

2013

2014

2015

ACHIEVE...  
CELEBRATE

2016

2017





## TABLE OF CONTENTS

NEA-BOA in Action	8
Administrator's Report	10
SEP-BLEP	12
Financial Statements	16
2015 Performance Scorecard	18
Financial Services	21
Technical Services	22
Institutional Development	28
Management Assistance	30
Performance Assessment & Special Studies	33
Corporate Planning	39
EC Profile	46
NEA Workforce	50
Editorial Board	54

### ABOUT THE COVER

The cover of the Annual Report is a toast to the successes achieved by the NEA and the electric cooperatives in 2015. While looking back on the past, the year is also depicted as at once ready to embrace the future, with NEA and the ECs taking a big role in the task of nation-building through the Rural Electrification Program.

Republic of the Philippines  
**National Electrification Administration**  
Quezon City

May 2016

His Excellency Benigno S. Aquino III  
President of the Republic of the Philippines  
Malacañan Palace  
Manila

Dear Mr. President:

I have the honor to submit the Annual Report of the National Electrification Administration for the Year 2015.

Very truly yours,

  
**EDITA S. BUENO**  
Administrator



# Message from the President of the Philippines



**MALACAÑANG PALACE**  
Manila



My warmest greetings to the management and staff of the **National Electrification Administration** on the release of your **Annual Report**.

As a blueprint of your initiative to scale up electrification efforts, this document contains the narrative of your contributions to our continuing resurgence. Within five years, you were able to develop meaningful indices of our people's empowerment and, in turn, raise our countrywide electrification rate to more than 95 percent. Your close coordination with electric cooperatives has resulted in improvement across our regions, despite challenges like changing climate patterns and fractured terrain. Your agency's performance indicates your commitment to illuminating the future of our fellow Filipinos. On behalf of our nation, I thank you for the Sitio Electrification Program and for bringing new vitality to the farthest reaches of our archipelago.

Let this account of triumph enable you to proceed with a greater sense of mission. May you keep your advocacies burning bright as we begin a new chapter in our history: Let inclusive growth and enhanced access to services remain your organization's beacons.

At the beginning of our journey along the Daang Matuwid, we tasked corporations like the NEA to assert their mandates and become more proactive in leveraging our citizenry's progress. Today, we bear witness to tangible accomplishments, and rejoice in seeing our partners exceed themselves to ensure that no one is left on the margins of society. I enjoin you to uphold our present synergy: Let us advance full force on this path that will lead us to even grander triumphs.

Congratulations to you all.

**MANILA**  
April 2016

  
**BENIGNO S. AQUINO III**  
Republic of the Philippines



## Message from the DOE Secretary

There is no other way to start this message, but with an accolade and a word of Congratulations to the officials and employees of the National Electrification Administration for working dedicatedly to make 2015 an outstanding year for all of us.

The Department of Energy (DOE) lauds NEA together with the electric cooperatives for its great contribution to the attainment of the 95.17% electrification of the targeted 32,441 sitios around the country. This feat exemplifies President Benigno S. Aquino III's social contract for the Filipino people, to which we are entrusted to facilitate rural development through electrification. The agency has also energized the 11 millionth household beneficiary which shows the amount of passion you pour into this advocacy.

More importantly, the DOE is grateful to NEA because of its exceptional management style, which enabled the agency to perform well in various undertakings and be recognized by other institutions, particularly earning its distinction of being part of the pioneer roster of the "Islands of Good Governance." Additionally, it is through NEA's guidance that electric cooperatives have established the modern bayanihan that we call Task Force Kapatid, which epitomizes the essence of building back better as we aspire for energy resiliency.

As NEA goes on to its well-traveled journey, may you uphold the welfare of your stakeholders in all your pursuits and aspirations, as there are still more tasks to be accomplished and more challenges to hurdle. May you also remain to be efficient, responsible and reliable partner in nation building as we realize all our dreams for our people.

On behalf of the energy family, we hope for your continued success for the next years to come as your victory is also ours to cherish. Rest assured that the DOE will always stand by your side in promoting greater good for our country and countrymen.

*Mabuhay and more power!*

  
**ZENAIDA Y. MONSADA**  
Secretary



Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
Taguig City, Metro Manila





## **MANDATE**

Total electrification on an area coverage basis  
and competence enhancement of  
electric distribution utilities in a deregulated environment

## **VISION**

Total electrification on an area coverage basis by 2020

## **MISSION**

To pursue the mandate of rural electrification and to  
provide financial, institutional and technical assistance  
to electric distribution utilities to make them highly  
competitive in delivering quality service

## **CREDO**

Go where the darkness looms  
Create the path of light  
Walk with the rural folks  
Install the lines of progress

Work with the electric cooperatives  
Spin the engine of growth  
Bring electricity to the industries,  
communities and households

Protect the consumers' interest  
Serve with your hearts  
Share your talents  
And make a difference

Live honestly  
Work efficiently  
Promote solidarity

## **CORE VALUES**

Absolute honesty  
Maximum efficiency  
Total solidarity






## Statement Confirming Full Compliance with the NEA's Manual of Corporate Governance and Adequacy of Internal Control System

The NEA Board Governance Nomination and Remuneration Committee (BGNRC) reviewed recommendations of Management prior to endorsement and approval by the NEA Board. All Resolutions and Actions taken by the NEA Board for Calendar Year 2015 are in compliance with the NEA Manual of Corporate Governance.

Likewise, the Board Audit Committee (BAC) reviewed the findings, observations and recommendations of the Internal Audit Quality and Management Office on the operations of the NEA prior to endorsement and approval of the NEA Board. The Internal Control System of the NEA is adequate.



**JOSE VICTOR E. LOBRIGO**  
Member, NEA Board of Administrators  
Chairman, NEA BGNRC  
Chairman, NEA BAC

## Statement on Review of Financial, Operational and Risk Management System

The NEA Board Credit and Risk Management Committee (BCRMC) reviewed recommendations of Management for Calendar Year 2015 involving Financial, Operational and Risk Management prior to endorsement and approval by the NEA Board.



**EUGENE A. TAN**  
Member, NEA Board of Administrators  
Chairman, NEA BCRMC







## 1 ZENaida Y. MONSADA

Age: 60

### Highest Educational Qualification:

Master in Public Management  
-Development Academy of the Philippines

**Date of Appointment:** October 2015

### Relevant Experience:

Secretary, Department of Energy (DOE)  
Undersecretary, Department of Energy(DOE)  
Electric Power Industry Management Bureau  
Energy Resources Development Bureau  
Renewable Energy Management Bureau  
Director, Department of Energy (DOE),  
Oil Industry Management Bureau

### Continuing Training Program:

Led the creation of the DOE's national petroleum testing laboratory and the acquisition/operation of the mobile testing facility

Facilitated the institutionalization of the multi-sectoral advocacy campaign on the downstream oil industry

Was part of the "Benchmarking of Biodiesel Fuel Standardization in East Asia" of the Economic Research Institute for ASEAN and East Asia

## 2 ATTY. JOSE RAYMUND A. ACOL

Age: 40

### Highest Educational Qualification:

Bachelor of Laws - Leyte Colleges

**Date of Appointment:** February 11, 2013

### Relevant Experience:

Assistant Secretary, Department of Energy (DOE)  
Assistant Provincial Attorney, Provincial Government of Leyte  
Municipal Councilor, Municipal Government of Sulat, Eastern Samar

### Continuing Training Program:

Waterpower Hydro Convention, Portland,Oregon  
World Geothermal Convention-Melbourne, Australia  
International Oil Exploration Conference, Singapore  
World Hydropower Conference, Cernobbio, Italy

## 3 EDITA S. BUENO

Age: 64

### Highest Educational Qualification:

Bachelor of Science in Public Administration  
- Araneta University  
Units in Master in Public Administration  
- University of the Philippines, Diliman

**Date of Appointment:** August 16, 2004

### Relevant Experience:

Acting Administrator, NEA (January – June 2004)  
Chief Operations Officer and Deputy Administrator for Cooperatives Development and Special Projects, NEA (2001-2003)  
Deputy Administrator for Cooperative Development and Special Projects, NEA (1993-2001)  
Member, ADB-initiated Energy for All Partnership Steering Committee (March 2009)

Member of Advisory Board, Philippine Electricity Market Corporation (June 17, 2009 - Present) Member, NEA Board of Administrators (2004)

### Continuing Training Program:

Attended and participated in NRECA Annual Meetings from 2005 to 2015, Asia Clean Energy Fora, Energy for All Partnership Steering Committee Meetings  
Attended Executive Leadership Programs (Career Executive Service)  
Attended Management Trainings and Programs:

Institute for Solidarity in Asia  
Public Governance Forum

Palladium Summit  
Performance Governance System Revalida  
Institute of Corporate Directors  
Professional Directors Programs  
Roundtable Discussion  
Corporate Governance  
OECD Asian Roundtable Discussion

#### 4 FR. JOSE VICTOR E. LOBRIGO

Age: 50

##### Highest Educational Qualification:

Pre-Doctoral Graduate Student:  
Catholic University of Louvain, Belgium  
Master's Degrees: Pastoral Ministry  
- Loyola School of Theology  
- Ateneo de Manila University

Date of Appointment: February 7, 2006

##### Relevant Experience:

President (since 2005), Bicol  
Microfinance Council, Inc.  
Chairman of the Board (since 2005),  
Simbag sa pag-Asenso, Inc.  
Parish Priest, Our Lady of the Gate  
Parish, Daraga, Albay

##### Continuing Training Program:

Program for Development Managers  
- Asian Institute of Management,  
Makati City  
2015 NRECA Annual Meeting  
2014 NRECA Annual Meeting  
Professional Directors Program,  
Institute of Corporate Directors

#### 5 EUGENE A. TAN

Age: 45

##### Highest Educational Qualification:

B.S. Biology - Divine Word University

Date of Appointment: March 3, 2015

##### Relevant Experience:

Proprietor, Luxury Suites Hotel  
Tap Commercial  
Janvike Construction and Supplies  
Access Office Systems  
Managing Director and franchisee,  
Gerry's Grill

##### Continuing Training Program:

ICD's Performance Governance System  
(PGS) 101  
ICD's CGOP for Government Owned and  
Controlled Corporation  
Attended training programs in the Asian  
Institute of Management, Ateneo de  
Manila University and the Rotary Club  
International District 3860 in Kentucky,  
USA along with several leadership  
seminar

Date of Appointment: May 20, 2015

##### Relevant Experience:

President, Metro Cebu Water District  
Union  
President, National Alliance of Water  
District Unions of the Philippines  
Organizer-President, Allied CEBECO  
Labor Unions  
Consultant-Lecturer, National Solidarity of  
Electric Cooperative Labor Unions  
Convenor, Steering Committee of the  
International Labor Organization in the  
Philippine water utility sector  
Chairman, National Coordinating  
Committee of Public Services  
International-Philippine Affiliates  
Chairman, Brotherhood of Union of the  
Philippines  
President, Alliance of Government  
Employees, Region 7

##### Continuing Training Program:

ICD's Performance Governance System  
(PGS) 101,  
ICD's CGOP for Government Owned and  
Controlled Corporation  
Participated in 21 international conventions,  
conferences and seminars in all sorts  
of advocacies and initiatives in service  
to the country and its citizens

#### 6 VICTOR G. CHIONG

Age: 56

##### Highest Educational Qualification:

B.A. Law - University of the Visayas,  
Gullas Law School

The Board of Administrators of the National Electrification Administration is pleased to report another successful year for the Agency and the electric cooperatives. For 2015, it conducted twelve regular meetings, eight Board Governance, Nomination and Remuneration Committee (BGNRC) meetings, eight Board Credit and Risk Management Committee (BCRMC) meetings, and seven Board Audit Committee (BAC) meetings.

A total of 157 resolutions were likewise finalized by the Board for the year, in addition to the approval of thirteen policies, guidelines, and rules as stated below:

- √ Guidelines for the Selection of Appointment of Independent Director
- √ Guidelines on NEA Accreditation of External Auditors for ECs
- √ Policy on Benefits, Allowances and Incentives of EC Officials and Employees
- √ Policy on Electric Cooperatives' Resiliency Program and its Implementing Rules and Regulations (IRR)
- √ Policy on New Salary Scale for EC GMs
- √ Policy on New Salary Scale for EC Employees
- √ The New Administrative Rules of Procedures of 2013
- √ Retirement Plan for General Managers of ECs
- √ Guidelines on the Accounting Treatment of Subsidy Funded Projects
- √ Policy Guidelines on the Implementation of Barangay Line Enhancement Program (BLEP)
- √ Memorandum No. 2015-037: Enhanced Role of the Multi-Sectoral Electrification Advisory Council (MSEAC)
- √ Memorandum No. 2015-034: Supplemental Guidelines in the Conduct of Referendum for Electric Cooperatives Conversion
- √ Memorandum No. 2015-028: Guidelines in the Candidacy of EC Officials and Employees in the 2016 National and Local Elections

Moreover, three referenda were conducted by the Board in 2015, namely:

- √ Referendum on the Award of Contracts to Jocelyn Forge, Inc. for Lots 1 and 2 and CEPALCO Energy Services Corporation for Lots 3 and 4 and Grant of Authority to the Administrator to Sign Contracts for and in behalf of NEA
- √ Referendum on the Request for Approval of the CY 2016 Performance Scorecard (PES Form 1) and Requirements for the Performance Agreement Negotiation (PAN) for Consideration of the Governance Commission for GOCCs (GCG)
- √ Referendum on the Request for Confirmation of Office Order No. 2015-106 Re: Designation of Mr. Rogelio B. Bernal as Project Supervisor/Acting General Manager (PS/AGM) of Sorsogon I Electric Cooperative, Inc. (SORECO I)



# ADMINISTRATOR'S REPORT

In January of 2015, I began my last full year in public service carrying the thrill of seeing the dream of the NEA and the electric cooperatives slowly come into fruition. A dream we labored on for nearly five years, the energization of more than 30,000 sitios under the Sitio Electrification Program (SEP) proved how much bigger was our aspiration to serve the rural Filipinos than any of the program's setbacks. I was thrilled, of course, by how far we've gone since I became part of the Rural Electrification (RE) Movement back in 1972, but none, I think, could be any more gratifying than being able to set foot in far-flung villages where people's happiness meant access to electricity.

I keep saying this: that too often, it is so easy to be tied up by the rigid formalities of the bureaucracy; these are, after all, what is demanded of any government institution to remain grounded in the practice of transparency, accountability, and fairness. But I have to keep reminding myself and our people, as well, that the documents we have in our hands, more than anything else, bear the faces of many of our countrymen whom we have yet to serve with power. It was meant, in a way, to teach us something about compassion; to learn to implicate ourselves in the larger realities of people and communities that are oftentimes left out in the blur of the daily work that we do.

Forty-three years in public service, and what has life been trying to teach me all this time? I have always believed this: that the true measure of success of public officials depends not on the power they have been able to amass, but on the quality of lives they have helped change in the course of doing their duty. It is, indeed, so easy for power to delude us, so easy to wield it without so much understanding how it can affect the lives of people we have vowed to serve. The path of least resistance, it is the abuse of power that has so often blinded people to pursue individual interests rather than uphold public will. Forty-three years in government service, and what has life been trying to teach me all along? That I am a public servant, not a public master.

I have come to realize, therefore, that a life worth-lived is one that is given selflessly to people whose own yearnings for better life become in itself the reason why we are called to power. It is not so often that opportunities to serve come freely to individuals, but that I have been called to be part of an agency that stands as an instrument of hope to many Filipinos in the rural areas, I can only feel privileged.

It is, thus, my honor to present to you the corporate accomplishments of the NEA for 2015 which saw us making huge strides in pursuing the total electrification mandate and in remaining to be seen as a leader institution of good governance in the public sector. It was, indeed, a tough year for all of us, but for all its worth, we were more than happy to prove our will, share the journey with equally intrepid souls, and emerge victorious in the long run.

## 2015 Corporate Accomplishments

### A. Attainable and Accessible Electrification

In its fourth year of implementation, NEA, in partnership with the ECs, was able to fast track SEP and energize a total of 30,874 (95.17%) of the targeted 32,441 sitios under the President's term.

### B. 11 Millionth Household Connection

Nearing the completion date of SEP, the 11 millionth household connection beneficiary was Ms. Luisa Laguyo of Sitio Nompolia, Hungduan, Ifugao under the coverage area of the Ifugao Electric Cooperative, Inc. (IFELCO).

