

# **MORE POWER@45**

**... WITH STRONGER WORKFORCE**

**ANNUAL  
REPORT**  
**2014**



National  
Electrification  
Administration

# TABLE OF CONTENTS

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**04**

FACETS OF FORTY FIVE

**15**

CONSUMER CONNECTIONS

**28**

MANAGEMENT ASSISTANCE

**06**

WHO WE ARE

**16**

COA AUDIT REPORT

**37**

CORPORATE PLANNING

**10**

ADMINISTRATOR'S REPORT

**18**

FINANCIAL STATEMENTS

**46**

EC PROFILE

**12**

NEA-BOA IN ACTION

**22**

TECHNICAL SERVICES

**50**

NEA WORKFORCE

**14**

SEP-BLEP

**27**

INSTITUTIONAL DEVELOPMENT

**59**

EDITORIAL BOARD

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

May 2015

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 2014.

Very truly yours,

  
**EDITA S. BUENO**  
Administrator

# FACETS OF FORTY

**1977**

Marked the organization of 100 ECs, with at least one EC per province



**1979**

Connection of the one millionth consumer connection in Virac, Catanduanes



**1974**

Energization of the original backbone system of MORESCO, VRESCO, CAPELCO, ALECO, LANECO, INEC and LEYECO / DORELCO



**1973**

NEA became a government-owned and controlled corporation (GOCC) on August 6 under Presidential Decree 269.



**1980**

The energization of the 10,000th barangay at Badajos, a fishing village in San Francisco, Quezon



**1972**

Granting of an initial loan of \$20 million from the USAID to finance the equipment and material requirements of 36 ECs



**1969**

RA 6038 passed into law creating the National Electrification Administration.



**1971**

The first two model ECs, MORESCO and VRESCO, were energized.



**2014**

Recipient of the Second Environmental Excellence Award and the Most Outstanding Accounting Office Award



**2013**

Energization of the ten millionth household connection in Bato, Leyte



Approval of RA 10531

Mobilization of Task Force Kapatid "Yolanda"

**2011**

Connection of the nine millionth household in Sta. Ana, Cagayan



Recipient of First Environmental Excellence Award

**2010**

Citation as "PGS-Institutionalized" after being conferred as "PGS-Initiated", "PGS-Compliant", and "PGS-Proficient"



# FIVE

**1981**

The installation of the first submarine cable in Alabat, Island, Quezon. Inauguration of USAID-funded International Rural Electrification Centers in Agoo, La Union in Luzon; and Laguindingan, Misamis Oriental in Mindanao

**1982**

Electrification of the 10 major islands and the energization of the two millionth customer in Malasiqui, Pangasinan

**1989**

The three millionth consumer connection in Upper Katungal, Sultan Kudarat was connected. Pilot projects of photo-voltaic (solar powered) systems were launched.

**1992**

Commissioning of 20 mini-hydro projects and 120 solar projects. Approval of the RE Revitalization Loan Package amounting to \$ 91.3 million to benefit 54 ECs.

**1994**

Signing of the ¥ 10.05 billion (Php 2.463 billion) Overseas Economic Cooperation Fund (OECF) Rural Electrification Extension Project Loan from the 18th Yen Package

**1999**

Energization of the five million connection in Tinogboc, Caluya, Antique

**1996**

Connection of the four millionth consumer in Patikul, Sulu

**2000**

NEA became the first ISO 9001 certified government-owned and controlled corporation (GOCC).

**2005**

Connection of the seven millionth consumer in Sitio Kihare, Barangay Kalanawan, Manolo Fortich, Bukidnon

**2003**

Connection of the six millionth consumer in Barangay Wague, Leyte, Leyte

**2008**

Connection of the eight millionth consumer in Calbiga, Western Samar

**2001**

Passage of RA 9136, the Electric Power Industry Reform Act of 2001

OML DEVELOPMENT



## 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

## MANDATE

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

## VISION

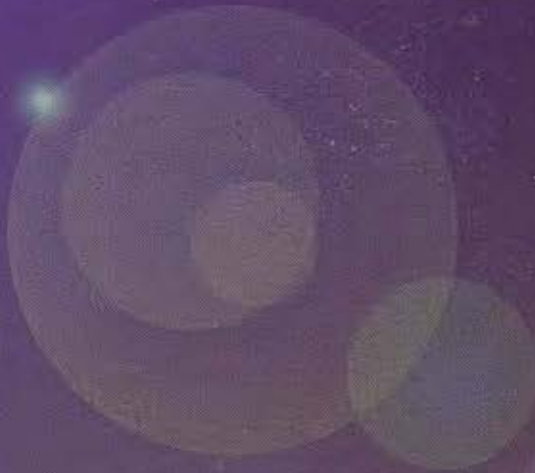
Total electrification on an area  
coverage basis by 2020

## 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



INBEA



## Message from the President of the Philippines



A nation's growth is determined by its citizens' access to opportunities for development. The National Electrification Administration, through its partner cooperatives, is instrumental in providing light to areas formerly untouched by energization.

Through your efforts, 20,513 sitios are now electrified, with more communities joining the grid before the end of this Administration's term. I commend you for your commitment to responsible citizenship; your sustained environmental management programs have made you one of the most eco-friendly government offices and Task Force Kapatid, through voluntary cooperation between public and private organizations, has restored power to over 1.45 million people affected by Typhoon Yolanda.

You are an important partner in our country's continued revitalization; there are more sitios that await illumination, while many households look forward to power restoration amidst the natural disasters that have momentarily crippled their livelihood. I count on your continued achievements this year; your ISO 9001:2008 Certification will go far in instilling confidence in your member-consumers.

These are exciting times; much progress has been made as the Philippines transforms into one of the most dynamic economies in the world. Let us continue to work together as we tread the straight path towards the vibrant, inclusive archipelago we have long envisioned, one lit by the dreams and successes of an inspired Filipino people.

**MANILA**  
May 2015

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



## Message from the DOE Secretary

Greetings to the National Electrification Administration (NEA) for your accomplishments for 2014.

The Department of Energy is glad to be your partner in progress. The increased number of energized sitios for the past three years is a testament to your focus on electrification. We request that you continue these efforts as we further our goals on this undertaking.

The formation of Task Force Kapatid, which is comprised of many volunteers from the various Electric Cooperatives and private organizations, embodies a sense of community and national unity. Though there were challenges brought about by Typhoon Yolanda, your commitment remained in your hearts, which resulted in the restoration of electricity in these areas.

You have also displayed excellent fiscal responsibility by your prompt loan payments, proper tax outlay and diligent collections; earning praise from both the Commission on Audit (COA) and the Association of Government Accountants of the Philippines (AGAP).

In striving to achieve ISO 9001:2008 certifications, may you adhere to the principles of good management systems as you progress in attaining the industry standards as a result of these methods.

Keep in mind of the Department's support in all your future endeavors.

*Mabuhay and more power!*

  
**CARLOS JERICO L. PETILLA**  
Secretary



# Administrator's Report



**W**hen I began working with the Rural Electrification Program back in 1972, I was armed only with zeal and commitment. With nary a background in the business of electrification and having just earned my university degree, I soon found myself being dispatched by then NEA Administrator Col. Pedro G. Dumol to the remotest outposts of the country to help organize electric cooperatives and bring the benefits of electricity to what then were conceived as unviable places to energize.

In those days, I counted faith as my constant ally (as I do, until now), even as it was the hardest to come by in the face of unnerving field assignments and other pressing work responsibilities. It was decidedly the kind of work which required a newly-minted officer like me to have a belly of steel and the boldness of a veteran, especially implementing a government project in the context of logistical difficulties and the various political resistances occurring in many of the rural parts in the country.

But joy eventually catches in the whirlwind of forty-two years. And, especially for those whose lives are now much brighter than when we found them, theirs is a victory I cannot claim for myself alone. Indeed, it is a victory shaped and is continuously shaped by the combined workforce of the Agency and the electric cooperatives, the government and the people, and the many dedicated men and women of the electrification program who have helped us carve a path of progress throughout the many years of our labor.

For this year, I am very pleased to share with you the breakthrough results of our commitment to pursue the total electrification mandate. It is a mandate we have been privileged to undertake and to which we pledge our time, energy, and passion for as long as we can and for as long as a single community in the country remains clothed in darkness.

## 2014 Corporate Accomplishments

### 1. More Access to Electrification

For three years, NEA, in partnership with the electric cooperatives, was able to energize a total of 20,513 (63%) out of the 32,441 unlit sitios, leaving 11,928 sitios for energization by the end of the term of President Benigno S. Aquino III.

### 2. Good Financial Standing

For the last eleven years, NEA has met its targets on the parameters of profitability, collection efficiency, and debt servicing, reinforcing the Agency's fiscal discipline and maintaining its track record of being in the black.

NEA released an aggregate of Php 2.534 billion loans to 67 ECs, exceeding the Php 1.7 billion target for the year.

NEA likewise maintained to pay 100% of its loan amortization due foreign creditors, a feat which the Agency has attained for the last eight (8) consecutive years while adhering to audit rules and regulations. For this, NEA has earned an unqualified audit opinion from the Commission on Audit (COA) for the years 2007 to 2013.

### 3. Recipient of Most Outstanding Accounting Office

The Agency was recognized by the Association of Government Accountants of the Philippines (AGAP) as the 2013 Most Outstanding Accounting Office during its Annual Convention conducted on 21 October 2014. The award was made in recognition of the Agency's quality, timeliness, and accuracy of its financial reports for Fiscal Year 2013.

### 4. Recipient of Environmental Excellence Award

For the second time, the Agency received from the Department of Environment and Natural Resources (DENR) the Environmental Excellence Award for Eco-Friendly Offices at the National Level. NEA was chosen for its sustained environmental management programs on waste management, water, energy and fuel conservation, air pollution prevention, greening, emergency preparedness, green procurement, orderliness, and safety.

### 5. Practice of Responsible Citizenship

To demonstrate responsible citizenship, NEA handed over

its corporate dividends amounting to Php 203.98 million to the National Government. Meanwhile, the amount of Php 171.64 million was paid by the Agency to the Bureau of Internal Revenue (BIR) for its corporate income tax. These payments totalled to Php 375.62 million.

### 6. Initiator of Task Force Kapatid-Yolanda

The Agency-initiated Task Force Kapatid-Yolanda, composed of 1,172 engineers and linemen from 70 volunteer ECs and 11 private organizations, was able to restore power to 33 Yolanda-affected ECs covering 341 municipalities and 7,052 barangays. Demonstrating the spirit of cooperativism, the Task Force benefitted about 1.45 million member-consumers.

### 7. Recommended to be ISO 9001:2008 Certified

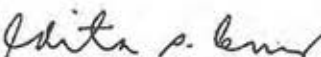
To further reinforce its commitment to service excellence and sound management practices, NEA adopted the Quality Management System, and was recommended by its certifying body, TUV Rheinland Philippines, Inc., for ISO 9001:2008 Certification after passing stages 1 and 2 of the audit process.

As I am wont to tell everyone in the many occasions that I have been invited to speak, there is no star in the Agency. Everybody counts; everybody has a role to play. And it is the same I wish the men and women of the Agency and the entire workforce of the electric cooperatives to uphold as we continue to thank God for the privilege of serving the people and ennobling existences that for so long have been used to the crippling consequences of inaccessibility to power.

For all its worth, the productive long years that I have been with the government made me realize what could be our most fundamental, yet oftentimes overlooked duty to the people. And it is that we, too, have an obligation to help them aspire for better lives, while offering ourselves as an instrument to its eventual fulfillment.

In those moments when I feel almost weathered by the years and the pressure, these words take on the sheen of a gemstone, and immediately I am made richer in the spirit of having done something for the Filipinos.

God bless NEA!

  
**EDITA S. BUENO**  
 Administrator

# NEA-BOA in Action



**CARLOS JERICHO L. PETILLA**  
Chairman



**JOSE RAYMOND A. ACOL**  
Alternate to the Chairman



**EDITA S. BUENO**  
Ex-Officio Member



**JOSEPH D. KHONGHUN**  
Board Member



**WILFRED L. BILLENA**  
Board Member  
(Until August 15, 2014)



**JOSE VICTOR E. LOBRIGO**  
Board Member

The NEA Board of Administrators, led by Department of Energy Secretary Carlos Jericho Petilla with DOE Assistant Secretary Jose Raymund Acol as Alternate Chairman, conducted nine regular meetings, one special meeting, and two referenda, passed 255 resolutions, and formulated 12 policies/guidelines in 2014.

The policies/guidelines formulated are the following:

- ▣ Guidelines on the Release of Yolanda Recovery and Rehabilitation Plan (YRRP) funds to the Electric Cooperatives (ECs)
- ▣ Policy for the Establishment of a Sinking Fund to Cover Extraordinary Losses and Expenditures Arising from Force Majeure, Natural Calamities and Risk Factors
- ▣ Guidelines in the Conduct of Appeals/Protest from the Decisions of the Electric Cooperative Screening Committee
- ▣ Consolidated Policy on the Various Frameworks of Private Sector Participation (PSP)
- ▣ Guidelines for NEA's Interventions and Various Options for Ailing Electric Cooperatives
- ▣ Reduction of NEA's Lending Rates on Outstanding Loans of ECs From 12%/10% to 9% Per Annum
- ▣ Guidelines in the Conduct of District Elections for Electric Cooperatives (ECs)

▣ Collective Bargaining Agreement (CBA) and Collective Negotiation Agreement (CNA) of Electric Cooperatives (ECs)

▣ Amendments and Addendum on Policy on Reportorial Requirements for Integrated Assessment Report

▣ Reduction in Interest Rate on Term Loans

▣ Revised Manual of Corporate Governance and No Gift Policy

▣ Guidelines in the Conduct of Referendum for Conversion of Electric Cooperatives

Meanwhile, the two referenda conducted are the following:

▣ Referendum on the Request for Approval of Manual of Corporate Governance and No Gift Policy

▣ Referendum on the Designation of Task Force to Perform the Management and Operation Functions in the Lanao del Sur Electric Cooperative, Inc. (LASURECO)

For committee activities, the Board Credit and Risk Management Committee (BCRMC) conducted eight meetings and passed 160 resolutions. The Board Governance, Nomination and Remuneration Committee (BGNRC), on the other hand, conducted nine regular meetings and two special meetings and passed 79 resolutions. Meanwhile, the Board Audit Committee (BAC) conducted seven meetings and passed 35 resolutions.

# NEA Milestones

Created on August 4, 1969 through Republic Act 6038 and later converted into a corporation under Presidential Decree 269, the National Electrification Administration (NEA) is the national agency on top of rural electrification. After energizing 99.99% of the barangays through the organization of electric cooperatives nationwide and the institutionalization of the concept of area coverage, NEA, through the support of various stakeholders, continues to deliver its mandate of total electrification in order to draw the majority of the Filipinos into the mainstream of socio-economic opportunities.

In delivering its mandate, the state-run agency has embodied the ideals of good governance and service excellence, resulting in a number of achievements unprecedented for a government-owned and -controlled corporation. Some of these achievements are the following:

- 20,513 sitios energized
- 10.6 million consumer connections served
- Php 31.360 billion loans extended to the ECs
- 8 consecutive years of unqualified audit opinion from the Commission on Audit
- 11 successive years of positive net margin
- 8 continuous years of 100% debt servicing
- 12 straight years of remitting full payment of dividends due the National Government
- 1st national government agency to be Performance Governance System-institutionalized
- 1st government corporation to implement the electronic New Government Accounting System (eNGAS)
- Recipient of Environmental Excellence Award in 2011 and 2014
- Recipient of five-star rating in the Government Energy Management Program
- Initiator of Task Force Kapatid Program for immediate power restoration in calamity-stricken areas
- Finalist in the United Nations Public Service Awards



## SITIO ELECTRIFICATION and BARANGAY LINE ENHANCEMENT PROGRAMS

Out of the target 7,073 sitios in 2014, 7,567 were energized by one hundred five (105) electric cooperatives (ECs), resulting in initial household connections of 52,287.

