

2018

ANNUAL REPORT



Fulfilling the Vision for
an Empowered Nation



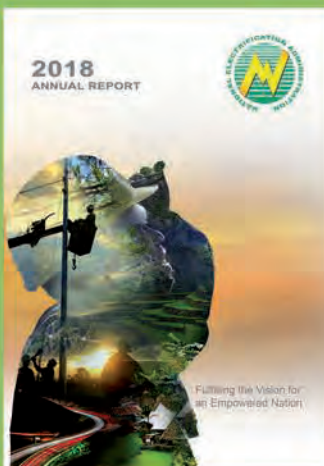
2018 annual report

Report Contents

ABOUT THE COVER

The cover is a creative illustration of NEA's firm commitment to attain its vision of sustainable rural development through the implementation of the Rural Electrification Program (REP) that will redound to the benefit of the Filipino people especially in the marginalized sector of the society.

It also mirrors the vivid images that run into the minds of the men and women of NEA and the 121 Electric Cooperatives (ECs) nationwide who commit themselves in making a difference to the lives of the nearly 61 million Filipinos in 13 million households in the countryside.



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Republic of the Philippines
National Electrification Administration
Quezon City


June 2019

His Excellency Rodrigo Roa Duterte
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 2018.

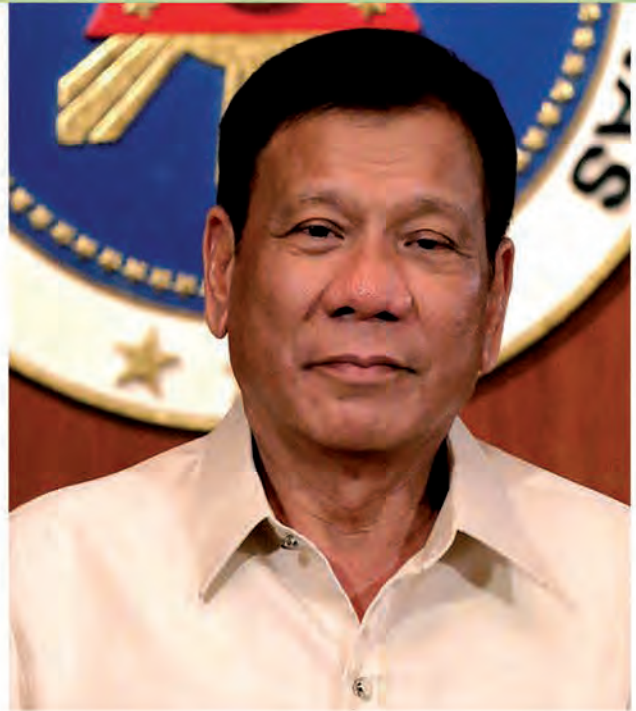
Very truly yours,


EDGARDO R. MASONGSONG
Administrator

Message from the President of the Philippines



MALACAÑANG PALACE
Manila



MESSAGE

My warmest greetings to the National Electrification Administration (NEA) on the publication of its 2018 Annual Report.

Over the years, NEA has been at the forefront of promoting sustainable development in the rural areas through efficient and responsive electrification of local communities and industries. Moreover, your efforts to engage electric cooperatives and consumers to become responsible stakeholders on our energy resources are also noteworthy.

I acknowledge the great strides you have made in the previous year including the Sitio Electrification Program, loan assistance and capacity building for electric cooperatives and NEA's improved corporate governance, among others.

As you chronicle the Agency's accomplishments, I trust that you will be further inspired to pursue policies and programs that will support the utilization of renewable energy and help mitigate the adverse effects of climate change. Together, let us work towards achieving a stronger and more inclusive growth for the Filipino people.

Congratulations and I wish you success in all your endeavors.

A handwritten signature in black ink, appearing to read "Rodrigo Roa Duterte".

RODRIGO ROA DUTERTE
Republic of the Philippines



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



MESSAGE

Through the years, the National Electrification Administration has been working with the Department of Energy (DOE) towards fulfilling the challenge of bringing light to the homes of millions of Filipinos in rural areas of our country.

2018 has been another full year for the NEA, as well as the Electric Cooperatives (ECs) and their respective Member-Consumer-Owners (MCOs).

NEA's continued implementation of the Sitio Electrification Program and the 12.827 million consumer connections you have reached in cooperation with the 121 ECs have benefitted the lives of our kababayans throughout the archipelago. May the positive change brought about the electricity services in the lives of our fellow countrymen inspire us to go even further, and work doubly harder. Together, let us give more men, women, and most especially children in unserved and underserved areas the chance for brighter futures.

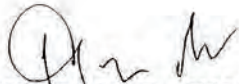
As the shepherd of the country's electric cooperatives, we hope that NEA will always embody impartial, compassionate, transparent and accountable leadership.

We commend all the work you have put into strengthening our ECs. This includes the various policies and guidelines you have formulated to fortify the management and personnel, as well as the ECs' operations, most especially their emergency and disaster response and rehabilitation capabilities through the establishment and mobilization of the Power Restoration Rapid Deployment Task Forces. Moreover, the passage of the Electric Cooperatives Emergency and Resiliency Fund Act in June last year would provide additional financial assistance which would further reinforce the energy resiliency of our ECs during calamities.

You have also made significant strides as an organization in 2018, as you successfully passed the ISO 9001: 2015 Surveillance Audit on the "Provision of Financial, Institutional, Technical and Legal assistance to the Electric Cooperatives which in turn undertake power distribution on an area coverage basis" and your attainment of a 90% satisfaction level, or "Very Satisfactory" in the EC Satisfaction Survey conducted by Contact Asia Services, Inc.

Your accomplishments continue to encourage all members of the NEA family to remain dedicated to our collective cause of providing power nationwide. Rest assured that the DOE will not waiver in our support for all your endeavors towards this end.

While good progress has been made, hard work still remains ahead. As a united energy family, let us make sure that not a single Filipino home is left in the dark.


ALFONSO G. CUSI
Secretary

THE AGENDA TOWARD SUSTAINABLE DEVELOPMENT

PRESIDENT DUTERTE ADMINISTRATION 5 - POINT ELECTRICITY AGENDA



* **Access to Electricity for All**



* **Power Availability at all times**



* **Power Reliability**



* **System Efficiency**



* **Cheap Electricity Rate**



DEPARTMENT OF ENERGY'S 9-Point Energy Agenda



- * **Access to Basic Electricity for All Filipinos by 2020**
- * **Adopting a Technology Neutral Approach for an Optimal Energy Mix**
- * **Improving the Supply of Power that is Reliable, to Meet Demand Needs by 2040**
- * **Developing the LNG needs for the Future in Anticipation of the Malampaya Depletion**
- * **Facilitating the Completion of Transmission Projects by 2020**
- * **Pro-consumer Distribution Framework for Affordability, Choice and Transparency**
- * **Streamlining Domestic Policy to Cut Red Tape**
- * **DOE to deliver on PSALM Privatization**
- * **Promoting Efficient Use of Power Among Consumers through an IEC**



VISION

A dynamic and responsive NEA that is a vanguard of sustainable rural development in partnership with globally - competitive Electric Cooperatives and empowered Electricity Consumers

MANDATED MISSION

To promote the sustainable development in the rural areas through rural electrification

To empower and strengthen the NEA to pursue the electrification program and bring electricity, through the Electric Cooperatives as its implementing arm, to the countryside even in missionary or economically unviable areas

To empower and enable Electric Cooperatives to cope with the changes brought about by the restructuring of the electric power industry

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

SHARED VALUES

To live and be guided by:

Commitment
Friendliness and Participation
Leadership and Initiative
Integrity and Honesty
Generosity
Hardwork
Teamwork

CORE VALUES

Absolute honesty
Maximum efficiency
Total solidarity

NEA 7-Point ELECTRIFICATION Agenda





STRATEGY MAP

VISION A dynamic and responsive NEA that is a vanguard of sustainable rural development in partnership with globally-competitive Electric Cooperatives and empowered Electricity Consumers

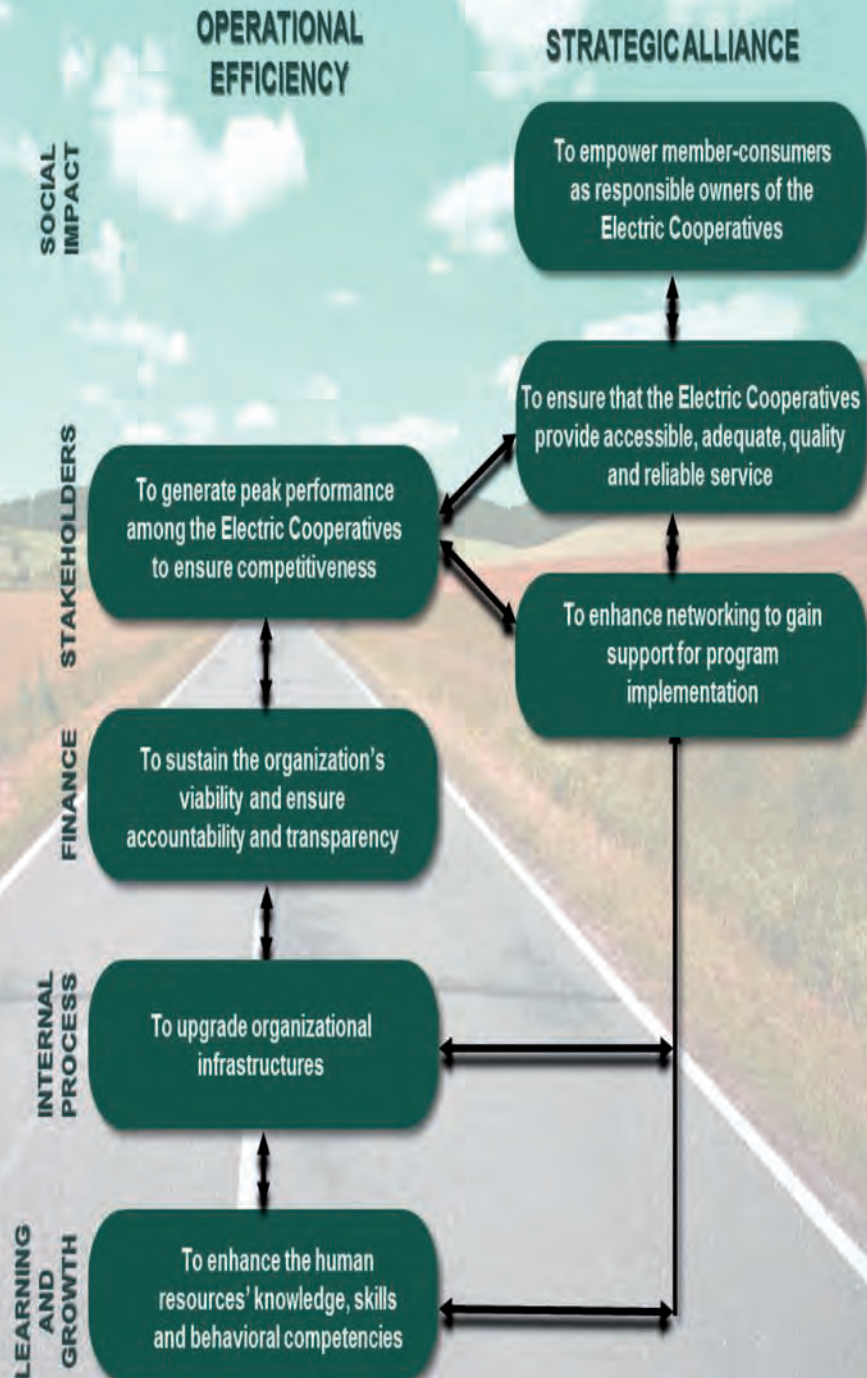
NATIONAL ELECTRIFICATION ADMINISTRATION

MANDATED MISSION

- To promote the sustainable development in the rural areas through rural electrification
- To empower and strengthen the NEA to pursue the electrification program and bring electricity, through the Electric Cooperatives as its implementing arm, to the countryside even in missionary or economically unviable areas
- To empower and enable Electric Cooperatives to cope with the changes brought about by the restructuring of the electric power industry

CORE VALUES

Absolute Honesty
Maximum Efficiency
Total Solidarity



2018 Corporate Performance Scorecard Accomplishment

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


This document manifests how the Agency fare in its commitment to fulfill its mandate and provide the best service to its clientele.