### C. Responsible Citizenship

The Agency remitted its corporate dividends amounting to Php 118.14 million to the Bureau of Treasury and its income tax of Php 93 million to the Bureau of Internal Revenue.

### D. Most Outstanding Accounting Office

For two consecutive years, NEA has been cited through the recommendation of COA as "Most Outstanding Accounting Office" in recognition of the timeliness, reliability and accuracy of the agency's financial statements/reports, as well as compliance to accounting rules and regulations set by COA.

### E. Efficient and Viable Institution

Through its strong fiscal discipline, NEA sustained its high collection efficiency, profitability, and debt servicing which can be further attested for eight consecutive years.

### F. Lumens Awards

NEA has recognized ECs with exemplary performance as well as given citations for those with distinct achievements during the Lumens Awards held at the Philippine International Convention Center (PICC) in Pasay City on 2 December 2015.



A total of 11 ECs were recognized as either Ultra Diamond, Mega Diamond, Grand Diamond or Diamond EC Awardees for their consistent and outstanding performance. Special awards were given to 56 ECs which were rated AAA; 17 main grid and seven off-grid ECs which registered single-digit system loss and 15 ECs which posted 100% collection efficiency.

### G. Islands of Good Governance (IGG)

In recognition of the breakthrough results and transformative impact of the Rural Electrification Program, NEA now holds the distinction of being part of the pioneer roster of the "Islands of Good Governance" awardees. NEA was likewise cited as the first Government-Owned and Controlled Corporation (GOCC) to qualify for the award.

As I begin to look back at what has been a rewarding experience steering the NEA and all the ECs nationwide, I feel a great sense of humility at having been given the chance to uplift the lives of the poor and the marginalized. This is, perhaps, what my long years of service all come down to: it is finally to know empathy, to learn to go beyond the boundaries of one's self and be able to discern, with a constantly listening heart, the needs of other people. It is to disrobe one's self of the cloak of power and see we are measured less by how much we have gotten for ourselves than how much we have let others feel they are valued and cared for.

In the end, as I make way for another administration to take over, I can only feel proud of the strong partnership NEA has had with the ECs over the years. Together, we have been able to form leadership associations serving as partners of the Agency in implementing its projects. The same have been NEA's consultant for issues and policies affecting the RE Program, thereby ensuring fairness, transparency and accountability, and a sense of ownership in every project that we do. It has never been an easy ride, certainly, but because we acted as a collegial body bound by a common purpose to serve, we have been able to surmount challenges and prove that everything is possible with strong will and oneness.

Of course, I have the entire NEA family to thank for. From the beginning, their support to the program has been unwavering, and were it not for their dedication and the teamwork they have manifested in performing their tasks, then the program would not have likely reached as far as it did. The NEA family has been a pillar of the program, and most certainly a source of my strength in all the years that I have been with the Agency.

To bow out of service from the NEA, therefore, is not to relinquish our most humanly obligation to help. It is only to prepare us for other instrumentalities of service God asks each of us to do. As I keep saying, positions are temporary; what is more important is how we are able to use the little time we have to make a difference in the lives of our fellowmen and start them on the game of life.



“

The NEA and the ECs have taken the high road for the best interest of the people, solidifying through the years a culture of partnership where every one's work is counted and appreciated.

I would be remiss, perhaps, to say I have done my part, when the act of service certainly goes on even as one's term is already over. But there is joy, lots of it, when I look back and see how much brighter now is our country than when we began the program. Truly, the NEA and the ECs have taken the high road for the best interest of the people, solidifying through the years a culture of partnership where every one's work is counted and appreciated.

There is no better way to put this, but that it has been an exciting journey witnessing our rural Filipinos gain a more positive outlook in life because of access to electricity. We are leaving a legacy of a more hopeful people, indeed, and I have faith that the long-standing partnership of the NEA and the ECs, coupled with the determination of all the NEA officials and staff, will continue to be the cornerstone of the success of the RE Program for the many years to come.

May God bless NEA and the electric cooperatives as He always does.

*Edita S. Bueno*  
**EDITA S. BUENO**  
 Administrator



# Sitio Electrification and Barangay Line Enhancement Programs

With a commitment to light up the remotest sitios in the country and provide quality electric service to rural Filipinos through the able assistance of electric cooperatives (ECs) nationwide, NEA continued in 2015 to make great strides in implementing the Sitio Electrification Program (SEP) and the Barangay Line Enhancement Program (BLEP), along with various assistances provided to projects of NEA's government partners.

## Sitio Electrification Program

For 2015, a total of 10,361 SEP projects were completed by the Agency in cooperation with partner ECs. This exceeded the annual target of 7,092 sitios by 3,269, representing an overall accomplishment of 146.09%. As of December 31, 2015, a total of 30,874 sitios were energized, thereby leaving only a balance of 1,567 sitios for completion within the first quarter of 2016.

Per island, Visayas ECs registered the highest number of energized sitios for the year with 3,548, followed by Luzon ECs with 3,413, and Mindanao ECs with 3,400. Meanwhile, Region VI attained the highest number of energized sitios for the year totaling 1,921, with accomplishments coming from the following ECs: ILECO II (313), NONECO (284), ANTECO (278), ILECO III (274), ILECO I (198), AKELCO (154), NOCECO (129), GUIMELCO (105), CAPELCO (101), and CENECO (85).

## Barangay Line Enhancement Program

Under BLEP which seeks to connect distribution systems of identified barangays to EC's grid through various engineering innovations and construction schemes, 164 projects out of the 230 targeted projects for 2015 were completed and energized, representing 71.30% of the total target. Thorough technical evaluation of about 438 BLEP projects, including the installation/construction of 16 submarine cables in various island barangays in Regions IV-B, VI, VII, and CARAGA, was likewise facilitated.

## Other Projects

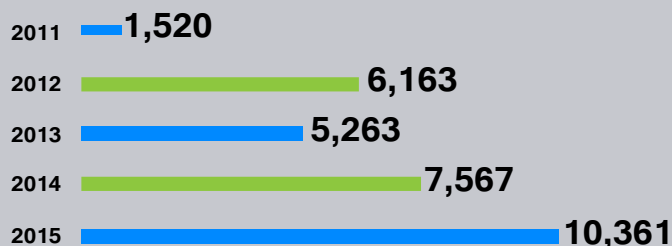
In addition to implementing projects under SEP and BLEP, NEA has also been tapped to lead the provision of electricity to housing units under the National Housing

Authority's (NHA) Typhoon Yolanda Permanent Housing Program. For 2015, all required documents for the 61 project sites (tapping point to perimeter fence) were promptly evaluated. NHA, as NEA's fellow government partner, targeted a total of 310 sites, with 116 sites programmed for 2015 and 194 sites for 2016. Full support and regular coordination activities are ongoing to achieve the goals of the housing program.

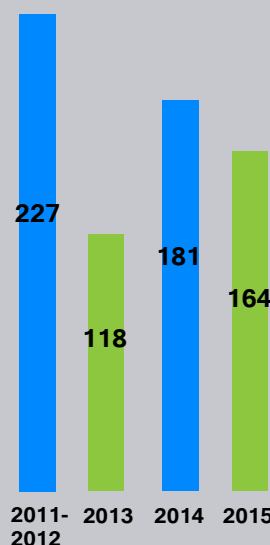
NEA has also been tapped to provide electricity to 2,414 unenergized schools identified by the Department of Education (DepEd). To date, a total of 311 unenergized schools under the coverage area of 17 ECs have already been validated. It was found out that 134 schools were already energized, while 177 schools remained unenergized. Submission of the required documents were requested to facilitate the evaluation and release of funds. Validation is ongoing.

### FAST FACTS

#### SEP



#### BLEP



#### WHAT WE HAVE ACHIEVED:

**30,874** sitios  
out of **32,441**  
target under **SEP**

**690** barangays  
out of **1,030**  
target under **BLEP**

A milestone in the Rural Electrification Program was the connection of the 11 millionth consumer on September 15, 2015. The recipient, Ms. Luisa Laguyo of Sitio Nompolia, Barangay Poblacion, Hungduan, Ifugao, is a 49-year old sari-sari store owner and dressmaker whose life made a turn for the better after her community was finally energized.

Out of the 13,081,400 potential consumers, 11,174,080 or 85% have already been served with electricity. The 5 ECs with the highest number of consumer connections are BATELEC II with 279,940, followed by ALECO with 235,235, CENPELCO with 221,156, while 207,644 for CENECO and 194,839 for ISELCO I.

For the year, 117% accomplishment was achieved with the connection of 537,970 consumers as against the target of 460,000. Regions VIII, VI and V are the top three contributors through the electrification of 56,367, 47,240 and 46,115 additional consumer connections respectively.

## IN THE SPOTLIGHT

*The simple implements of a lone household standing along a winding roadstretch in Hungduan, Ifugao were nothing but a radio, a six-year old sewing machine, and two light bulbs. That was all, but for Luisa Laguyo, beneficiary of the 11 millionth household connection, who waited for electricity almost all her life, it meant everything.*

*There was a slight chill in the morning air when we got to visit Luisa in her simple house in Sitio Nompolia in Poblacion, Hungduan. More than an hour's drive away from where we were billeted, the road twisting through the steep mountain ridges of Cordillera, Luisa's house stood humbly along a portion of the Tinoc-Hungduan Road, at a place where we thought no settlements would be found anymore. Below her house, a few meters down the terraced rice fields, was where her aging parents live and where Luisa descends a steep rock staircase to tend occasionally to a patch of their vegetable garden.*

*Theirs was a life far from being convenient. At 49, Luisa admitted to spending almost all her life in darkness, making do with what the family only have, and waiting for something they felt would not really come in their lifetime.*

*In 1994, she decided to leave the country and test her fate elsewhere. Working as an OFW in Singapore for 3 ½ years, Luisa later moved to Bahrain where she likewise toiled for 12 ½ years.*

*She earned little more than she used to, Luisa admitted, but little did she know that the life she left in the chilly mountain village of Hungduan in 1994 would be the same life she would return to in 2009.*

*Today, three months after Sitio Nompolia was energized, we find Luisa sitting in front of her sewing machine, speeding its foot pedal without tire to finish the edging of a few fabrics her clients asked her to repair. On the table is a small radio, punctuating the cold air with a familiar rhythm, while beside her, we find a bin where she keeps a clump of other fabrics she has just finished altering.*

*It is a life she never imagined would happen, remote as their place is from the urban centers of Cordillera, but Luisa learned how to wait and work hard enough to know things get better in time and that life holds countless possibilities for someone who knows how to hope and persevere.*

*Today, after a fresh batch of fabrics has been sewn in with new edging, we find Luisa attending to her small sari-sari store which she was able to put up after her community was energized. She says she is happy spending her time this way, as though there was never a time in her life when she thought her life could be as rose-colored as it is now.*

*After sometime, Luisa returns to her sewing machine to work again, dutiful woman as she is, while a bright spool of thread spins to her right, like the future she now holds, like the newly-hemmed world she now lives in.*

## Consumer Connections







Republic of the Philippines  
 COMMISSION ON AUDIT  
 Commonwealth Avenue, Quezon City, Philippines

## INDEPENDENT AUDITOR'S REPORT

### THE BOARD OF ADMINISTRATORS

National Electrification Administration  
 NIA Road, Government Center  
 Diliman, Quezon City  
 1100

#### Report on the Financial Statements

We have audited the accompanying financial statement of **National Electrification Administration (NEA)**, which comprise the statement on financial position as at December 31, 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### Basis for Qualified Opinion

As a result of the confirmation made with the Bureau of the Treasury (BTr), a huge variance of P12.110 billion was found existing between the P8.137 billion reported year-end balance of account, Due to National Treasury, representing Advances of the National Government (NG) through the Bureau of the Treasury (BTr) on NEA's foreign loans, and the P20.247 billion balance confirmed by BTr.

Of this noted variance, the amount of P6.499 billion or 54 percent pertained to NEA's unrecognized interests on NG Advances charged by BTr covering 1971 to 1989 foreign loans under the Bail-out Program, while the amount of P5.611 billion or 46 percent remained unreconciled as at year-end.

### Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the **National Electrification Administration (NEA)** as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Other Matter

Subsidy releases to electric cooperatives (ECs) for the implementation of electrification projects under Sitio Electrification Project and Barangay Line Enhancement Program (SEP/BLEP) aggregating P8.848 billion remained unliquidated by ECs as at year-end despite the completion/implementation for more than one to three years. This was brought about by subsequent releases to the ECs allowed by NEA without requiring first the liquidation of previous releases contrary to Sections 3 and 4 of the MOA and Section 2 of COA Circular No. 2012-001.

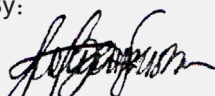
Various incentives aggregating P43.943 million for CY 2015 were granted under NEA's PRAISE to NEA officials and employees without approved budget and without prior approval from the DBM and Civil Service Commission (CSC), in violation of Section 15 of Executive Order 518 and CSC Memorandum Circular No. 01,s. 2001. Also, payment of rise and medical allowance to NEA employees amounting to P20.738 million and P1.220 million, respectively, or a total of P21.958 million in CYs 2013 - 2015 lacked legal basis and was not included in the NEA COB for the same period.

### Report on the Supplementary Information Required under Revenue Regulations No. 15-2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required by the Bureau of Internal Revenue on taxes, duties and license fees disclosed in Note 25 to the financial statements is presented for purposes of additional analysis and is not a required part of financial statements prepared in accordance with International Financial Reporting Standards. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### COMMISSION ON AUDIT

By:



**GLORINA B. SUSON**

OIC - Supervising Auditor

### STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **NATIONAL ELECTRIFICATION ADMINISTRATION** is responsible for all information and representations contained in the accompanying Balance Sheet as of **December 31, 2015** and the related Statement of Income and Expenses and Cash Flow for the year then ended. The financial statements have been prepared in conformity with generally accepted state accounting principles and reflects amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

**SONIA B. SAN DIEGO**

Deputy Administrator for Corporate Resources and Financial Services

**EDITA S. BUENO**

Administrator

# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2015

(With comparative figures for the Year Ended December 31, 2014)

(In Philippine Peso)

	2015	2014
<b>INCOME</b>		
<b>General Income</b>		
Interest income	624,479,755	726,017,392
Service income	113,037,763	205,689,255
Total income	737,517,518	931,706,647
<b>EXPENSES</b>		
Personal services	265,080,295	232,420,700
Maintenance and other operating expenses	151,378,780	132,461,442
Total expenses	416,459,075	364,882,142
<b>NET INCOME FROM OPERATIONS</b>	<b>321,058,443</b>	<b>566,824,505</b>
<b>OTHER INCOME (EXPENSES)</b>		
Gain/loss on foreign exchange	1,677,666	1,230,826
Gain/loss on sale of disposed assets	0	524,214
Financial expense	(53,496,011)	(29,047,597)
Other income	57,815,010	47,653,506
Total other income/expenses (net)	5,996,665	20,360,949
<b>NET INCOME BEFORE INCOME TAX</b>	<b>327,055,108</b>	<b>587,185,454</b>
<b>INCOME TAX</b>	<b>92,972,617</b>	<b>171,637,923</b>
<b>NET INCOME</b>	<b>234,082,491</b>	<b>415,547,531</b>



**STATEMENT OF FINANCIAL POSITION**

December 31, 2015

(With comparative figures as of December 31, 2014)

(In Philippine Peso)

	2015	2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	8,466,290,099	10,645,751,400
Loans receivable	2,311,187,278	2,389,690,203
Other receivables	16,365,718,998	14,464,673,896
Inventories	7,073,687	6,975,337
Prepayments	1,297,045	1,832,606
Total current assets	27,151,567,107	27,508,923,442
<b>Non-Current Assets</b>		
Long-term loans receivable	8,552,443,749	8,264,951,126
Property and equipment	245,989,057	249,460,741
Other assets	4,710,503	4,710,503
Total non-current assets	8,803,143,309	8,519,122,370
<b>TOTAL ASSETS</b>	<b>35,954,710,416</b>	<b>36,028,045,812</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Payables	204,714,931	255,002,053
Payables to government agencies	8,146,982,361	8,187,562,325
Loans payable - domestic	10,806,981	35,901,192
Other payables	22,495,298,310	22,552,935,034
Total current liabilities	30,857,802,583	31,031,400,604
<b>Non-Current Liabilities</b>		
Loans payable - domestic	3,797,336	14,655,737
Deferred credits	46,685,393	43,996,491
Total non-current liabilities	50,482,729	58,652,228
<b>TOTAL LIABILITIES</b>	<b>30,908,285,312</b>	<b>31,090,052,832</b>
<b>EQUITY</b>	<b>5,046,425,104</b>	<b>4,937,992,980</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>35,954,710,416</b>	<b>36,028,045,812</b>

## 2015 PERFORMANCE SCORECARD

The **Performance Scorecard** is one of the compliance measures required by the Governance Commission for GOCCS (GCG) from government-owned and controlled corporations aimed at gauging their level of productivity and efficiency and ensuring that good governance mechanisms are in place in all government institutions. Negotiated yearly between the GCG and the GOCC's top management, the Performance Scorecard presents in full view the major final outputs of each corporation for the year, with their corresponding rating.