With regard to NEA's commitment to complete 32,441 sitios until the end of the term of President Benigno Aquino III, the total accomplishment for the Sitio Electrification Program (SEP) as of end of December 2014 is 20,513 sitios, leaving a balance of 11,928.

Under the Barangay Line Enhancement Program (BLEP), 181 barangays were energized, including the improvement of tapping point of the enhanced barangays to ensure power reliability. Likewise, the construction of the submarine cable to electrify Cabilao Island in Bohol was completed, thereby benefitting five barangays in the island namely: Brgys. Talisay, Looc, Cambaquiz, Cabacungan, and Pantudlan.

Among the initiatives and strategies implemented to ensure completion of projects in accordance with timelines were the continuing conduct of Suppliers, Contractors and Manufacturers Fora, and the tapping of Regional Technical Evaluators from ECs.

### AT A GLANCE

**7,567** energized sitios  
**52,287** initial household connections  
**181** energized barangays  
**5,737** SEP and BLEP projects inspected and accepted

Considering also that failure of bidding causes delay in completion of projects, ECs had been requested to immediately conduct the bidding process upon evaluation of projects by the Accelerated Total Electrification Office (ATEO). The release of subsidy funds to ECs is subject to the submission of the Notice of Award to the winning bidder.

Monitoring of ongoing projects and final inspection and acceptance of 5,737 energized SEP and BLEP projects were also accomplished to ensure that projects were constructed in accordance with NEA's specifications and standards.



## CONSUMER CONNECTIONS

In consonance with NEA's thrust of total electrification on an area coverage basis, the ECs work hand-in-hand with the Agency to reach and electrify the remote areas of the country.

A total of 483,276 households had been connected in 2014, a 105% accomplishment vis-à-vis a target of 460,000. Regions III, VI, and II are the top three contributors through the electrification of additional 64,877, 52,074, and 46,343 consumers, respectively.

By the end of 2014, 83%, or 10,636,110 of the 12,858,700 potential consumers had been served by the ECs. ECs with highest consumer connections are as follows:

▣ Batangas II Electric Cooperative, Inc. (BATELEC II)	<b>- 270,887</b>
▣ Albay Electric Cooperative, Inc. (ALECO)	<b>- 221,511</b>
▣ Central Pangasinan Electric Cooperative, Inc. (CENPELCO)	<b>- 212,720</b>
▣ Central Negros Electric Cooperative, Inc. (CENECO)	<b>- 200,623</b>
▣ Isabela I Electric Cooperative, Inc. (ISELCO I)	<b>- 187,038</b>

### AT A GLANCE

**483,276** total households connected

**10,636,110** total consumers served

### REPORT BRIEF

The Sitio Electrification Program (SEP) under the administration of Pres. Benigno Aquino III is in full swing despite ongoing power restoration activities in areas that were hit by calamities in the last quarter of 2013.

Under Pres. Aquino's term, the last 2 ½ years saw a total of 15,845 households energized, or 49% of the overall target.

According to Edita Bueno, Administrator of NEA, "the accelerated pace of the total electrification through SEP was made possible by the unprecedented subsidy releases from the administration."

The Aquino government has so far released a total of Php14.28 billion to NEA to fund SEP.

Beginning in 2011 which saw 1,520 sitios lighted up, SEP has since moved forward to energize 6,163 sitios in 2012, 5,263 in 2013, and 2,899 from Jan. 1 to June 6 this year.

The implementation of the program made a crawl however in the last quarter of 2013 after NEA had to refocus its efforts on rehabilitating distribution systems that were damaged heavily by super typhoon Yolanda.

Meanwhile, Administrator Bueno is confident that NEA would be able to complete the program by the end of the President's term.

She said, "there is no reason for us not to carry on. We made a pledge to the people, and we are committed to fulfilling this promise with all the resources we have."

SEP, which is part of Pres. Aquino's Investment Agenda, seeks to help attain 90% household electrification by 2017 through concerted efforts of NEA and its partner electric cooperatives (ECs).

It is anchored on the Department of Energy's (DOE) Household Electrification Plan, which sees provision of electricity as a stimulus for infrastructure development and an opportunity for people to gain access to basic social services.

(SOURCE: enerNEA vol. 11 no. 2)



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 statements of **National Electrification Administration (NEA)**, which comprise the statement of financial position as at December 31, 2014, 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 generally accepted state accounting principles in the Philippines, 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 Philippine 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 the 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 audit opinion.



**Opinion**

In our opinion, the financial statements present fairly, in all material aspects, the financial position of the National Electrification Administration as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with generally accepted state accounting principles in the Philippines.

**Report on the Supplementary Information Required under BIR Revenue Regulation 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 on taxes, duties and license fees paid or accrued during the taxable year described in Note 26 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

**COMMISSION ON AUDIT**

By:



**MARLYN V. BALAZON**  
Supervising Auditor

## FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION

December 31, 2014

(With comparative figures for 2013)

(In Philippine Peso)

	2014	2013
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	10,645,751,400	6,361,510,494
Loans receivable, matured portion (net)	2,389,690,203	2,571,337,503
Other receivables (net)	14,464,673,896	6,409,126,034
Inventories (net)	6,975,337	10,420,517
Prepayments	1,832,606	1,530,419
<b>Total current assets</b>	<b>27,508,923,442</b>	<b>15,353,924,967</b>
<b>Non-Current Assets</b>		
Long-term loans receivable	8,264,951,126	8,093,683,338
Property and equipment (net)	249,460,741	256,784,199
Other assets	4,710,503	4,710,503
<b>Total non-current assets</b>	<b>8,519,122,370</b>	<b>8,355,178,040</b>
<b>TOTAL ASSETS</b>	<b>36,028,045,812</b>	<b>23,709,103,007</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Payables	255,002,053	205,198,113
Payables to government agencies	8,187,562,325	11,773,759,010
Current portion of loans payable	35,901,192	44,033,855
Other payables	22,552,935,034	10,090,258,221
<b>Total current liabilities</b>	<b>31,031,400,604</b>	<b>22,113,249,199</b>
<b>Non-Current Liabilities</b>		
Loans payable - domestic	14,655,737	371,386,586
Loans payable - foreign	0	26,319,505
Deferred credits	43,996,491	49,700,924
<b>Total non-current liabilities</b>	<b>58,652,228</b>	<b>447,407,015</b>
<b>TOTAL LIABILITIES</b>	<b>31,090,052,832</b>	<b>22,560,656,214</b>
<b>EQUITY</b>	<b>4,937,992,980</b>	<b>1,148,446,793</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>36,028,045,812</b>	<b>23,709,103,007</b>

**STATEMENT OF COMPREHENSIVE INCOME**

For the Year Ended December 31, 2014

(With comparative figures for 2013)

(In Philippine Peso)

	2014	2013
<b>INCOME</b>		
<b>General Income</b>		
Interest income	726,017,392	612,362,328
Service income	205,689,255	112,418,033
Total income	931,706,647	724,780,361
<b>EXPENSES</b>		
Personal services	232,420,700	201,240,702
Maintenance and other operating expenses	132,461,442	129,385,499
Total income	364,882,142	330,626,201
<b>NET INCOME FROM OPERATIONS</b>	<b>566,824,505</b>	<b>394,154,160</b>
<b>OTHER INCOME (EXPENSES)</b>		
Gain/loss on foreign exchange	1,230,826	83,711,992
Gain/loss on sale of disposed assets	524,214	(4,387)
Financial expenses	(29,047,597)	(27,716,991)
Other income	47,653,506	44,324,940
Total other income/expenses (net)	20,360,949	100,315,554
<b>NET INCOME BEFORE INCOME TAX</b>	<b>587,185,454</b>	<b>494,469,714</b>
<b>INCOME TAX EXPENSE</b>	<b>171,637,923</b>	<b>120,367,316</b>
<b>NET PROFIT</b>	<b>415,547,531</b>	<b>374,102,398</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>415,547,531</b>	<b>374,102,398</b>

## ACCOUNTS MANAGEMENT AND GUARANTEE

### LOANS FACILITATED

For 2014, NEA released to 67 ECs loans aggregating to Php 2.534 billion, exceeding the target of Php 1.7 billion. 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.

Meanwhile, the Modular Generator Sets Loan, of which MORESCO I, DANECO, and ZAMCELCO availed, will meet the program (EO No. 137 S. 2013 and DOE DC No. DC-2013-08-0019) of providing immediate power supply relief to the franchise area of concerned ECs.

For the repair of damaged distribution lines and restoration of power in the coverage areas affected by typhoons *Yolanda*, *Glenda*, *Mario*, *Santi*, and *Pablo*, NEA also released calamity loans to 31 ECs.

No. 10531 to assist the ECs to be viable and competitive in the environment of a deregulated electricity industry.

For 2014, the NEA Board of Administrators approved additional loan applications of seven ECs amounting to Php 929.776 million. These loans will be used to finance partly the ECs' three-year (2014-2016) funding requirements on the implementation of ERC-approved or ERC-filed CAPEX projects and working capital requirement which will be utilized for a period of three years.

Interest rate for these loans is pegged at 6.5% per annum for a maximum repayment period of 15 years with one year grace period.

### AVAILMENT OF LOAN FROM BANKS

The NEA BOA approved the request of nine ECs to secure loans aggregating to Php 2.488 billion, of which Php 1.826 billion for five ECs is under the NEA-LGUGC, DBP, LBP Co-Financing Programs from four banks (DBP, LBP, PNB, and Security Bank). It will support the government's program for the development of alternative and renewable energy and the ECs' implementation of their ERC-approved or ERC-filed CAPEX projects and enhancement of their capital resources.

For instance, the loan of BENEKO for the construction of a mini-hydro is expected to help address the growing concern of continuing power rate increases and power shortages and improve the capacity requirement of the EC.

### LOAN MORATORIUM

NEA granted moratorium on the loan amortization of eight ECs affected by typhoons *Yolanda* and *Glenda*. The deferment of loan amortization for a period of up to six months is expected to help ECs manage their cash flow and finances and give them time to continue with the restoration of power and rehabilitation of distribution system in their coverage areas.

### LOANS FACILITATED

Short-Term Credit Facility (STCF) / Stand-by Credit Facility (SCF)	<b>Php 246 million</b> (average per month)
RE-CAPEX Projects	<b>Php 1.078 billion</b>
RE-Working Capital	<b>Php 232 million</b>
Calamity/Concessional	<b>Php 829 million</b>
Modular Generator Sets	<b>Php 149 million</b>
<b>TOTAL</b>	<b>Php 2.534 billion</b>

### ADDITIONAL LOAN APPLICATION

NEA continues to comply with the requirements of Republic Act No. 9136 and Republic Act

## FINANCIAL SERVICES

### SUBSIDY

NEA received from the National Government the following subsidy allocations:

<b>Php 8.145 billion</b>	<b>SITIO ELECTRIFICATION PROGRAM</b>
<b>Php 310 million</b>	<b>BARANGAY LINE ENHANCEMENT PROGRAM</b>
<b>OTHER SUBSIDIES</b>	
<b>Php 521 million</b>	<b>ADDITIONAL SUBSIDY (CALAMITY GRANT)</b>
<b>Php 814 million</b>	<b>MINDANAO MODULAR GENSET</b>
<b>Php 3.929 billion</b>	<b>YOLANDA RECOVERY AND REHABILITATION PLAN</b>
<b>Php 69 million</b>	<b>LANAO DEL SUR METERING PROGRAM</b>

### COLLECTION OF LOAN AMORTIZATIONS

Total Collection	Php 15.318 billion
Total Amortizations Due	Php 15.360 billion
Collection Efficiency	100%

The top five paying ECs for the year are:



### DIVIDENDS

NEA remitted a total of Php 203.98 million to the National Government as dividends due from the Agency's net earnings for 2014. The amount,

### REPORT BRIEF

NEA has been recognized by the Association of Government Accountants of the Philippines (AGAP), Inc. as one of this year's Outstanding Accounting Offices.

The Agency is one of the two government-owned and controlled corporations (GOCCs) which received the distinction this year.



According to AGAP, the recognition is given to the Agency's accounting office for the quality, timeliness, and accuracy of its financial reports for Fiscal Year 2013.

NEA Administrator Edita Bueno said for her part that the award is an acknowledgment of the Agency's efforts to observe efficiency and transparency in accounting processes to continue Pres. Benigno Aquino III's measures on fiscal reform.

"As an Agency committed to the ideals of public service and good governance, we need to ensure that every peso that went into the rural electrification program was well-spent," she said.

She added that "all government programs, if they are to succeed and in the long run be effective and sustainable, are ultimately supported by wise spending and accounting of money."

The award was made through the recommendation of the Commission on Audit (COA).

(SOURCE: enerNEA vol. 11 no. 3)

which is the biggest in NEA's history, is 38% higher than last year's payment of Php 148 million.

### INCOME

This year's operating income of Php 932 million is Php 207 million higher than 2013 operating income of Php 725 million. Net profit before income also increased to Php 587 million, or Php 93 million higher than the 2013 record of Php 494 million. The Agency had remitted to the Bureau of Internal Revenue (BIR) the amount of Php 171.64 million as income tax payment for 2014.

## TECHNICAL SERVICES

The Engineering Department monitored the distribution system parameters, provided technical assistance, and facilitated requirements to secure local and foreign aid and support for the electric cooperatives.

### SYSTEM LOSS

The recorded national average system loss of the ECs for the year was 11.67%. This is lower than the 13% cap set by the Energy Regulatory Commission (ERC) by 1.33% or with an equivalent savings of Php1,411,096,785.75. However, this falls short of the 11.50 target by 0.17%. It is also higher than the 2013 figure of 11.61 by 0.06%.

### TECHNICAL REPORTS

Power Reliability Reports are used to measure service reliability of ECs. The System Average Interruption Frequency Index (SAIFI) was logged at 16.27 interruptions/consumer and 77 ECs passed the allowable SAIFI of 25 interruptions/consumer.

Meanwhile, the System Average Interruption Duration Index (SAIDI) was documented at 1,154.7 minutes/consumer. There were 86 ECs which passed the acceptable SAIDI of 2,700 minutes/consumer.

Report on the circuit kilometer of lines of ECs to facilitate technical evaluation and monitoring of their distribution lines, among others, was done. ECs nationwide had constructed 338,194 circuit kilometers of lines in their area coverage. On the

other hand, based on the Substation Reports, ECs have reached the S/S capacity at 5,395 MVA.

### TECHNICAL ASSISTANCE

Various technical assistance had been extended to 10 ECs. Inspections were performed on proposed underground distribution system projects in LEYECO II and BATANELCO; on the new 10 MVA Pagsanjan substation in FLECO; and on poles to be used in NORECO II.

Substation ground resistance test was done in CANORECO. Technical support was provided to TARELCO II on Capital Expenditure Planning. Review and evaluation of LASURECO's procurement of kWh meters and duplex wires was made.

The Engineering Team, likewise, acted as witness in the inspection for the turn-over of distribution lines in Sta. Lucia Resettlement Phase I and II from PELCO II to PELCO I and in the testing of CAMELCO's new 15 kV submarine cable.

### MACRO ENGINEERING ASSISTANCE PROGRAM

In an effort to boost competency of EC technical personnel, four sessions of the Macro Engineering Assistance Program were held in FLECO, CENPELCO, ISELCO I, and SOCOTECO II.

Relatedly, on site inspection and validation of system loss was made to four ECs namely: FLECO, ISELCO I, CENPELCO, and SOCOTECO II.

### MONITORING AND RESTORATION EFFORTS FOR TYPHOON-HIT ECs

NEA regularly reports to the National Disaster Risk Reduction and Management Council (NDRRMC) in cases of typhoons and other calamities.