For 2018, the Agency was able to attain a total weighted (self) rating of 100% on the 14 measures included in the Performance Scorecard.

Perspective	Strategic Measure	Weight (%)	Target	Actual	Weighted Rating (%)	
Stakeholders	1	Number of completed and energized sitio projects	25	1,817	1,984	25
	2	Percentage of ECs adopting balanced scorecard model	5	90%	91%	5
			(109 ECs)	(110 ECs)		
	3	Improved EC Overall Performance Rating (2017) from "B" or "C" to at least "A" Rating	10	4	6	10
	4	Percentage of Satisfied Customers	5	90%	90%	5
5	Number of EC officials and employees graduated from certification/competency program	5	2,150	3,301	5	
Finance	6	Amount of regular loans facilitated (PHP Billion)	8	1.70	1.98	8
	7	Percentage of ECs under Category B, C and D provided with loans	5	59%	65%	5
	8	High collection efficiency maintained (%)	7	100%	100%	7
	9	Percentage of sitio electrification projects funded that are fully compliant with NEA standards and specifications	8	80% of projects done as of end Sept. 2018	86.23%	8
Internal Process	10	Percentage of sitios completed and energized within 180 calendar days from release of funds to ECs	6	80%	80.14%	6
	11	Percentage of regular loans released within prescribed processing periods	2	100%	100%	2
			11a	Regular-Term Loans (within 24 days)	2	
	11b	Short-Term Loans (within 13 days)	2	100%	100%	2
12	Percentage of calamity loans released within 7 days	2	85%	89%	2	
Learning and Growth	13	QMS ISO Certification	5	Surveillance Audit Passed	Surveillance Audit Passed	5
	14	Percentage of employees with required competencies met	5	Increase from Baseline	64.01	5
Total			100	Total Weighted Average	100	

Statement Confirming Full Compliance with the Code of Corporate Governance

The NEA Board Governance Nomination and Remuneration Committee (BGNRC) reviewed recommendations of Management prior to endorsement and approval by the NEA Board. All Resolutions and Actions taken by the NEA Board for Calendar Year 2018 are in full compliance with the Code of Corporate Governance.


AGUSTIN L. MADDATU
 Chairman, NEA BGNRC
 Member, NEA Board of Administrators


Statement Confirming Adequacy of Internal Control System

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


RENE M. GONZALES
 Chairman, NEA BAC
 Member, NEA Board of Administrators

Statement on Review of Financial, Operational and Risk Management System

The NEA Board Credit and Risk Management Committee (BCRMC) reviewed recommendations of Management for Calendar Year 2018 involving Financial, Operational and Risk Management prior to endorsement and approval by the NEA Board.


ALIPIO CIRILO V. BADELLES
 Chairman, NEA BCRMC
 Member, NEA Board of Administrators

COMPLIANCE

NEA's Whistleblowing Program and Complaint Policy was duly approved by the NEA Board of Administrators (NEA-BOA) through Board Resolution No. 57, s. of 2017 dated May 31, 2017 and correspondingly submitted to the Office of National Administrative Registry at the University of the Philippines Law Center on June 19, 2017. for filing, publication and recording.

A. INTRODUCTION

It is the State's policy that the governance of government-owned and controlled corporations (GOCCs) shall be carried out in a transparent, responsible and accountable manner with the utmost degree of professionalism and effectiveness. As a GOCC, integrity and accountability are necessary to maintain public trust and restore credibility in the public service. Whistleblowers are the primary vehicle through which misconduct is exposed and employees are therefore encouraged to come forward and voice their concerns about any aspect of this Office's work. However, witnesses to misconduct are oftentimes subject to retaliation for speaking out. This retaliation creates a chilling effect on the willingness of the employees to come forward and bring to light these misdeeds.

The GCG has implemented Memorandum Circular No. 2016-02 entitled "Revised Whistleblowing Policy for the GOCC Sector". This guideline is therefore issued in order to implement the aforesaid memorandum on Whistleblowing Policy of the National Electrification Administration (NEA).

The purpose of this Whistleblowing Policy is to enable any concerned individual to report and provide information, anonymous if he/she wished and even testify on matters involving the actions or omissions of the employees, officers and members of the Board of Administrators of NEA and protect the identity of the whistleblower from retaliation for his/her actions.

B. DEFINITION OF TERMS

- **OFFICE** – refers to the National Electrification Administration (NEA).
- **EMPLOYEE** – refers to any individual who performs services for or under the control and direction of an employer for wages or other remuneration. For purposes of this Whistleblowing Policy, it shall also include rank-and-file, regular or contractual, job order or plantilla employees, supervisors, officers and members of the Board of Administrators.
- **RETALIATORY ACTION** – means the discharge, suspension, demotion, harassment, blacklisting or the refusal to hire an employee, or other adverse employment action taken against an employee in the terms and conditions of employment, or other actions which interfere with an employee's ability to engage in protected activities set forth under this policy.
- **WHISTLEBLOWING** – refers to the process whereby employees are encouraged to report suspected violations, complaints or concern involving financial disclosures, accounting, code of conduct and ethics or policies. Whistleblowing encourages employees to bring unethical or illegal practices to the forefront and addressing them before they become detrimental to the Office.

C. OBJECTIVES OF THE POLICY

A whistleblowing program is an important element of internal audit and control. Its main objectives are as follows:

1. To encourage employees to bring suspected malpractices, ethical and legal violations they are aware of to the attention of an internal authority.
2. To avoid exposing the office to risk or damage that may occur when employees violate a certain code of conduct. A strong whistleblowing program is one of the best means of reducing the impact of fraud and serious misconduct.
3. To help promote and develop a culture of openness, accountability and integrity within the office. The policy supports and assists personnel who have genuine concern to bring it to the attention of people within the office who can take appropriate actions.

D. SCOPE OF THE GUIDELINE

1. The guideline shall apply to all employees of NEA as defined.
2. The following concerns and issues shall encompass reporting by concerned employees:
 - a. Violations of the provisions of the following rules and regulations, to wit:
 - i. R. A. No. 6731, "Code of Conduct and Ethical Standards for Public Officials and Employees";
 - ii. R. A. 3019, "Anti-Graft and Corrupt Practices Act",
 - iii. R. A. 7080, as amended, "The Plunder Law";
 - iv. Book II, Title VII, Crimes Committed by Public Officers, The Revised Penal Code;
 - v. Executive Order No. 292 s. 1987, "Administrative Code of 1987";
 - vi. R. A. No. 10149, "The GOCC Governance Act of 2011";
 - vii. GCG MC No. 2012-05, "Fit and Proper Rule";
 - viii. GCG MC No. 2012-06, "Ownership and Operations Manual Governing the GOCC Sector";
 - ix. GCG MC NO. 2012-07, "Code of Corporate Governance for GOCCs"; and
 - x. Other Circulars and Orders and applicable laws and regulations.
 - b. Reportable Conditions as provided under GCG Memorandum Circular No. 2016-02, Revised Whistleblowing Policy for the GOCC Sector.

E. PROTECTED ACTIVITIES

No retaliatory action shall be made against an employee because he/she does any of the following:

1. Discloses, threatens to disclose, or is about to disclose to his/her immediate superior or through any means under this policy an activity, policy or practice of the officers, co-employee, or any of the members of the Board of Administrators, that the employee reasonably believes is in violation of a law, regulation or policy.
2. Provides information to, or testifies before any panel duly constituted under this policy or competent court of jurisdiction conducting an investigation, hearing or inquiry into any violation committed under the scope of this program or of any law, rule, regulation or policy.
3. Discloses, threatens to disclose or is about to disclose to a superior or through any means provided under this policy, or public officer a policy or practice of an officer, co-employee or any of the members of the Board of Administrators that the employee reasonably believes is incompatible with the mandate of this office.



F. POLICIES

1. A confidential reporting channel/mechanism shall be established wherein whistleblowers may convey or communicate their concerns and/or complaints.
2. All reports must state the specific conditions/s, action/s and/or omission/s being complained about, as well as the corresponding laws, rules or regulations allegedly violated. If possible, documentary and other evidence in support of the allegation must be submitted for evaluation.
3. All reports by whistleblowers shall be treated fairly, properly and confidentially to the greatest extent possible. As such, the process allows for anonymous reporting. The whistleblower who informs against any wrongdoing may choose to maintain his anonymity and provide a manner by which he/she can be contacted without jeopardizing his anonymity. If any employee is making an identity disclosure, said employee shall retain his/her anonymity unless he/she agrees otherwise.
4. The anonymity is limited and exclusive only to the whistleblower. All respondents or those complained of must be clearly identified by their full names and positions. Furthermore, the alleged violations, actions and/or omissions must be clearly identified, together with the law, rule and regulation allegedly violated.
5. In the event that the whistleblower withdraws or desist from providing additional information, the investigation shall continue provided that the evidence gathered is sufficient as determined by the whistleblowing committee.
6. In the event that the complained employee resigns prior to the final resolution of the case against him/her, the investigation shall still continue provided that the evidence gathered is sufficient as determined by the whistleblowing committee.
7. The filing of a case in a court of competent jurisdiction does not affect the conduct of the investigation to determine administrative liability, if any.
8. The whistleblowing program intends to provide warnings and promote ethical conduct in the office. In this manner, the whistleblower may raise matters of concern or issues that are within the scope of the program enumerated per letter D above.
9. The Office shall ensure that no employee shall be at risk of suffering some form of retribution as a result of reporting or raising a concern.
10. Employees shall be responsible to raise only genuine concerns, in good faith and without any ulterior motive. The process should not be used to support personal grievances about conditions of employment or disputes.
11. The Administrator may create and appoint a "Whistleblowing Committee" that would handle the overall responsibility for the implementation and maintenance of the program.

G. GCG WHISTLEBLOWING WEB PORTAL

The Governance Commission has established the website www.whistleblowing.gcg.gov.ph as its primary reporting channel for whistleblowers under GCG Memorandum Circular No. 2016-02, Revised Whistleblowing Policy for the GOCC Sector. This reporting channel is an online-based platform by which whistleblowers may securely submit reports electronically while at the same time ensuring their anonymity and the confidentiality of their reports. Whistleblowers are encouraged to utilize this online reporting channel.