To ensure timely and efficient compliance to GCG requirements, NEA has formed a Cluster on Corporate Governance to review, recommend, and monitor mechanisms for the operationalization and compliance of GCG's requirements. It is also on top of recommending and maintaining effective implementation of good governance programs, ensuring the sustainability of the Agency's Performance Governance System (PGS), and cascading the PGS to each Government Component Unit and other strategic partners.

Below is the GCG rating on NEA:

STRATEGIC MEASURE		WEIGHT (%)	FORMULA	TARGET	GCG VALIDATION		
					SCORE	RATING	
STAKEHOLDER	SM 1	Number of completed and energized sitio projects	30	Actual/Target	7,092	10,361*	30.00
	SM 2	Percentage of ECs adopting balanced scorecard system	5	Actual/Target	10% (12 ECs)	10% (12 ECs)**	5.00
	SM 3	Percentage of milestones completed by NEA leading to the restructuring of identified ailing EC/s through PSP	2	Actual/Target	100%	100%	2.00
	SM 4	Number of ailing EC/s restructured through PSP	4	Pass or Fail	1	In Process	0.00
	SM 5	Sustainability of restructuring through PSP	1.5	ALECO	100%	100%	0.75
			1.5	PELCO II			1.50
SM 6	Satisfaction rating based on a survey conducted by a third party	2	Actual/Target	85%	85%	2.00	

\* Target was exceeded by 3,269 sitios using available funds for other specific programs/projects in accordance with item 5.3.1.4 of National Budget Circular No. 556 dated 05 January 2015 due to the necessity to fast track and accelerate accomplishment of the Sitio Electrification Program (SEP).

\*\* LANECO, SIARELCO, DIELCO, DASURECO, SURSECO I, OMECO, AKELCO, ASELCO, QUEZELCO II, BATELEC I, ORMECO, MORESCO I

STRATEGIC MEASURE		WEIGHT (%)	FORMULA	TARGET	GCG VALIDATION		
					SCORE	RATING	
FINANCE	SM 7	Amount of regular loans facilitated (Php Billion)	10	Below Php 1B is 0%. For the amount $\geq$ Php1B, 10% is proportionally distributed	1.700	1.711	10.00
	SM 8	Maintain high collection efficiency	4	Pass or Fail	99%	100.20%	4.00
INTERNAL PROCESS	SM 9	Implementation of ISO 9001:2008	5	Pass or Fail	ISO 9001:2008 Certified	ISO 9001:2008 Certified	5.00
	SM 10	Percentage of sitio electrification projects that are fully compliant with NEA standards and specifications	10	Actual/Target	75% of projects done as of end Sept. 2015	78%	10.00
	SM 11	Percentage of sitios completed and energized within 120 calendar days from release of funds to ECs	10	Below 75% is zero. For $\geq$ 75%, 10% is proportionally distributed	80	80%	10.00
	SM 12	Average number of days to release loans	4	Pass or Fail	10	7.89	4.00
	SM 13	Average number of days to release calamity loan (natural and armed conflict)	2	Pass or Fail	5	4.59	2.00
	SM 14	NEA restructuring / reorganization	3	Pass or Fail	Submission to GCG of Organization Plan	Submitted 30 June 2015	3.00
LEARNING AND GROWTH	SM 15	Number of officials and employees graduated from certification / competency programs		Actual/Target			
		a. NEA	3		500	631	3.00
		b. ECs	3		2,000	3,941*	3.00
<b>Total</b>			<b>100</b>				<b>95.25</b>

\*Target was exceeded by 1,941 due to the acceleration of ECs Linemen's Training in accordance with NEA's Policy on Electric Cooperatives' Resiliency Program.

# Accounts Management and Guarantee



As part of NEA’s mandate to help the ECs become competitive in the electricity industry, the Agency facilitated for 51 ECs total loans amounting to Php 2.019 billion or an average of Php 40 million per EC.

The loans were released as part of the Agency’s credit enhancement assistance program to strengthen the technical and financial viability of the ECs, particularly on the implementation of their Capital Expenditure (CAPEX) projects, settlement of their power accounts, availment of prompt payment with generation companies (GenCos), and payment of retirement of EC employees.

such as, but not limited to, co-signing in power supply contracts.

For 2015, the NEA Board of Administrators approved the issuance of Guarantee Cover for the Power Supply Agreement (PSA) of the Occidental Mindoro Electric Cooperative, Inc. (OMEKO) with Mindoro Geothermal Power Corporation/Occidental Mindoro Consolidated Power Corporation (MGPC/OMCPC) with a maximum guarantee amounting to Php 69,190,000.00.

The PSA guarantee for OMEKO is the first to be released by NEA under its new charter.

## LOANS FACILITATED

Short-Term Credit Facility (STCF) / Stand-by Credit Facility (SCF)	Php 82 million (average per month)	6 ECs
RE-CAPEX Projects	Php 704 million	27 ECs
RE-Working Capital	Php 521 million	20 ECs
Modular Generator Sets	Php 404 million	4 ECs
Calamity	Php 308 million	14 ECs
<b>TOTAL</b>	<b>Php 2.019 billion</b>	<b>51 ECs</b>

## Foreign Loan Debt Servicing

NEA paid 100% of its foreign loans (USAID and KFW) for 2015, as follows:

<b>Principal</b>	<b>Php 124 million</b>
<b>Interest</b>	<b>Php 5 million</b>
<b>TOTAL</b>	<b>Php 129 million</b>

## FAST FACTS

### EC NATIONAL PERFORMANCE INDICATORS

(As of December 2015)

- √ Ave. Revenue/EC/Month (PM): 101
- √ Ave. System Rate (Php/kWh): 8.50
- √ Ave. Investment/Consumer (Php): 8,714
- √ Ave. Connections: 93,900
  - Mainland: 108,155
  - Island: 37,471
- √ Ave. km of Line Constructed/EC: 2,966
- √ Ave. Connections/Circuit km of Line: 32
- √ Ave. MWH Sales/EC/Month 11,840
- √ Ave. Monthly kWh Consumption/Connection: 126
- √ Ave. Systems Loss (%): 11.12
- √ Ave. No. of Employees/EC: 195

## Power Supply Guarantee Program for ECs

Section 30 of Republic Act 9136, otherwise known as the “Electric Power Industry Reform Act of 2011,” provides that NEA may, in exchange for adequate security and a guarantee fee, act as a guarantor for the purchases of electricity in the Wholesale Electricity Spot Market (WESM), by any EC or Small Distribution Utility (SDU) to support its credit standing.

Further, Section 5 of Republic Act 10531, also known as the “National Electrification Administration Reform Act of 2013,” also provides that NEA shall serve as guarantor to qualified ECs in their transactions with various parties



## Dividends

NEA remitted a total of Php 118.14 million to the National Government as dividends due from the Agency’s net earnings for CY 2015. The amount is 42% lower than last year’s payment of Php 203.98 million.

## Income

This year’s operating income of Php 738 million is Php 194 million lower than CY 2014’s operating income of Php 932 million. Net profit before income tax also decreased to Php 327 million, or Php 260 million lower than last year’s record of Php 587 million.

The Agency likewise remitted to the Bureau of Internal Revenue (BIR) the amount of Php 93 million as income tax payment for 2015.

<b>SUBSIDY ALLOCATIONS</b>	SITIO ELECTRIFICATION PROGRAM	<b>Php 3.167 billion</b>
	BARANGAY LINE ENHANCEMENT PROGRAM	<b>Php 978.997 million</b>
	LOCALLY FUNDED PROJECTS	<b>Php 32.552 million</b>
	<b>TOTAL</b>	<b>Php 4.178 billion</b>

<b>TOP FIVE HIGHEST-PAYING ECs</b>	1. OMECO	<b>Php 239.61 million</b>
	2. QUEZELCO I	<b>Php 218.03 million</b>
	3. SURNECO	<b>Php 197.99 million</b>
	4. MARELCO	<b>Php 187.36 million</b>
	5. CENPELCO	<b>Php 87.74 million</b>
	<b>TOTAL</b>	<b>Php 930.73 million</b>

## IN THE SPOTLIGHT



The National Electrification Administration (NEA) bagged anew the Most Outstanding Accounting Office Award.

For the second consecutive year, the state-run agency was recognized by the Association of Government Accountants of the Philippines (AGAP) as one of the country’s Most Outstanding Accounting Offices during the AGAP Convention Seminar at the Aziza Paradise Hotel in Puerto Princesa City, Palawan on October 21, 2015.

The Agency is one of the two government-owned and controlled corporations which received the recognition.

According to AGAP National President Gregorio C. Rulloda, the award was given in acknowledgement of the quality, timeliness and accuracy of NEA’s FY 2014 financial reports, as recommended by the Commission on Audit (COA).

Administrator Edita S. Bueno said, “The award is an affirmation of NEA’s continued efforts to conform with efficiency and effectiveness and abide by transparency in accounting processes and procedures.”

“As the first government-owned and controlled corporation to be named an “Island of Good Governance,” NEA is dedicated in ensuring that public funds are wisely spent and properly accounted to serve better the public and guarantee good governance”, the Administrator added.

As part of its commitment for a transparent and well-governed agency, NEA has had the distinction as the first government corporation to implement the electronic New Accounting System (eNGAS) in 2005. Since 2008, the Agency has likewise been rendered an unqualified opinion by COA.



## Financial Services



Republic Act 10531 mandates NEA to make ECs viable distribution utilities by providing them, among others, technical assistance. To do so, the Agency regularly monitors ECs' distribution system parameters such as systems loss and reliability, circuit kilometers, and substation capacity to ensure that the ECs remain operationally reliant and technically efficient in delivering service to their member-consumers.

Similarly, the Agency also monitors power situation in times of calamities like typhoons and earthquakes and heads restoration efforts when needed to ensure that affected areas are able to get back on their feet the soonest possible time.

Among the technical assistances provided by NEA for the ECs are as follows:

### Systems Loss, Reliability, and Technical Parameters

The ECs being supervised by the NEA posted an average record low of 11.12% systems loss in 2015, a reduction of 0.55% from 11.67% in 2014 and 1.88% lower than the 13% cap set by the Energy Regulatory Commission (ERC).

The reduction in systems loss has an equivalent savings of 71,258,654 kWh or about Php 487,979,263.22 for the ECs' member-consumers.

The cost savings is the combined application of the national average systems loss ratio of 60% technical multiplied to the 2015 average power cost of Php 5.74/kWh and 40% non-technical multiplied to the average system rate of Php 8.51/kWh.

The System Average Interruption Frequency Index (SAIFI) recorded was 15.92 interruptions/consumer which is lower than last year's 16.27 value. This is within the allowable 25 or 30 interruptions/consumer for on-grid and off-grid respectively.

Meanwhile, the System Average Interruption Duration Index (SAIDI) was 1,347.27 minutes/consumer which is higher than last year's 1,154.70. However, this is still within the allowable 2,700 or 3,735 minutes/consumer for on-grid and off-grid respectively.

Distribution Substation Capacity was 5,700 MVA with a peak demand of 3,200 MW.

### Technical Assistance

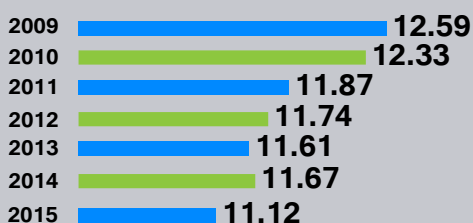
This year, various technical assistances on-field were performed. System protection and coordination for First Laguna Electric Cooperative, Inc.'s (FLECO) new 10 MVA Pagsanjan Substation was conducted. Ocular inspection for Albay Electric Cooperative, Inc. (ALECO)/Albay Power and Energy Corporation (APEC's) proposed 10 MVA Sto. Domingo Substation was also done.

The Agency likewise lent its expertise in the planning and design of the underground distribution system for Itbayat and Sabtang islands in the coverage area of the Batanes Electric Cooperative, Inc. (BATANELCO).

NEA also actively monitored the progress of projects funded by the national government including the metering project of the Lanao del Sur Electric Cooperative, Inc. (LASURECO) where some 40,000 kWhr meters for the member-consumers were installed and the restoration of distribution lines in Zamboanga City Electric Cooperative, Inc. (ZAMCELCO) whose power assets were heavily damaged by the 2013 Zamboanga Siege.

### FAST FACTS

#### NATIONAL SYSTEMS LOSS (%)



The reduction in systems loss has an equivalent savings of **71,258,654 kWh** or about **Php 487,979,263.22** for the ECs' member-consumers.

System Average Interruption Frequency Index: **15.92**  
interruptions/consumer

System Average Interruption Duration Index: **1,347.27**  
minutes/consumer

Technical assistances for off-field engagements were also extended to ECs. Two sessions of “Seminars on Cooperative Technical Management Course” were presented in Central Negros Electric Cooperative, Inc. (CENECO) and Camarines Sur III Electric Cooperative, Inc. (CASURECO III).

A seminar on “Reliability Improvement and System Loss Reduction” was likewise given in Leyte II Electric Cooperative, Inc. (LEYECO II). Two more sessions of the Seminar on “System Loss Reduction and Korea’s Best Practices” were organized in Pampanga I Electric Cooperative, Inc. (PELCO I) and FLECO.

SynerGee tutorials were also given for Ticao Island Electric Cooperative, Inc. (TISELCO) and Eastern Samar Electric Cooperative, Inc. (ESAMELCO).

SynerGee is a distribution system analysis tool used in circuit analysis, power systems analysis, and stability studies.

Four sessions of Macro Engineering Assistance Program (MEAP) were also held in FLECO, ALECO/APEC, Sorsogon I Electric Cooperative, Inc. (SORECO I), and CASURECO III. These involved onsite inspection and validation of systems loss.

Various testing equipment are also set to be acquired by the Agency next year. The project has already been awarded and scheduled for delivery this first quarter of 2016.

### Monitoring and Restoration Efforts for Typhoon-hit ECs

In the occurrence of typhoons and other calamities, NEA regularly reports power situation to concerned offices like the Department of Energy (DOE) and the National Risk Reduction and Management Council (NDRRMC).

This year, power situation monitoring was organized for typhoons Egay, Ineng, Lando, and Nona.

Power restoration efforts were likewise extended to the Aurora Electric Cooperative, Inc. (AURELCO), Benguet Electric Cooperative, Inc. (BENECO), and Lubang Electric Cooperative, Inc. (LUBELCO) all affected by Lando and ESAMELCO which was hit hard by Ruby.

### Implementation of the Mindanao Modular Genset Program

Loan facilities for the acquisition of modular gensets to address the electricity needs of the consumers in Mindanao were opened to ECs by virtue of Executive Order No. 137 Series of 2013.

To systematize the acquisition of the gensets, NEA reviewed and evaluated proposed contracts between ECs and suppliers, memoranda of agreement, and other matters needing technical comments.

The construction for the five 2MW modular gensets of Surigao del Norte Electric Cooperative, Inc. (SURNECO) was also completed.

Permits and certificates are also being worked out with proper authorities before the gensets can be fully deployed. Meanwhile, the completion of ZAMCELCO’s



*NEA and the electric cooperatives have always drawn strength from one another. It is this long-standing partnership that has enabled both to work for the best interest of the people.*

**EDGARDO R. PIAMONTE, DEPUTY ADMINISTRATOR FOR ELECTRIC DISTRIBUTION UTILITIES SERVICES**







eight 2MW and Davao del Norte Electric Cooperative, Inc. (DANECO's) one 3MW projects are already expected to be operational in early 2016.

In addition, Agusal del Norte Electric Cooperative, Inc. (ANECO) and Misamis Oriental II Electric Service Cooperative, Inc. (MORESCO II) also availed of the program.

### Foreign Assistance

NEA was also able to secure projects involving grants and donations from the international community.