In 2014, monitoring of Typhoons *Glenda*, *Luis*, *Mario*, *Ruby*, and *Seniang* was made and appropriate measures were undertaken to assist ECs adversely affected by the typhoons.

### AT A GLANCE

JUNE 1969

Connections

Potential: **6.210 million**

Served: **1.217 million**

Energized: **19.60%**

Source: EA Annual Report  
1968-1969

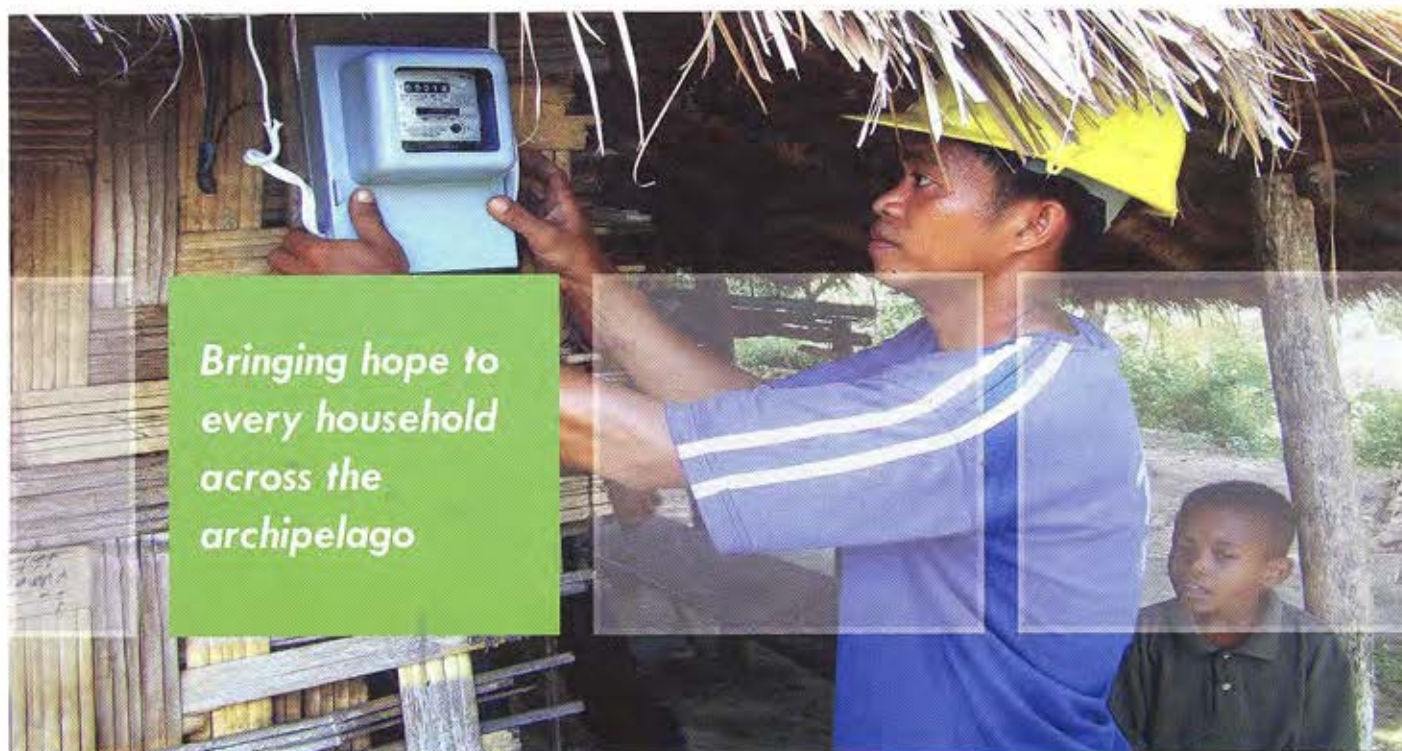
DEC. 2014

Municipalities/  
cities: **100%**

Barangays **99.97%**

Sitios: **88%**

Connections: **83%**



*Bringing hope to every household across the archipelago*

Task Force Kapatid was organized for immediate power restoration for ESAMELCO due to typhoon *Ruby*.

Along this line, Power Situation Reports and Power Restoration Updates were regularly submitted to the Department of Energy and other concerned agencies.

#### **IDENTIFICATION OF 2015 PRICE INDEX OF MATERIALS AND EQUIPMENT**

The preparation for the 2015 Price Index of Materials and Equipment commenced. This was undertaken together with the Association of EC Technical Managers and in consultation with other related sectors. The Price Index will serve as a reference and common evaluation tool for the ECs, NEA, and for the rest of the other stakeholders for electrification project cost estimation.

#### **IMPLEMENTATION OF THE MINDANAO MODULAR GENSET PROGRAM**

Pursuant to Executive Order No. 137, Series of 2013, DOE is tasked through NEA to implement the Mindanao Modular Generator Sets Program.

Under the Program, a loan facility may be extended to participating ECs for the acquisition of modular gensets to provide the needed additional power supply to electricity end-users in Mindanao.

In relation to this, the Engineering Department reviewed contracts and memoranda of agreement between ECs and genset supplier; represented NEA in the procurement and bidding process and evaluated documents necessary for the release of loans.

There were four ECs that have availed of the loan namely: MORESCO I, DANECO, ZAMCELCO, and SURNECO. Those which have signified their interest include ANECO and MORESCO II.

#### **DONATIONS AND FOREIGN-ASSISTED PROJECTS**

Acting as conduit, NEA was able to secure donations of fourteen boom trucks from the Japan International Cooperation Agency (JICA) for ESAMELCO, SAMELCO II, LEYECO II, and DORELCO/LEYECO I. The trucks, scheduled for delivery in 2015, come as aid for the rehabilitation and recovery of typhoon *Yolanda*-stricken ECs.

In cooperation with Korea Electric Power Corporation (KEPCO), a feasibility study was made on the upgrading of distribution line voltage from 13.2 kV to 23 kV with INEC, CENECO, and ANECO as pilot projects.

Offsite Meter Reading, a new technology in meter reading, was pilot tested in PENELCO in partnership with Nanjun Co. Ltd.



*The energy sector today demands that electric coops be not only industry players, but game-changers as well.*

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

The pilot project involves the installation of 500 units of smart meters of which some 160 units were installed at Brgy. Tortugas in Balanga, Bataan in 2014.

Likewise, seven sessions of Seminar on Korea's Best Practices on System Loss Reduction were conducted in CAGELCO II, PENELCO, BATELEC II, DORELCO, ANECO, and ZAMSURECO II with Consultant Mr. Sang Jin Sun.

In progress is the Advanced Metering Infrastructure Project for five ECs namely: PELCO I, BATELEC II, ILECO I, ANECO, and ZAMSURECO I.

This is through the support of the National Rural Electric Cooperative Association (NRECA) and Rural Electrification Financing Corporation (REFC).

Draft contracts and proposals summarizing the software and hardware requirements of the ECs have already been completed and Memoranda of Agreement have already been prepared.

## RENEWABLE ENERGY (RE) DEVELOPMENTS

Created in November 2013, the Office for Renewable Energy Development (ORED) is mandated to facilitate the development of renewable energy-based power generation for the electric cooperatives through four pillars of assistance: technical, financial, regulatory, and social safeguards.

For 2014, the following are the major accomplishments:

### RENEWABLE ENERGY PROJECTS

ORED provided assistance on various feasibility studies and project assessments of ECs. These include:

A. Feasibility Studies – evaluation of technical and financial aspects of the following mini-hydro projects:

- Magpet Mini-Hydro Project – COTELCO
- Tubao Mini-Hydro Project – LUELCO
- Langaran River Mini-Hydro Project – MOELCI I
- Palilan Mini Hydro Project – MOELCI II
- Bugtong River Mini-Hydro Project – SAMELCO I
- Maramag Falls Mini-Hydro Project – FIBECO
- Upper Manupali Mini-Hydro Project – BUSECO

B. Project Assessment

- Magpet Mini-Hydro Project – COTELCO
- Tubao Mini-Hydro Project – LUELCO
- Langaran River Mini-Hydro Project – MOELCI I



Palilan Mini Hydro Project – MOELCI II  
 Bugtong River Mini-Hydro Project – SAMELCO I  
 Upper Manupali Mini-Hydro Project – BUSECO

### C. Validated/inspected Renewable Energy Projects on site/field:

Ton-ok Mini-Hydro Power Plant – SAMELCO I  
 Henabian Mini-Hydro Power Plant – SOLECO  
 Tubao Mini-Hydro Project – LUELCO

## FOREIGN-ASSISTED RE PROJECTS

### *Asian Development Bank (ADB)*

With NEA as its implementing arm, ADB provided funding and technical assistance to two micro-hydro pilot projects.

These are the 25-kW Micro-Hydro located in Sitio Cunalum, Barangay Dalupan, Don Marcelino, Davao del Sur under the coverage area of DASURECO and the 30-kW Micro-Hydropower situated in Barangay Gethsemane, Bayugan City, Agusan del Sur under the coverage area of ASELCO.

These projects are in support of the Philippine Government's goal to increase access to energy in Mindanao.

ADB has also made funds available for the feasibility studies of five SPUG areas for their hybridization projects.

These areas are in Doong Bantayan, Cebu; Sabtang, Batanes; Sto. Niño, Western Samar; Logbon Island,

Romblon; and Cobrador Island, Romblon which was chosen as the pilot area for the hybridization project.

*Japan International Cooperation Agency (JICA)*  
 JICA has provided funds for the pilot project on the 5 and 10-kW Cascading Micro-Hydropower at Tamaraw Falls, Puerto Galera, Oriental Mindoro.

## ASSISTANCE TO STAKEHOLDERS ON RE PROJECTS

Provided assistance to several stakeholders (private sector, LGUs, and other NGOs) on various concerns on Renewable Energy projects:

Magpet Mini-Hydro Project Stakeholders' Meetings in COTELCO

Upper Manupali Mini-Hydro Project Stakeholders' Meetings in BUSECO

Conduct of consultations with 31 ECs and five LGUs

## NET METERING MECHANISM

Assisted/facilitated five seminars on Introduction and Implementation of Net Metering Mechanism

## CAPACITY BUILDING

For capacity building, select ORED staff attended nineteen conferences/seminars/meetings on Renewable Energy Development.

## REPORT BRIEF

A total of 80 Mangyan families in Sitio Layag, Barangay Taclobo in Romblon have been granted solar lanterns under the Asian Development Bank-initiated Energy for All (E4ALL) Partnership.

Spearheaded by the Romblon Electric Cooperative, Inc. (ROMELCQ), in coordination with NEA, the project is part of an overarching goal of E4ALL to provide energy access to 100 million people in the Asia-Pacific region by 2015.

(SOURCE: enerNEA vol. 11 no. 4)



## HUMAN RESOURCES MANAGEMENT AND ADMINISTRATION

The following are the major accomplishments of the Human Resources and Administration Department (HRAD) for 2014:

- ▣ Led the preparations for NEA's nomination to and eventual garnering of its second Environmental Excellence Award for Eco-friendly Government Office. Given by the Department of Environment and Natural Resources (DENR), the award is in recognition of the Agency's sound environmental management programs and commitment to environment protection.

### REPORT BRIEF



NEA took another feather in its cap, as it joined this year's roster of Environmental Excellence Awardees given by the Department of Environment and Natural Resources (DENR).

This is the second time the Agency has been awarded the top honors for its Environmental Management Program (EMP), after receiving the recognition in 2011.

According to DENR, NEA's effective implementation of its EMP "has helped institute a safe, clean, orderly, and greener office," which has, in turn, "generated savings and redounded to financial benefits and incentives."

NEA's EMP covers operationalization of 10 green initiatives which include electricity conservation, waste management, water conservation, fuel conservation, air pollution prevention, greening, emergency preparedness, green procurement, power reliability, efficiency, and safety, and brigada ahensiya.

(SOURCE: enerNEA vol. 11 no. 4)

- ▣ Led the pilot-testing of the Strategic Performance Management System (SPMS). The SPMS seeks to put in place a mechanism that aligns employee performance with organizational performance to allow for a more comprehensive compensation system.

- ▣ To make the delivery of HR services more efficient, it also led the migration of the Agency to a new payroll system. The Agency's payroll facility and ATM offsite services are to be provided by the Philippine Veterans Bank.

- ▣ Initiated the migration from central air conditioning to stand alone airconditioning system, thereby reducing energy consumption from 1,254,000 kWh in 2013 to 966,400 kWh this year.

- ▣ Preparations are also ongoing to procure shuttle service for employees.

- ▣ To raise awareness on NEA projects and initiatives, it also led the installation of a corporate TV on the ground floor in cooperation with the Public Affairs Office (PAO).

- ▣ As a symbol of the Agency's partnership with the ECs, it led the pooling of financial assistance for Mr. Noel Manguing, a lineman of Biliran Electric Cooperative, Inc., who suffered a fatal fall while performing his duty for a Yolanda rehabilitation activity in Leyte.

- ▣ In coordination with the Cluster on Corporate Governance, it issued a Manual on Corporate Governance for the NEA Board of Administrators and formulated a No Gift Policy.

- ▣ Finally, the Department also facilitated the creation of the Office for Performance Assessment and Special Studies (OPASS) and the Office for Renewable Energy Development (ORED), transfer of quality standards to the Office of Strategy Management (OSM), and the shift of focus of the Electric Cooperative Audit Department (ECAD) to management and financial audit.

## INSTITUTIONAL DEVELOPMENT



*Strengthening  
communities for an  
empowered nation*

With the implementation of Republic Act No. 10531, eight institutional advisories and memoranda were issued in 2014 to align existing policies with the provisions of the law, most especially those pertaining to the Board of Directors and the management.

Issues arising from the amendments in R.A. No. 10531 were made clear in six consultation sessions with the Philippine Association of Institutional Managers (PHILAIM) and QUEZELCO II, while further involvement of the Multi-Sectoral Electrification Advisory Council (MSEAC) in coop activities is expected following the MSEAC Congress in MARELCO and LANECO.

To have a driven workforce and an active consumer base, four more ECs namely SOCOTECO II, SOLECO, TARELCO II, and NEECO I were oriented on the Performance Evaluation System, and recommendation to finance special retirement in NEECO II Area 2, PELCO III, BANELCO, and CANORECO was proposed.

ECs demand and deserve competent leaders. It is the role of NEA to assist them in the process of selecting their general managers.

For the year past, assistance was provided through:

- ▣ Advertisement in SORECO I, BANELCO, and PANELCO III
- ▣ Pre-screening of 14 applicants

- ▣ Examination of 26 candidates for 13 ECs
- ▣ Initial interview of 16 applicants
- ▣ Final interview of 6 applicants

Meanwhile, incumbent General Managers/Officers-in-Charge have been the subject of:

- ▣ Performance assessment for ESAMELCO, ZAMECO I, MARELCO, COTELCO, LEYECO III, FICELCO, and SAMELCO II
- ▣ Confirmation of GMs under Performance Management Contract (PMC) for SAMELCO II, CELCO, LEYECO II, BATELEC II, TISELCO, AURELCO, and CASURECO II
- ▣ Briefing of GMs/OICs under PMC of 12 ECs
- ▣ Confirmation of GMs for permanency in 11 ECs
- ▣ Confirmation of OIC and designation of Project Supervisor (PS) / Acting General Managers (AGMs) in 24 ECs
- ▣ Retirement /resignation/suspension /extension of 19 GMs

For additional preparedness, IDD facilitated the re-engineering of 12 ECs, presentation of management tools in 19 ECs, and salary upgrading for GMs of 20 ECs and employees of 23 ECs.

## MANAGEMENT ASSISTANCE

The Management Assistance Group (MAG) is mandated to provide financial, institutional, and technical assistance to ECs finding difficulty in sustaining viable operations. This adheres to NEA's mandate to make ECs readily viable in the competitive electricity industry and align their operations to industry best practices.