H. CONFIDENTIALITY

Except when the whistleblower does not invoke anonymity and/or confidentiality when invoking the policy under this guideline, the office shall ensure confidentiality of all information arising from whistleblowing reports submitted. It shall treat all reports including the identity of the whistleblower and the person complained of in a confidential and sensitive manner. The identity of the whistleblower will be kept confidential, unless compelled by law or the Courts to be revealed, or unless the whistleblower authorized the release of his/her identity.

I. PROTECTION OF A WHISTLEBLOWER AGAINST RETALIATION

Retaliatory acts against whistleblowers who submit whistleblowing reports in good faith shall not be tolerated by this office which shall extend all possible assistance to the whistleblower under the law and given the circumstances. Such retaliatory acts may include:

- (a) Discrimination or harassment in the workplace;
- (b) Demotion;
- (c) Reduction in salary or benefits;
- (d) Termination of contract;
- (e) Evident bias in performance evaluation; or
- (f) Any acts or threats that adversely affect the rights and interests of the whistleblower.

J. UNTRUE ALLEGATIONS

If a whistleblower makes allegations that are determined to be fabricated or malicious falsehoods, and/or he/she persists in making them, legal action may be taken against him/her by the office.

K. EFFECTIVITY CLAUSE

This guideline shall take effect fifteen (15) days after the approval by the NEA Board of Administrators, and after submission of three (3) certified copies of the same to the office of the National Administrative Registry at the University of the Philippines Law Center.


EDGARDO R. MASONGSONG
Administrator

Board of Administrators



ALFONSO GABA CUSI

Chairman, NEA-BOA
Secretary, Department of Energy

Age: 69

Date of First Appointment: July 1, 2016

Highest Educational Qualifications:

Doctorate in Business, Honoris Causa
Polytechnic University of the Philippines

Master in Business Administration
University of the Philippines, Cebu

BS in Business Administration
La Salle College, Bacolod

Relevant Experiences prior to appointment:

- General Manager Philippine Ports Authority (PPA)
- General Manager, Manila Int'l. Airport Authority (MIAA)
- Director General, Civil Aviation Authority of the Philippines (CAAP)



AGUSTIN LAYOSO MADDATU

Member, NEA-BOA (2016-present)

Age: 69

Date of First Appointment/
Sworn to Office: November 18, 2016

Highest Educational Qualifications:

BS in Commerce, Major in Business Administration
University of the East, Manila

Relevant Experiences prior to appointment:

- Deputy Administrator for Administration, NEA
- Rural Electrification Director, NEA
- Acting General Manager, various ECs
- Chief of Research Division, NEA
- Financial Analyst, NEA

Continuing Education Program:

- Corporate Governance: Board Effectiveness Best Practices November 9, 2018, Manila Marriot Hotel, Pasay City
- Introduction to Finance for Directors, August 24, 2017, Discovery Primea, Makati City
- Best Practices in Parliamentary Procedures for Public Officials May 26, 2017, Manila Marriott Hotel, Pasay City
- Professional Directors Program March 1, 8, 9, 15, 16, 2017, Discovery Primea/ Dusit Thani Hotel, Makati City



ATTY. FELIX WILLIAM BUQUID FUENTEBELLA

Alternate Chair, NEA-BOA
Undersecretary, Department of Energy

Age: 44

Date of First Appointment: October 24, 2016

Highest Educational Qualifications:

RA 1080 - Philippine Bar
San Sebastian Recoletos
Institute of Law, Ateneo de Manila University

BS in Business Administration
University of the Philippines, Dilliman

Relevant Experiences prior to appointment:

- Undersecretary, Department of Energy (DOE)
- Deputy Secretary General, Housing and Urban Development Coordinating Council (HUDCC)
- Commissioner, Housing and Land Use Regulatory Board (HLURB)
- Chief of Staff and Head Legislative Staff Office of Congressman Arnulfo Fuentebella
- Assistant Majority Floor Leader, 12th Philippine Congress
- Political Affairs Officer, Office of Congressman Arnulfo Fuentebella

Continuing Training Program:

- Training Module on Phronetic Leadership, July 31-August 4, 2018, Development Academy of the Philippines, (DAP) Conference Center, Tagaytay City
- Phronetic Leadership Training, September 9-15, 2018, Japan
- 15th Asia Cooperation Dialogue (ACD) and Other Related Meetings, January 15-18, 2017, Abu Dhabi, UAE
- ASEAN Government Leadership Program (AGLP), May 7-12, 2017, Ossining, New York and Washington D.C., USA
- Guest Speaker to the Korea-Asia Energy Cooperation Seminar, July 6-7, 2017, Seoul, Korea



RENE MIJARES GONZALES
Member, NEA-BOA (2017-present)

Age: 63

**Date of First Appointment/
Sworn to office: May 10, 2017**

Highest Educational Qualifications:
BS in Military Education and Training
Philippine Military Academy, Baguio City

Relevant Experiences prior to appointment

- Executive Director
CIRCA Security and Investigation, Inc.
- Division Chief, Intelligence
Civil Aviation Authority of the Philippines
- Department Manager, Intelligence and
Investigation ID and Pass Control
Manila International Airport Authority

Continuing Education Program:

- Corporate Governance: Board
Effectiveness Best Practices
November 9, 2018, Manila Marriot
Hotel, Pasay City
- Introduction to Finance for Directors
August 24, 2017, Discovery Primea,
Makati City
- Best Practices in Parliamentary
Procedures for Public Officials
May 26, 2017, Manila Marriott Hotel,
Pasay City



ALIPIO CIRILO VILLACORTA BADELLES
Member, NEA-BOA (2017-present)

Age: 69

**Date of First Appointment/
Sworn to office: September 28, 2017**

Highest Educational Qualifications:
Bachelor of Commerce
San Beda College, Manila

Bachelor of Laws
San Beda College, Manila

Relevant Experiences prior to appointment:

- Co-chairman, House Joint Congressional
Power Commission (JCPC)
- Chairman, Committee on Energy,
12th and 13th Congress
- Chairman, Committee on Ethics
11th Congress
- Founder, Badelles Law Office
- President, Integrated Bar of the
Philippines (IBP), Lanao del Norte Chapter
- Governor, IBP Northern Mindanao



EDGARDO RAMA MASONGSONG
Member, NEA-BOA (2016-present)
Administrator, NEA (2016-present)

Age: 60

**Date of First Appointment/
Sworn to Office: November 18, 2016**

Highest Educational Qualifications:
AB Major in Philosophy
Notre Dame University, Cotabato City

Theological Studies,
St. Francis Xavier Regional Major Seminary
(SFX-REMASE), Davao City

Relevant Experiences prior to appointment:

- Representative, I-CARE Party-list
16th Congress
- General Manager, Bukidnon Second
Electric Cooperative, Inc. (BUSECO)
- Assistant City Administrator
Cebu City Government
- Branch Manager, Region 7 Visayas
Cooperative Development Center (VICTO)
- Organizer of various sectors in Mindanao
and worked closely with the Consortium
for Rural and Urban Service Projects and
the Parishes in Davao City and Cotabato
Provinces.

Continuing Training Program:

- 2018 National Rural Electric Cooperative
Association (NRECA) Annual Meeting,
February 24-March 2, 2018, Nashville,
Tennessee, U.S.A.
- Asia Clean Energy Forum
June 5-8, 2017
ADB Headquarters, Mandaluyong City
- Professional Directors Program
March 1, 8-9, 15-16, 2017, Discovery
Primea/ Dusit Thani Hotel, Makati City

NOTABLE ACCOMPLISHMENTS OF THE BOARD

The NEA Board of Administrators is composed of five members, including the NEA Administrator, and headed by the Secretary of the Department of Energy (DOE) as Chairman.

For the year 2018, a total of twenty one Regular Board Meetings (11 regular, 10 quasi-judicial matters) and three special meetings were held by the NEA Board of Administrators, approving a total of 208 resolutions to respond to the requirements of NEA, the ECs and the Rural Electrification Program as a whole.

On the other hand, the NEA Board Committees each accomplished the following:

1. The Board Governance, Nomination and Remuneration Committee (BGNRC) chaired by Board Member Agustin L. Maddatu held a total of 10 meetings and was able to approve 108 Resolutions.
2. The Board Credit and Risk Management Committee (BCRMC) chaired by Board Member Alipio Cirilo V. Badelles held a total of 10 meetings and was able to approve 54 Resolutions.
3. The Board Audit Committee (BAC) chaired by Board Member Rene M. Gonzales held a total of 10 meetings and was able to approve 26 Resolutions.



Administrator's Report

2018 has certainly been full of challenges, but there were also noteworthy success stories. Hence, allow me to present to you the 2018 Annual Report, which shares the details of our activities and highlights of our accomplishments throughout the year in the aspiration to advance our vision of sustainable rural development in the countryside amidst continuing challenges in this dynamic sector of the power industry.

I. Rural Electrification Program

Since its inception as an institution in 1969 through Republic Act No. 6038, the NEA, in partnership with the electric cooperatives (ECs), has been at the forefront of implementing the country's rural electrification program.

For the last five decades, the state-run agency has remained true to its mandate of bringing light to provinces and villages, however remote and far-flung they may be, making positive impact on the lives of many Filipinos.

As of December 2018, the data on the electrification status of the franchise areas of the ECs showed that 78 provinces, 90 cities, 1,385 municipalities, 36,057 barangays, 123,339 sitios and some 12.827 million consumers have been provided with electricity, benefiting about 60 million Filipinos across the nation.

With the ECs as its implementing arm in the mandated mission of rural electrification, even in missionary or economically unviable areas, the NEA continues to implement the Sitio Electrification Program (SEP) which energized **1,984 sitios** surpassing the 1,817 target for 2018. This contributed to additional **640,798 consumer connections** nationwide.

II. Provision of Loan Facilities to ECs

With regard to financial assistance to ECs, the NEA has extended **PhP1.985 billion** worth of loans, including calamity loans, to 62 ECs in 2018, exceeding the full-year loan availment target of PhP1.7 billion.

The agency released a total of PhP1.820 billion to 56 ECs to finance capital expenditure projects and PhP99 million to six other ECs for the repair and rehabilitation of damaged distribution facilities due to previous typhoons Lawin, Urduja and Vinta, and other calamities.

It is also encouraging to note that NEA posted a total collection of **PhP2.263 billion** for the year's operation against amortizations due of PhP2.223 billion, or collection efficiency of 100 percent.

III. Capacity Building Program for EC Personnel

In line with the policy of the state as enunciated in Section 2 (c) of RA 10531 to empower and enable the ECs to cope with the changes brought about by the restructuring of the power industry, the NEA conducted various competency seminars and training programs for the personnel of the ECs. These were attended by **3,298** participants.

Essentially, the seminars and training programs were designed to enhance the core values and Financial, Institutional, and Technical (FIT) skills of the personnel of the ECs to bring about marked improvement in the ECs' operational efficiency and financial viability.

IV. Corporate Governance

A. ISO 9001:2015 Certification

Anchored on its Good Governance Agenda, the agency was able to hurdle the ISO 9001:2015 Surveillance Audit conducted by TÜV Rheinland Philippines, Inc. on December 5, 2018, covering the scope "Provision of Financial, Institutional, Technical and Legal Assistance to the Electric Cooperatives (ECs) which in turn undertake power distribution on an area coverage basis".