To aid Yolanda-stricken ECs, fourteen boom trucks were secured for ESAMELCO, SAMELCO II, LEYECO II, and LEYECO I/DORELCO. The boom trucks were donated by the Japan International Cooperation Agency (JICA).

DOE also approved the implementation of the pilot project for voltage distribution line uprating from 13.2 kV to 23 kV at CENECO. This is sponsored by the Korea Electric Power Corporation (KEPCO).

The National Rural Electric Cooperative Association (NRECA), Eaton Power, and NEA are also working on pilot projects for Automatic Metering Infrastructures (AMI) at PELCO I, Batangas II Electric Cooperative, Inc. (BATELEC II), Iloilo I Electric Cooperative, Inc. (ILECO I), Zamboanga del Sur I Electric Cooperative, Inc. (ZAMSURECO I), and ANECO.

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*The Rural Electrification Program has enabled the national government to reach out to many Filipinos in the rural areas. It's true that it is only when you give light to people that they can begin to hope and aspire for a better life.*

**EDILBERTO I. BASSIG, DEPUTY ADMINISTRATOR FOR FIELD OPERATIONS**

## IN THE SPOTLIGHT

Around 90 households in Barangay Dalupan in Don Marcelino, Davao Occidental are expected to benefit from electricity access following the inauguration of the Dalupan Micro-hydro Power Plant last July 29.

The 25-kW power plant will serve about 450 residents living in the isolated sitios of Kiaga, Banag, Miago, and Cunalom in Dalupan, and will support the goal of the government to increase access to energy in the rural areas of Mindanao.

NEA Deputy Administrator for Electric Distribution Utilities Services Edgardo Piamonte, who was present during the inauguration, said the project is an affirmation of the Agency's resolve to light up all the sitios in the country, not only as adherence to its corporate mandate, but more importantly as an earnest gesture of hope-giving to the rural Filipinos.

"The unwritten mandate of NEA is to give hope to our fellowmen, most especially the marginalized populace," he said.

"By providing them electricity, we are also leveraging the fight against poverty and the prolonged inaccessibility of our people to socioeconomic opportunities," he added.

The Dalupan Micro-hydro Power Plant is a pilot project implemented by the Asian Development Bank (ADB), with NEA acting as executing agency.

The role of the Davao del Sur Electric Cooperative, Inc. (DASURECO), meanwhile, involved connecting the micro-hydro power system in Dalupan to the distribution line and installing electrical connection in households identified by the B'laans in the community.

The power plant may likewise be integrated with the main grid under the Net Metering scheme, and is seen to boost livelihood development using renewable energy in the Davao region.

## Renewable Energy (RE) Development

NEA is likewise pooling its efforts to promote the use of clean energy in its bid to cover part of its daily energy requirements and also encourage ECs to think of innovative ways through which they can deploy clean technologies in power distribution.

One of the activities undertaken toward this end was the installation of a 5 kWp Solar PV System at the NEA rooftop which is expected to serve about 3% of the Agency's daily energy consumption.

An additional 22 kWp Solar PV System is also in the works to generate more savings for the Agency and serve as a showcase facility for ECs and other partners wishing to do the same initiatives.

## Technical Assistance on Hybridization Projects

With support from the Asian Development Bank (ADB) and Korea Energy Management Corporation (KEMCO), NEA embarked on hybridizing SPUG's diesel power plants using RE sources.

The project's overall objective is to reduce government subsidy in operating diesel gensets in remote and isolated islands and improve the services delivered to these areas.

Under this project, NEA, together with consultants hired by ADB and KEMCO, collaborated to come up with detailed feasibility studies for the following shortlisted sites:

- √ Sabtang, Batanes
- √ Cobrador, Romblon
- √ Logbon, Romblon
- √ Doong, Bantayan Island, Cebu
- √ Sto. Niño, Western Samar

The studies were completed by the end of the year and subsequently endorsed to the Agency.

## Information, Education and Communication (IEC) Campaigns

To prepare the ECs covered by Net Metering rules, NEA also conducted four seminars on introduction and implementation of the net-metering scheme.

The seminars aimed to enhance the participants' knowledge of the scheme and interconnection standards. A total of 178 attendees from 98 ECs comprised the participants of the said seminars.

## Monitoring of Net Metering Applications

After the conduct of IECs, the Agency likewise extended assistance to ECs by monitoring their net metering applicants including the problems they had encountered in the process. As of December 2015, thirty-five applicants, a total capacity of 885.04 kWp, have shown interest in applying for the scheme.

According to the Energy Regulatory Commission (ERC), six applications, a total capacity of 30.57 kWp, have been issued with certificates of compliance (COC).



## RE Projects

NEA also extended assistance to ECs in evaluating the technical and financial aspects of the following mini hydro projects:

Rehabilitation of 1.08 MW Ton-Ok mini hydro power plant- SAMELCO I

4.9 MW Talubin mini hydro power plant- MOPRECO

14.98 MW Anulod mini hydro power plant- NORECO I

1.5 MW Bansud mini hydro power plant- ORMECO

## RE Summits and Conferences

NEA is likewise broadening its international network through attendance in various foreign summits and conferences where the Agency is able to pitch to a wider audience the various mechanisms it is implementing to make the Rural Electrification Program a success.

Notable conferences attended by the Agency were the following:

Orientation on Wind Resource Assessment and Geospatial Analysis for the Philippines – conducted by USAID and NREL – 18 February 2015, Makati

Planning of PV-Diesel Hybrid Systems conducted by Renewables Academy, sponsored by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety – 27-29 April 2015, Manila

Renewable Energy Financing Workshop initiated by the Sustainable Energy Association of Singapore with support from ADB – 26-20 October 2015, Singapore

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*Changes in leadership are inevitable, but the people in the NEA and the electric cooperatives know what they are doing. They will take position on what they stand for. They know how to engage new situations and realities that lie ahead.*

*FR. JOSE VICTOR E. LOBRIGO, BOARD MEMBER*







## Human Resources Administration and Management

### Organizational Restructuring

The proposed Restructuring Plan of the NEA was submitted to the Governance Commission for GOCCs (GCG), on June 30, as part of the 2015 Performance Agreement, and as a result of interdepartmental and stakeholders' consultation, coursed through a Core Group created for this purpose.

The proposal aims to enhance NEA's core services in view of R.A. 10531 and to better serve the Electric Cooperatives (ECs) and other stakeholders.

The Plan highlights the formalization of adhoc units designed to strengthen the NEA-EC partnership, in delivering the Rural Electrification mandate namely, the Office for Corporate and EC Training (OCET), Accelerated Total Electrification Office (ATEO), Office for Renewable Energy Development (ORED) and Office for Performance Assessment and Special Studies (OPASS).

At year's end, refinement of the Plan is ongoing.

### Performance Management System

The Civil Service Commission's mandate to adopt the Strategic Performance Management System (SPMS) in the performance assessment of employees was operationalized this year.

HRAD, in coordination with the Performance Management Team (PMT), facilitated the transition to this system through orientation and focused group sessions for employees.

The SPMS is anchored on the Corporate and Departmental Scorecards and a major basis for personnel actions, including the grant of performance-based incentives and other benefits.

### Payroll System

To further upgrade its Payroll System, NEA signed a Memorandum of Agreement with the Philippine Veterans Bank (PVB) on February 16, 2015 for the migration to a new system which was operationalized in January 2015.

This new system is expected to be compatible with the e-NGAS.

### Workplace Wellness

In 2015, the Human Resources Management Division with support from the Workplace Wellness Committee organized the conduct of regular wellness and fitness programs to improve employee productivity.

These include the Wellness Fair and Forum held during the National Electrification Awareness Month in August; the weekly Zumba workout; and in coordination with PITC- accredited pharma companies, the provision and administration of reasonably-priced anti-flu, pneumonia and hepatitis B vaccines.

### Shuttle Service

In 2015, employees were able to enjoy free transportation service to and from strategic points of destination near the NEA office. This was done initially by making available shuttle services.

During the second semester of 2015, the General Services Division in coordination with the Bids and Award Committee (BAC) facilitated the purchase of a 30-seater coaster.

This coaster has since transported NEA employees to major events such as the NEA- EC Milestones and Recognition Ceremonies and the National Energy Consciousness Month and other off-site public seminars and fora.

It has also served the mobility of visitors from the electric cooperatives and other institutions. Meantime, the coaster continues to shuttle employees after work to a designated station, replacing the 8-seater vehicles.

### Corporate Jacket

To enhance the Agency's image, a corporate jacket was provided which can be worn by employees while performing their duties on field work and participating in interagency meetings and activities.

# Institutional Development



With a mandate to prepare the electric cooperatives (ECs) to become viable and competitive distribution utilities in the power industry, NEA has always looked for ways and mechanisms through which it can build the ECs to become leading institutions of good governance and service excellence.

For the year, NEA gave assistance to 17 ECs in strengthening and enhancing their Table of Organization to streamline the functions and organizational requirements of the coop and align them with the present demand of the community.

The 15 ECs that were assisted by the Agency were NEECO I, ILECO III, SURSECO II, PENELCO, MARELCO, NONECO, CASURECO II, NEECO II-AREA 1, MOPRECO, CAPELCO, NORECO II, ANTECO, SURSECO I, BATELEC I, and ZAMECO I.

As part of its measures to strengthen the EC human resource, NEA also undertook the evaluation of 72 EC personnel policies and 40 employees' salary upgrading. Also conducted were sessions on Performance Evaluation System (PES) for two ECs and briefing/supervision on District Election activities for 10 ECs.

To put the ECs at the helm of competent general managers, 115 regularization activities were undertaken, from pre-screening, examinations, interview and background investigation to performance validation. After undergoing the process, NEA confirmed probationary appointment of the general managers of NONECO, COTELCO-PPALMA, INEC, FLECO, BATELEC I, ORMECO, BOHECO II, SOCOTECO II, and SURNECO under Performance Management Contract (PMC).

Meanwhile, permanent appointment of the general managers of CELCO, CEBECO II, MAGELCO, AURELCO, ILECO III, LEYECO II, and BATELEC II were confirmed. The designation of 20 officers-in-charge and 24 NEA-designated Project Supervisors/ Acting General Managers/NEA Representatives to the Board of Directors were also confirmed to provide assistance to the sustainability of the EC operations.

EC requests for salary upgrading of 28 general managers were likewise evaluated and approved by the NEA Administrator. Moreover, retirement/extension of service of 23 general managers were also processed and evaluated.

To ensure smooth operations of the ECs and address pertinent administrative, legal, and institutional concerns, 865 Board Resolutions were processed by the Agency.

These cover EC incentives, allowances, benefits and complaints, clarifications, queries, and communications from ECs, government agencies, NGOs, and other institutions.

With the organization of the Multi-Sectoral Electrification Advisory Council (MSEAC), important roles of the EC member-consumers were also strengthened. In this regard, 12 ECs were assisted by the Agency in conducting and facilitating MSEAC activities and orientations. Five by-laws amendment from INEC, SIARELCO, BATELEC I, LEYECO III, and BENECO were also evaluated and approved by the Administrator.

Further, to keep the ECs abreast with the competitive market, NEA continues with its regular preparation of institutional information materials such as the Compendium on EC Conversion issues and the evaluation of Key Performance Standard (KPS) data and EC compliance on Customer Service Standards.

## FAST FACTS

### WHAT IS A TYPICAL ELECTRIC COOPERATIVE?

- ✓ A non-stock, non-profit, service-oriented entity
- ✓ Corporate powers vested in an elected Board of Directors
- ✓ Managed by a professional General Manager
- ✓ Consumers mostly residential (93%), concentrated in the rural areas
- ✓ 32% of the residential consumers are lifeliners
- ✓ Average number of municipalities served – 15 to 20
- ✓ Serves an average of 108,155 consumers in mainland EC, while 37,471 consumers in island EC
- ✓ Average consumption of residential consumer is 70 kWh per month
- ✓ Tariff: Cost recovery
- ✓ Average workforce : 195

## IN THE SPOTLIGHT

NEA has recognized electric cooperatives (ECs) with exemplary performance as well as given citations for those with distinctive achievements during the Lumens Awards held at the Philippine International Convention Center (PICC) in Pasay City on December 2, 2015.

The Lumens Awards is a recognition ceremony for the best performing ECs nationwide.

Administrator Edita Bueno said, "We commend all the awardees for their outstanding performance. More importantly, we recognize their efforts in going beyond their electrification duties. Truly, you are beacons of hope and guiding lights of the future in your respective communities."

The 2014 EC Overall Assessment Rating result has been the principal basis of the awards. Recipient of major awards were AAA ECs with no pending administrative and/or criminal/civil case with any competent body or court of law.

CARAGA was named as Best Region along with perennial awardee, Region VII (Central Visayas). CARAGA is composed of ANECO, ASELCO, SURNECO, SIARELCO, DIELCO, SURSECO I, and SURSECO II. Likewise, NORECO I, BANELCO, CEBECO I, CEBECO II, CEBECO III, PROSIELCO, CELCO, BOHECO I, and BOHECO II make up Region VII. All member-ECs of these regions were rated as AAA and had demonstrated collective leadership and teamwork in their respective area.

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***What we have sought out to do through the Rural Electrification Program is bridge the socio-economic gap within the society. It is not the fault of many of our countrymen that they are born on top of the boondocks. It is our obligation to serve them and provide them with power.***

**EDITA S. BUENO, ADMINISTRATOR**

Region III (Central Luzon) was cited as the Most Improved Region for having majority of its member-ECs improve their operations.

Granted the Emmanuel N. Pelaez Ultra Diamond EC Awardee was CEBECO III, which also received six other awards.

The award is the highest level of recognition given to an EC for performing beyond the performance standards and exceeding expectations.

Recipient of the Mega Diamond EC Award were CEBECO I, CEBECO II, BOHECO I, MORESCO I, and DASURECO. These ECs surpassed track record of exemplary performance, institutionalizing customer service excellence and strong corporate social responsibility that is emulated as EC best practices.

Grand Diamond EC Awardees were PELCO I, PENELCO, TARELCO II, and SIARELCO for their unprecedented track record of exceptional performance in all facets of operations, and their continuing improvements and innovations.

Meanwhile, DIELCO was given the Diamond EC Award for being an institution by itself and having sustained service excellence, consistent exemplary operational performance, strong corporate social responsibility and best practices.

Special Awards were given to 56 ECs which were rated AAA; 17 main grid and seven off grid ECs which registered single-digit system loss; and 15 ECs which posted 100% collection efficiency.

Citations were awarded to ECs which contributed to the Sitio Electrification Program (SEP) and those which contributed the highest number of household connections from 2011 to 2015; most complying ECs in Audit Evaluation; and Resilient ECs, an award for those which earned at least AA rating after the heavy devastation of their distribution system caused by Typhoon "Yolanda."

General Managers Loliano Allas of PELCO I; Loreto A. Marcelino of PENELCO; Marlou Rendon of CEBECO I; Sergio Dagooc of SIARELCO; Julie Real of MORESCO I; and Godofredo Guya of DASURECO were conferred with the Pedro G. Dumol Diamond General Manager Award.





In line with Section IV of Republic Act No. 10531, NEA is empowered to provide financial, institutional, and technical assistance to ECs to ensure their economic and financial viability in the power industry and align their operations to industry best practices.

To meet its target of assisting low-performing ECs in their eventual graduation to green status, NEA consistently monitors, evaluates, and assists ECs in the implementation of their Operation Improvement Plan (OIP). An OIP is a document submitted by an EC within its one-year recovery period through which it expects to operationalize particular measures to mitigate its operational and financial difficulties.

For the year, through active involvement of the Agency in helping the ECs, the following showed dramatic transformations in their operations, resulting in an improved delivery of electric service to member-consumers:

**ESAMELCO**

Based on the 2014 Classification of ECs, ESAMELCO was classified as Yellow 2 with four (4) non-compliances, namely: Cash General Fund, Collection Efficiency (94.87%), Arrears in Power Accounts, and System Loss (13.37%).

To address its operational deficiencies and improve its Cash General Fund, cost-cutting measures were implemented including disposal of scrap materials and hiring of new employees.

Improved collection efficiency of the EC also resulted from its availment of the services of collection agents; prioritization of distribution of power bills/statement of account to big load consumers; designation of an employee to collect power bills of military; LGUs, hospitals and other government agencies; strict implementation of disconnection policy; and opening of new area office in downtown Borongan.

Activities that gave impact in the reduction of system loss were total rehabilitation/revamp of distribution lines damaged by super typhoon Yolanda and continuous operation of the Amanjuray Mini-hydro Power Plant.