Among the accomplishments for 2014 was the monitoring and assessment of operational performance of ECs and assisting the low-performing ones as regards their shortfalls to avert their further deterioration.

This is in consonance with Sections 19 and 20 of the Implementing Rules and Regulations of R.A. No. 10531.

### TEMPLATE FOR OIP

Thirty identified ECs were given assistance and provided with a devised template to be used in the preparation of the required Operation Improvement Plan to address their operational deficiencies.

These ECs were guided in preparing doable strategies and interventions that will help improve their operation.

### RESOURCE SPEAKERS

MAG Team members acted as resource persons in EC-initiated in-house activities to supplement their efforts in the improvement of 21 ECs.

Such activities included Meter Reading, Billing, Collection and Disconnection (MRBDC) System Enhancement Workshop, Work Order Procedures and Application, Organizational Review and Development, Capital Expenditure Plan Review and Finalization, Power Metering, Substation Operation and Maintenance and System Loss Analysis.

The Team also led in the deliberation and critiquing of e-ICPM of 110 ECs during the conduct of the regional planning workshops.

### AT A GLANCE

**30** identified ECs were extended assistance on operation improvement.

**6** ECs with serious problems were extended supervisory and management assistance.

**21** ECs were aided in their in-house activities and work procedures.

### KEY PERFORMANCE AND GOVERNANCE STANDARDS (KPGS)

During the conduct of survey and validation on Governance Indicators of NEA KPS, the Team worked with World Bank Consultants in interview visits to 45 ECs.

The result of the survey served as reference in the revision of the NEA standards under the Key Performance and Governance Standards.

### SUPERVISION OF ECs WITH SERIOUS PROBLEMS

MAG Team supervised and managed the operation of six ECs with serious problems of which three have shown marked improvements as follows:

#### CASURECO II

Its office systems and procedures were enhanced, specifically the accounting, warehousing, and internal control system.

Cost cutting was strictly implemented, resulting in a gradual reduction from Php 800,000 to Php 300,000 per month on overtime pay alone.

Interim Power Supply Contract with the San Miguel Energy Corporation (SMEC) was likewise entered into to lessen the EC's exposure in the Wholesale

Electricity Spot Market (WESM) and consequently reduce electricity rates. The ongoing Organizational Restructuring and Reorganization Plan formulation was also initiated by MAG Team.

## LANECO

The team encouraged the Board of Directors through discussion, conciliation, and networking activities, including the negotiation of Power Supply Contracting with Filinvest Development Corporation and King Energy Generation, Inc. to ensure reliable power service in the area coverage of the EC.

Likewise, harmonious and better relationship between the Board of Directors and employees positively affected operations such as smoothly setting direction and implementation towards compliances to the NEA Key Performance Standards (KPS); increased collection efficiency from 95% to 97% which resulted in an automatic prompt payment discount from PSALM; absence of additional administrative and labor cases being filed; boosting of Annual General Membership Assembly (AGMA) attendance to 9,289 which is equivalent to 12.09% of the total number of consumers; and posting a net margin of Php 4,737,644.83 for 2014 as compared to its net loss of Php 14,766,178.26 in 2013; and for the first time, collection of about Php 800,000 from apprehended consumers covering the period May to December 2014.

The Team also assisted in the acquisition of 18 km-69kV lines from the National Transmission Corporation (TransCo) and in the negotiation for the approval of loan to construct a 10 MVA substation.

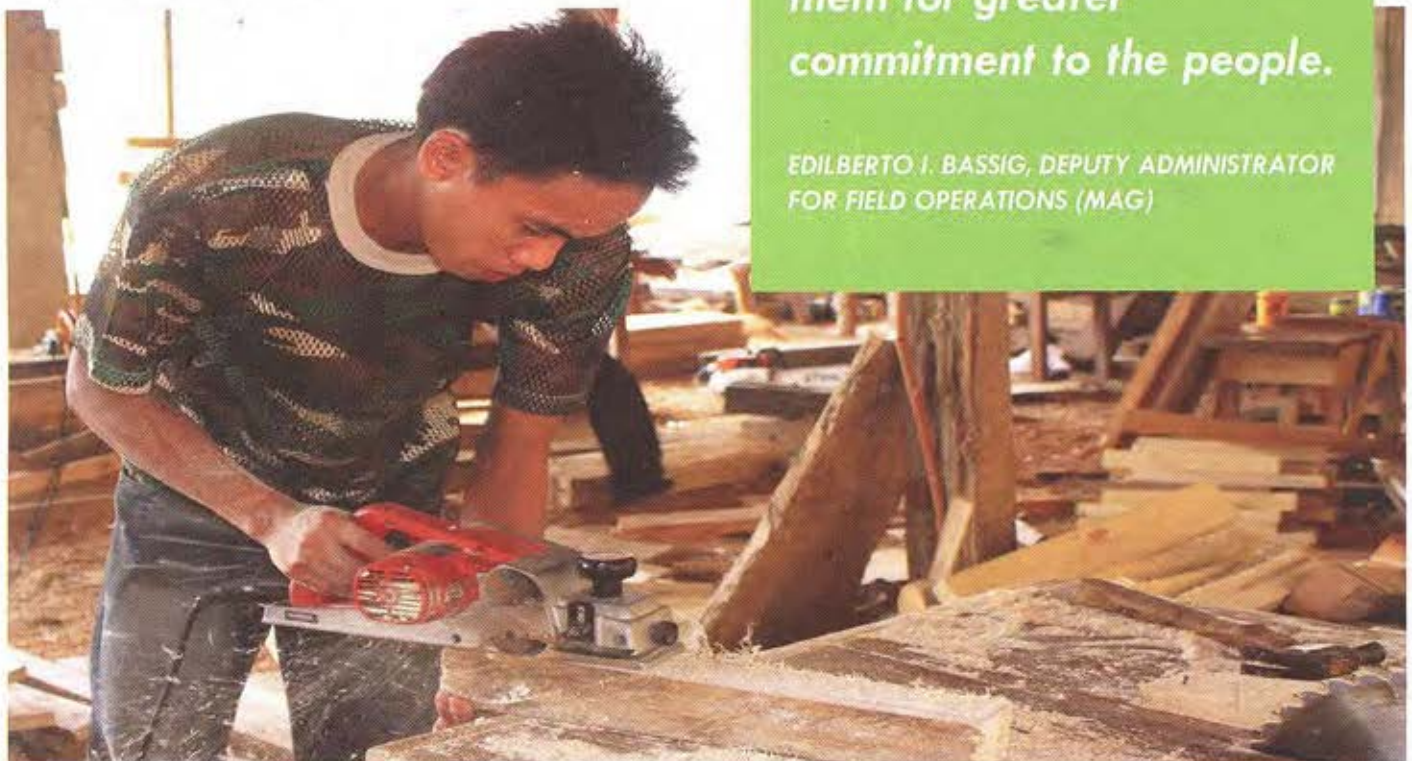
## NORSAMELCO

To address the ballooning accounts payable of about Php 684 million, the Team helped institute prudent management strategies.

These included (1) the updating of the Php 5 million one month overdue and restructuring of its Php 35 million residual and connection charges, interest free, with NGCP; (2) updating of 15-day delay in payment with NPC-SPUG resulting to entitlement of a 3% prompt payment discount; (3) payment of the prudential requirement to WESM and becoming a direct participant in the Spot Market; (4) application of a loan restructuring from NEA for its Php 34 million arrearages to reduce its quarterly amortization of Php 1.8 million to Php 1 million; and (5) negotiation for the monthly installment of about Php 1.6 million on the accumulated franchise taxes from 1994 to 2000 amounting to Php 18.928 million.

*By helping the electric coops, we also prepare them for greater commitment to the people.*

*EDILBERTO I. BASSIG, DEPUTY ADMINISTRATOR FOR FIELD OPERATIONS (MAG)*



## PERFORMANCE ASSESSMENT AND SPECIAL STUDIES

Pursuant to the requirements of Republic Act 10531, otherwise known as the National Electrification Administration Reform Act of 2013, to strengthen EC performance monitoring and evaluation, the Office for Performance Assessment and Special Studies (OPASS) was created under the Office of the Administrator (OA) to perform the following functions:

- ▣ Review and consolidate performance assessment reports of EC operations prepared by concerned offices;
- ▣ Prepare an integrated quarterly and semi-annual assessment reports for submission to the Department of Energy (DOE) and Joint Congressional Power Commission (JCPC);
- ▣ Coordinate studies on various issues affecting the ECs such as, but not limited to, rate methodology and regulatory policies; and
- ▣ Perform other functions as may be determined by the Administrator.

*We monitor the performance of the electric coops to ensure that only quality service gets to every household in the countryside.*

EDITA S. BUENO, ADMINISTRATOR

### ▣ REPORTS

On its first year, OPASS prepared Compliance Report on the Performance of Electric Cooperatives for the first, second, and third quarters of 2014 and Semi-Annual Report on the Initiatives and Activities on Rural Electrification for the first semester.

### ▣ FORMULATED POLICIES

The Office formulated policies related to its functions as follows:

Policies	Date of Approval	Date of Publication
Policy for the Establishment of a Sinking Fund to Cover Extraordinary Losses and Expenditures Arising from Force Majeure, Natural Calamities and Risk Factors	April 4, 2014 under NEA Board Resolution No. 55	UP Law Center and Philippine Star on April 22 and April 25, 2014, respectively
Consolidated Policy on the Various Frameworks of Private Sector Participation (PSP)	May 8, 2014 under NEA Board Resolution No. 113	UP Law Center and Philippine Star on May 29 and June 4, 2014, respectively
Guidelines for NEA's Interventions and Various Options for Ailing ECs	May 8, 2014 under NEA Board Resolution No. 114	UP Law Center and Philippine Star on May 29 and June 4, 2014, respectively

## PERFORMANCE STANDARDS

Over the years, the NEA has developed, formulated, and implemented Key Performance Standards (KPS) to measure the overall performance of the ECs. The KPS have been enhanced to align the KPS with generally accepted standards and best practices.

The standards have also been formulated to address challenges arising from the structural reforms introduced under RA 10531, while raising the threshold for the measurement of the performance of the ECs.

The parameters and standards used in the assessment of the ECs' financial condition and operating performance as approved by DOE are as follows:

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
Systems Loss	13%

## CLASSIFICATION OF ECs

For purposes of measuring the ECs' financial and operating performance, the ECs are classified as follows:

**Green ECs** – ECs which meet all parameters and standards and thus needing less NEA intervention.

**Yellow 1 ECs** – ECs which fail to comply with not more than three (3) of the parameters and standards and shall fall under close monitoring.

**Yellow 2 ECs** – ECs which fail to comply with four (4) or more parameters and standards and shall be placed under the watch list group.

**Red ECs** – ECs which have been declared and classified by NEA as Ailing ECs after the observance of due process.

## REPORT BRIEF

There is a notable improvement in the financial and operational performance of the ECs for the fourth quarter. There are fifty five Green ECs or 46% for the fourth quarter compared to thirty eight ECs or 31% for the third quarter; twenty nine ECs or 24% for the second quarter and thirty ECs or 25% for the first quarter.

The financial and operational performance of nineteen Yellow-1 ECs significantly improved for the fourth quarter of 2014, while the performance of two Green ECs retrogressed.

There are forty five Yellow-1 ECs or 37% for the fourth quarter compared to fifty four ECs or 45% for the third quarter; sixty Yellow-1 ECs or 50% for the second quarter and forty eight ECs or 40% for the first quarter.

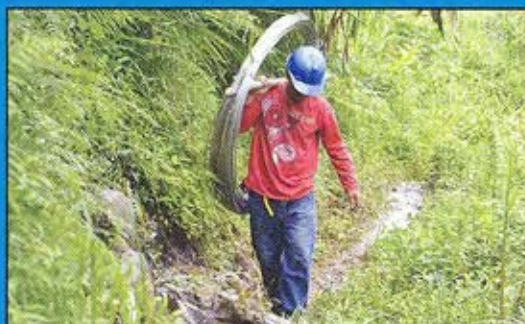
The one hundred Green ECs and Yellow-1 ECs constitute 83% of the one hundred twenty one ECs including NEECO II Area 2 and COTELCO-PPALMA.

There are ten Yellow-2 ECs or 8% for the fourth quarter compared to eighteen ECs or 15% for the third quarter; twenty one ECs or 17% for the second quarter and thirty six ECs or 30% for the first quarter. There are nine Yellow-2 ECs which have been upgraded to Yellow-1 ECs, while there is one Yellow-1 EC which has been downgraded to Yellow-2 ECs.

There are indications and manifestations that the Yellow-2 ECs are experiencing financial and operational difficulties. The causes of the liquidity problems of certain ECs include accumulated debts, low collection efficiency, high system loss and governance issues.

To address their liquidity problems and operational weaknesses, the NEA is providing financial, institutional and technical assistance.

(SOURCE: Compliance Report on the Performance of Electric Cooperatives for the Fourth Quarter of 2014)



## CORPORATE AND ELECTRIC COOPERATIVES TRAINING

The Office for Corporate and Electric Cooperatives Training (OCET) was able to conduct a total of 55 programs, with a total of 4,069 employees and officials from the various ECs all over the country successfully completing the courses.

The Office was likewise able to achieve a year-end accomplishment of 686 graduates in 43 trainings and scholarship programs for NEA employees and officials.

Other achievements of OCET for the year include the following:

### AT A GLANCE

**55** EC training programs conducted

**4,069** total EC employees and officials trained

**686** NEA employees and officials trained

**43** trainings and scholarship programs conducted for NEA employees

### HOLDING OF THE CORDILLERA POWER FORUM

A Power Forum co-organized by NEA-OCET and BENECON for the member-consumers of the Cordillera Administrative Region was held at Hotel Elizabeth in Baguio City on June 13, 2014. The forum served as a venue to discuss current issues which include reducing power rates and instituting structural reforms in the electric power industry. It had also given industry experts the opportunity to share their insights to more than 200 attendees.

### FACILITATING THE STUDY VISIT OF BHUTANESE DELEGATES

OCET facilitated the briefing on the Philippine Rural Electrification Program for two Bhutanese visitors last February 7, 2014. The briefing was part of a study tour series on the Philippine Electric Power Industry conducted through the Paibare Training Legacy Corporation and sponsored by the Government of Bhutan. It included the history and milestones of the Philippine RE Program and the organizational structure and operations of NEA and the ECs.

For many years, NEA has served as a model for other countries in implementing the RE Program.

In the past, delegates from India, Mongolia, and Kenya visited the Philippines to study the Program's best practices.

### SUPPORT TO THE BUILD BACK BETTER POLICY AND DISASTER RISK MANAGEMENT PROGRAM

Negotiations for a Memorandum of Understanding (MOU) with the Technical Education and Skills Development Authority (TESDA) and the Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA) were initiated in 2014 by OCET.

The objective of the MOU is to promote and expand the implementation of the Electric Power Distribution Line NC II to create at the regional level pools of linemen and electricians who will be able to respond to calamities.

The National Skills Training Program is a result of the Public-Private Partnerships and Inter-Agency Convergences (PPIAC) of NEA, TESDA, and PHILRECA, and is expected to contribute to the achievement of the objectives of the ASEAN Community.

It was also able to secure scholarships from Quezon City Lingkod Bayan Training Center for the pioneer batch of Trainer-Assessors for Electric Power Distribution Line Construction NC II.



## REPORT BRIEF

To facilitate a continuing program that puts emphasis on the development of skilled line workers in the countryside, NEA is partnering with Technical Education and Skills Development Authority (TESDA) in the organization and implementation of a competency-based curriculum which also seeks to intensify the level of preparedness of communities to natural calamities.

The National Skills Training Program, which shall institutionalize skills and training development for both line construction and maintenance linemen and house wiring and installation electricians, is divided into two levels: apprentice and trainer-assessor.