B. Customer Satisfaction Survey

The NEA continuously espouses good corporate governance in order to provide better service to the ECs. This was clearly manifested in the report submitted by Contact Asia Services Inc. (CASI) Research, the third-party service provider for the conduct of the EC Customer Satisfaction Survey (CSS). The overall satisfaction rating garnered by NEA is at **4.50 or 90 percent**, which translates to the verbal interpretation of **“Very Satisfied.”**

The CSS covered six items, namely Staff and Organization Regulatory: Policies, Regulatory: Application, Financing, Information and Communication and Facilities. Overall, NEA's offices/departments were rated by the respondents with the average levels of satisfaction ranging from “Satisfied” to “Very Satisfied.”

V. Passage of Electric Cooperatives Emergency and Resiliency Fund (ECERF) Act

The year 2018 also saw the passage into law of RA 11039, otherwise known as Electric Cooperatives Emergency and Resiliency Fund (ECERF) Act, which provides an orderly and continuing means of financial assistance to electric cooperatives in the form of grants for disaster mitigation, preparedness and rehabilitation of damaged infrastructure after a fortuitous event or force majeure.

Under the law, the NEA will manage and administer the ECERF, with an initial amount of PhP750 million to be taken from the National Disaster Risk Reduction and Management (NDRRM) Fund, and will be downloaded to the NEA Quick Response Fund for proper release to qualified ECs. In case of fund deficiency, the NEA may seek the allocation of a supplementary budget, subject to the approval of the President.

The law also allows NEA to accept donations in the form of funds, materials and equipment intended for the restoration and rehabilitation of the ECs' damaged infrastructure, subject to existing auditing rules and regulations and shall be exempt from taxes and duties. In turn, the ECs shall implement the rural electrification program nationwide as well as ensure the preparedness and mitigation measures to protect the infrastructure from the adverse impact of any fortuitous event or force majeure.

The Proposed Implementing Rules and Regulations (IRR) of ECERF was approved by the NEA Board of Administrators on December 7, 2018 under Board Resolution No. 208.

VI. Mobilization of Task Forces

A. Task Force Ompong

In September 2018, a task force composed of ECs from Central Luzon was mobilized for deployment to the north to help restore power in areas left in the dark due to Typhoon Ompong (Mangkhut). Dubbed as "Power Restoration Rapid Deployment (PRRD) Task Force," the team augmented the manpower of the typhoon-affected ECs and provided the necessary assistance to restore the electricity service.

B. Task Force Rosita

A month later, NEA mobilized anew the PRRD Task Force to help restore power in the provinces of Isabela and Quirino devastated by Typhoon Rosita (Yutu). The storm, which made

landfall in Dinapigue, Isabela on October 30, 2018, left a path of destruction in 19 provinces in Luzon, including Isabela and Quirino.

The mobilization of the Task Force is a time and tested spirit of bayanihan among ECs as a Compact of Cooperation. The Task Force pools together volunteers from different ECs to render service to other power distribution utilities that need assistance like energization of hard-to-reach places, and rehabilitation of damaged electric distribution lines.

VII. 2017 EC Overall Performance Assessment

To keep track of the viability of their operations economically and financially, the NEA evaluates and determines the overall performance of all power distribution utilities under its supervision annually using the two criteria: Key Performance Standards (KPS), which account for 80 percent; and EC Classification, 20 percent.

Based on the 2017 EC Overall Performance Assessment, there is an increase in the number of power distribution utilities that are fully compliant with the KPS. The ECs that were rated AAA rose to 87 from 78 in 2016. Of these, 33 ECs received an overall score of 100, which is higher than the 24 ECs that garnered 100 points from the previous assessment.

Meanwhile, all power distributors in Regions VI (Western Visayas), VII (Central Visayas) and CARAGA attained AAA rating, making them the highest performers. Region VIII is the most improved region with 10 of its 11 ECs earning the AAA categorization.

Additionally, the assessment revealed that 76 ECs maintained their AAA status while 20 ECs showed improvement in ratings, 11 of which were to AAA categorization level. Moreover, 83 percent or a total of 101 out of the 121 ECs have notched either AAA, AA or A status the previous year. Of the remaining 20 ECs, four improved their performance either from C to B or D to C; 13 ECs manifested improvement in total scores while three retained their performance level.

The AAA rating is the highest score given by the NEA to ECs that indicates the power distributors' full compliance on four parameters, namely financial, institutional, technical and reportorial requirements. The D rating is the lowest.

Path Forward

Credits for these achievements should be extended to the hardwork and dedication of the men and women of NEA, and the continued support of our partners, the ECs, in our rural electrification drive. As we look ahead to 2019, we are optimistic about continued progress. Together with the ECs, we will keep exploring fresh ideas and innovative strategies to further improve the delivery of service and the lives of many Filipinos.


EDGARDO R. MASONGSONG
NEA Administrator



INDEPENDENT AUDITOR'S REPORT

THE BOARD OF ADMINISTRATORS

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statement of **National Electrification Administration (NEA)**, which comprise the statements on financial position as at December 31, 2018 and 2017, and the statements of financial performance, statements of changes in net assets /equity, statement of cash flows, statements of comparison of budget and actual amounts for the years then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the NEA as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with Philippine Public Sector Accounting Standards (PPSASs).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the NEA in accordance with the Code of Ethics for Government Auditors (Code of Ethics) together with ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PPSASs, 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.

In preparing the financial statements, management is responsible for assessing the NEA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the NEA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the NEA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on a basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 NEA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NEA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the NEA to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

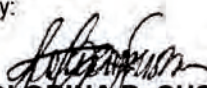
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required by the Bureau of Internal Revenue on taxes, duties and license fees disclosed in Note 25 to the financial statements is presented for purposes of additional analysis and is not a required part of financial statements. Such supplementary information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all materials respects in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT

By:


GLORINA B. SUSON
 OIC - Supervising Auditor

May 22, 2019



NATIONAL ELECTRIFICATION ADMINISTRATION
 NEA, ECs and MCOs: Partners in Rural Electrification and Development
 57 NIA Road, Government Center, Diliman, Quezon City 1100



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the **NATIONAL ELECTRIFICATION ADMINISTRATION** is responsible for the presentation of the financial statements as at **December 31, 2018**, including the additional components attached thereto in accordance with the Philippine Public Sector Accounting Standards (PPSAS). The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material statement whether due to fraud or error, selecting, and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Administrators reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.

The Commission on Audit has audited the financial statements of NEA in accordance with the Philippine Public Sector Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Administrators.


FELIX WILLIAM B. FUENTESBELLA
 Alternate of the Chairman of the Board


SONIA B. SAN DIEGO
 Deputy Administrator for Corporate Resources and Financial Services


Edgardo R. Masongsong
 Administrator

STATEMENT OF FINANCIAL POSITION

For the Year Ended December 31, 2018

(With comparative figures for 2017)

(In Philippine Peso)

	2018	2017
ASSETS		
Current Assets		
Cash and Cash Equivalents	3,530,514,170	7,730,877,235
Receivables	5,670,836,163	5,509,913,600
Inventories (Net)	2,242,947	6,131,650
Other Assets	3,244,436	3,546,704
Total current assets	9,206,837,716	13,250,469,189
Non-Current Assets		
Long-Term Loans Receivable	11,076,250,541	10,340,362,067
Property and Equipment (Net)	191,493,464	218,121,982
Other Assets	14,434,602	4,710,503
Total non-current assets	11,282,178,607	10,563,194,552
TOTAL ASSETS	20,489,016,323	23,813,663,741
LIABILITIES		
Current Liabilities		
Financial Liabilities	38,169,092	49,416,153
Inter-Agency Payables	17,472,768,798	18,310,644,942
Other Payables	1,400,311,663	10,038,177,016
Total current liabilities	18,911,249,553	28,398,238,111
Non-Current Liabilities		
Loans Payable - Domestic	-	-
Loans Payable - Foreign	-	-
Financial Liabilities	89,463,352	92,261,855
Deferred Credits	36,616,257	58,514,187
Total non-current liabilities	126,079,609	150,776,042
TOTAL LIABILITIES	19,037,329,162	28,549,014,153
EQUITY	1,451,687,161	(4,735,350,412)
TOTAL NET ASSETS/EQUITY	20,489,016,323	23,813,663,741

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended December 31, 2018

(With comparative figures for 2017)

(In Philippine Peso)

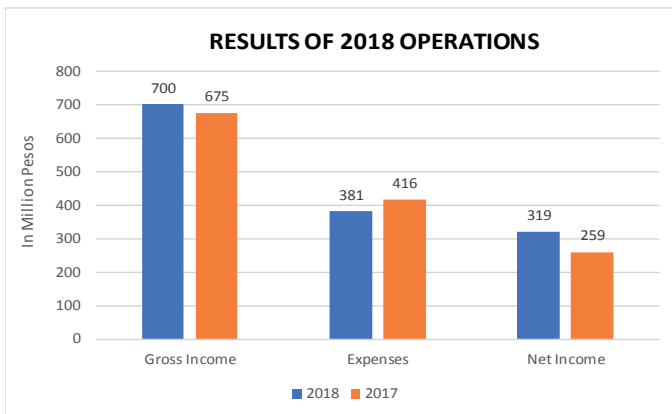
	2018	2017
INCOME		
General Income		
Interest Income	633,468,186	621,104,847
Service Income	67,115,426	54,307,328
Total Income	700,583,612	675,412,175
EXPENSES		
Personal Services	241,862,331	239,037,030
Maintenance and Other Operating Expenses	139,750,471	176,959,051
Total Expenses	381,612,802	415,996,081
Net Income from Operations	318,970,810	259,416,094
Other Income(Expenses)		
Gain/(Loss) on Foreign Exchange	465,748	(828,987)
Gain/Loss on Sale of Disposed Assets	-	-
Financial Expense	(107,364,320)	(67,713,662)
Other Income	16,740,660	32,666,274
Total Other Income/Expenses (Net)	(90,157,912)	(35,876,375)
Net Income Before Income Tax	228,812,898	223,539,719
Income Tax	70,066,707	70,891,354
NET INCOME AFTER TAX	158,746,191	152,648,365
Net Assistance/Subsidy	(1,926,800,748)	-
NET INCOME/(LOSS)	(1,768,054,557)	152,648,365

FINANCIAL MANAGEMENT

Finance Services

- POSITIVE RESULTS OF OPERATIONS**

Since 2003, NEA has consistently attained positive results of operations. Operating and Service Income totaled Php700 million while total operating expenses amounted to Php381 million resulting to a Net Income from Operations of Php319 million for the year 2018.



- RESPONSIBLE CITIZENSHIP**

The Agency, through the Finance Services Department (FSD), consistently complied with government rules and regulations particularly with Internal Revenue Code of the Philippines as provided under Republic Act No. 8424 or the Tax Reform Act of 1997. For CY 2018, the amount of Php70.07 million was remitted to the Bureau of Internal Revenue (BIR) as Corporate Income Tax.

On the other hand, Dividends in the amount of Php83.86 million was paid to the Bureau of Treasury (BTr) representing 50% of the Agency's CY 2018 net earnings. This was also in compliance with the requirements of Section 5 of RA 7656 or the GOCC Dividends Law.



NEA represented by Atty. Goldelio G. Rivera and Atty. Vicar Loureen G. Lofranco (not in photo) during the 2018 GOCC Dividends Day on July 31, 2018 at Malacanang Palace, Manila.

