may be allowed to attend Board Meetings as an observer to discuss relevant issues and concerns affecting their district/municipality and barangay.
3. Protection of the rights and interests of MCOs
- 3.1. Serves as linkage in addressing consumer complaints in the barangay level such as Hotline 8888.
 - 3.2. Serves as linkage in disseminating information on power situation (outages, interruptions, ongoing projects, etc.)
 - 3.3. Assist in disseminating information to all members-consumer-owners regarding EC policies and other services, rules and regulations.
 - 3.4. Act as a channel of information between EC management and the membership, particularly with reference to billing, collection, meter reading, meter inspection and calibration, service connection, house wiring installation and other service complaints affecting day-to-day service operations of the EC.
 - 3.5. Act as a channel of information about the implementation of open access and retail competition on end-users, including but not limited to competitive electricity suppliers, choice of competitive electricity services, regulated transmission and distribution services, and system reliability.
 - 3.6. Assist in educating member-consumer-owners on the importance of energy conservation and safety measures.
4. Implementation of EC socio-economic development programs and other special projects.
- 4.1. Assist in the identification, development and implementation of Livelihood Programs for the member-consumer-owners such as organic farming, mini-ice plant and processing of spring water for drinking.



- 4.2. Business enterprise development
- 4.3. CSR (Tree planting, Medical/Dental Mission, etc.)
- 4.4. Assist in the development of Renewable Energy within their barangay, municipality or districts.

IV. Term of Office of Officers

The term of office of elected officers shall be three (3) years from the date of their oath-taking and are eligible for re-election.

V. Duties and Responsibilities of Officers

- 1) Conduct quarterly meetings of officers
- 2) Campaign for membership in the organization of MCOs
- 3) Submit and update list of members to the EC
- 4) Ensure implementation of MCO Empowerment Program
- 5) Submit Annual Accomplishment Report to the EC
- 6) Conduct Annual Strategic Planning and Development Workshop
- 7) Submit minutes of meeting and other reportorial requirements as may be required by the EC

VI. Incentives

The MCOOs are entitled to economic benefits and other incentives like honoraria in the operation of EC downloaded services such as meter reading, distribution of power bill/notice of disconnection, collection, right of way clearing, etc.

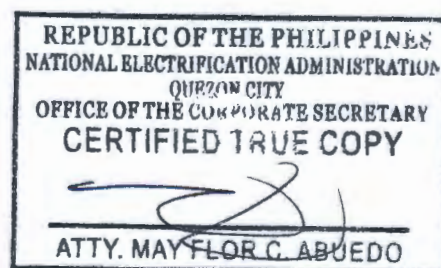
VII. Coordinating and Monitoring of Activities

The EC through its ISD shall be responsible in cascading to the MCOOs, the programs and projects in the Performance Scorecard that can be downloaded to the latter. The ISD shall have a particular unit/staff responsible for coordinating and monitoring the programs and projects of MCOOs.

VIII. Reporting

The EC shall submit periodic report to NEA through the Institutional Development Department-Consumer Development and Protection Division (IDD-CDPD) on the following:

- 1) List of MCOO officers (MCOO, DMCOO, MCOO - EC wide);
- 2) List of MCOO involved activities;
- 3) List of seminars/trainings conducted for MCOOs, including seminar/trainings for the succeeding year; and,



- 4) List of on-going socio-economic development programs and projects (livelihood projects)

IX. Responsibility

The Board of Directors, General Manager and the Institutional Services Department Manager shall be responsible for the full implementation of this guidelines.

X. Transitory Provisions

- 1) Existing MSEAC may continue to hold office up to the expiration of their terms, provided they shall become members of their respective MCOOs.
- 2) Existing MCOOs in the Municipal Level Officers shall continue to hold its office up to the expiration of their term and thereafter be converted to District MCO Organization.
- 3) MSEAC nominated and appointed to positions (e.g. member of the consultative panel in CBA/CNA negotiations, etc.) in the EC shall continue to perform their functions until the expiration of their terms as MSEAC.
- 4) Existing BAPA shall be considered as MCOO. Barangays with several BAPAs shall be constituted as one (1) MCOO.

XI. Repealing Clause

This supersedes all NEA issuances inconsistent herewith.

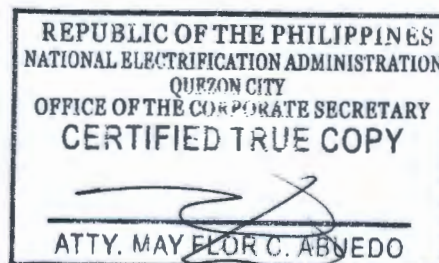
XII. Effectivity

This MCOPE shall take effect fifteen (15) days upon filing with the University of the Philippines (UP) Law Center pursuant to the Presidential Memorandum Circular No. 11 dated October 9, 1992.


EDGARDO R. MASONGSONG
Administrator



Approved by the NEA Board of Administrator in its meeting on July 31, 2019





NATIONAL ELECTRIFICATION ADMINISTRATION
 "The 1st Performance Governance System-Institutionalized National Government Agency"
 57 NIA Road, Government Center, Diliman, Quezon City 1100



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August 13, 2019

THE DIRECTOR

Office of the National Administrative Register
 University of the Philippines Law Center
 U.P Law Center, Diliman
 Quezon City

Sir:

Pursuant to Book VII, Chapter 2, Section 3 of the 1987 Administrative Code of the Philippines, we are respectfully submitting to the U.P Law Center for filling, publication and recording the attached certified true copies of the **"EC MEMBER-CONSUMER-OWNERS PROGRAM FOR EMPOWERMENT (MCOPE)"** promulgated by the National Electrification Administration (NEA) in accordance with its authority under Section 5 of P.D. No. 269 as amended.

Thank you very much for the usual and kind assistance of the U.P Law Center.

Very truly yours.


ATTY. MAY FLOR C. ABUEDO
 Acting Corporate Board Secretary V