The apprentice course (NC Level II) runs for 30 to 38 days, or approximately 306 hours, and accommodates 40 participants per batch. There is a maximum of one batch per year per region.

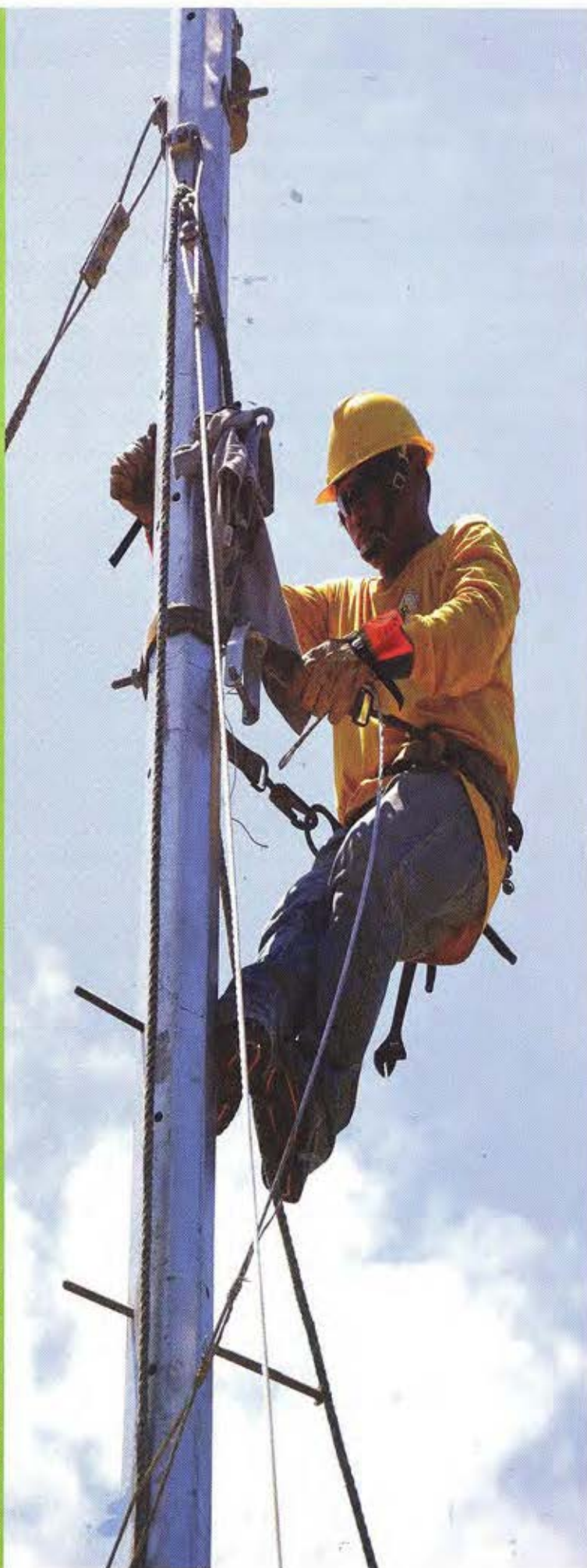
The training is conducted twice a week, while modules are given weekly to facilitate enrichment of core competencies, even while trainees are outside the classroom.

NC Level II graduates may then opt to apply for a TESDA certification by undergoing a 1-2-day assessment and evaluation, which covers Technical Vocational Education and Training (TVET) Competency Assessment Levels I and II.

TVET is the framework used by TESDA in determining the qualification of a person based on the competency set for middle-level occupation.

TESDA-certified linemen and electricians may then enroll in the Trainers Methodology Training Program (TM1 Level 1), provided that they meet the minimum qualifications.

The TM 1 Level 1 program runs for 30 to 33 days, or approximately 264 hours, and accommodates one to two batches per island grouping per year.



## INTERNAL AUDIT AND QUALITY STANDARDS MANAGEMENT

The conduct of audit is a strategic function of NEA to ensure good governance, strengthen internal control system, and thereby promote effective, efficient, ethical, and economical operations at the the Agency.

### REVISED MANUAL OF APPROVALS

The Manual of Approvals (2nd revision) was prepared to be more responsive to the regulatory policies, structural changes, and processes of NEA with the passage of R.A. No. 10531 and its IRR.

### OTHER HIGHLIGHTS

- Audit result of CY 2013 liquidations of subsidy funds released to Electric Cooperatives (ECs) for Sitio Electrification Program (SEP) is as follows:

Electric Cooperative	Amount (in PhP)	Number of Sitios
BANELCO	6,966,936.89	31
CAMELCO	4,039,010.89	30
LEYECO III	1,444,531.91	2
PROSIELCO	437,875.64	5
CEBECO I	20,732,003.56	77
GUIMELCO	2,337,748.56	4
DASURECO	44,859,215.56	64
BILECO	4,394,916.89	7
<b>TOTAL</b>	<b>85,212,240.00</b>	<b>220</b>

- Conduct of compliance audit to processes and policies whereby the following offices were found to be 100% compliant:

Processes/Policies	Offices
<b>Manual of Approvals (MANAP)</b>	
1. Loan Policies re: Stand-by Credit Facility (SCF)	AMGD
2. Loan Policies re: Short Term Credit Facility (STCF)	FSD
3. Request for EC employees' salary increase	IDD
4. Assistance in EC District Election	IDD
<b>NEA Citizen's Charter (NCC)</b>	
1. Audit of compliance to NCC re: information services (simple request)	ITCSD
2. Appointment/Meeting with Administrator	OA
<b>Policy-RA No. 10531</b>	
1. Compliance Audit with the Implementing Rules and Regulations of RA No. 10531 re: Total Electrification Plan (TEP)	CORPLAN
<b>Lending Policy</b>	
1. Loan Policies re: SCF	AMGD

- Result of validation of sitios energized and households connected (HHC) by the ECs under SEP Year 2013 Batch 1 is as follows: SURSECO II (21 sitios energized; 411 HHC), LEYECO V (10 sitios energized; 232 HHC), ZAMECO I (12 sitios energized; 225 HHC), and ISELCO (48 sitios energized; 1062 HHC). **TOTAL: 91 sitios energized; 1930 HHC**

## CORPORATE COMMUNICATION

To commemorate NEA's 45th foundation anniversary, the Public Affairs Office (PAO) spearheaded the publication of the *NEA Employees Book*. Penned by present and former NEA employees, the book chronicles their stories and experiences with the Agency and the Rural Electrification (RE) Program.

To promote and enhance internal and external awareness, a NEA-TV was installed at the lobby where NEA's best practices, accomplishments, programs, and activities are regularly shown. PAO also facilitated the production of video documentation on the Sitio Electrification Program and its beneficiaries, Energy Management Program, Transition Investment Support Plan for ARMM, Task Force Kapatid Yolanda, among others.

NEA and the RE Program also made headway on the international scene. During the first quarter of 2014, US Television TV, an independent television production company whose features air on FOX5 New York, made a feature presentation on NEA and the RE Program. This was made in cooperation with BATELEC II.

Likewise, a special publication on NEA and RE Program is also underway through the Oxford Publishing Group after series of interviews and dialogues conducted with the Agency in late 2014.

Significant publications for the year include the Annual Report, EnerNEA newsletters, corporate calendar, and primers on NEA and the ECs and Republic Act No. 10531 and its Implementing Rules and Regulations.

Media releases were distributed, press briefings were made, and press conferences were facilitated to further spread news on NEA and ECs activities and boost relations with the members of the print and broadcast media. Attendance in the Exhibition on Rural Electrification sponsored by PHILRECA was likewise done in line with the Agency's thrust to raise awareness on the RE Program.

Meanwhile, books totaling 155 were donated to the Pedro G. Dumol (PGD) Library and Rural Electrification Museum, while 12 new titles were acquired using the NEA Corporate Fund. Thirty books were bought using the self-generated PGD Library Fund.

ECs, including CASURECO I, LEYECO III, FIBECO, and BUSECO, provided copies of their respective Annual Reports, while NOCECO gave the Office a copy of its coffee table book.

As of December 31, 2014, books procured and donated have totaled to 8,565.



*The government of President Aquino has embraced the Rural Electrification Program as one of the pillars in his Social Contract with the Filipino People.*

EDITA S. BUENO, ADMINISTRATOR

## ELECTRIC COOPERATIVE AUDIT

For 2014, the conduct of comprehensive audit was temporarily deferred for the first quarter, as the Department was assigned an intervening task of performing an audit/verification of liquidation of ECs SEP and BLEP projects funded through subsidy releases. During the said quarter, ECAD audited and verified the liquidation of 2,256 projects from various ECs in Luzon.

By the second quarter of the year, ECAD managed to accomplish the conduct of a comprehensive audit to 32 ECs as against a target of 18. The audit was based on its approved workplan, and priority was given to ECs with complaints or with audit requests from interested parties. Ancillary to the finalized audit reports furnished to the EC Board and Management were 24 EC audit reports transformed to an electronic file data, readily available for stakeholders and other interested parties.

Done in conjunction with the audit were the following: evaluation of EC justifications and action plans on audit findings and recommendations, monitoring of audit compliances of ECs to previous audit recommendations, and improvement of EC

### AT A GLANCE

**2,256** SEP and BLEP projects in Luzon audited

**32** ECs audited

**24** EC justifications and action plans completed

**31** ECs' non-performing assets evaluated

**14** ECs' Consumer Accounts Receivable evaluated

*The best investment NEA can make is to strengthen the electric coops and prepare them for active competition in the industry. In so doing, we also lay down the platform to safeguard the interest of the member-consumers.*

EDITA S. BUENO, ADMINISTRATOR

accounting and internal control system. For this purpose, ECAD completed the evaluation of 24 EC justifications and action plans on audit findings, monitored implementation of audit recommendation to 32 ECs, and assisted 32 ECs in the improvement of their accounting and internal control system. In all these activities, ECAD exceeded its departmental target.

Aside from performing these functions, it also evaluated the floor price of 31 non-performing assets of ECs subject for disposal, evaluated 14 Consumer Accounts Receivable of ECs for write-off, all of which were approved by the Administrator.

The Department also equally extended management assistance to ZAMSURECO II and ALECO, conducted turnover audit to TISELCO, and assisted the Accelerated Total Electrification Office (ATEO) in certifying the final inspection and acceptance of 266 SEP and BLEP Projects.

Lastly, it is also worth mentioning that the Department also performed the following activities:

- ▣ conducted seminar and workshop on Procurement Guidelines and Simplified Bidding Procedures to Region IX and ARMM ECs

- ▣ responded to queries and request of various stakeholders

## CORPORATE PLANNING



The Corporate Planning Office (CORPLAN) is the unit in charge of formulating the Agency's strategic plan. It is also responsible for developing various project proposals for fund sourcing in addition to its role of assisting the electric cooperatives in the preparation of cost of service, rate proposals, and specification studies and conduct.

For the year past, CORPLAN accomplished:

- ▣ Compliance to the Submission of Required Documents by the Governance Commission for GOCCS (GCG)

To support NEA's application for the grant of the 2013 Performance-Based Bonus (PBB), this Office facilitated the preparation of Performance Scorecard Accomplishment Report which was duly validated and approved by GCG.

In accordance with GCG's guidelines for the implementation of the Performance Evaluation System (PES) for the GOCC Sector and in coordination with the Cluster on Corporate Governance and the concerned departments, NEA's 2015-2017 Performance Scorecard and supporting documents were likewise facilitated.

Accordingly, the Performance Agreement between

GCG and NEA, together with the Performance Scorecard 2015, was transmitted by GCG on 17 December 2014 as a result of the Performance Agreement negotiation held on 4 September 2014.

- ▣ Implementation of the Quality Management System (QMS)

This Office spearheaded the implementation of the Agency's QMS and provided oversight direction to different QMS teams. In consultation with the Cluster on Corporate Governance, the QMS teams facilitated the preparation of ISO-required Quality Manual, System Procedures, and 29 Departmental Procedures covering NEA's core and support services which were duly approved by the Administrator.

The Stage 1 Audit conducted by the certifying body on 4 November 2014 and the Stage 2 Certification Audit on 10 and 12 December 2014 were also facilitated by the Office leading to ISO 9001:2008 Certification.

The audit report issued by the certifying body on 16 December 2014 highlights its recommendation to award the ISO 9001:2008 to NEA, as the organization management system complies with, adequately maintains, and implements the requirements of the standards.

▫ Governance Advocacy

OSM also helped promote NEA's good governance initiatives through the presentation of its Performance Governance System adopting the Balanced Scorecard during the conduct of the Seminar-Workshop on Strategy Formulation and Execution in SURSECO I and DASURECO.

▫ Submission of Reportorial Requirements Pursuant to Republic Act No. 10531 or the NEA Reform Act of 2013

Pursuant to the Implementing Rules and Regulations of R.A. No. 10531 on NEA's obligation to ensure the submission of ECs' Reportorial Requirements, CORPLAN submitted the following documents to the Department of Energy and the Joint Congressional Power Commission for the first time:

1. Biennial (2013-2014) Work Plans
2. Distribution Development Plan (2013-2022)
3. Five-Year Investment Plan (2013-2017)
4. Copies of Capital Expenditure (CAPEX) Plan

These Reportorial Requirements shall be reviewed and updated periodically, as NEA evaluates and assesses the effectiveness of the various policies and programs implemented as the Agency moves along phases of change in the planning process.

This continuing effort shall keep NEA and the ECs ahead of the ever-changing conditions and needs of the energy sector.

▫ Conduct of Orientation on enhanced Integrated Computerized Planning Model (e-ICPM) for CDA-registered ECs

The Technical Working Group on the enhanced Integrated Computerized Planning Model (e-ICPM) conducted the very first e-ICPM Orientation Workshop for ECs registered under the Cooperative Development Authority (CDA) on July 14-18, 2014 in Angeles City, Pampanga.

The workshop was conducted in connection with the supervisory and oversight function of NEA as mandated by R.A. No. 10531.

Below are the ECs which attended the workshop:

<b>REGION I</b> PANELCO I PANELCO III	<b>REGION II</b> ISELCO II	<b>CAR</b> ABRECO NUVELCO QUIRELCO
<b>REGION III</b> SAJELCO	<b>REGION IV-B</b> PALECO	<b>REGION V</b> SORECO II
<b>REGION VI</b> NOCECO	<b>REGION VII</b> NORECO II	

The workshop aimed to equip CDA-registered ECs with competence for them to accurately forecast energy and demand requirements of their respective distribution system, a critical component of effective and precise identification of CAPEX projects.

It is also important in the harmonization of the ECs' CAPEX plan format (submitted to the ERC) with NEA plans in time for the 2015-2016 Biennial e-ICPM Workshop.

▫ Conduct of SEP and BLEP "Once and For All" Summit

To resolve gaps between planning and implementation and facilitate the homestretch implementation of the SEP and BLEP, Regional "Once and For All" summits were conducted from the 4th week of February to April 2014 to finalize the Masterlist of SEP and BLEP.

Participants were General Managers/Officers-In-Charge and Sitio Focal Persons and/or Technical Department Managers of the ECs.

Prior to the summits, harmonization of available data was initially carried out by an in-house team with representatives from the departments of Corporate Planning, Accelerated Total Electrification, Finance Services, and Information Technology and Communication Services.

During the summits, the NEA Team consulted with each EC to iron out gaps in project completion, ensure thorough validation, and finalize which sitios/puroks would be included/excluded in the Masterlist.

## REPORT BRIEF

The electric cooperatives being supervised by NEA posted an average system loss record low of 11.61% in 2013, a reduction of 0.13% from the 11.74% in 2012 and 1.39% lower than the 13% cap set by the Energy Regulatory Commission (ERC).

The reduction in system loss has an equivalent savings of 18,186,951.01 kwh or about Php 124,471,493 for the ECs' member-consumers.