- UNMODIFIED COA OPINION**

In the audit of the Agency's Financial Operations for the years ending December 31, 2018 and 2017, COA rendered an unmodified opinion on the fairness of the presentation of the financial statements as indicated in the Independent Auditor's Report. This is the 12th time NEA received a favorable review on its conformity to Generally Accepted Accounting Principles (GAAP) in accordance with the Philippine Public Sector Accounting Standards (PPSAS).

- COLLECTION OF ECs LOAN AMORTIZATION**

Total collections for 2018 amounted to Php2.263 billion as against the collection target of Php2.223 billion or 102% collection efficiency. Compared to CY 2017 collection performance of 100%, collection efficiency increased by 2% due to increase in advance payment made by the ECs and restructuring of arrearages. The top 5 paying ECs are shown in Table 1.

EC	AMOUNT (In Million)
1 CENPELCO	93.11
2 OMECO	75.57
3 NEECO II-AII	74.44
4 FIBECO	70.49
5 MORESCO I	63.60
TOTAL	377.21

Table 1

- COMPLIANCE TO THE SUBMISSION OF PRODUCTION DATA WITH THE CREDIT INFORMATION CORPORATION**

Pursuant to the Republic Act No. 9510, also known as Credit Information System Act (CISA) creating the Credit Information Corp. (CIC) to address the need to build a comprehensive, centralized, and reliable credit database in the Philippines to serve as a tool in credit facility decision, NEA is directed to regularly submit to CIC any negative or positive credit information of all its borrowers, the Electric Cooperatives (ECs).

After a series of seminars and training conducted and compliance to CIC requirements, submission of data in the testing phase were successfully loaded to CIC's database. On January 25, 2019, the CIC announced that NEA can start the submission of production data of all ECs. The CIC further expressed its appreciation and lauded NEA for its active participation in this endeavor of the government.

- LOANS FACILITATED**

As part of NEA’s mandate to help the electric cooperatives become competitive in the electricity industry, the Accounts Management and Guarantee Department (AMGD) facilitated loans to 62 ECs amounting to Php2.084 billion for 2018 as shown in Table 2.

LOAN FACILITY	AMOUNT	NO. OF ECs
	(In Million PhP)	
Short-Term Credit Facility (STCF)/ (average per month)	20	1
Stand-By Credit Facility (SCF) (average per month)	145	1
RE- Capital Expenditure Projects	1,279	50
RE-Working Capital	374	9
Modular Generator Sets	167	4
Calamity	99	6
TOTAL	2,084	62

Table 2

- PERCENTAGE OF LOANS RELEASED WITHIN PRESCRIBED PROCESSING PERIODS**

To guarantee efficient, effective and prompt assistance to ECs’ loan request, NEA was able to facilitate all ECs’ request within the prescribed processing periods; 100% within 24 days for Regular Term Loan, 13 days for Short Term Loan and 85% of ECs’ requests within 7 days for Calamity Loan, respectively.

- SUBSIDY RELEASES AND LIQUIDATION**

NEA released subsidy funds amounting to Php3.265B (SEP/BLEP - Php3B and Calamity Grant Php265M) to 115 ECs in 2018 for the attainment of total electrification of the countryside. Calamity grants are subsidy funds given to typhoon affected ECs for the rehabilitation of damaged distribution system. These subsidy funds released to ECs are subject to liquidation following COA rules and regulations.

For the year 2018, the total amount of liquidation of subsidy funds released to ECs amounted to Php2.790B.

- PAYMENT OF NATIONAL GOVERNMENT (NG) ADVANCES**

While NEA was able to fully settle its foreign loan obligations on April 11, 2017, it has payables from the National Government (NG), particularly the Bureau of the Treasury (BTR), for the advances made by BTR in the payment of the Agency’s foreign loan amortization.

The total advances to NEA amounting to Php18.321B was requested for conversion into subsidy. Accordingly, the DOF considered the conversion of Php14.915B into subsidy, leaving a balance of Php3.246B, payable in four years starting 2018 up to 2021.

NEA paid the first installment on July 31, 2018 to BTR in the amount of Php982,235,907.01 (inclusive of interest on advances amounting to Php170,576,617.01). The amount of Php47,090,442.80 representing interest on advances from August 1, 2018 to December 31, 2018 has been processed for remittance to BTR.

- CONVERSION OF CALAMITY LOAN INTO GRANT**

For the year 2018, the NEA Board of Administrators approved the conversion of calamity loan aggregating Php103 million into a Grant, as reflected in Table 3.

EC	AMOUNT	TYPHOON
	(In Million PhP)	
BATANELCO	48	Ferdie
MARELCO	2	Nina
QUEZELCO I	12	Nina
CASURECO I	2	Nina
CASURECO II	4	Nina
CASURECO IV	1	Nina
FICELCO	5	Nina
BILECO	12	Urduja
LANECO	17	Vinta
TOTAL	103	

Table 3

INSTITUTIONAL STRENGTHENING



- **ROUNDTABLE ASSESSMENT OF EC OPERATIONS**

In order to help ECs enhance their operations, NEA through its Management and Consultancy Services Office (MCSO), provided various assistance and management interventions.

One of them was the Roundtable Assessment for Underperforming, Financially and Technically Distressed Electric Cooperatives (ECs). For the year, roundtable assessments of eight ECs were conducted between June 13 to July 5, 2018, namely PELCO III, SULECO, TAWELCO, BASELCO, ZAMSURECO II, TISELCO, ABRECO, and MASELCO.

This innovative strategy was designed to focus on the detailed implementation of the ECs' rehabilitation plans, zero-ing on accomplished targets and identifying options to address unmet ones.

The roundtable discussions were participated in by the Administrator, deputy administrators and department managers for Performance Assessments and Special Studies, Accounts Management and Guaranteeing, Engineering, EC Audit and Management Consultancy Services, and the Board of Directors, General Managers, Department Managers, Division Chiefs/Supervisors and Section Chiefs of the concerned ECs where the ECs outlined their 2018 Strategic Development Plans (SDPs)/ Operation Improvement Plans (OIPs).

The valuable inputs that were raised during the discussions were considered in the finalization of the SDPs/OIPs of these ECs.

Accordingly, SDPs/OIPs of PELCO III, ZAMSURECO II, BASELCO, SULECO and TAWELCO were approved. including that of CASURECO III, ALECO-APEC and DANECO which did not attend the roundtable assessment.

- **POLICY GUIDELINES FORMULATION**

To institutionalize NEA's Consultancy Services, the Board of Administrators approved the Policy on Management and Consultancy Services to ECs under Board Resolution No. 155, series of 2018 dated 29 August 2018.

This policy provided the guidelines for the establishment of a system of accreditation of management consultants for ECs to ensure their financial and operational viability in general, and to address specific areas of concerns and achieve a turnaround in EC operations, in particular.



Subsequently, the Policy Guidelines on NEA Accreditation of Management Consultants for ECs was also approved under Board Resolution No. 192, Series of 2018 dated 23 October 2018. Under the said Policy, a Management and Consultancy Services Committee (MCSeC) which shall be in-charge of accreditation of applicants and renewal of accreditation, among others was created.

- **MONITORING AND SUPERVISION OF OPERATIONALLY-CHALLENGED EC**

In 2018, six ECs from "B" or "C" to at least "A" Rating improved their overall performance through NEA's comprehensive and multi-disciplinary (financial, institutional and technical) assistance. These ECs were :

EC	2017	2018
ISELCO II	B	A
NUVELCO	C	A
CASURECO II	B	AAA
SORECO I	C	A
NORSAMELCO	B	A
COTELCO-PPALMA	B	AA

- **APPOINTMENT/DEPLOYMENT OF EXPERTS**

Consistent with the provisions of Section 7 of Republic Act 10531 or the National Electrification Administration Reform Act of 2013, NEA exercised its powers by appointing Project Supervisors, Acting General Managers, Assists and Task Force members to various performance-challenged ECs to stop the downward spiral of operations and effect or turnaround towards improvement and viability. As of December 31, 2018, experts were deployed to 11 ECs such as NORSAMELCO, LANECO, CASURECO III, MASELCO, ALECO, KALCO, ABRECO, FICELCO, OMECO, ORMECO, and PALECO.

- **AUDIT SERVICES**

In ensuring that partner-Electric Cooperatives (ECs) generate peak performance and exemplify competitiveness, NEA, through the Electric Cooperatives Audit Department (ECAD), undertakes regular conduct of Financial and Management Audit to determine the ECs' compliance to prescribed guidelines, memoranda and sound internal control systems.

For 2018, a total of 22 against the target of 20 ECs underwent audit processes such as Comprehensive Operations Audit of BUSECO; Financial and Technical Audit of ZAMCELCO and ALECO/APEC; and Special Cash Audit of ABRECO.

Also, requests for special audit were responded to like the conduct of audit and validation of complaints to ILECO I and the CDA-registered coop QUIRELCO, and a Rate Review and Analysis of ABRECO during the last quarter of 2018 as requested by the NEA Management Assistance Team.

A total of 23 audit reports were finalized and furnished the concerned ECs for their information and formulation of corresponding plans of action for the identified deficiencies.

- **REVIEW AND EVALUATION OF ECs' PLANS OF ACTION**

As part of the due process, the EC Management and its Board are given chances to provide justifications or explanations in relation to the audit findings or present action plans in response to the audit recommendations before the report becomes final.

For the year, justifications and/or action plans of 25 ECs were evaluated.



In addition, NEA monitored the implementation of audit recommendations and action plans of nine ECs. As a result, audit ratings of nine ECs were re-computed and adjusted after having shown significant improvement in their performance or complied with most of the audit recommendations.

- **EVALUATION OF ECs' NON-PERFORMING ASSETS (NPAs) FOR DISPOSAL**



To assist the ECs in raising additional cash for their operations, NEA conducted the evaluation of the Non-Performing Assets (NPAs) for disposal of 23 ECs in order to appraise its market value and determine a floor price. NEA approved the disposal at a total floor price of PhP28,493,295.65.

- **WRITE-OFF OF ACCUMULATED UNCOLLECTIBLE POWER BILLS**

NEA assessed and approved a total of PhP236,431,708.13 accumulated uncollectible power bills to be written-off by 33 ECs. This will help ECs reflect good financial position.

- **CAPACITY-BUILDING ACTIVITIES**

Lastly, six batches of seminar-workshops on the Revised Procurement Guidelines and Simplified Bidding Procedures for ECs were conducted and attended by some 417 participants including several participants from Northern Mindanao Electric Cooperatives Association (NORMECA) and CARAGA Rural Electric Cooperatives Association (CRECA)-member ECs.



- **ORGANIZATION AND MANAGEMENT OF ECs**

NEA, through the Institutional Development Department, (IDD), is mandated to ensure the efficient management of ECs through formulation and issuance of policies and guidelines that are consistent with good corporate governance standards and practices and responsive to the requirements and directives of regulatory bodies.