Likewise, the EC became current in its payment to power

suppliers when its account with PSALM amounting to Php 44.443 million was restructured. ESAMELCO was elevated to green status in June 2015.

**ISELCO I**

ISELCO I was classified as Yellow I with three non-compliances in December 2014: Cash General Fund, Collection Efficiency (86.73%) and System Loss (13.30%).

The EC achieved its goal of becoming a green EC in October 2015 through the collective efforts of its management and employees with the support of its Board of Directors.

One Month Working Capital was attained through frugality in purchasing; observance of cost-cutting measures; limit and control in early disbursement of employees' benefits; and reactivation of its membership in the Wholesale Electricity Spot Market (WESM).

Collection efficiency increased by 10.32% to 97.05% in 2015 as a result of the opening of seven collection centers; intensification of the disconnection of delinquent consumers and use of meter readers to conduct disconnection activities; implementation of compressed reading cycle from 20 days to 16 days to give more time for collection; and working out of the approval of writing-off of worthless accounts amounting to Php23 million.

Reduction of system loss from 13.30% to 12.30% in 2015 was attributed to the upgrading of distribution lines; conversion of lines from single-phase to three-phase; intensified clearing of lines; apprehension of pilferers; and massive replacement of defective kWh meters.

**Workshop-seminars**

To address and improve the ECs' problems in collection efficiency and non-technical system losses such as inaccuracy in kWh meter reading, different seminars and workshops were facilitated for the ECs by the Agency.

These included Meter Reading, Billing, Collection and Disconnection (MRBCD) Enhancement Seminar-Workshop, Work Order Procedures and Application Seminar-Workshop, Basic Linemen's Training, and Enhanced Linemen's Training (I and II).



**Management Assistance**



## FAST FACTS

### EC NATIONAL PERFORMANCE INDICATORS

(As of December 2015)

- √ Operational ECs: 119
- √ Consumers served: 11,174,080
- √ Gross Revenue (P'M): 143,767
- √ Total Releases: 97,373
  - Loan (P'M): 60,389
  - Assumed by PSALM: 13,546
  - Residual: 46,843
  - Subsidy Grant: 36,984
- √ Sales (GWH): 16,907
- √ Peak Load (MW): 3,686
- √ Total Workforce: 23,260
- √ Total Circuit km of Line: 352,924

Forms of assistance given to ECs were on power metering of big loads, review and development of organizational structure, rehabilitation of power plant, formulation of implementing guidelines in the formation of power associations, and repair of EC power assets.

To oversee the day-to-day operations of ECs, Project Supervisors/Acting General Managers were assigned in NORSAMELCO, LANECO, BATELEC I, CASURECO III, CASURECO II, and SORECO I.

The assignment of PS/AGM in the ECs reinforces NEA's discretion to exercise its step-in rights in cases where ECs are deemed to be in need of assistance in meeting their operational and financial standards.

The following ECs improved after the assignment of PS/AGMs:

#### BATELEC I

Previously falling short of finances to meet current obligations to power suppliers and other creditors,

BATELEC I now recouped its status after introducing various activities to improve its collection efficiency. Such activities included interconnection of Lian payment outlet (center) and host area in Nasugbu Area Office through fiber optics cable, setting up of additional payment outlets in different municipalities, creation of Task Force Collection to recover bad debts/receivables through massive verification of all disconnected consumers from July 2014 backward, and apprehension of consumers perpetrating illegal use of electricity.

Meanwhile, efforts at reduction of systems loss were made through implementation of net metering, home-grown development of its stand-alone billing system complementing its system loss reduction program, and installation of 10 MVA substation in Calaca and 20 MVA substation in Nasugbu to serve member consumers.

The enumerated initiatives paved the way for BATELEC I to receive the highest performance rating of AAA in the 2014 NEA Performance Assessment.

#### NORSAMELCO

Amid the onslaught of Typhoons Glenda and Ruby in 2014 and Amang in 2015 in Northern Samar, NORSAMELCO was able to survive. In 2015, it became current in Payment to Power Suppliers TRANS-ASIA, FDCUI, and NGCP.

NORSAMELCO has, likewise, consistently availed the 3% prompt payment discount (PPD) with NPC-SPUG; up-to-date with PEMC; current in its amortization with NEA; and has fully settled the Real Property and Franchise Taxes with the Provincial Government amounting to Php 18 million.





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*The strengthening of the supervisory functions of NEA over the electric cooperatives through R.A. 10531 is not about power per se. More importantly, it is about enlarging the compass of empathy of NEA for it to understand better the operations of the cooperatives.*

**ROSSAN SJ. ROSERO-LEE, DEPUTY ADMINISTRATOR FOR LEGAL SERVICES**

The management also endeavored to improve office facilities and surroundings of NORSAMELCO as part of its corporate image enhancement and branding efforts.

### LANECO

Through efficient management of its finances and operations, LANECO now boasts of a sustained 100% collection efficiency level. It is also on time in payment to power suppliers and NGCP, current with NEA loan and suppliers/creditors, while responsibly paying its loan with the Land Bank of the Philippines amounting to Php 19.7 million.

It was also able to generate other income through construction of distribution lines for GN Power and SEPC amounting to Php 1.6 million and Php 9.1 million, respectively.

To improve its technical services, construction of the 10 MVA substation in Tubod is ongoing to address the overloaded substation in Kapatagan. Ongoing too are the construction of the 18-km Kapatagan-Tubod 69 kV lines and Transformer Load Management activities.

It is also working on the upgrade of its distribution lines, intensifying anti-pilferage activities through organization of a task force, and contracting with different power suppliers to ensure power reliability.

LANECO has also been active in increasing AGMA attendance to update member-consumers on future plans and initiatives of the cooperative.

Moreover, its collection efficiency increased from 81.89% in 2014 to 95.80% in 2015 due to strict implementation of disconnection policy, engagement of outside agency services to augment existing disconnection crews, and use of legal remedies to collect long overdue accounts of member-consumers.

Systems loss also dropped to 16.07% in 2015 from 20.69% in 2014 as a result of massive replacement of defective kWhr meters and meter clustering; inspection and replacement of electro-mechanical meters for large load consumers and correction of its multipliers; intensification of apprehension activities; and rehabilitation of distribution lines.

On the institutional side, the management held weekly meetings with employees to increase awareness about the direction of the cooperative.

Strict implementation of employees' presence during office hours was also enforced.



## Performance Assessment and Special Studies



Pursuant to Republic Act No. 10531 which mandates NEA to strengthen evaluation of EC performance, NEA undertook in 2015 active steps in enforcing the monitoring function of the Agency.

These steps included review and consolidation of performance assessment reports of EC operations, preparation of integrated quarterly and semi-annual assessment reports for submission to the Department of Energy (DOE) and Joint Congressional Power Commission (JCPC), and coordination of studies on various issues affecting the ECs such as, but not limited to, rate methodology and regulatory policies.

For the year, NEA prepared Compliance Report on the Performance of ECs for the fourth quarter of 2014, first and second quarters of 2015, and Semi-Annual Report on the Initiatives on Rural Electrification for the second semester of 2014 and first semester of 2015.

The assessment of the performance of the ECs intends to determine their level of compliance to established financial, technical, and institutional standards and parameters and identify their classification (Green, Yellow-1, Yellow-2, or Red/Ailing) so that appropriate interventions are provided.

On the other hand, the semi-annual report disclosed that the NEA and the ECs were on track in attaining total energization of all sitios as well as in cascading the benefits of electricity to the household level.

The report also included the degree of supervision of the NEA over the ECs in the performance of their franchise obligations through capacity building, financial assistance (loans and subsidy), policies formulated, designation of a Project Supervisor/Acting General Manager, among others.

### Special Studies

Below are the notable guidelines formulated by the Agency to reinforce its EC performance monitoring function:

#### 1. Guidelines for the Selection and Appointment of Independent Directors

Date of Board Approval: January 29, 2015 under

Resolution No. 3

Publication Details: UP Law Center on February 13, 2015 and Philippine Star on March 13, 2015

#### 2. Guidelines on the Accounting Treatment of Subsidy Funded Projects

Date of Board Approval: September 18, 2015 under Resolution No. 101

Publication Details: UP Law Center on October 9, 2015

The Guidelines for the Selection and Appointment of Independent Directors was formulated pursuant to Section 6 (c) of R.A. 10531 which provides that NEA, in the exercise of its power of supervision over ECs, shall have the power to appoint Independent Directors in the ECs. Section 5 (e) of R.A. 10531 provides, among other things, that NEA is authorized and empowered to supervise the management and operations of ECs.

### FAST FACTS

The Islands of Good Governance initiative aims to honor Philippine public sector institutions that have transformed themselves through good governance. The prestigious IGG seal is awarded only to those that have succeeded in their pledge to deliver breakthrough goals at the grassroots level through their consistent use of governance mechanisms.

To be recognized as islands of good governance, candidate organizations must exemplify excellence in the criteria of Transformation and Sustainability.

#### NEA's BREAKTHROUGH GOALS AS AN 'ISLAND OF GOOD GOVERNANCE'

✓ Attained 100% energization of 32,441 sitios

✓ Served additional 1.4 million consumer connections

✓ Provided Php 6.7 billion financial assistance to electric cooperatives



An Independent Director means a person who possesses personal and professional qualities and/or expertise and who does not have any financial transaction or pecuniary interest, directly or indirectly, which could materially interfere with the exercise of his independent judgement in carrying out his duties and responsibilities as a director in the EC where he/she is appointed.

The Selection Committee was created to undertake the screening of applicants for the independent directors. For the first batch, twenty seven (27) qualified applicants were screened and may be included in the pool of Independent Directors. The list had been uploaded on NEA and EC websites for comments, feedback, and/or recommendations within sixty (60) days from the date of the uploading of the screening results.

The Guidelines on the Accounting Treatment of Subsidy Funded Projects, which is in accordance with R.A. 10531 and Philippine Accounting Standard 20 (PAS 20), was formulated for the proper and uniform accounting and recording of subsidy funded projects, for the guidance of the ECs.

Under the guidelines, the government subsidy or grant is credited to Donated Capital as required under Section 13 of RA 10531. However, the EC shall charge Depreciation Expense as required under PAS 20. The EC shall recognize Income from Government Grant or Subsidy as required under PAS 20 equal to the Depreciation Expense to be charged to Donated Capital. Hence, this will result in the improvement of an EC's financial condition.

## IN THE SPOTLIGHT

### WHAT OPTIONS DOES R.A. 10531 PROVIDE FOR AILING ECs ?

√ **JOINT VENTURE** – is a strategic partnership between an EC and a private investor which shall bind themselves to contribute money and property to a common fund for a specific project, undertaking or business with the intention of sharing in the profits or losses derived therefrom.

√ **INVESTMENT MANAGEMENT CONTRACT** – is an agreement between an EC and a private investor whereby the latter shall be required to infuse funds to cover the payment of and provisions for certain obligations of the EC and manage and operate the EC for a management fee and performance based remuneration;

√ **MANAGEMENT CONTRACT** – is an agreement between an EC and a private entity whereby the latter shall provide expert management for the EC but shall not be obliged or required to infuse funds for a management fee and/or performance based remuneration;

√ **OPERATIONS AND MAINTENANCE CONTRACT** – is an agreement between an EC and a private entity whereby the latter shall operate, refurbish and maintain a particular segment of the entire distribution system of the EC for an agreed remuneration;

√ **SPECIAL EQUIPMENT AND MATERIAL LEASE AGREEMENT** – is an agreement between an EC, as lessee, and a private entity which is a supplier and/or owner of a special equipment, as lessor, whereby the EC shall pay rentals to the private entity for the use of the special equipment and materials with the option to own or acquire the equipment and materials under certain terms and conditions after the lapse of a certain period;

√ **CONCESSION AGREEMENT** – is an agreement between an EC and a Concessionaire whereby the Concessionaire, as operator and agent of the EC, shall assume certain obligations, perform certain functions and exercise certain rights and powers to manage, operate, expand, repair, decommission and refurbish the electric distribution assets and facilities and shall have the right to bill and collect tolls or tariff and to pay concession fees to the EC, as the owner of the assets and holder of the electric distribution franchise;

√ **MERGER** – is a business or corporate combination whereby two (2) or more ECs shall form a single EC, which shall be one of the constituent ECs, which shall succeed to

all the rights, powers, franchises, privileges and property, real and personal, and assume all the obligations and liabilities of the constituent ECs;

√ **CONSOLIDATION** – is a business or corporate combination whereby two (2) or more ECs shall form a new EC, which shall succeed to all the rights, powers, franchises, privileges and property, real and personal, and assume all the obligations and liabilities of the constituent ECs;

√ **STOCK COOPERATIVE** – an EC registered with the Cooperative Development Authority (CDA), has capital stock and authorized to distribute dividends as well as patronage refunds to its stockholders or shareholders;

√ **STOCK CORPORATION** – a corporation registered with the Securities and Exchange Commission (SEC), has capital stock divided into classes or series of shares and authorized to distribute dividends or allotments to holders of the shares based on the number of shares held;

√ **EXTRAJUDICIAL FORECLOSURE** – The NEA as Attorney-in-fact (AIF) in the Real Estate Mortgage (REM) and as creditor may file a petition with the Sheriff, after complying with publication requirements, to undertake foreclosure proceedings over the mortgaged property of Ailing EC so that the proceeds of the foreclosure sale shall be applied as payments for the outstanding obligations and liabilities of the ailing EC to the NEA;

√ **INSOLVENCY AND BANKRUPTCY PROCEEDINGS** – The EC shall be deemed insolvent if its liabilities are greater than its assets. The insolvency of the EC may either result in a rehabilitation or dissolution of the EC depending upon severity of its financial and operational condition. If a rehabilitation is still feasible, a receiver may be appointed to implement a restructuring or rehabilitation plan; The bankruptcy of the EC arises when it can no longer sustain its operation by reason of recurring losses and defaults in the payment of its liabilities and will result in the dissolution and winding up of the EC whose assets will be disposed of so that the proceeds thereof shall be applied as payments for the outstanding obligations and liabilities of the EC in accordance with the priority of payments under the law.

Part of NEA's mandate is to enhance competency among ECs to ensure delivery of quality service to their respective member-consumers.

Fully committed to drive peak performance among the ECs, NEA successfully conducted in 2015 a total of 75 trainings and competency programs attended by 3,941 employees and officials from different ECs nationwide.

Included in the courses organized were trainings for the development of skills for 818 linemen and on-field employees to better support the Build Back Better program of the national government.

NEA was likewise able to continually promote professional growth of Agency personnel through coordination of 48 scholarships and seminars, both local and overseas, for 681 NEA officials and associates.

### **Development and Launch of Training Information Management System**

Initiated in the last quarter of 2014, the development of the Training Information Management System was officially launched in 2015 in response to the need to keep an efficient and reliable database for the training profiles of both NEA and EC personnel.

A comprehensive training database is needed by NEA and its stakeholders to keep track of both mandatory and additional courses to effectively plot corporate strategies and training plans.

The system is useful not only in managing training staff records, but also in allowing employees to personally view their growth and development with the Agency.

### **Expansion of International Network**

In partnership with the Foreign Scholarship Training Program (FSTP) of the Technical Education and Skills Development Authority (TESDA), NEA was able to coordinate the participation of one of its engineers in an international training program on "Decentralized Distributed Generation and Rural Power Distribution Management."

Sponsored by the Ministry on External Affairs of the Government of India, the two-month program was an opportunity for the Agency to enrich its knowledge on



green and renewable distributed generation options to be utilized for rural electrification, while expanding its network of international contacts.

Such engagements are important for the Agency to be able to learn international best practices and ascertain how these practices may be localized and applied in the Philippine context.

### **Holding of EC Lumens 2015**

The Agency has also been regularly convening fora and conferences not only to discuss issues pertinent to rural electrification, but also to open avenues where the performance of cooperatives can be recognized and serve as inspiration for other ECs. Such gatherings, as the EC Lumens Awards, are simple ways through which NEA shows its appreciation for the ECs and all the stakeholders who have assisted the Agency in accomplishing its major final outputs.