Administrator Edita S. Bueno said, "Strategic interventions are being undertaken to address the reduction of system loss of the electric cooperatives in order for them to be operationally efficient and be of better service to their member-consumers. Lower system loss would also mean lower cost of electricity rates."

The cost savings is the combined application of the national average system loss ratio of 60% technical multiplied to the 2013 average power cost of Php 5.78/kwh and 40% non-technical multiplied to the average system-rate of Php 8.44/kwh.

There were 71 ECs which posted a within-the-cap system loss set by ERC of which 25 registered as single-digit. Fifty seven ECs showed marked improvement in their system loss level in 2013 compared to their 2012 level.

The five ECs which had the lowest system loss are MORESCO I with 1.83%, DIELCO with 5.09%, BOHECO I 6.05%, CEBECO II with 6.75%, and BATANELCO with 7.53%.

The Region VII (Central Visayas) ECs recorded the lowest average system loss at 8.03%. It is followed by Region X (Northern Mindanao) ECs at 8.79% and Region III (Central Luzon) ECs at 10.02%.

Meanwhile, ECs which reduced their system losses the most are MARELCO by 6.03%, from 17.25 in 2012 to 11.22 in 2013; MORESCO I by 3.40%, from 5.24% to 1.83%; and CAPELCO by 3.13%, from 12.05% to 8.92%.

The reduction in system loss is attributed mainly to the massive meter changes, including pole metering and cluster metering done by the ECs to their member-consumers. Last year, 13 substations with an additional capacity of 108.75 MVA were installed and commissioned which led to better service efficiency.

Since 2004, NEA has released a total of Php 1.373 billion loan to 77 ECs from its Single Digit System Loss loan window.

[SOURCE: enerNEA vol. 11 no. 2]



## INFORMATION TECHNOLOGY AND COMMUNICATION SERVICES

The following are the major accomplishments of the Information Technology and Communication Services Department (ITCSD). The ITCSD is the unit responsible for upgrading the ICT infrastructure of the Agency in order to address the information requirements of the the electric cooperatives and other key stakeholders and manage receipt, distribution, and release of documents and other communication materials.

### DATA MANAGEMENT

▣ Publication of the following materials:

1. 2011-2013 Rural Electrification Chronicle—presents the status of last three years of energization and operation of ECs.

2. 1981-1990 Statistical Performance Indicators of ECs (Four volumes: Luzon North, Luzon South, Visayas, and Mindanao) – a vital source of historical information on operation for research planning and decision making.

▣ Processing of the 2014 Quarterly Financial and Statistical Profile of ECs

3. Posting on NEA's website of the 2014 Individual EC Fact Sheet

4. Preparation of various reports on Rural Electrification and EC Operation in response to queries and other requirements from researchers, stakeholders, and staff of other offices

### RECORDS MANAGEMENT

▣ Development and implementation of a system flow for the smooth processing and distribution of reports under NEA's reportorial requirements in compliance with Republic Act No. 10531

▣ Processing and distribution of a total of 1,745 documents under the fast lane service and regular lane and monitoring of the corresponding response time for each document in consonance with the approved policy on tracked documents

▣ Processing and delivery of a total of 14,187 documents and reports to various stakeholders through messenger, mail, and courier.

▣ Compilation in book form of memos to ECs and NEA office orders for reference and safekeeping

▣ Approval of list of valueless Records for Disposal by the National Archives of the Philippines (NAP) - valueless records sorted, bundled, and made ready



*Forging stronger connections with the electric cooperatives*



for disposal pending Final Authority to Dispose to be issued by NAP

### NEA WEBSITE COMPLIANCE TO ADMINISTRATIVE ORDER 39

A new company website was developed and designed by the ITSDD in compliance to AO 39. NEA's gradual migration to open source development will help the Agency mitigate the high cost of software licensing without violating the Intellectual Property Rights Law (Republic Act No. 8293).

### ICT PLANNING

The ITSDD led the formulation of the 2015 Information Systems Strategic Plan (ISSP) as a requirement of the Medium-term Information & Communications Technology Harmonization Initiative (MITHI), and was submitted to the Department of Science and Technology-Information and Communications Technology Office (DOST-ICTO).

The 2015 ICT Annual Procurement Plan (APP) was likewise consolidated and refined by the Division in collaboration with the General Services Department (GSD), the Finance Services Department (FSD) and the NEA APP Core Group. The APP is a requirement of Republic Act No. 9184.

### ICT ASSISTANCE TO ELECTRIC COOPERATIVES (SYSTEMS DEVELOPMENT AND PROGRAMMING)

The ITSDD assisted the following ECs in their IT enhancement, assessment, and review, preparation of Terms of Reference (TOR), and systems development and implementation:

- |                |             |
|----------------|-------------|
| • ILÉCO II     | • CAGELCO I |
| • ZAMSURECO II | • ZAMCELCO  |
| • NEECO I      | • ROMELCO   |

Specifically for ZAMSURECO II, the team developed an interface program for Android device and rendered assistance in its migration to a new meter reading, billing, and collection system. This will

### AT A GLANCE

**1,745** documents processed and distributed under the fast lane and regular lane services

**14,187** documents and reports processed and delivered to various stakeholders through messenger, mail, and courier

mitigate costs of licensing of the old platform for the coop and enable them to have full control of the management and security of the application system together with the Agency's assistance.

### IN-HOUSE SYSTEMS DEVELOPMENT

To simplify work procedures of the departments, the team assisted the Corporate Planning Office in the automation of its initial rates processing computation, while continuing assistance is also provided to the FSD on the OR printing enhancements.

### ICT ACQUISITION

As part of the 2014 APP and the approved MITHI ICT Project Components and Unified Online Reporting System (OURS), the Agency facilitated the upgrading of ICT infrastructure through the acquisition of ICT equipment, software, and services.

This is envisioned to help improve the operations of the Agency and increase the employees' efficiency and productivity.

Accordingly, it also accomplished license upgrading through acquisition of Office Productivity software and operating system to demonstrate compliance with software licensing rules and the Intellectual Property Rights.

Internet speed upgrading was also facilitated through acquisition of Primary and Secondary Internet Service including load balancer to enhance



*Planning the  
vision for an  
energized future*

NEA's online processing activities and allow the Agency to respond faster to the growing volume of EC reportorial requirements.

Finally, the Terms of Reference (TOR) for the Structured Cabling and Multi-Media System of NEA's Media Lounge were already formulated to provide guidance and safety net in the project implementation.

**LOCAL AND FOREIGN-FUNDED ICT INITIATIVES**

Local and foreign-funded Initiatives of the division for 2014 include assistance to the NEA Unified Online Reporting System roadshow held in Regions 1 to 12.

Initial coordination was likewise provided by the team to the World Bank representative with regard to the NEA ICT project scoping.

To enhance the ceremonial switch-on activity for the 45th anniversary celebration of NEA, the team also participated in the prototyping of the symbolic Sitio Electrification map in coordination with the Engineering Department, Accelerated Total Electrification Office, Corporate Planning Office, and Management Assistance Group.

Finally, assistance was also rendered by the team to Engineering Department and the Office for

Renewable Energy Development in the planning and preparation of funding requirements for GIS and for inclusion on the NEA ISSP 2015.

**ICT NETWORKING AND COLLABORATION WITH OTHER AGENCIES**

For 2014, the NEA's CIO completed the comprehensive government Chief Information Officer (gCIO) Capacity Building Course which aims to prepare public managers for e-governance.

Likewise, the team has continuing collaborations with the DOST-ICTO, the Department of Budget and Management (DBM), National Mapping and Resource Information Authority (NAMRIA), and Chief Information Officers Forum (CIOF) of the government.

**AT A GLANCE**

**4** volumes of Statistical Performance Indicators of ECs prepared

**12** regional roadshows conducted for the NEA Unified Online Reporting System

## REPORT BRIEF

As basis for the monitoring and assessment of the operational efficiency and service reliability of electric cooperatives (ECs) nationwide, NEA has continued to facilitate a series of briefings and consultations with the ECs on the policies, rules, and guidelines pertinent to the provisions of Republic Act No. 10531, otherwise known as the National Electrification Reform Act of 2013.

The consultation sessions are part of the measures enforced by the Agency to familiarize the ECs on the specific guidelines governing Reportorial Requirements for the Integrated Assessment Report.

The provision on reportorial requirements is set forth in Chapter III, Section 12 of RA 10531 in relation to Rule II, Section 5 of its Implementing Rules and Regulations (IRR), which provides that NEA ensures that all ECs comply with the timely submission of these reportorial requirements.

Regional consultation sessions for Luzon, Visayas, and Mindanao ECs, including CDA-registered ones, were held during the year.

In the External Auditors Forum held on July 23, these prescribed requirements were also discussed.

Senior staff from different monitoring offices of NEA served as resource speakers during the consultation.

Among the requirements for submission include Status of Energization, Monthly Institutional Report, Performance Standard Monitoring Report, Monthly Engineering Report, and Monthly Financial and Statistical Reports.

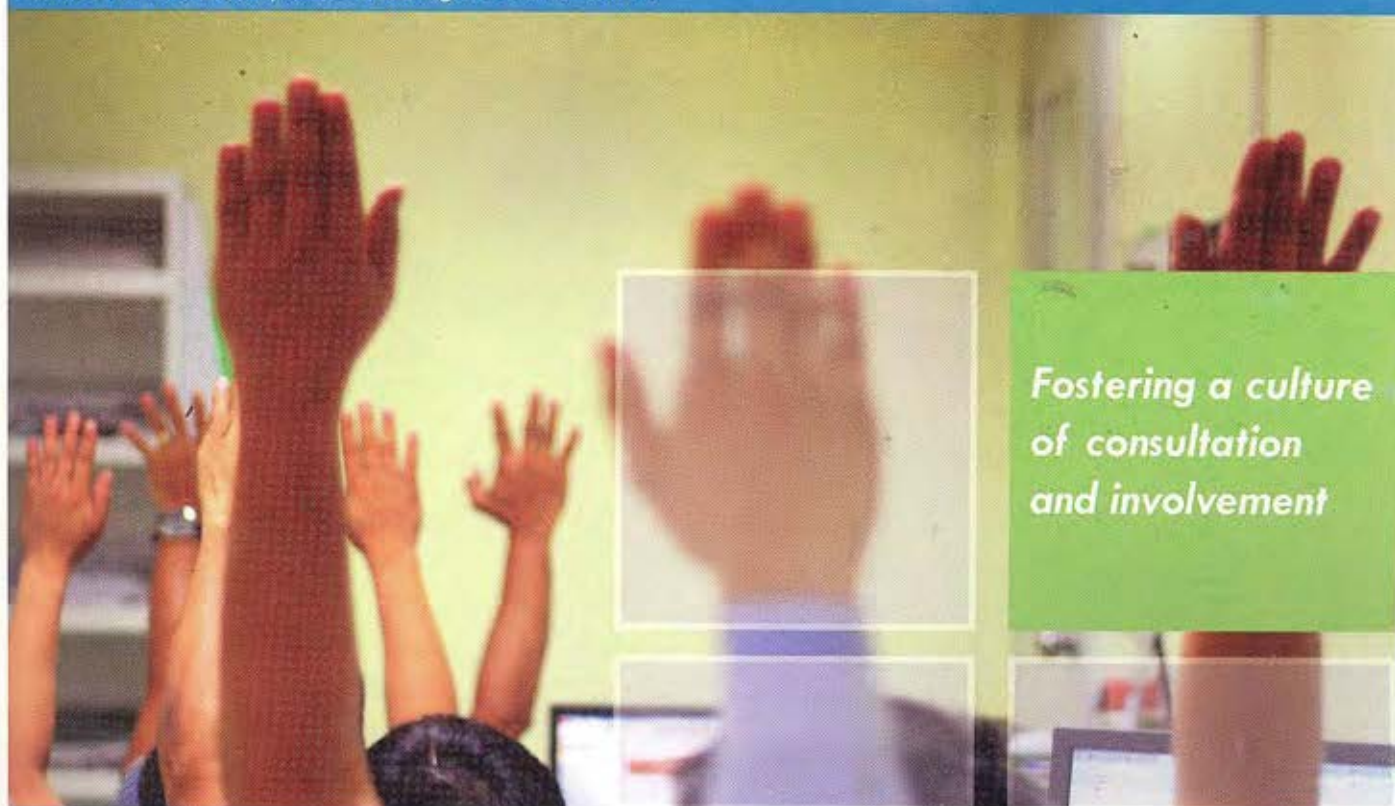
Incorporated as attachments to these monthly requirements include Monthly Summary of Complaints, Collective Negotiation Agreement (CNA) and Collective Bargaining Agreement (CBA), Monthly Report on Compliance with the Philippine Grid and Distribution Codes, and Quarterly Report on New Power Supply Contract.

Meanwhile, different strategies were identified during the sessions to enforce compliance of ECs with the policy.

Some of these include: 1. formulation of a process flow, 2. identification of deadlines, 3. assignation of an electronic mail address for online submission of reports, 4. designation of an RA 10531 compliance officer, 5. development of uniform format and filename, and 6. development of a portal on the Agency's website for issuances related to reportorial requirements.

Furthermore, it was recommended to develop an online unified reporting system for the submission of the reportorial requirements.

(SOURCE: enerNEA vol. 11 no. 3)



*Fostering a culture  
of consultation  
and involvement*

## LEGAL SERVICES

The Legal Services Office (LSO) is tasked to provide legal opinion on matters affecting the Agency and ECs and render legal counselling assistance to the latter when necessary. For 2014, LSO made the following major accomplishments:

1. Pursuant to the mandate under Republic Act No. 10531, Section 5 amending Section 4 (j) and Section (k), NEA confirmed the Private Sector Participation (PSP) through an Investment Management Contract (IMC) of Pampanga II Electric Cooperative, Inc. (PELCO II) with Comstech Alliance, Inc. in partnership with MERALCO.

The intervention is seen to make PELCO II financially and economically viable by allowing the EC to address its technical and institutional challenges and pay its electric distribution utility obligations.

2. July 9-11, July 27-29, August 5-7, September 16-17, and October 13-15, 2014, Implementation of Cease and Desist Order dated December 13, 2013 Re: NEA Adm. Case No. 01-10-11 (DANECO)

The implementation of the order best displays NEA's enforcement power over ECs failing to comply with the provisions of R.A. No. 10531.

3. In the exercise of NEA's conferred quasi-judicial function under Section 4-A of Presidential Decree 269 as amended by R.A. No. 10531, the NEA Board through the recommendation of the Administrative Committee Teams A and B had disposed a total of fifteen cases.

The disposition of administrative cases either by extended resolutions or dismissals reinforces NEA's mandate to protect ECs and ultimately safeguard the interest of the member-consumers.