A. Policy Formulation and Issuance

For 2018, a total of 13 policies and guidelines were amended/enhanced to enable the ECs to improve their operational efficiency and effectiveness. These issuances include, among others, the following:

- Policy on Assignment of Acting General Manager and/or Project Supervisor to Electric Cooperatives,
- Revised Guidelines for the Selection and Appointment of NEA Representatives to the Electric Cooperative (EC) Board of Directors,
- Deferment of District Elections of ECs in Region 12 and ARMM due to the extension of validity of Proclamation No. 216 issued on May 23, 2017; and, to 2018 Barangay Election and 2019 National and Local Elections and Guidelines in the Candidacy of EC Officials and Employees,
- Revised Guidelines on the conduct of Examination and Interview for Applicants to the position of General Managers of Electric Cooperatives,
- Revised Retirement Plan for General Managers of Electric Cooperatives (3rd Revision),
- Filing of amended articles of incorporation, conversion of electric cooperatives (ECs), for extension of cooperative term, and
- Other policies pertaining to salaries, benefits, allowances and incentives of EC Board officials, management and employees.

Further, Institutional Advisories were formulated and issued to guide ECs and provide direction in attaining high level operational efficiency and sustaining good performance.

B. Institutional Upgrading

Moreover, NEA endeavored to effectively deliver its core functions through various initiatives by providing assistance aimed at upgrading the ECs' institutional and human resource capabilities.

To address ECs concerns on contractualization, NEA provided assistance to 11 ECs namely ROMELCO, NORECO I, BANELCO, ILECO II, QUEZELCO II, CENPELCO, BENECO, DANECO, PALECO and ZANECO in coming up with approved organizational structure that will address the cooperative's efficiency thereby delivering a more responsive service to its member consumer owners (MCOs).

Also, twenty ECs such as SOCOTECO II, MOELCI I, ILECO II, CASURECO III, NORECO I, BANELCO, DANECO, ANTECO, PALECO, CENECO, NEECO II - AREA2, KAELCO, ZANECO, BENECO, SOCOTECO II, SURNECO, SAMELCO I, ZAMECO II, ABRECO, and CAPELCO were assisted in their bid to come up with management tools for reorganization/realignment.

In order to check the effectiveness of the Reorganization and Salary Upgrading, Systems and Procedures, a post evaluation on its implementation were conducted for 19 ECs namely MORESCO I, PENELCO, ZAMECO I, ILECO II, CAGELCO II, BATELEC II, MOPRECO, LUELCO, DASURECO, NEECO I, GUIMELCO, SAMELCO I & II, LEYECO V, AURELCO, INEC, PELCO I, and ISECO

Meanwhile, NEA, in its effort to assist ECs in selecting the best and most fitting individual to run and manage the EC, different activities were undertaken specifically Hiring and Selection of General Managers for 19 ECs, Confirmation of Officers-in-Charge (OICs) of six ECs, Validation of Performance of GMs for Regularization of six ECs, and Permanency of GMs of 10 ECs,

To support these processes, NEA facilitated the Upgrading of Salaries of GMs of 39 ECs as well as Requests for Retirement/ Extension of GMs of 10 ECs, namely SORECO II, PELCO I, ISELCO I, CASURECO I, BENECO, NORECO II, BASELCO, SURSECO II, DASURECO, and KAELCO.

On the other hand, NEA also ensured that EC employees were equipped and capacitated in terms of good corporate governance practices as required in the present environment. Part of it is the adoption of individual scorecards of EC employees which stated their initiatives aligned to the ECs' goals and objectives..

For 2018, seven seminar-workshops on individual scorecards were held for ISECO, DASURECO, MOPRECO, SORECO I, ILECO III, SOCOTECO I, and ROMELCO.

Likewise, NEA assisted 33 ECs in Upgrading of Employees' Salary that will ensure retention of good performing employees and help guarantee low employee turnover.

In addition, NEA processed the selection and appointment of NEA Representative to the Board of 17 ECs.

- **CONSUMER WELFARE AND PROTECTION**



NEA, in partnership with the ECs, designs responsive projects and initiatives that will develop and protect the welfare of MCOs and ensure their happiness and contentment on the services of the ECs.

A. Organization of MCOs

For the year, NEA embarked on a massive and arduous journey of introducing the MCO organizing concept to a number of officials, employees and MSEAC representatives in 35 ECs which translated to multiple organized MCOs in almost 20% of energized barangays nationwide. As an offshoot of the said initiative, MCO Summits were conducted in five ECs.

B. Conduct Customer Satisfaction Survey

To further strengthen the linkage between EC and MCOs and earn the latter’s trust and loyalty, a feedback mechanism was developed and institutionalized through the issuance of a Policy on EC Customer Satisfaction Survey (CSS) on 16 March 2018. Nine joint Regional Seminar-Workshops (consultation cum training-workshops) were conducted to capacitate and ensure EC compliance to the said policy. This was also one of the parameters in the enhanced Key Performance Standards (KPS).

On consumer protection, a booklet entitled “Consumer Rights and Obligations” was produced which were distributed to 50 ECs to serve as information material; processed four requests for By-Laws amendment; and responded to 802 consumer complaints received or endorsed by the Department of Energy, Civil Service Commission, Office of the Ombudsman, local government units, Hotline 8888, Presidential Complaint Center and other attached departments under the Office of the President.

Meanwhile, to ensure adherence to Reportorial Requirements, the ECs’ reports were assessed quarterly to comply to governance and institutional standards and parameters under the Policy/Guidelines on Electric Cooperatives Overall Performance Assessment.

Further, as a tool in facilitating the compliance to Reportorial Requirements, the NEA-BIT (Business Intelligence Technology) was continued to be utilized to undertake monthly validation/review of 10 institutional Data Entry Templates (DETs) through the NEA Web Portal.

It is necessary that MCOs are made aware of their responsibilities and obligations not just as member-consumers, but also as owners of their electric cooperative. Hence, they shall be educated, organized and prepared to be involved in all EC affairs affecting their interest.

This is a substantial initiative designed to involve its MCOs in the management and operation of the electric cooperative.





• **TECHNICAL ASSISTANCE**

NEA, through the Engineering Department (ED), endeavored to provide assistance to ECs to enable them level up their operational efficiency through various projects through:

A) POLICY GUIDELINE DEVELOPMENT

Equipment and Materials Price Index 2018 (EMPI 2018)

In the bid to guide ECs in the procurement process for their electrification projects, NEA developed the Equipment and Materials Price Index 2018 or EMPI2018 as stated in NEA Memo No. 2018-007 dated January 18, 2018.

EMPI 2018 is a tool in the project evaluation of Sitio Electrification Program (SEP) and Barangay Line Enhancement Program (BLEP) subsidy-funded projects and other types of loans. This shall also be used to have a uniform basis in preparing project costs.

EMPI2018 was the product of multiple consultations from different sectors like the manufacturers, traders, suppliers and ECs representatives including the Philippine Association of Technical Managers of EC (PHILATMEC) Other Agencies and banking institutions also use this reference in evaluating EC projects.

Standard Joint Pole Agreement and Pole Rental Rate

On July 18, 2018, the NEA Board of Administrators approved, through Resolution No. 141, the Template of “The Standard Joint Pole Agreement and Pole Rental Rate”. It specifically approved the increase in rent of pole to PhP420 per annum from the 2006 rate of PhP280/pole. This initiative was intended to maintain the reliability of services dependent on utility poles, improved pole aesthetics as well as to protect MCOs from the risk of service interruption, electrocution and fire from downed poles and electric lines.

DOE-DPWH Joint Circular No. 1, Series of 2017

The Department is tasked to review/evaluate the EC submitted projects on distribution facilities affected by the DPWH road widening projects. Hence, the Office issues Certificate on Relocation Cost. Evaluated projects of around PhP1.4B was processed in 2018.

B) FOREIGN AND LOCAL GRANTS

JICA Grant

This Project is for the Improvement of Equipment for Power Distribution in Bangsamoro Area in the amount of JPY771M. It aimed to stabilize electrical power supply through improvement of equipment for power distribution in Bangsamoro, thereby contributing to peace and development in Mindanao. The six (6) beneficiary ECs are: MAGELCO, LASURECO, BASELCO, TAWELCO, SIASELCO and SULECO. The scope of work included the procurement of Boom Trucks and Distribution Equipment and the corresponding training on the operation of the said vehicle and equipment.



DENR-EMB/NEA/UNIDO Cooperation (2017-2022)

To support the promotion of environment care and ensure protection of human health, NEA partnered with the United Nations Industrial Development Organization (UNIDO) together with the Environment Management Bureau (EMB), NEA and the Natural Resources Defense Council (NRDC) as executing partners.

UNIDO funded this project with a grant of US\$6.2 million with the Global Environment Facility (GEF) as the implementing agency. The five-year project aimed to provide assistance to ECs for the handling, disposal and sound management of Polychlorinated Biphenyls (PCBs). PCB is a synthetic chemical that is widely used as a dielectric fluid in transformers and capacitors. These substances are toxic, bio accumulative and persistent, thus, posing threats to people.

Some 26 ECs were identified as beneficiaries of this project to support the safe disposal of 600 tons of PCB oil and PCB-contaminated equipment, as follows:

LUELCO	PENELCO	CASURECO III	LEYECO V
TISELCO	PANELCO I	NEECO II – A1	CASURECO IV
NORSAMELCO	DIELCO	PANELCO III	PELCO II
FICELCO	SAMELCO II	CENPELCO	CANORECO
MASELCO	SOLECO	ISECO	CASURECO I
SORECO I	DORELCO	TARELCO I	CASURECO II
SORECO II	SIARELCO		

Performance Assessment and Audit of ECs

In compliance with DOE Department Circular No. 2017-12-0016 on Adopting the Guidelines for the Performance Assessment and Audit of all Power Generation, Transmission and Distribution Systems and Facilities, NEA, in coordination with DOE, conducted an assessment and audit of four ECs namely ORMECO, MASELCO, FICELCO and PALECO.

- **DEPLOYMENT OF SPECIAL TASK FORCES**

- Task Force Kapatid (TFK) for Boracay Rehabilitation**

NEA supervised the TFK operations for the Boracay Rehabilitation. Nine ECs from the Electric Cooperatives Association Region VI (ECAR VI) namely CENECO, NOCECO, NONECO, ILECO I, ILECO II, ILECO III, ANTECO, GUIMELCO and CAPELCO were mobilized to join AKELCO in the upgrading and/or rehabilitation of the distribution lines in response to President Rodrigo Duterte’s call for the total clean-up of Boracay Island.

- 2018 NEA Task Force Power Election**

This Task Force was created to monitor the ECs’ electric service before, during and after the 2018 Barangay and Sangguniang Kabataan Elections on May 14, 2018.

- **DISASTER RISK REDUCTION AND MANAGEMENT**

Since its creation on November 16, 2017, the Disaster Risk Reduction and Management Department (DRRMD) initiated activities to prepare the ECs in mitigating the impact of any unforeseen eventualities. DRRMD was a product of RA 11032.

For the year, NEA, through the DRRMD, designed activities that will institutionalize a framework to help ECs especially in times of calamities and unfortunate natural occurrences

- **MOBILIZATION OF POWER RESTORATION RAPID DEPLOYMENT (PRRD) TASK FORCES**

- Task Force Ompong**

On 12 September 2018, NEA supervised a Power Restoration Rapid Deployment (PRRD) Task Force which was mobilized to operate for the restoration of power in CAGELCO I and CAGELCO II that were hit by the world’s strongest storm in 2018, Super Typhoon Mangkhut, also known as Ompong in the Philippines. Forty three distribution utilities participated in the Task Force (TF) to fast track the restoration efforts in the ECs’ coverage areas.