## **Corporate and EC Training**



# Internal Audit and Quality Standards Management



The efficient utilization of NEA's resources, along with the Agency's compliance to its mandate and various government policies and regulations, is predicated on a firm internal control system which ensures an independent and objective appraisal of corporate activities, regular audit of financial/operations/compliance to processes/policies, and validation of departmental scorecard accomplishments

Below is a summary of the audit activities undertaken by NEA as approved by the Board Audit Committee for 2015:

Audit of subsidy funds released to electric cooperatives and on-site validation of sitios energized and households connected for the Sitio Electrification Program (SEP) were conducted on selected ECs as shown below:

## Audit of Subsidy Funds Released to ECs

Electric Cooperative	Subsidy Funds (Php)	Sitios Energized
ORMECO	19,136,876.81	46
INEC	5,934,775.05	16
<b>TOTAL</b>	<b>25,071,651.86</b>	<b>62</b>

## Validation of Sitios Energized and Household Connections

Electric Cooperative	Sitios Energized	Households Connected
ORMECO	46	680
ISELCO	49	1,062
ASELCO	47	1,893
MOELCI I	58	599
<b>TOTAL</b>	<b>200</b>	<b>4,234</b>

Financial and operations audit of Loans Receivable - Working Capital amounting to Php 223,857,223.76; Loans Payable - Foreign of Php 50,556,929.42 and

Payment of Foreign Loans totaling Php 1,708,593,976.63, respectively were conducted to ascertain that the payments made to foreign creditors thru the Bureau of Treasury (BTr), related Interest Expense and collections of loan amortizations due of Rural Electrification (RE) Loan - Working Capital from ECs were properly recorded in the books of accounts.

Audit of compliance with the Manual of Approvals (MANAP) and NEA Citizen's Charter (NCC) for the three (3) department/offices namely, the Legal Services Office (LSO), Office of the Corporate Secretary (OCS), and Electric Cooperative Audit Department (ECAD) were 100% compliant.

Processes/ Policies	Responsible Unit	Areas of Audit
Legal Opinion/ Services	LSO	NCC
Travel Requirements	OCS	MANAP
Electric Cooperative Audit	ECAD	MANAP

The review and appraisal of internal controls in the audit of financial/operations/compliance to processes/policies and various documents examined, revealed that the NEA internal control systems instituted by the departments/offices are properly implemented and adequately in place.

## FAST FACTS

### SUBSIDY FUNDS RELEASED TO NEA

√ 2010:	Php 191 million
√ 2011:	Php 814 million
√ 2012:	Php 5.14 billion
√ 2013:	Php 6.00 billion
√ 2014:	Php 13.788 billion
√ 2015:	Php 4.178 billion
<b>TOTAL:</b>	<b>Php 30.112 billion</b>



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**To understand the electric cooperatives, we have to understand the dynamics on the ground, which cannot be addressed only through formalities and without critically understanding the players, the stakes, and the interests of the people from within and without.**

**FR. JOSE VICTOR E. LOBRIGO, BOARD MEMBER**

NEA continues to improve its services for its client-electric cooperatives and the general public. Hence, the Electric Cooperatives Satisfaction Survey was conducted to gauge customer satisfaction on services provided by the Agency.

With 162 respondents from 54 ECs, the survey revealed that NEA generated a highly commendable satisfaction rating of +85% from ECs, consistently observed across Luzon, Visayas, and Mindanao regions.

Three milestone publications were likewise released during the year. These are the Illuminated Isles: Empowering the Philippine Countryside through Rural Electrification, a coffee table book commemorating the 45th year of NEA, So Alive @ 45, an employees' compilation of stories of NEA officials and employees in the 45 years of the RE Program, and the 2nd edition of the Electric Cooperatives' Best Practices for Service Excellence Handbook, chronicling the exemplary initiatives of 26 ECs.

Other significant publications for the year include the 2014 Annual Report, EnerNEA newsletters, corporate calendar, primer on NEA and the ECs, and primer on R.A. 10531 or the National Electrification Administration Reform Act of 2013.

To enhance the corporate image of the NEA, video documentations were made featuring the various programs of the Agency, including the Sitio Electrification Program status, the 11 millionth consumer connection energized, the 30 thousandth sitio energized under SEP, among others. Media releases were also issued and press conferences facilitated to disseminate information on NEA and EC activities and improve relations with the members of the print and broadcast media. To further strengthen communication link with the media and other energy stakeholders, a media lounge was also set up inside the PGD Library and Museum.

NEA likewise participated in the Power Trends 2015 10th International Exhibition and Conference held on September 23-25, 2015 at the SMX Convention Center. Organized by Leverage International (Consultants) Inc., the exhibit was an opportunity for NEA to expand its advocacy campaign and showcase its contribution to nation building and good governance.

Meanwhile, the Pedro G. Dumol Library and Rural Electrification (R.E.) Museum collected 79 titles on book donations and acquired 17 new titles from the NEA Corporate Fund. Nineteen books were bought using the self-generated PGD Library Fund.



**Corporate  
Communication**

# Electric Cooperative Audit



In its continuing move to institute practices of fairness, transparency, and integrity in the operations of ECs nationwide, NEA conducts regular audit to its client ECs as part of an intensified and reinforced check and balance mechanism.

For the year, NEA initiated the conduct of audit to two ECs registered with the Cooperative Development Authority (CDA), namely PANELCO III and SORECO II, in an effort to strengthen partnership with them, even as they are being continuously monitored.

NEA likewise accomplished the conduct of Financial and Management Audit to 30 ECs under NEA. The audit was also an opportunity for the Agency to push for the improvement of ECs' accounting and internal control system. Through digitization of documents, finalized audit reports are made more accessible to ECs and other interested stakeholders.

NEA also evaluated 22 EC justifications/explanations and action plans on audit findings. Follow-through action on the evaluation of justifications/explanations and action plans was done through monitoring of EC compliances to audit recommendations and proper implementation of their action plans. For this purpose, NEA accomplished to monitor 26 ECs to ensure that EC justifications/explanations were valid and reasonable and the action plans properly implemented. Also evaluated were 25 ECs' Consumer Accounts Receivable-Powerbill (CAR) for write off with the total amount of Php 206,391,874.57.

The Agency also responded to 32 EC requests for disposal of their non-performing assets (NPAs) with an aggregate amount of Php 56,315,065.10. Both of these amounts were approved by the NEA Administrator in various dates with their corresponding amount.

Writing-off of EC consumer accounts allows ECs to reflect their accurate and true financial condition, while disposal of EC non-performing assets will let the EC earn from the proceeds of the sale, of which a portion may be utilized to amortize its loan from NEA. Twenty-eight ECs' utilization of NEA loans and subsidy fund releases was also evaluated.

To equip EC officials and employees with the procurement process, NEA also conducted Seminar-

Workshop on Procurement Guidelines and Simplified Bidding Procedures for various ECs.

The workshop also aimed to lessen Administrative Committee cases brought forth on the grounds of audit findings and observations on procurement.

## IN THE SPOTLIGHT

### WHAT ARE KEY PERFORMANCE STANDARDS (KPS)?

Pursuant to R.A. 9136, NEA formulated Key Performance Standards (KPS) to measure the performance of ECs by using financial, institutional, and technical (FIT) performance indicators and standards.

Under KPS, the major parameters have the following weights:

1. Financial (30%)
2. Institutional (35%)
3. Technical (30%)
4. Reportorial Compliances (5%)

Pursuant to R.A. 10531, the NEA formulated the Policy on EC Classification under the following Parameters and Standards:

Parameters	Standards
Cash General Fund	at least one-month power and non-power cost
Collection Efficiency	95%
Accounts Payable-Power	Current/Restructured-Current
Profitability	Positive
Net Worth	Positive
System Loss	13%

KPS cover 32 financial, institutional, technical, and reportorial compliance indicators and standards, while EC Classification covers seven (7) standards and parameters including accounts payable to NGCP. The performance indicators on profitability, system loss, and payment to power suppliers in the KPS are also included as parameters in the EC Classification. Parameters in EC Classification on collection efficiency, positive net worth, and cash general fund directly relate to the liquidity, solvency and ability or inability of the ECs to service maturing debts and financial obligations.

The weights of KPS and EC Classification are as follows:

- KPS (more inclusive - 32 parameters): 80%
- EC Classification (financially driven - 7 parameters): 20%
- Total: 100%



NEA has always envisioned itself to become a model institution known for practices of good governance and service excellence. As a performance-driven Agency, NEA always seizes opportunities to share its best practices with the public and learn as well from what others are doing.

One of the milestones achieved by the Agency in 2015 is its garnering of the Islands of Good Governance (IGG) certification which recognizes breakthrough results of public sector institutions in their major commitments.

NEA became the first government-owned and controlled corporation to be conferred the IGG medallion after passing a series of third-party validations and successfully presenting its transformative results in a public revalida.

### Cascading the Governance Initiatives

To uphold the principles of good governance and help further enhance the performance of the electric cooperatives (ECs), NEA conducted a Seminar-Workshop on Strategy Formulation and Implementation.

For 2015, 12 ECs were able to adopt the Balanced Scorecard as their Performance Management Framework, namely:

1. Quezon II Electric Cooperative, Inc. (QUEZELCO II)
2. Batangas I Electric Cooperative, Inc. (BATELEC I)
3. Agusan Sur Electric Cooperative, Inc. (ASELCO)
4. Aklan Electric Cooperative, Inc. (AKELCO)
5. Misamis Oriental I Rural Electric Service Cooperative, Inc. (MORESCO I)
6. Lanao del Norte Electric Cooperative, Inc. (LANECO)
7. Oriental Mindoro Electric Cooperative, Inc. (ORMECO)
8. Dinagat Island Electric Cooperative, Inc. (DIELCO)
9. Surigao del Sur I Electric Cooperative, Inc. (SURSECO I)
10. Davao del Sur Electric Cooperative, Inc. (DASURECO)
11. Siargao Electric Cooperative, Inc. (SIARELCO)
12. Occidental Mindoro Electric Cooperative, Inc. (OMEKO)

### Streamlining the Quality Management System

NEA likewise takes active steps in ensuring that its Quality Management System is at par with international standards. For the year, NEA successfully conducted Internal Quality Audits and the first Surveillance Audit, leading to the recommendation for the maintenance of the ISO 9001:2008 certification of the Agency.

The certification manifests the commitment of the Agency to keep streamlining its operations to improve delivery of service to its client ECs.

### Strengthening Operational Reforms

To highlight the importance of the enhanced Integrated Computerized Planning Model (e-ICPM), a Biennial e-ICPM seminar for NEA management and staff was conducted. An e-ICPM briefing for the Energy Regulatory Commission (ERC) was likewise facilitated to update the Commission on how ECs use the technology to prepare their annual capital expenditure (CAPEX) projects and programs.

The e-ICPM is one of the operational reforms introduced by the Agency that seeks to strengthen the technical and financial viability of the ECs in the power industry. Monitoring and site inspection of ECs' CAPEX projects funded by loans extended by NEA were also vigorously pursued by the Agency in 2015.

For the year, a total of 13 ECS were validated, namely: BATELEC II, BOHECO I, ASELCO, AKELCO, ILECO I, ILECO II, ILECO III, ANTECO, CASURECO I, CASURECO II, CASURECO III, CASURECO IV, and CANORECO.

### Policy Guidelines on Implementation of Barangay Line Enhancement Program (BLEP)

NEA also formulated the Policy Guidelines on the Implementation of Barangay Line Enhancement Program (BLEP) to meet targets on time, identify technical requirements for proper project implementation and project audit, set schedule of fund releases, and determine accountable officials

### Bottom-Up Budgeting Implementation

The year past also saw NEA playing an important role in the government's Bottom-up Budgeting (BuB) Program for which the Agency was able to contribute a total of 239 completed on-grid sitio electrification projects.

For actively pushing for BuB projects under its watch, NEA was recognized by the Department of Interior and Local Government-Region III as one of the best implementing agencies of the Program.



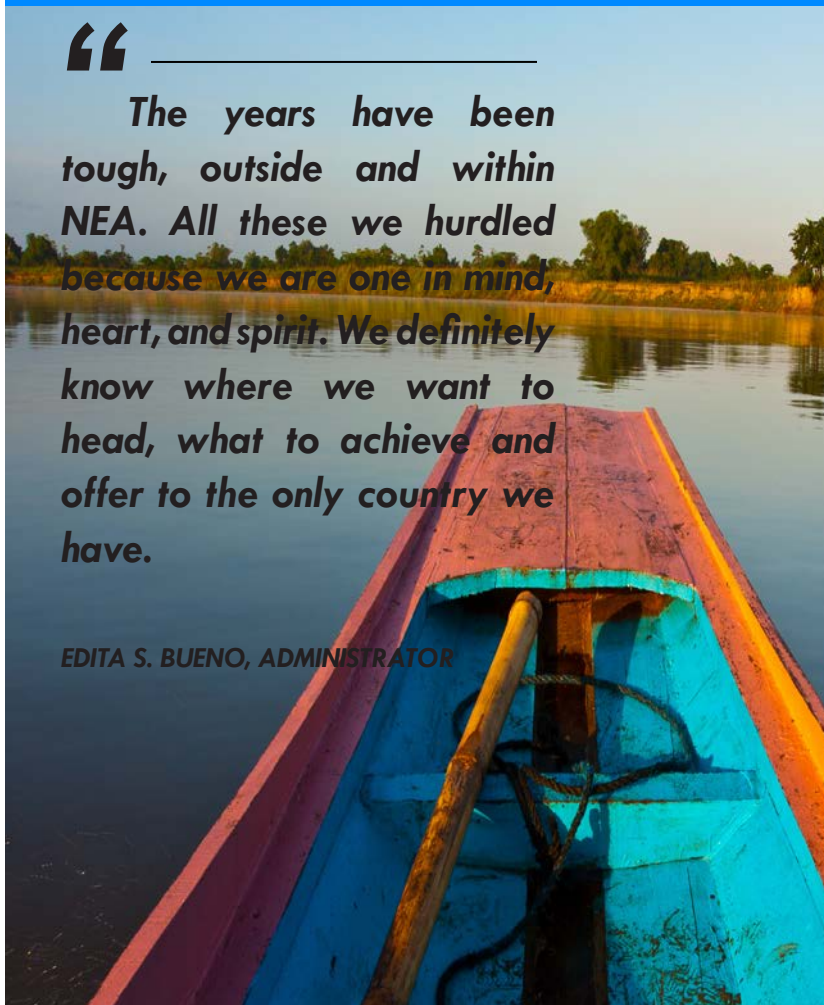
**Corporate  
Planning**

## IN THE SPOTLIGHT

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*The years have been tough, outside and within NEA. All these we hurdled because we are one in mind, heart, and spirit. We definitely know where we want to head, what to achieve and offer to the only country we have.*

**EDITA S. BUENO, ADMINISTRATOR**



millionth consumer connection mark, and is intensifying efforts to speed up its consumer connection program to help government reach 90% household electrification target by 2017.

She reported that 85% consumer connection level will have been reached by year-end, with 86,229 remaining households projected to be provided electricity.

As a lending institution, the NEA has also extended a total of Php 6.785 billion assistance to ECs, which already exceeded the Php 5 billion target.

### Governance champions

The public revalida, which headlined governance champions and anti-corruption advocates, is the last stage in the application process before any agency is given the IGG status.

The public revalida allows the head of the agency to deliver testimony on how the organization has undertaken a “transformative journey” to create an impact on the lives of the Filipinos.

During the revalida, panelists lauded the Agency for being an “enabler” and for achieving what they described as “impressive” breakthrough results in the electrification program.

The National Electrification Administration (NEA) now holds the distinction of being the first government-owned and controlled corporation (GOCC) to join the roster of ‘Islands of Good Governance’ (IGG) after successfully showcasing breakthrough results that have brought about transformations in the public sector.

In a public revalida held on October 20 at the Philippine International Convention Center (PICC), NEA Administrator Edita S. Bueno said the Agency committed to attain three “breakthrough goals” by the end of the year as part of its efforts “to raise the standard of public governance.”

These breakthrough goals include attainment of 100% energization of 32,441 sitios, attainment of additional 1.4 million consumer connections, and provision of Php 5 billion financial assistance to the electric cooperatives (ECs).

### Breakthrough results

In her report, Administrator Bueno said the Agency has so far energized 27,011 sitios out of the 32,441 target, bringing the total number of Filipinos served by the Rural Electrification Program (REP) to 55 million.

She also said the Agency has already reached the 11

“You are an enabler. You provide the electric cooperatives financial and technical assistance to energize areas,” Atty. Barin said.

Likewise, the Governance Commission for GOCCs (GCG) commended the NEA for “going beyond what it has officially been required and engaging the public further through the private sector initiatives such as the Islands of Good Governance.”