### ADCOM-A First Semester

1. Atty. Luz Laureta-Balisong vs. Gerardo O. Verzosa (BENECO), NEA Adm. Case No. 01-05-13, March 21, 2014
2. Expedito R. Marquez, Jr. vs. Omar A. Sahi, et al. (ZAMCELCO), NEA Adm. Case No. 02-08-13, March 31, 2014

3. IN RE: Motu Proprio Investigation of the Zambales I Electric Cooperative, Inc. (ZAMECO I), NEA Adm. Case No. 01-02-14, June 24, 2014

### SECOND SEMESTER

1. Ami Yap vs. Geronimo C. Desesto, et al., NEA Adm. Case No. 02-10-13, September 30, 2014
2. GMT Interlink Security Management Incorporated rep. by its CEO/Pres. Julius John D. Marrero, NEA Adm. Case No. 01-11-13, October 7, 2014
3. Expedito R. Marquez, Jr. vs. Elbert C. Atilano, et al., NEA Adm. Case No. 01-04013, December 23, 2014
4. IN RE: Motu Proprio Investigation of the Guimaras Electric Cooperative, Inc. (GUIMELCO), NEA Adm. Case No. 04-10-13, December 23, 2014
5. IN RE: Motu Proprio Investigation of the Guimaras Electric Cooperative, Inc. (GUIMELCO), NEA Adm. Case No. 02-01-14, December 23, 2014

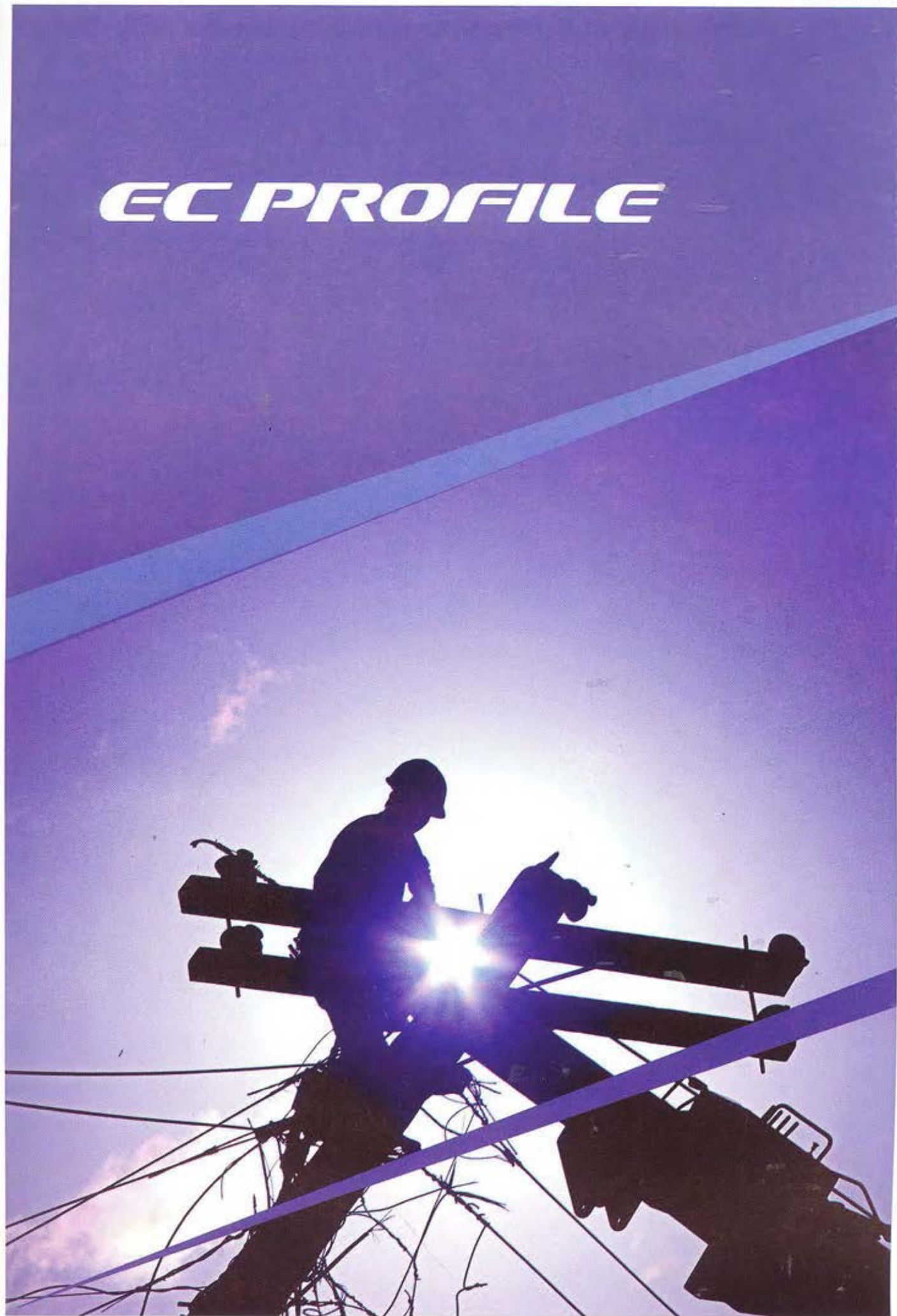
### ADCOM-B First Semester

1. Diosdado Deuda vs. General Manager Allan Laniba, et al., NEA Adm. Case No. 03-10-13, January 27, 2014
2. Engr. Nilo A. Estopa, Editha G. Perfecto, et al. vs. Jonathan O. De Dios et al., NEA Adm. Case No. 01-08-13, April 30, 2014
3. Expedito Marquez, Jr. vs. ZAMCELCO Board of Directors, TAB, BAC herein represented by its President, Mr. Omar A. Sahi, et al., NEA Adm. Case No. 05-04-14, May 13, 2014
4. Jonathan R. Salvador vs. General Manager Chito R. Peralta (AKELCO), NEA Adm. Case No. 02-02-14, June 26, 2014
5. Anabel A. Teodosio, et al. vs. General Manager Chito R. Peralta (AKELCO), NEA Adm. Case No. 01-10-13, June 26, 2014
6. Romeo R. Atacador vs. Dr. Benjie P. Esquilona, Joey Y. Ibañez, et al. (MASELCO), NEA Adm. Case No. 09-06-14, June 26, 2014

### SECOND SEMESTER

1. Jose Maria Manalang Mirasol vs. Atty. Rohima R. Sarra et al., NEA Adm. Case No. 01-01-14, September 02, 2014

# *EC PROFILE*



ELECTRIC COOPERATIVES	MUNICIPALITIES/ CITIES	BARANGAYS	CONNECTIONS			Sitio Electrification Program							
	COVERAGE/ ENERGIZED	ENERGIZED	Potential	Served	%	Targets	No. of Accomplishment Year				Total Ener- gized	%	
<b>REGION I (ILOCOS REGION)</b>													
1	Ilocos Norte Electric Cooperative, Inc. (INEC)	23	557	163,500	150,068	92	18	17	0	0	1	18	100
2	Ilocos Sur Electric Cooperative, Inc. (ISECO)	34	768	186,500	167,657	90	111	12	14	39	24	89	80
3	La Union Electric Cooperative, Inc. (LUELCO)	18	536	141,800	131,541	93	139	15	27	23	43	108	78
4	Pangasinan I Electric Cooperative, Inc. (PANELCO I)	9	192	78,000	72,287	93	335	4	24	21	167	216	64
5	Central Pangasinan Electric Cooperative, Inc. (CENPELCO)	15	553	223,500	212,720	95	578	0	67	45	146	258	45
6	Pangasinan III Electric Cooperative, Inc. (PANELCO III)	17	421	173,500	160,987	93	213	11	23	36	109	179	84
	<b>Sub-Total</b>	116	3,027	966,800	895,260	93	1,394	59	155	164	490	868	62
<b>REGION II (CAGAYAN VALLEY)</b>													
7	Batanes Electric Cooperative, Inc. (BATANELCO)	6	29	6,000	5,586	93	15	7	7	1	0	15	100
8	Cagayan I Electric Cooperative, Inc. (CAGELCO I)	12	376	136,000	128,369	94	133	9	40	14	0	63	47
9	Cagayan II Electric Cooperative, Inc. (CAGELCO II)	21	510	124,100	111,994	90	238	3	85	44	61	193	81
10	Isabela I Electric Cooperative, Inc. (ISELCO I)	15	484	190,900	187,038	98	186	15	37	48	44	144	77
11	Isabela II Electric Cooperative, Inc. (ISELCO II)	21	545	154,700	125,758	81	94	0	20	19	11	50	53
12	Nueva Vizcaya Electric Cooperative, Inc. (NUVELCO)	15	275	94,000	78,856	84	217	27	32	11	72	142	65
13	Quirino Electric Cooperative, Inc. (QUIRELCO)	6	150	47,100	43,705	93	252	38	33	16	52	139	55
	<b>Sub-Total</b>	96	2,389	752,800	681,306	91	1,135	99	254	153	240	746	66
<b>CORDILLERA ADMINISTRATIVE REGION (CAR)</b>													
14	Abra Electric Cooperative, Inc. (ABRECO)	27	303	57,000	48,222	85	66	8	8	3	8	27	41
15	Benguet Electric Cooperative, Inc. (BENECO)	14	269	189,100	166,737	88	358	0	139	54	64	257	72
16	Ifugao Electric Cooperative, Inc. (IFELCO)	11	175	39,500	30,457	77	931	6	301	232	122	661	71
17	Kalinga-Apayao Electric Cooperative, Inc. (KAELCO)	11	221	51,000	40,194	79	227	11	67	41	25	144	63
18	Mountain Province Electric Cooperative, Inc. (MOPRECO)	10	144	38,300	33,245	87	433	10	52	92	113	267	62
	<b>Sub-Total</b>	73	1,112	374,900	318,855	85	2,015	35	567	422	332	1,356	67
<b>REGION III (CENTRAL LUZON)</b>													
19	Aurora Electric Cooperative, Inc. (AURELCO)	9	157	49,700	45,928	92	267	26	20	78	61	185	69
20	Tarlac I Electric Cooperative, Inc. (TARELCO I)	15	421	180,900	153,604	95	359	49	70	43	120	282	79
21	Tarlac II Electric Cooperative, Inc. (TARELCO II)	5	120	109,400	104,251	95	66	8	12	28	0	48	73
22	Nueva Ecija I Electric Cooperative, Inc.	5	95	85,200	84,802	99	63	10	18	16	14	58	92
23	Nueva Ecija II Electric Cooperative, Inc. (NEECO) - Area 1	10	291	131,900	113,265	86	122	17	35	15	35	102	84
	Nueva Ecija II Electric Cooperative, Inc. (NEECO) - Area 2	11	228	105,700	95,054	90	81	0	25	7	31	63	78
24	San Jose City Electric Cooperative, Inc. (SAJELCO)	1	38	33,000	32,346	98	0	0	0	0	0	0	0
25	Pampanga Rural Electric Service Coop., Inc. (PRESCO)	-	34	20,200	18,998	94	6	0	3	0	1	4	67
26	Pampanga I Electric Cooperative, Inc. (PELCO I)	6	112	97,100	96,811	99	45	11	11	11	2	35	78
27	Pampanga II Electric Cooperative, Inc. (PELCO II)	7	175	155,900	152,584	98	15	0	14	1	0	15	100
28	Pampanga III Electric Cooperative, Inc. (PELCO III)	6	95	72,100	68,737	95	3	0	1	2	0	3	100
29	Peninsula (Bataan) Electric Cooperative, Inc. (PENELCO)	12	241	179,800	172,276	96	44	9	15	11	5	40	91
30	Zambales I Electric Cooperative, Inc. (ZAMECO I)	6	118	61,500	57,570	94	57	9	16	13	10	48	84
31	Zambales II Electric Cooperative, Inc. (ZAMECO II)	7	111	77,000	74,355	97	30	8	8	0	11	27	90
	<b>Sub-Total</b>	100	2,236	1,339,400	1,270,581	95	1,158	147	248	225	290	910	79

ELECTRIC COOPERATIVES	MUNICIPALITIES/ CITIES	BARANGAYS	CONNECTIONS			Sitio Electrification Program							
	COVERAGE/ ENERGIZED	ENERGIZED	Potential	Served	%	Targets *	No. of Accomplishment/ Year				Total Ener- gized	%	
							2011	2012	2013	2014			
<b>REGION IV-A (CALABARZON)</b>													
32	First Laguna Electric Cooperative, Inc. (FLECO)	11	164	63,700	62,348	98	149	10	29	18	19	76	51
33	Batangas I Electric Cooperative, Inc. (BATELEC I)	12	366	163,100	161,267	99	28	10	17	0	0	27	96
34	Batangas II Electric Cooperative, Inc. (BATELEC II)	17	482	272,000	270,887	99	223	4	86	50	43	183	82
35	Quezon I Electric Cooperative, Inc. (QUEZELCO I)	23	805	180,700	154,124	85	533	0	98	56	174	328	62
36	Quezon II Electric Cooperative, Inc. (QUEZELCO II)	8	128	39,000	32,267	83	93	4	25	22	19	70	75
	<b>Sub-Total</b>	<b>71</b>	<b>1,945</b>	<b>718,500</b>	<b>680,893</b>	<b>95</b>	<b>1,026</b>	<b>28</b>	<b>255</b>	<b>146</b>	<b>255</b>	<b>684</b>	<b>67</b>
<b>REGION IV-B (MIMAROPA)</b>													
37	Lubang Electric Cooperative, Inc. (LUBELCO)	2	25	9,500	7,468	79	131	2	50	30	25	107	82
38	Occidental Mindoro Electric Cooperative, Inc. (OMECCO)	9	137	80,000	70,343	88	504	30	44	65	190	329	65
39	Oriental Mindoro Electric Cooperative, Inc. (ORMECCO)	15	426	181,500	177,474	98	1,032	45	340	183	282	850	82
40	Marinduque Electric Cooperative, Inc. (MARELCO)	6	218	52,100	49,009	94	206	30	35	33	26	124	60
41	Tablas Electric Cooperative, Inc. (TIELCO)	10	112	36,600	34,614	95	240	4	37	63	43	147	61
42	Romblon Electric Cooperative, Inc. (ROMELCO)	4	66	19,000	18,517	97	278	6	49	36	75	166	60
43	Busuanga Electric Cooperative, Inc. (BISELCO)	4	61	15,000	11,469	76	102	4	26	7	9	46	45
44	Palawan Electric Cooperative, Inc. (PALECO)	19	371	209,000	115,334	55	98	0	5	4	36	45	46
	<b>Sub-Total</b>	<b>69</b>	<b>1,416</b>	<b>602,700</b>	<b>484,228</b>	<b>80</b>	<b>2,591</b>	<b>121</b>	<b>586</b>	<b>421</b>	<b>686</b>	<b>1,814</b>	<b>70</b>
<b>REGION V (BICOL REGION)</b>													
45	Camarines Norte Electric Cooperative, Inc. (CANORECO)	12	273	114,500	105,007	92	285	9	54	52	85	200	70
46	Camarines Sur I Electric Cooperative, Inc. (CASURECO I)	11	309	87,200	68,515	79	269	5	23	24	83	135	50
47	Camarines Sur II Electric Cooperative, Inc. (CASURECO II)	10	259	116,300	110,092	95	61	0	5	28	0	33	54
48	Camarines Sur III Electric Cooperative, Inc. (CASURECO III)	7	229	82,000	71,146	87	30	0	7	5	0	12	40
49	Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV)	9	258	68,000	55,996	82	146	21	60	21	26	128	88
50	Albay Electric Cooperative, Inc. (ALECO)	18	718	248,500	221,511	89	39	6	31	2	0	39	100
51	Sorsogon I Electric Cooperative, Inc. (SORECO I)	8	253	69,900	68,732	98	598	35	125	154	124	438	73
52	Sorsogon II Electric Cooperative, Inc. (SORECO II)	7	288	84,100	77,277	92	203	14	18	25	69	126	62
53	First Catanduanes Electric Cooperative, Inc. (FICELCO)	11	315	53,800	50,323	94	56	3	11	25	4	43	77
54	Masbate Electric Cooperative, Inc. (MASELCO)	15	434	98,000	56,353	58	220	19	72	65	0	156	71
55	Ticao Island Electric Cooperative, Inc. (TISELCO)	4	72	15,000	8,879	59	93	1	2	3	8	14	15
	<b>Sub-Total</b>	<b>112</b>	<b>3,408</b>	<b>1,037,300</b>	<b>893,831</b>	<b>86</b>	<b>2,000</b>	<b>113</b>	<b>408</b>	<b>404</b>	<b>399</b>	<b>1,324</b>	<b>66</b>
	<b>TOTAL LUZON</b>	<b>637</b>	<b>15,513</b>	<b>5,792,400</b>	<b>5,224,954</b>	<b>90</b>	<b>11,319</b>	<b>602</b>	<b>2,473</b>	<b>1,935</b>	<b>2,692</b>	<b>7,702</b>	<b>68</b>
<b>REGION VI (WESTERN VISAYAS)</b>													
56	Aklan Electric Cooperative, Inc. (AKELCO)	19	379	128,100	115,016	90	318	7	42	51	56	156	49
57	Antique Electric Cooperative, Inc. (ANTECO)	16	597	101,500	90,903	90	532	18	49	78	201	346	65
58	Capiz Electric Cooperative, Inc. (CAPELCO)	17	473	160,000	144,788	90	508	41	90	86	190	407	80
59	Iloilo I Electric Cooperative, Inc. (ILECO I)	15	794	148,800	137,160	92	686	22	108	106	253	489	71
60	Iloilo II Electric Cooperative, Inc. (ILECO II)	15	587	128,900	109,953	85	672	58	80	42	163	343	51
61	Iloilo III Electric Cooperative, Inc. (ILECO III)	13	340	87,000	67,233	77	462	13	87	77	149	326	71
62	Guimaras Electric Cooperative, Inc. (GUIMELCO)	5	98	33,000	27,060	82	179	0	17	43	16	76	42
63	Northern Negros Electric Cooperative, Inc. (NONECO)	9	196	157,000	132,939	85	726	22	136	73	63	294	40
64	Central Negros Electric Cooperative, Inc. (CENECCO)	6	158	219,000	200,623	92	188	0	53	36	8	97	52
65	Negros Occidental Electric Cooperative, Inc. (NOCECO)	17	308	188,000	162,377	86	294	2	35	123	6	166	56
	<b>Sub-Total</b>	<b>132</b>	<b>3,870</b>	<b>1,351,300</b>	<b>1,188,052</b>	<b>88</b>	<b>4,565</b>	<b>183</b>	<b>697</b>	<b>715</b>	<b>1,105</b>	<b>2,700</b>	<b>59</b>