In CAGELCO I, 15 ECs were deployed namely PELCO I, PELCO II, PELCO III, AURELCO, ISELCO I, ISELCO II, PRESCO, TARELCO I, TARELCO II, PENELCO, ZAMECO I, ZAMECO II, BATELEC I, BATELEC II & SAJELCO. Meanwhile, seven private utilities extended their services namely Angeles Electric Corporation, Olongapo Electric Distribution Corporation, Tarlac Electric Corporation, Cabanatuan Electric Corporation, San Fernando Electric Light and Power Corporation, Incorporated, and Aboitiz Power Corporation. A total of 721 personnel, 141 service vehicle and equipment were utilized in this TF.

In CAGELCO II, seventeen ECs were deployed namely PENELCO I, NEECO2-A1, NEECO2-A2, BATELEC II, ISELCO I, NUVELCO, QUIRELCO, IFELCO, ISELCO II, PANELCO III, CASURECO I, CASURECO II, CASURECO III, CASURECO IV, CANORECO, SORECO I, and SORECO II; and, three private utilities such as MERALCO, NGCP and LMPRESS provided their services.

- Task Force Rosita**

After Ompong, Typhoon Rosita hit Northern Luzon on 27 October 2018 and affected the facilities of ISELCO I. To immediately restore the power, PRRD Task Force was organized and deployed accordingly. Twenty ECs namely INEC, ISECO, PANELCO I, PANELCO III, PENELCO, PELCO I, PELCO II, PELCO III, NEECO I, NEECO II -A1, NEECO II-A2, PRESCO, TARELCO I, TARELCO II, ZAMECO I, ZAMECO II, ISELCO II, CAGELCO I, CAGELCO II, and BENECO took part in the Task Force.

QUIRELCO which has minor damages in its facilities was helped by PELCO II. In total, some 194 manpower with 44 logistical implements were utilized in the said Task Force.

- **PARTNERSHIP WITH NATIONAL MAPPING AND RESOURCE INFORMATION AUTHORITY (NAMRIA)**

On November 14, 2018, NEA entered into a Memorandum of Understanding (MOU) with the NAMRIA on the use of its Hazards Maps, geographic information and resource information services. Ready project hazards maps will serve as basis and references of the NEA in reviewing and approving the EC’s Mitigation Plan and Emergency Response Plans.

- **VULNERABILITY AND RISK ASSESSMENT (VRA) and EMERGENCY RESPONSE PLAN (ERP)**

Under Sec. 6 of RA 11039, as part of the Powers and Functions of the NEA, ECs are required to submit their respective comprehensive and integrated disaster management programs such as, but not limited to, Vulnerability and Risk Assessment (VRA) and Emergency Response Plan (ERP); and thereafter monitor the implementation of the same.

VRA identifies the EC’s critical assets, determines the probable vulnerability of such critical assets in relation to calamities and defines proactive measures for the protection of those critical assets with high probability of damage due to calamity; while, ERP provides details of activities to effectively restore the EC’s system in the event of wide outages from a major disaster.

Likewise, NEA is tasked to review, approve, and certify, in consultation with the NDRRMC, all activities, including financial requirements, of the ECs relative to disaster mitigation, disaster preparedness, and disaster prevention plans as a result of the Vulnerability and Risk Assessment;

For 2018, a total of 77 Vulnerability and Risk Assessment and Emergency Response Plans of ECs were evaluated of which six were approved.



To better respond to the national government’s call of energizing the unserved and underserved areas in the country, NEA, through the Total Electrification and Renewable Energy Development Department (TEREDD), undertook the following projects

- **SITIO ELECTRIFICATION PROGRAM (SEP)**

A total of 1,984 sitio projects were completed/energized with initial household connections of 9,773. Eighty-four (84) Electric Cooperatives (ECs) participated in the implementation of these projects.

- **BARANGAY LINE ENHANCEMENT PROGRAM (BLEP)**

Twenty barangays under the coverage areas of eight ECs that were previously energized thru off-grid technology were connected to the grid. Likewise, distribution lines in the six barangays that served as tapping points of the new extended lines for sitios were improved/upgraded to ensure power reliability.

SITIO ELECTRIFICATION PROGRAM (SEP)			BARANGAY LINE ENHANCEMENT PROGRAM (BLEP)	
REGION	COMPLETED/ENERGIZED	INITIAL HHC	EC	No. of Projects
I	39	0	PANELCO I	1
II	142	302	NUVELCO	1
CAR	26	0	CAGELCO II	8
III	65	729	AURELCO	1
IV-A	36	77	TISELCO	1
IV-B	89	441	ANTECO	3
V	87	219	SAMELCO I	2
LUZON	484	1,768	LANECO	3
VI	230	872	TOTAL	20
VII	147	1,155		
VIII	139	809		
VISAYAS	516	2,836		
IX	124	379		
X	269	1,614		
XI	107	428		
XII	232	1,830		
ARMM	44	111		
CARAGA	208	807		
MINDANAO	984	5,169		
GRAND TOTAL	1,984	9,773		

To boost the economic development in the islands of Quezon, Marinduque, Capiz and Bantayan, submarine cables were installed to connect islets to mainland islands.

- **ELECTRIFICATION OF NHA RESETTLEMENT SITE**

Distribution lines which will serve as tapping point to electrify/energize 12 National Housing Authority (NHA) Resettlement Sites for Typhoon Yolanda-affected beneficiaries were completed/energized and/or ready for tapping.

Considering that those potential beneficiaries have no capacity to pay the cost of kWhr meter, service drop wires and fees for electric service connection (membership, connection and bill deposit), the national government on December 6, 2017 approved the allocation of Php509 Million to connect 205,128 housing units. Evaluation of Budget Request from ECs were processed and 8,860 housing units were already energized as of December 31, 2018.

- **FINAL INSPECTION AND ACCEPTANCE**

Despite the geographical location of the sitios and barangays, bad weather condition, problem on road network/accessibility and problem on peace and order, a total of 2,419 sitio projects and 54 barangay line enhancement projects were inspected and accepted by the hardworking NEA engineers/project officers. Also inspected were 45 completed distribution line projects serving as tapping point for NHA Permanent Resettlement Sites in the four ECs damaged by Typhoon Yolanda.



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- **SUBSIDIZED RENEWABLE ENERGY PROJECTS**

- A. Expanded Household Electrification Program (Expanded HHEP)

The Agency allotted Php154 million for the Expanded Household Electrification Program (Expanded HHEP). Through the Solar PV Mainstreaming Program (PVM). Under this project, at least 5000 HH using 50 Wp Solar Home System (SHS) units will be electrified..

The PVM program is an off-grid electrification scheme that aims to bring electricity to the most dispersed and isolated households that are deemed unviable for grid connection in the next five years.

- B. Expanded Sitio Electrification Program (Expanded SEP)

A total of Php44 million was allocated for the Conduct of Feasibility Study on Establishing a Mini-Grid System with Renewable Energy Source as part of the Expanded Sitio Electrification Program.

The study was geared on the use of renewable energy to provide electricity in off-grid areas of six ECs. The project is expected to be completed by end of 2019.

- **RENEWABLE ENERGY FOR RURAL ELECTRIFICATION (RE4RE)**

Conventional strategy of grid extension would not be enough to electrify the last mile households. This would mean creating new strategy to address the constraints in electrifying these remote and isolated areas for the attainment of total household electrification. Thus, the Agency, in collaboration with the EU-ASEP through World Bank (WB), implemented a GIS-Based Web Portal through RE4RE with a Sitio-Lab Project.

The RE4RE is designed to assist the ECs in preparing fact-based total household electrification plans. The components of this Project aimed to achieve 100% household electrification in the rural areas by 2022. This included mapping of the location of all unenergized households within 500 meters from the grid, designing connection of all households to grid/mini-grid/solar home system, Load-flow modeling to optimize conductor size required and system voltage, selecting optimum solution for each household, and exploring innovations for low cost electrification. Five ECs were initially identified namely COTELCO, FIBECO, NORSAMELCO, SOCOTECO II, and ZAMSURECO I to benefit from this Project.

- **FEASIBILITY STUDIES ON NEW TECHNOLOGIES**

NEA engaged with different organizations in order to tap available technologies that will address the need for better electricity service and provide access to more electricity consumers. For the year, the

Agency collaborated with Toshiba Philippines, National Economic and Development Authority (NEDA), and European Union - Access to Sustainable Energy Programme (EU-ASEP).

A. Development of Hydrogen Energy System in the Philippines

The Toshiba (Philippines), Inc. Solution and NEA, identified different sites for the development of Hydrogen Technology Solutions or H2One Solutions in an off-grid area that will provide clean, sustainable, and reliable source of energy. One of which was the Island of Ayoke in Surigao del Sur under the franchise areas of Surigao del Sur II Electric Cooperative, Inc. (SURSECO II).

H2One Solutions provides a one-stop solution to three hydrogen processes. Specifically, H2One uses renewable energy to produce hydrogen, which can be stored for later use with Fuel Cell Technology. H2One helps maintain a stable energy supply both in normal times and at times of emergency

B. Hybridization of Existing Diesel Power Plants with Renewable Energy and Battery

The Study aims to evaluate the potential for hybridization of existing DPPs with RE (e.g., solar, wind, hydro) and battery in the island grids and missionary areas in Region VIII or Eastern Visayas. The Study, which will be conducted through multidiscipline studies, also aims to lay the groundwork for the implementation of the identified viable hybrid power plant projects, especially by ECs that are willing to take over the off-grid generation function in NPC-SPUG areas covered by their respective franchise. It is envisioned that the implementation of said projects will enhance the commercial viability of power plant operations in the selected NPC-SPUG areas and reduce their dependence on oil-based power generation.

The Study will be conducted within the concept of project planning and development stages focused on the following specific activities:

- a. Identify, assess and catalogue the potential hybridization scheme/s for the selected DPPs;
- b. Select the more attractive hybridization scheme/s (from those listed in the project inventory/catalogue) for each of the selected DPP;
- c. Appraise and establish the need for such projects to be carried into the next study level; and
- d. Evaluate the technical, economic and financial viability, including the social and environmental acceptability, of the selected hybrid power plant project(s).

Value/options analysis will be applied throughout the conduct of the Study, including assessment of costs and risks to determine the most economical and cost-effective option that would result to the highest value for money for the Government.

The Joint Venture of Engineering and Development Corporation of the Philippines (EDCOP) and Tractebel, Inc. started the Feasibility Study in December 2018 with data gathering from NPC, NEA, and other concerned agencies.

• TECHNOLOGY ADVANCEMENT

A. Solar PV Mainstreaming (PVM) Program Window 1

In partnership with the European Union - Access to Sustainable Energy Programme (EU-ASEP), NEA adopted the Solar PV Mainstreaming Program (PVM) as one of the components of an off-grid electrification scheme. Under this Program, the EC will operate and maintain individual solar home systems (SHS) to dispersed households in their remote and off-grid areas for a fixed monthly tariff approved by the Energy Regulatory Commission (ERC).

The pilot installation of 100 SHS units each for the four participating ECs namely COTELCO, DASURECO, SOCOTECO II, and SUKELCO were completely installed and verified.

Additional two ECs namely FIBECO and BUSECO was targeted for PV Mainstreaming Window 2 with additional 30,500 HH to be energized by SHS.

B. Rural Network Solar (RNS)

Another component under the EU-ASEP is the Rural Network Solar (RNS). This program was specifically designed to expand EC purchase of renewable energy (RE) without requiring increases in tariffs, and thus contribute to the mission of RE development at no additional cost.