The citation, read by GCG Commissioner Angela E. Ignacio, added that “the quest of the GCG to improve the GOCC sector... [has] shown especially in the case of how NEA has been transformed into a truly responsive government agency.”

### Consultative leadership

For her part, Administrator Bueno credited the consultative leadership of the Agency as a key element in the sustainability of its governance mechanisms.

She added that people’s involvement has always been one of the strong points of the Agency, creating among the employees a “sense of ownership” in every program it implements.



## Information Technology and Communication Services

Recognizing the fact that the effective use of information and communication channels is a component of any successful organization, NEA implemented in 2015 a number of projects that sought to upgrade the ICT infrastructure of the Agency.

The projects were meant to improve further the internal and external processes of the Agency, while attuning its strategic direction to the requirements of ISO 9001:2008.

Below are some of the notable ICT projects undertaken by NEA for the year:

### **Installation of the New Structured Cabling System**

A new cabling system was installed to replace the old and dilapidated structure. The project comes in two phases. The first phase was installed and completed during the second semester of 2015, integrating 474 nodes composed of 290 data, 184 voice, and 17 wireless internet (wi-fi) access points.

Simultaneously, all core switches of the intermediate distribution frame (IDF) that connects the telecommunications cable between end user devices and main distribution frame (MDF) in all floors have been replaced.

The second phase is targeted in 2016. Once completed, this system will eliminate noise in transmission, reduce downtime, address the enhanced data transmission, provide reliable signal for voice and data communication resulting in a faster communication channel.

### **Acquisition of New Servers and Storage Equipment**

A series of high-end blade servers, chassis, and a Network Attached Storage System (NAS) have been acquired. These will cater to the web-based Online Unified Reporting Application System, the NEA Directory and Exchange Server, and future system upgrade in ICT infrastructure. The initiative is part of the back-up and disaster recovery program of the Agency.

### **Establishment of the Data Center**

Increasing demand for data storage and archiving pushed for the conversion of the old Server Room into a secured Data Center this year. This will house the servers, storage system, and other information technology installation.

Secured by a biometric lock, only authorized personnel are permitted entrance to the center to ensure its security and safety.







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*The NEA continues to exhaust all possible means to make funds readily available for the electric cooperatives. The money we pour for the coops guarantees their ability to serve better their member-consumers.*

**SONIA B. SAN DIEGO, DEPUTY ADMINISTRATOR FOR CORPORATE RESOURCES AND FINANCIAL SERVICES**

A load balancer and likewise a bandwidth manager appliance module were prioritized for procurement to efficiently manage distribution of the 40 megabits per second (Mbps) internet bandwidth capacity. At present, the Agency’s 40 Mbps capacity is provided by two internet service providers, one being the primary providing 25 Mbps and the secondary providing 15 Mbps.

Concurrently, the Agency is one of the first forty-eight agencies among the 168 government offices which was selected and prioritized in the pilot implementation of DOST-ICTO one gigabyte fiber-optics channel.

This is in preparation for the mandatory interoperability framework of the government which will enable exchange of government information, data, and services across multiple ICT channels of various government agencies.

**Issuance and Formulation of Policies and Processes**

To ensure smooth implementation of information and technology plans and programs of the Agency and continuously cater efficient service to the clients, the following were undertaken:

- √ Consolidation of the Agency’s Information and Communication Technology (ICT) Projects in the 2016 Annual Procurement Plan necessary for the preparation of the NEA Information System Strategic Plan
- √ Drafting of the NEA ICT Usage Policy for management review and approval
- √ Development and documentation of the NEA ICT Maintenance and Preventive Services and institutionalization of the Help Desk facility to sustain ISO 9001:2008 certification

**Setting-up of the Media Lounge**

NEA, likewise, completed this year the setting up of the Media Lounge which will be a best venue for media conferences and meetings including live and taped radio and television interviews.

The project is aimed at further strengthening the relationship between the Agency and its media partners in effectively communicating the gains of the Rural Electrification Program as it has made possible the Philippine countryside to prosper.

**Security, Load Balancing, and Bandwidth Management**

An upgraded Security Firewall appliance was installed to secure and protect the NEA servers, including databases, data/information, website and application systems against hacking, spam generation, and web intrusion.

License on Anti-Virus solution for the work stations and laptop computers was also acquired and renewed.

## System Development and Support

NEA also developed the web-based Online Unified Reporting System (OURS) as mandated by the NEA Reform Act of 2013. An external system provider offered for free the development of this web-based solution, and was approved by the NEA Board of Administrators for implementation.

To facilitate the smooth development of the reporting system, NEA promptly accomplished the scoping of the required information and designing of the reportorial templates for five major required reports namely, Status of Energization, Monthly Financial and Statistical Report, Monthly Institutional Report, Monthly Engineering Report, and the Performance Standard and Monitoring Report.

Battery of consultative conferences for electric cooperatives leaders was also conducted for feedback and suggestions to improve the developed solution and prepare the ECs for its implementation.

## Database Management

Major activities in Database Management include publication of the 2012-2014 Rural Electrification Chronicle, 2010-2014 ECs Historical Profiles, and the 2014 ECs' Individual Fact Sheets.

The 1991-1993 Statistical Performance on ECs operations were also processed and compiled leading to completion of the three-decade (1981-2010) historical collection of financial, institutional, and technical parameters.

A compilation of various resource materials presented by the management upon the invitation by the international stakeholders was also made available for reference.

These publications serve as vital information materials for policy formulation, decision making, and researches and

studies on ECs' operations and NEA's implementation of the Rural Electrification Program.

## Records Management

As part of the records tracking system of NEA, a total of 1,793 documents for action were processed and distributed to concerned offices and departments. There were 785 documents or 44% under the fast lane service and 1,008 documents or 56% under the regular lane.

The response rate is registered at 99% with 1,772 documents acted upon by the end of the year. For the fast lane service, the average response time computed was 22.67 hours.

This is faster by 10.33 hours compared with the corporate target of 33 hours. Under the regular lane, the average response time is 72.57 hours, faster by 12.43 hours compared with the corporate target of 85 hours.

On the other hand, a total of 13,582, non-tracked documents were also received and processed for distribution. These included ECs' Board Resolutions, letters, status reports, and requests. Under Republic Act 10531 on NEA's reportorial requirements, 6,982 reports were processed and distributed to monitoring departments/offices.

Guided by the provisions of Republic Act 9470 and in close coordination with the National Archives of the Philippines (NAP), the disposal of 6,026 kilos of valueless records was conducted by the end of the year in the presence of representatives from the Commission on Audit (COA), NAP, and NEA. The amount of Php40,920.54 was realized out of this activity.

To provide guidance and available reference on the policies and guidelines issued for the year, the 2014 Memoranda to ECs, NEA Office Memoranda and Office Orders were compiled in book form and e-copy.



## IN THE SPOTLIGHT

### WHAT ARE REPORTORIAL REQUIREMENTS?

Chapter III, Section 12 of R.A. 10531 in relation to Rule II, Section 5 of the IRR provides that the National Electrification Administration (NEA) shall ensure that all electric cooperatives (ECs) comply with the timely submission of the reportorial requirements set forth in this IRR. For this purpose, the NEA shall prepare monthly and quarterly assessment reports of the abovementioned information. Said reports shall be submitted by the NEA to the DOE and the JCPC together with its recommended policies to attain the objectives of the Act.

Likewise, Rule III, Section 11(b) of the IRR of R.A. 10531 states that the NEA shall have the authority over the ECs, whether stock or non-stock, to require the submission of reportorial requirements as may be necessary relative to their operations as electric distribution utilities but not limited to:

REPORTORIAL REQUIREMENTS	TIMELINE/ DEADLINE OF SUBMISSION	LEAD DEPARTMENT/OFFICE
1. Monthly Financial and Statistical Report	30th day of the succeeding month	Finance Services Department (FSD)
2. Monthly Status of Energization (Barangay, Sitios, & House Connections)	15th day of the succeeding month	Information Technology and Communication Services Department (ITCSD)
3. Monthly Institutional Report	30th day of the succeeding month	Institutional Development Department (IDD)
4. Monthly Performance Standards Monitoring Report	30th day of the succeeding month	IDD
5. Monthly Summary of Complaints received and acted upon	30th day of the succeeding month	IDD
6. Monthly Report on compliance with the Philippine Grid & Distribution Codes	30th day of the succeeding month	Engineering Department (ED)
7. Monthly Engineering Report	30th day of the succeeding month	ED
8. Quarterly Report on New Power Supply Contract	30th day of the succeeding month	ED
9. Annual Work Plan	January 30	Corporate Planning Office (CPO)
10. Annual Distribution Development Plan (DDP)	January 30	CPO
11. Five (5)-year Investment Plan submitted annually	January 30	CPO
12. Annual Cash Operating Budget	September 30 preceding the budget year	FSD
13. Audited Financial Statements	April 15 of the succeeding year	FSD
14. Collective Bargaining Agreement (CBA) or Collective Negotiation Agreement (CNA)	30 days after the ratification by the general membership	IDD
15. Copy of Capital Expenditures (CapEx) & Operating Expenditures (OpEx) Plan	January 30	CPO
	September 30	FSD
16. For ECs on grid with isolated area/s served by the NPC-SPUG, separate submission of MFSR, Monthly Engineering Report and Barangay Sitio electrification report		

Finally, Rule VII, Section 27 of the IRR states that consistent with Section 58 of EPIRA, the NEA shall continue to be under the supervision of the DOE, and shall comply with all reportorial requirements under this IRR and may be deemed necessary by the DOE.

The objectives of the policy are (1) to monitor and diagnose the status of operation of the electric cooperatives in terms of their financial, institutional, and technical services based on the prescribed standards set, (2) to propose resolution and craft plan of action as preventive measures before further deterioration of status of the ECs, and (3) to formulate prescriptive policy by the management as basis for implementation in resolving issues and concerns.





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*We manage the electric cooperatives nationwide by opening ourselves to closer partnership with them. The coops are the face of the NEA, and vice versa. There's no way we can successfully implement a program if we leave one behind.*

**EDITA S. BUENO, ADMINISTRATOR**

provided legal assistance to electoral protests forwarded by EDUS, sent sanctions to ECs that were non-compliant with the Reportorial Requirements, attended Congress/Senate Committee hearings/deliberations on EPIRA Amendments, R.A. No. 10531 and its IRR and Proposed Bills Involving NEA, and prepared position papers on various House Bills concerning the Agency, the ECs, and other related power industry stakeholders.

Consistent with the supervisory and disciplinary powers of NEA over the ECs under Republic Act 10531, otherwise known as the National Electrification Administration Reform Act of 2013, the creation of a Legal Division for Enforcement, Implementation and Litigation paved the way for the establishment of a systematized procedure in the implementation of decisions and/or resolutions of the NEA Board of Administrators (BOA) involving administrative cases of EC officers. Similarly, the creation of the legal division is designed to monitor compliance by the concerned ECs with the decisions and/or resolutions handed down by the NEA BOA.

For the year, in addition to the creation of the legal division, NEA also attended to the resolution and dismissal of 14 EC cases, consolidated the two Administrative Committee teams into one, conducted motu proprio investigations based on the audit findings from the Electric Distribution Utilities Sector (EDUS),

The Agency also spearheaded for the benefit of the NEA employees the conduct of seminars on the Implementing Rules and Regulations (IRR) of RA 10531.

The seminar covered key features of the IRR and the Philippine Government Electronic Procurement System (PhilGEPS), principles of public procurement, issues pertaining to EC registration to the Cooperative Development Authority (CDA) or the Securities and Exchange Commission (SEC), compensation for ECs in the event of relocation of distribution equipment, performance status of ECs, and scope of NEA's jurisdiction over the coops.

The legal powers bestowed by RA 10531 on the NEA reinforce the Agency's supervisory and oversight function over the ECs to ensure their compliance with existing policies and regulations crafted with the end goal of protecting the interest of the member-consumers.



## Legal Services

# EC PROFILE



ELECTRIC COOPERATIVES		MUNICIPALITIES/ CITIES		BARANGAYS			SITIOS			CONNECTIONS		
		COVERAGE/ ENERGIZED	%	Potential	ENERGIZED	%	Potential	ENERGIZED	%	Potential	SERVED	%
<b>REGION I</b>												
1	Ilocos Norte Electric Cooperative, Inc.	23	100	557	557	100	2,913	2,913	100	165,100	153,503	93
2	Ilocos Sur Electric Cooperative, Inc.	34	100	768	768	100	187	187	100	187,500	172,167	92
3	La Union Electric Cooperative, Inc.	18	100	536	536	100	1,085	1,085	100	143,000	135,170	95
4	Pangasinan I Electric Cooperative, Inc.	9	100	192	192	100	449	449	100	80,100	76,274	95
5	Central Pangasinan Electric Cooperative, Inc.	15	100	553	553	100	2,005	1,957	98	225,900	221,156	98
6	Pangasinan III Electric Cooperative, Inc.	17	100	421	421	100	1,839	1,826	99	174,800	166,961	96
	<b>Sub-Total</b>	116	100	3,027	3,027	100	8,478	8,417	99	976,400	925,231	95
<b>REGION II</b>												
7	Batanes Electric Cooperative, Inc.	6	100	29	29	100	26	26	100	6,100	5,761	94
8	Cagayan I Electric Cooperative, Inc.	12	100	376	376	100	226	193	85	138,400	133,021	96
9	Cagayan II Electric Cooperative, Inc.	21	100	510	510	100	812	812	100	126,700	116,202	92
10	Isabela I Electric Cooperative, Inc.	15	100	484	484	100	220	220	100	197,700	194,839	99
11	Isabela II Electric Cooperative, Inc.	21	100	545	545	100	171	149	87	157,000	130,360	83
12	Nueva Vizcaya Electric Cooperative, Inc. <sup>1</sup>	15	100	275	275	100	251	251	100	96,000	84,377	88
13	Quirino Electric Cooperative, Inc.	6	100	150	150	100	224	212	95	48,600	46,512	96
	<b>Sub-Total</b>	96	100	2,369	2,369	100	1,930	1,863	97	770,500	711,072	92
<b>CAR</b>												
14	Abra Electric Cooperative, Inc.	27	100	303	303	100	77	77	100	57,400	49,510	86
15	Benguet Electric Cooperative, Inc.	14	100	269	269	100	2,297	2,297	100	190,700	169,708	89
16	Ifugao Electric Cooperative, Inc.	11	100	175	175	100	1,896	1,876	99	40,400	35,394	88
17	Kalinga-Apayaog Electric Cooperative, Inc.	11	100	221	221	100	481	420	87	52,200	43,205	83
18	Mountain Province Electric Cooperative, Inc.	10	100	144	144	100	612	612	100	38,800	34,269	88
	<b>Sub-Total</b>	73	100	1,112	1,112	100	5,363	5,282	98	379,500	332,086	88
<b>REGION III</b>												
19	Aurora Electric Cooperative, Inc.	9	100	157	157	100	420	420	100	50,700	48,155	95
20	Tarlac I Electric Cooperative, Inc.	15	100	421	421	100	2,039	2,039	100	163,600	159,774	98
21	Tarlac II Electric Cooperative, Inc.	5	100	120	120	100	213	213	100	110,600	108,035	98
22	Nueva Ecija I Electric Cooperative, Inc.	5	100	95	95	100	153	153	100	89,700	87,422	97
23	Nueva Ecija II Electric Cooperative, Inc. - Area 1	10	100	291	291	100	133	133	100	132,500	118,399	89
	Nueva Ecija II Electric Cooperative, Inc. - Area 2	11	100	228	228	100	130	130	100	106,700	98,626	92
24	San Jose City Electric Cooperative, Inc.	1	100	38	38	100	3	3	100	34,000	31,622	93
25	Pampanga Rural Electric Service Coop., Inc.	-	-	34	34	100	4	4	100	20,700	20,030	97
26	Pampanga I Electric Cooperative, Inc.	6	100	112	112	100	232	232	100	101,700	100,607	99
27	Pampanga II Electric Cooperative, Inc.	7	100	175	175	100	1,022	1,022	100	159,900	157,928	99
28	Pampanga III Electric Cooperative, Inc.	6	100	95	95	100	3	3	100	73,100	70,636	97
29	Peninsula Electric Cooperative, Inc.	12	100	241	241	100	396	396	100	182,600	178,244	98
30	Zambales I Electric Cooperative, Inc.	6	100	118	118	100	137	137	100	62,100	59,751	96
31	Zambales II Electric Cooperative, Inc.	7	100	111	111	100	102	102	100	79,400	77,240	97
	<b>Sub-Total</b>	100	100	2,236	2,236	100	4,987	4,987	100	1,367,300	1,316,469	96