ELECTRIC COOPERATIVES	MUNICIPALITIES/CITIES	BARANGAYS	CONNECTIONS			Sitio Electrification Program							
	COVERAGE/ENERGIZED	ENERGIZED	Potential	Served	%	Targets *	No. of Accomplishment/Year				Total Energized	%	
							2011	2012	2013	2014			
<b>REGION VII (CENTRAL VISAYAS)</b>													
66	Negros Oriental I Electric Cooperative, Inc. (NORECO I)	11	285	91,000	66,969	74	338	3	69	14	44	130	38
67	Negros Oriental II Electric Cooperative, Inc. (NORECO II)	14	272	155,700	134,832	87	215	0	9	25	34	62	29
68	Bantayan Electric Cooperative, Inc. (BANELCO)	3	49	27,000	22,468	83	147	31	41	4	30	106	72
69	Cebu I Electric Cooperative, Inc. (CEBECO I)	18	366	135,100	123,828	92	935	16	175	111	306	608	65
70	Cebu II Electric Cooperative, Inc. (CEBECO II)	13	323	149,000	140,179	94	444	32	100	96	123	351	79
71	Cebu III Electric Cooperative, Inc. (CEBECO III)	5	134	89,000	85,955	97	444	16	115	58	64	253	57
72	Province of Siquijor Electric Cooperative, Inc. (PROSIELCO)	6	134	26,000	22,423	86	118	5	13	22	23	63	53
73	Camotès Electric Cooperative, Inc. (CELCO)	4	56	22,000	17,524	80	252	0	15	25	51	91	36
74	Bohol I Electric Cooperative, Inc. (BOHECO I)	26	603	156,500	144,400	92	0	0	0	0	0	0	0
75	Bohol II Electric Cooperative, Inc. (BOHECO II)	21	491	130,500	120,090	92	466	5	170	75	96	346	74
	<b>Sub-Total</b>	<b>121</b>	<b>2,713</b>	<b>981,800</b>	<b>878,668</b>	<b>89</b>	<b>3,359</b>	<b>108</b>	<b>701</b>	<b>430</b>	<b>771</b>	<b>2,010</b>	<b>60</b>
<b>REGION VIII (EASTERN VISAYAS)</b>													
76	Don Orestes Romualdez Electric Cooperative, Inc. (DORELCO)	13	499	81,000	50,544	62	297	44	66	38	117	265	89
77	Leyte II Electric Cooperative, Inc. (LEYECO II)	3	196	63,000	52,685	84	23	0	0	4	8	12	52
78	Leyte III Electric Cooperative, Inc. (LEYECO III)	9	285	54,400	43,696	80	182	0	9	5	48	62	34
79	Leyte IV Electric Cooperative, Inc. (LEYECO IV)	6	245	88,700	87,194	98	231	18	35	39	46	140	61
80	Leyte V Electric Cooperative, Inc. (LEYECO V)	12	414	127,000	107,846	85	256	9	85	8	102	204	80
81	Southern Leyte Electric Cooperative, Inc. (SOLECO)	19	500	94,000	87,756	93	266	2	50	83	65	180	68
82	Biliran Electric Cooperative, Inc. (BILECO)	7	117	33,200	30,109	91	132	7	10	5	24	46	35
83	Northern Samar Electric Cooperative, Inc. (NORSAMELCO)	24	589	102,000	61,459	60	174	9	15	0	51	75	43
84	Samar I Electric Cooperative, Inc. (SAMELCO I)	10	426	64,000	52,137	81	81	3	0	14	8	25	31
85	Samar II Electric Cooperative, Inc. (SAMELCO II)	16	524	81,600	87,826	83	305	11	31	64	115	221	72
86	Eastern Samar Electric Cooperative, Inc. (ESAMELCO)	23	596	88,500	72,094	81	308	5	43	23	134	205	67
	<b>Sub-Total</b>	<b>142</b>	<b>4,371</b>	<b>857,400</b>	<b>693,326</b>	<b>81</b>	<b>2,255</b>	<b>108</b>	<b>344</b>	<b>263</b>	<b>720</b>	<b>1,435</b>	<b>64</b>
	<b>TOTAL VISAYAS</b>	<b>395</b>	<b>10,954</b>	<b>3,190,500</b>	<b>2,760,046</b>	<b>87</b>	<b>10,179</b>	<b>399</b>	<b>1,742</b>	<b>1,408</b>	<b>2,596</b>	<b>6,145</b>	<b>60</b>
<b>REGION IX (ZAMBOANGA PENINSULA)</b>													
87	Zamboanga del Norte Electric Cooperative, Inc. (ZANECO)	23	585	148,000	100,485	68	445	21	14	14	158	207	47
88	Zamboanga del Sur I Electric Cooperative, Inc. (ZAMSURECO I)	25	628	162,000	110,195	68	616	26	109	119	106	360	58
89	Zamboanga del Sur II Electric Cooperative, Inc. (ZAMSURECO II)	23	558	148,000	105,546	71	358	14	56	67	91	228	64
90	Zamboanga City Electric Cooperative, Inc. (ZAMCELCO)	1	94	190,000	129,831	68	51	4	4	17	6	31	61
	<b>Sub-Total</b>	<b>72</b>	<b>1,865</b>	<b>648,000</b>	<b>446,057</b>	<b>69</b>	<b>1,470</b>	<b>65</b>	<b>183</b>	<b>217</b>	<b>361</b>	<b>826</b>	<b>56</b>
<b>REGION X (NORTHERN MINDANAO)</b>													
91	Misamis Occidental I Electric Cooperative, Inc. (MOELCI I)	8	227	57,400	53,409	93	209	23	66	51	29	169	81
92	Misamis Occidental II Electric Cooperative, Inc. (MOELCI II)	8	253	85,500	79,916	93	181	25	48	17	66	156	86
93	Misamis Oriental I Electric Cooperative, Inc. (MORESCO I)	10	155	85,900	79,450	92	588	37	114	86	159	396	67
94	Misamis Oriental II Electric Cooperative, Inc. (MORESCO II)	12	269	88,500	66,066	75	570	15	99	158	134	406	71
95	First Bukidnon Electric Cooperative, Inc. (FIBECO)	13	303	170,900	131,481	77	564	28	198	77	65	368	65



ELECTRIC COOPERATIVES		MUNICIPALITIES/ CITIES	BARANGAYS	CONNECTIONS			Sitio Electrification Program						
				Potential	Served	%	Targets*	No. of Accomplishment/ Year				Total Energized	%
		COVERAGE/ ENERGIZED	ENERGIZED					2011	2012	2013	2014		
96	Bukidnon II Electric Cooperative, Inc. (BUSECO)	10	171	110,000	85,575	78	320	29	61	33	31	154	46
97	Carmguin Electric Cooperative, Inc. (CAMELCO)	5	58	21,000	19,847	95	648	30	144	124	168	466	72
98	Lanao del Norte Electric Cooperative, Inc. (LANECO)	19	407	118,400	85,075	72	369	45	49	86	51	231	63
	<b>Sub-Total</b>	<b>85</b>	<b>1,843</b>	<b>737,600</b>	<b>600,819</b>	<b>81</b>	<b>3,449</b>	<b>232</b>	<b>779</b>	<b>632</b>	<b>703</b>	<b>2,346</b>	<b>68</b>
<b>REGION XI (DAVAO REGION)</b>													
99	Davao Oriental Electric Cooperative, Inc. (DORECO)	11	183	107,700	91,381	85	199	22	42	38	31	133	67
100	Davao del Norte Electric Cooperative, Inc. (DANECCO)	18	376	243,000	169,289	70	290	9	8	36	88	141	49
101	Davao del Sur Electric Cooperative, Inc. (DASURECO)	15	337	199,000	136,187	68	797	20	134	251	60	465	58
	<b>Sub-Total</b>	<b>44</b>	<b>896</b>	<b>549,700</b>	<b>396,857</b>	<b>72</b>	<b>1,286</b>	<b>51</b>	<b>184</b>	<b>325</b>	<b>179</b>	<b>739</b>	<b>57</b>
<b>REGION XII (SOCCSKSARGEN)</b>													
102	North Cotabato Electric Cooperative, Inc. (COTELCO)	12	348	162,500	130,075	80	414	13	40	60	78	191	46
	PPALMA-COTELCO	6	195	80,000	40,319	50	184			36	60	96	52
103	South Cotabato I Electric Cooperative, Inc. (SOCOTECO I)	10	172	162,000	100,514	62	397	14	46	70	65	195	49
104	South Cotabato II Electric Cooperative, Inc. (SOCOTECO II)	10	204	302,000	161,956	54	417	10	30	54	40	134	32
105	Sultan Kudarat Electric Cooperative, Inc. (SUKELCO)	17	311	179,000	83,537	47	728	5	57	105	216	383	53
	<b>Sub-Total</b>	<b>55</b>	<b>1,230</b>	<b>885,500</b>	<b>516,401</b>	<b>58</b>	<b>2,140</b>	<b>42</b>	<b>173</b>	<b>325</b>	<b>459</b>	<b>999</b>	<b>47</b>
<b>AUTONOMOUS REGION IN MUSLIM MINDANAO (ARMM)</b>													
106	Tawi-Tawi Electric Cooperative, Inc. (TAWELCO)	9	186	47,000	12,498	27	19	0	3	0	4	7	37
107	Siasi Electric Cooperative, Inc. (SIASELCO)	2	66	13,000	4,067	31	28	0	18	0	0	18	64
108	Sulu Electric Cooperative, Inc. (SULECO)	16	330	85,000	25,295	30	49	0	38	0	0	38	78
109	Basilan Electric Cooperative, Inc. (BASELCO)	14	269	75,000	39,984	53	173	14	61	13	24	112	65
110	Cagayan de Sulu Electric Cooperative, Inc. (CASELCO)	2	17	5,000	1,961	39	0	0	0	0	0	0	0
111	Lanao del Sur Electric Cooperative, Inc. (LASURECO)	41	1,175	138,000	56,357	41	62	0	62	0	0	62	100
112	Maguindanao Electric Cooperative, Inc. (MAGELCO)	30	398	116,000	27,485	24	399	20	63	81	95	249	62
	<b>Sub-Total</b>	<b>114</b>	<b>2,441</b>	<b>479,000</b>	<b>167,627</b>	<b>35</b>	<b>730</b>	<b>34</b>	<b>245</b>	<b>94</b>	<b>113</b>	<b>486</b>	<b>67</b>
<b>CARAGA</b>													
113	Agusan del Norte Electric Cooperative, Inc. (ANECCO)	12	252	152,000	144,224	95	241	25	50	39	31	145	60
114	Agusan del Sur Electric Cooperative, Inc. (ASELCO)	14	314	135,300	119,082	88	647	20	132	72	225	449	69
115	Surigao del Norte Electric Cooperative, Inc. (SURNECO)	12	203	79,000	73,380	93	258	13	32	46	38	129	50
116	Surigao Electric Cooperative, Inc. (SIARELCO)	9	132	31,000	27,639	89	201	18	23	41	54	136	68
117	Dinagat Electric Cooperative, Inc. (DIELCO)	7	100	28,700	22,335	78	94	10	16	25	27	78	83
118	Surigao del Sur I Electric Cooperative, Inc. (SURSECO I)	5	112	73,000	68,978	94	220	3	52	59	47	161	73
119	Surigao del Sur II Electric Cooperative, Inc. (SURSECO II)	14	197	77,000	67,711	88	207	6	79	45	42	172	83
	<b>Sub-Total</b>	<b>73</b>	<b>1,310</b>	<b>576,000</b>	<b>523,349</b>	<b>91</b>	<b>1,868</b>	<b>95</b>	<b>384</b>	<b>327</b>	<b>464</b>	<b>1,270</b>	<b>68</b>
	<b>TOTAL MINDANAO</b>	<b>443</b>	<b>9,585</b>	<b>3,875,800</b>	<b>2,651,110</b>	<b>68</b>	<b>10,943</b>	<b>519</b>	<b>1,948</b>	<b>1,920</b>	<b>2,279</b>	<b>6,666</b>	<b>61</b>
	<b>TOTAL</b>	<b>1,475</b>	<b>36,052</b>	<b>12,858,700</b>	<b>10,638,110</b>	<b>83</b>	<b>32,441</b>	<b>1,520</b>	<b>6,163</b>	<b>5,263</b>	<b>7,567</b>	<b>20,513</b>	<b>63</b>

reports on basis of:  
1 Sep 2014  
2 Oct 2014

3 Nov 2014  
4 Oct 2013

5 MFSR Dec 2013  
6 Aug 2008

\*no. of unenergized sitios as of  
June 2011

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(first row, fifth from left): Director Rogelio B. Bernal

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**Accelerated Total Electrification Office**

STANDING (leftmost): Director Jose H. Seguban, Jr.

SEATED (third from right): Manager Enrique J. Diamante

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**Isidro E. Edquilla**  
Division Manager A  
EC Audit, ECAD  
May 16



**Eddie A. Adlao**  
Dept. Manager A  
Management Assistance  
June 15



**Paulina H. Vivas**  
Supervising IRD Officer B  
Corporate and EC Training  
August 1



**Sergio A. Bautista**  
Principal Engineer A  
Management Assistance  
September 10



**Mercedita F. Carandang**  
Division Manager A  
General Services, HRAD  
September 10



**Florinda S. Triño**  
Supervising Economist  
Strategic Planning, CORPLAN  
September 23



**Leandro P. Librando**  
Information Officer A  
Consumer Dev't & Protection, IDD  
November 22



**Marlyn V. Balazon**  
Supervising Auditor  
Commission on Audit



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### ACKNOWLEDGMENTS

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### ABOUT THE COVER

The cover, which brings into sharp focus the facets of a sapphire, takes inspiration from the symbolic energy of the 45th anniversary gemstone and the talisman of wisdom. Serving the Filipinos for more than four decades now, NEA likewise takes pride in having been formed in the alchemy of both trials and triumphs to emerge as one precious gem in government service today.



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