ELECTRIC COOPERATIVES		MUNICIPALITIES/ CITIES		BARANGAYS			SITIOS			CONNECTIONS		
		COVERAGE/ ENERGIZED	%	Potential	ENERGIZED	%	Potential	ENERGIZED	%	Potential	SERVED	%
<b>REGION IV-A</b>												
32	First Laguna Electric Cooperative, Inc.	11	100	164	164	100	601	601	100	65,600	64,441	98
33	Batangas I Electric Cooperative, Inc.	12	100	366	366	100	726	726	100	167,600	164,587	98
34	Batangas II Electric Cooperative, Inc.	17	100	482	482	100	1,638	1,638	100	282,700	279,940	99
35	Quezon I Electric Cooperative, Inc.	23	100	805	805	100	1,524	1,524	100	182,200	161,036	88
36	Quezon II Electric Cooperative, Inc.	8	100	129	128	99	863	863	100	39,800	33,453	84
	<b>Sub-Total</b>	<b>71</b>	<b>100</b>	<b>1,946</b>	<b>1,945</b>	<b>99</b>	<b>5,352</b>	<b>5,352</b>	<b>100</b>	<b>737,900</b>	<b>703,457</b>	<b>95</b>
<b>REGION IV-B</b>												
37	Lubang Electric Cooperative, Inc.	2	100	25	25	100	143	138	97	9,600	7,688	80
38	Occidental Mindoro Electric Cooperative, Inc.	9	100	137	137	100	932	893	96	80,800	73,606	91
39	Oriental Mindoro Electric Cooperative, Inc.	15	100	426	426	100	3,028	3,028	100	191,400	187,425	98
40	Marinduque Electric Cooperative, Inc.	6	100	218	218	100	340	340	100	52,800	50,859	96
41	Tablas Electric Cooperative, Inc.	10	100	112	112	100	626	626	100	37,900	37,309	98
42	Romblon Electric Cooperative, Inc.	4	100	66	66	100	522	522	100	21,100	20,951	99
43	Busuanga Electric Cooperative, Inc.	4	100	61	61	100	106	89	84	16,100	12,334	77
44	Palawan Electric Cooperative, Inc.	19	100	371	371	100	398	398	100	213,000	121,802	57
	<b>Sub-Total</b>	<b>69</b>	<b>100</b>	<b>1,416</b>	<b>1,416</b>	<b>100</b>	<b>6,095</b>	<b>6,034</b>	<b>99</b>	<b>622,700</b>	<b>511,974</b>	<b>82</b>
<b>REGION V</b>												
45	Camarines Norte Electric Cooperative, Inc.	12	100	273	273	100	421	405	96	115,800	108,911	94
46	Camarines Sur I Electric Cooperative, Inc.	11	100	309	309	100	516	512	99	87,700	71,470	81
47	Camarines Sur II Electric Cooperative, Inc.	10	100	259	259	100	320	308	96	118,500	113,339	96
48	Camarines Sur III Electric Cooperative, Inc.	7	100	229	229	100	19	19	100	84,400	73,419	87
49	Camarines Sur IV Electric Cooperative, Inc.	9	100	258	258	100	505	495	98	68,500	58,091	85
50	Albay Electric Cooperative, Inc.	18	100	720	718	99	237	237	100	250,700	235,235	94
51	Sorsogon I Electric Cooperative, Inc.	8	100	253	253	100	821	821	100	78,300	76,843	98
52	Sorsogon II Electric Cooperative, Inc.	7	100	288	288	100	218	192	88	81,900	80,236	98
53	First Catanduanes Electric Cooperative, Inc. <sup>1</sup>	11	100	315	315	100	114	114	100	55,400	52,477	95
54	Masbate Electric Cooperative, Inc.	15	100	434	434	100	701	701	100	98,800	59,255	60
55	Ticao Island Electric Cooperative, Inc.	4	100	72	72	100	41	41	100	15,200	10,670	70
	<b>Sub-Total</b>	<b>112</b>	<b>100</b>	<b>3,410</b>	<b>3,408</b>	<b>99</b>	<b>3,913</b>	<b>3,845</b>	<b>98</b>	<b>1,055,200</b>	<b>939,946</b>	<b>89</b>
	<b>TOTAL LUZON</b>	<b>637</b>	<b>100</b>	<b>15,516</b>	<b>15,513</b>	<b>99</b>	<b>36,118</b>	<b>35,780</b>	<b>99</b>	<b>5,909,500</b>	<b>5,440,235</b>	<b>92</b>
<b>REGION VI</b>												
56	Aklan Electric Cooperative, Inc.	19	100	380	379	99	1,012	1,012	100	129,600	122,606	95
57	Antique Electric Cooperative, Inc.	16	100	537	537	100	700	678	97	105,100	98,475	94
58	Capiz Electric Cooperative, Inc.	17	100	473	473	100	821	821	100	163,000	153,243	94
59	Iloilo I Electric Cooperative, Inc.	15	100	794	794	100	801	801	100	150,300	142,352	95
60	Iloilo II Electric Cooperative, Inc.	15	100	587	587	100	930	911	98	130,100	116,002	89
61	Iloilo III Electric Cooperative, Inc.	13	100	340	340	100	1,410	1,408	99	87,800	77,591	88
62	Guimaras Electric Cooperative, Inc.	5	100	98	98	100	463	444	96	33,300	29,084	87
	<b>Sub-Total</b>	<b>100</b>	<b>100</b>	<b>3,209</b>	<b>3,208</b>	<b>99</b>	<b>6,137</b>	<b>6,075</b>	<b>99</b>	<b>799,200</b>	<b>739,353</b>	<b>93</b>





ELECTRIC COOPERATIVES		MUNICIPALITIES/ CITIES		BARANGAYS			SITIOS			CONNECTIONS		
		COVERAGE/ ENERGIZED	%	Potential	ENERGIZED	%	Potential	ENERGIZED	%	Potential	SERVED	%
<b>REGION VII</b>												
63	Bantayan Electric Cooperative, Inc.	3	100	49	49	100	351	351	100	27,300	24,971	91
64	Cebu I Electric Cooperative, Inc.	18	100	366	366	100	2,756	2,673	97	137,500	133,233	97
65	Cebu II Electric Cooperative, Inc.	13	100	323	323	100	2,355	2,329	99	152,000	149,047	98
66	Cebu III Electric Cooperative, Inc.	5	100	134	134	100	1,400	1,328	95	90,900	90,790	99
67	Province of Siquijor Electric Cooperative, Inc.	6	100	134	134	100	688	678	99	26,500	23,791	90
68	Camotes Electric Cooperative, Inc.	4	100	56	56	100	361	361	100	22,500	19,292	86
69	Bohol I Electric Cooperative, Inc.	26	100	603	603	100	3,213	3,213	100	158,900	149,823	94
70	Bohol II Electric Cooperative, Inc.	21	100	491	491	100	2,184	2,184	100	132,500	127,299	96
	<b>Sub-Total</b>	96	100	2,156	2,156	100	13,308	13,117	99	748,100	718,246	96
<b>NEGROS ISLAND REGION</b>												
71	Northern Negros Electric Cooperative, Inc.	9	100	196	196	100	2,353	2,204	94	159,200	141,342	89
72	Central Negros Electric Cooperative, Inc.	6	100	158	158	100	340	334	98	222,000	207,644	94
73	Negros Occidental Electric Cooperative, Inc.	17	100	308	308	100	2,269	2,269	100	190,100	170,023	89
74	Negros Oriental I Electric Cooperative, Inc.	11	100	285	285	100	1,807	1,807	100	91,500	72,090	79
75	Negros Oriental II Electric Cooperative, Inc.	14	100	272	272	100	1,254	1,254	100	158,200	141,009	89
	<b>Sub-Total</b>	57	100	1,219	1,219	100	8,023	7,868	98	821,000	732,108	89
<b>REGION VIII</b>												
76	Don Orestes Romualdez Electric Cooperative, Inc.	13	100	499	499	100	423	415	98	82,100	61,787	75
77	Leyte II Electric Cooperative, Inc.	3	100	196	196	100	83	83	100	68,500	57,364	84
78	Leyte III Electric Cooperative, Inc.	9	100	285	285	100	197	174	88	52,200	47,982	92
79	Leyte IV Electric Cooperative, Inc.	6	100	245	245	100	1,239	1,210	98	72,100	70,189	97
80	Leyte V Electric Cooperative, Inc.	12	100	414	414	100	1,106	1,106	100	128,500	111,512	87
81	Southern Leyte Electric Cooperative, Inc.	19	100	500	500	100	1,877	1,862	99	96,700	92,893	96
82	Biliran Electric Cooperative, Inc.	7	100	117	117	100	258	221	86	33,900	31,453	93
83	Northern Samar Electric Cooperative, Inc.	24	100	569	569	100	185	185	100	102,700	66,173	64
84	Samar I Electric Cooperative, Inc.	10	100	427	427	100	103	83	81	65,000	54,350	84
85	Samar II Electric Cooperative, Inc.	16	100	524	524	100	1,401	1,394	99	82,600	72,626	88
86	Eastern Samar Electric Cooperative, Inc.	23	100	596	596	100	352	316	90	89,800	83,364	93
	<b>Sub-Total</b>	142	100	4,372	4,372	100	7,224	7,049	98	874,100	749,693	86
	<b>TOTAL VISAYAS</b>	395	100	10,956	10,955	99	34,692	34,109	98	3,242,400	2,939,400	91
<b>REGION IX</b>												
87	Zamboanga del Norte Electric Cooperative, Inc.	23	100	585	585	100	1,700	1,674	98	149,000	105,480	71
88	Zamboanga del Sur I Electric Cooperative, Inc.	25	100	628	628	100	2,180	2,143	98	163,500	116,112	71
89	Zamboanga del Sur II Electric Cooperative, Inc.	23	100	558	558	100	2,137	2,093	98	149,500	111,080	74
90	Zamboanga City Electric Cooperative, Inc.	1	100	94	94	100	682	679	99	192,000	131,288	68
	<b>Sub-Total</b>	72	100	1,865	1,865	100	6,699	6,589	98	654,000	463,960	71
<b>REGION X</b>												
91	Misamis Occidental I Electric Cooperative, Inc.	8	100	227	227	100	246	246	100	58,400	55,287	95
92	Misamis Occidental II Electric Cooperative, Inc.	8	100	253	253	100	297	286	96	87,500	81,943	94
93	Misamis Oriental I Electric Cooperative, Inc.	10	100	155	155	100	1,497	1,446	97	90,400	83,188	92
94	Misamis Oriental II Electric Cooperative, Inc.	12	100	269	269	100	1,182	1,179	99	89,400	69,388	78



# EC PROFILE

ELECTRIC COOPERATIVES		MUNICIPALITIES/ CITIES		BARANGAYS			SITIOS			CONNECTIONS		
		COVERAGE/ ENERGIZED	%	Potential	ENERGIZED	%	Potential	ENERGIZED	%	Potential	SERVED	%
95	First Bukidnon Electric Cooperative, Inc.	13	100	303	303	100	2,490	2,379	96	172,600	136,721	79
96	Bukidnon II Electric Cooperative, Inc.	10	100	171	171	100	1,076	1,053	98	111,200	89,599	81
97	Camiguin Electric Cooperative, Inc.	5	100	58	58	100	967	962	99	21,600	20,995	97
98	Lanao del Norte Electric Cooperative, Inc.	19	100	407	407	100	738	725	98	119,600	88,641	74
	<b>Sub-Total</b>	<b>85</b>	<b>100</b>	<b>1,843</b>	<b>1,843</b>	<b>100</b>	<b>8,493</b>	<b>8,276</b>	<b>97</b>	<b>750,700</b>	<b>625,762</b>	<b>83</b>
<b>REGION XI</b>												
99	Davao Oriental Electric Cooperative, Inc.	11	100	183	183	100	1,141	1,128	99	109,100	95,336	87
100	Davao del Norte Electric Cooperative, Inc.	18	100	376	376	100	629	590	94	244,300	177,867	73
101	Davao del Sur Electric Cooperative, Inc.	15	100	337	337	100	2,366	2,353	99	202,200	152,177	75
	<b>Sub-Total</b>	<b>44</b>	<b>100</b>	<b>896</b>	<b>896</b>	<b>100</b>	<b>4,136</b>	<b>4,071</b>	<b>98</b>	<b>555,600</b>	<b>425,380</b>	<b>77</b>
<b>REGION XII</b>												
102	North Cotabato Electric Cooperative, Inc.	12	100	348	348	100	202	155	77	165,300	137,807	83
	PPALMA-COTELCO	6	100	195	195	100	1,735	1,694	98	80,400	45,564	57
103	South Cotabato I Electric Cooperative, Inc.	10	100	172	172	100	1,206	1,156	96	163,500	106,006	65
104	South Cotabato II Electric Cooperative, Inc.	10	100	204	204	100	1,721	1,710	99	303,000	173,052	57
105	Sultan Kudarat Electric Cooperative, Inc.	17	100	311	311	100	696	668	96	179,800	95,713	53
	<b>Sub-Total</b>	<b>55</b>	<b>100</b>	<b>1,230</b>	<b>1,230</b>	<b>100</b>	<b>5,560</b>	<b>5,383</b>	<b>97</b>	<b>892,000</b>	<b>558,142</b>	<b>63</b>
<b>AUTONOMOUS REGION IN MUSLIM MINDANAO</b>												
106	Tawi-Tawi Electric Cooperative, Inc.	9	100	186	186	100	219	219	100	47,200	13,110	28
107	Siasi Electric Cooperative, Inc. <sup>2</sup>	2	100	66	66	100	34	28	82	13,500	4,258	32
108	Sulu Electric Cooperative, Inc.	16	100	330	330	100	59	57	97	85,800	26,428	31
109	Basilan Electric Cooperative, Inc.	14	100	269	269	100	173	168	97	76,200	42,305	56
110	Cagayan de Sulu Electric Cooperative, Inc. <sup>3</sup>	2	100	17	17	100	0	0		5,200	1,961	38
111	Lanao del Sur Electric Cooperative, Inc. <sup>4</sup>	41	100	1,175	1,175	100	62	62	100	139,500	56,357	40
112	Maguindanao Electric Cooperative, Inc. <sup>5</sup>	30	100	404	398	99	705	672	95	116,200	27,485	24
	<b>Sub-Total</b>	<b>114</b>	<b>100</b>	<b>2,447</b>	<b>2,441</b>	<b>99</b>	<b>1,252</b>	<b>1,206</b>	<b>96</b>	<b>483,600</b>	<b>171,904</b>	<b>36</b>
<b>CARAGA</b>												
113	Agusan del Norte Electric Cooperative, Inc.	12	100	252	252	100	1,983	1,983	100	156,300	151,845	97
114	Agusan del Sur Electric Cooperative, Inc.	14	100	314	314	100	2,552	2,538	99	142,300	131,417	92
115	Surigao del Norte Electric Cooperative, Inc.	12	100	203	203	100	268	266	99	81,000	70,213	87
116	Siargao Electric Cooperative, Inc.	9	100	132	132	100	220	217	99	31,600	29,006	92
117	Dinagat Islands Electric Cooperative, Inc.	7	100	100	100	100	142	133	94	29,100	23,976	82
118	Surigao del Sur I Electric Cooperative, Inc.	5	100	112	112	100	264	261	99	75,100	72,153	96
119	Surigao del Sur II Electric Cooperative, Inc.	14	100	197	197	100	1,110	1,110	100	78,200	70,687	90
	<b>Sub-Total</b>	<b>73</b>	<b>100</b>	<b>1,310</b>	<b>1,310</b>	<b>100</b>	<b>6,539</b>	<b>6,508</b>	<b>99</b>	<b>593,600</b>	<b>549,297</b>	<b>93</b>
	<b>TOTAL MINDANAO</b>	<b>443</b>	<b>100</b>	<b>9,591</b>	<b>9,585</b>	<b>99</b>	<b>32,679</b>	<b>32,033</b>	<b>98</b>	<b>3,929,500</b>	<b>2,794,445</b>	<b>71</b>
	<b>TOTAL</b>	<b>1,475</b>	<b>100</b>	<b>36,063</b>	<b>36,053</b>	<b>99</b>	<b>103,489</b>	<b>101,922</b>	<b>98</b>	<b>13,081,400</b>	<b>11,174,080</b>	<b>85</b>
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