The Program will provide the subsidy as a capital-cost by-down with a total of 7M Euro (~PhP420M). Seven projects will be identified with 1 Million Euro (maximum) or PhP63.86M per project as donation. In this project, the ECs will shoulder 30% (maximum) as equity and secure Certificate of Registration (COR) for Own-Use.

The RNS-Technical Working Group (RNS-TWG) identified the following criteria for the selection of the beneficiaries of the program; power supply deficiency, availability of land (at least 1.2 ha) beside or near the substation, vulnerability to risks/disasters, cost of electricity (generation), and strong commitment.

Out of 31 ECs which submitted letter of intent to be part of the said program, seven ECs were chosen and initially identified as the potential beneficiaries. such as BENECO, INEC, PANELCO I, SAMELCO I, SAMELCO II, SOCOTECO II and SUKELCO. Initial step was undertaken particularly process of securing a service contract.

• INFO, EDUCATION AND COMMUNICATION (IEC)

To enable ECs adhere to the implementing rules, policy and guidelines on Renewable Energy programs, a series of IEC Campaign were conducted to capacitate them on:

A. Net Metering Implementing Rules and Interconnection Standards

Some 135 participants from four ECs attended the Seminar-Workshop on Net-Metering to help them gain understanding on solar rooftop installations, and other RE technologies under the net-metering scheme and its implications to both technical and administrative processes. This training also enabled them to implement their own net-metering plans.

B. Simplified Planning Tool (SPT) of Renewable Energy-Diesel Hybrid System and Design of Utility Scale Solar PV

Trainings on Simplified Planning Tool "SPT" were also conducted for some some 135 officials and employees from NEA and ECs from Regions I, II, CAR, III, IV, V, VI, VII and VIII. This tool is a Renewable Energy-Diesel Hybrid System Program for island communities in the country designed to efficiently and economically utilize the RE resources and provide a systematic approach on how to assess and develop RE-diesel hybrid applications. It also aimed to guide interested energy developers and stakeholders, such as the ECs, through the planning process of technically sound and commercially viable hybrid schemes.

This Tool will help ECs better understand the basic concept of hybridization and on how it works as well as train the ECs on the use and functions of the SPT, provide assistance to them through training including technical and financial simulation in developing projects for their assessment, and to design and evaluate the least cost hybrid configuration that is technically acceptable and financially viable.



- **CONDUCT OF NEA-EC LEGAL SUMMIT AND PUBLIC CONSULTATION**

NEA, through the Legal Services Office (LSO) has made efforts to capacitate ECs on the different legislations that affect their operations.



On October 24, 2018, a one-day NEA-EC Legal Summit and Public Consultation on R.A. 11039-Draft Implementing Rules and Regulations was conducted at the H.E.S. Auditorium. Resource speakers were invited from the Energy Regulatory Commission (ERC), Department of Energy (DOE), Department of Finance (DOF) and a retained lawyer of the ECs. A total of 104 EC officials participated in the said activity.

The activity aimed to apprise the EC participants on the emerging policies and implications to the Distribution Utilities, particularly its effect to ECs and Member-Consumer-Owners (MCOs). The resource speakers shared insights on the latest development in the electric power industry.

Likewise, the said Legal Summit tackled issues about ECs' franchise; Strategic Thrusts of the ERC, Train Law 1 and 2, R.A. 11039 "Electric Cooperatives Emergency and Resiliency Act"; Competitive Selection Process Malampaya Funds ER-194 or benefits to Host Community and Taxation.

- **PREPARATION OF POSITION PAPERS AND COMMENTS/OPINIONS ON BILLS AFFECTING NEA AND THE ECS**

For the year, a total of 10 position papers were prepared by the Agency to state its stand on certain issues particularly on the following:

- a) HB 6996 or "An Act Providing for a Magna Carta for Workers in the Energy Sector of the Philippines, Authorizing the Collection and Appropriation of Funds Therefor, and for Other Purposes";
- b) HB 7104 or "An Act streamlining the Regulatory Commission on Energy, Renaming the Energy Regulatory Commission into the Philippine Power Regulatory Commission, Amending for that Purpose R.A. No. 9136, Otherwise known as the "Electric Power Industry Reform Act of 2001" Appropriating Funds Therefor, And for Other Purposes";

- c) HB 7198 or "An Act to Strengthen Nation Building through the Institutionalization of a Strategic Volunteerism-Based Multisectoral Public-Private Framework in all Local Government Units and Congressional Districts in the Country and for Other Purposes";

- d) HB 4169 or "An Act Granting the Bicol Light and Power Corporation a Franchise to Construct, Install, Establish, Operate, Own, Manage and Maintain Distribution Systems for the Conveyance of Electric Power to the End-Users in the Towns of Baao, Balatan, Bato, Buhí, Bula, Nabua and the City of Iriga, Province of Camarines Sur, and for Other Purposes"

- e) HB 8013 and 8015 or "An Act Granting Solar Para sa Bayan Corporation A Franchise to Construct, Install, Establish, Operate and Maintain Distributable Power Technologies and Minigríd Systems Throughout the Philippines to Improve Access to Sustainable Energy";

- f) HB 5020, 5961 & 7104 or An Act Abolishing the Energy Regulatory Commission, Creating for the Purpose the Board of Energy as an Attached Agency of the Department of Energy";

- h) HB 5961 or "An Act Enhancing the Governance Structure of the Energy Regulatory Commission; and HB 7104 "An Act Streamlining the Regulatory Commission on Energy Renaming the Energy Regulatory Commission into the Philippine Power Regulatory Commission, amending for That purpose R.A. 9136, Otherwise known as the Electric Power Industry Reform Act of 2001";

- i) HB 4555 or "An Act Granting the Lanao Del Norte Electric Cooperative (LANECO) a Franchise to Construct, Operate and Maintain a Distribution System for the Conveyance of Electric Power to the End-Users in All the Municipalities of the Province of Lanao del Norte"

- j) HB 8252 and 8323 or Otherwise known as Capital Income and Financial Intermediary Taxation Act of 2019

- k) HB 4893 & 6668 or "An Act Establishing the Philippine Energy Research and Policy Institute, Defining its Objectives, Powers and Functions, and Appropriating Funds Therefor"

- **PARTICIPATION IN COMMITTEE HEARINGS/ DELIBERATIONS IN BOTH HOUSES**

In order to provide inputs in proposed bills in both Congress and Senate, NEA participated in 17 committee hearings and meetings which tackled issues on the Corporate Income Tax and Incentives Reform Act, Amendment to Rule 29 EPIRA Law, and the Draft Substitute Bill that seeks to streamline the ERC, among others.

- **IMPLEMENTATION OF CEASE AND DESIST ORDER**

Pursuant to the powers of NEA under P.D. 269 as amended by R.A. 10531, a NEA Legal Team was authorized to implement a Cease and Desist Order (CDO) dated 31 August 2018 in the case entitled Gregorio T. Ybanez, et al vs. Board of Directors Dean Briz, et al docketed as NEA Adm. Case No. 01-10-11. The Order was issued to ensure that the respondents, their agents and all persons claiming authority/rights under the CDO from further performing any and all acts of management and/or control of the DANECO.

• **RESOLUTION OF ADCOM CASES**

In 2018, a total of 11 ADCOM cases of EC officials were resolved and/or dismissed.

• **PUBLICATION OF THE IMPLEMENTING RULES AND REGULATIONS OF RA 11039**

After a series of consultations with the ECs, NEA came up with the Implementing Rules and Regulations of R.A. 11039 also known as the Electric Cooperatives Emergency and Resiliency Fund” (ECERF) which was filed at the UP Law Center on December 19, 2018 and processed the publication to The Philippine Star.

• **FAVORABLE COURT ORDERS**

For 2018, NEA, through the Office of the Solicitor General (OSG) and Office of Government Corporate Counsel (OGCC), obtained a total of 15 favorable court decisions for cases filed with the Supreme Court (3), Court of Appeals (11), and the Civil Court (1).

• **INTERNAL AUDIT**

The conduct of internal audit has the fundamental role of assisting the Board Audit Committee (BAC) in promoting effective, efficient, ethical and economical operations by appraising the adequacy of internal controls. The audit report on the appraisal of internal controls are provided to the auditee to institute corrective and preventive measures for the achievement of the NEA objectives. Thus, Internal control provides the foundation of effective organizational and/or corporate management; and, strengthen accountability and good governance.

• **REVISION OF THE NEA MANUAL OF APPROVALS (MANAP-3rd Edition)**

To be aligned with the current development in the industry, respond to the changes in NEA’s organizational structure, and provide improvements in the operating systems and procedures, the third revision of the MANAP was prepared. It is hoped that Updated MANAP in its 3rd Edition will effectively gear up the NEA in its day-to-day documentation transactions.

• **FINANCIAL AUDIT**

Correctness and credibility of financial and non-financial information of past and present operations as basis for future operations were also earmarked. NEA-Internal Audit and Quality Standards Management Office (IAQSMO) audited four financial accounts (i.e., Consultancy Services, Due to BIR, Due to GSIS and Telephone Expenses) and simultaneously monitored previous audit recommendations on three (3) financial accounts (i.e. Advertisement, Janitorial and Other Prepaid Expenses). Monitoring and evaluation of audit recommendations on audit of subsidy funds released to one EC was likewise conducted.

• **MANAGEMENT INSTRUCTIONS and SPECIAL AUDIT**

In aid of the performance assessment of the NEA management and its personnel to ensure that policies or directives by the Management and BAC are being adhered to, the following activities/reports were undertaken:

1. Validation of Departmental Scorecards for the 1st Semester of 2018 and 3rd Quarter of 2018;
2. Report on NEA Management Compliance and Responses on COA – Audit Observation Memoranda;
3. Inventory of unresolved LSO and ADCOM cases that were acted upon; and
4. Study on One Messenger, One Janitor Scheme.

• **GUIDELINES REVIEW FORMULATION**

As a follow through in the previous audit reports the IAQSMO deemed it necessary to revisit and update guidelines based on the existing laws, rules and regulations. For the year 2018, two (2) guidelines were approved by the BAC as a result of in-depth analysis, study and consultations with the personnel concerned. The Revised Guidelines on Travelling Expenses and Guidelines on Per Diems and other Compensation Entitlements of the NEA Board of Administrators has been effective immediately upon BOA Approval.

• **COMPLIANCE AUDIT**

In its regular audit to ensure compliance to processes/policies, twelve (12) compliance audit on various NEA departments/offices were conducted, as follows:

AUDIT TOPIC	DEPARTMENT/OFFICE
MANAP	
1. Travel Requirements	NETI
2. Employee's Bond	OA
3. Travel Requirements	ED
NEA Service Charter	
4. Meter Reading Billing, Collection and Disconnection (MRBDC) and Non - Technical Loss Reduction Program Assistance	MCSO
5. Request for SEP/BLEP	CPO
6. Issuance of Certification of Board Resolution	OCs
7. Legal Opinion/Services	LSO
8. Information Communication & Technology Off-Site Assessment Evaluation	ITCSD
9. Approval of COB	FSD
Policies	
10. Fast Lane Services	AMGD
11. Regular Lane Services	IDD
12. Workplace Attendance/Punctuality of DBPSC Manpower	HRAD



• **2018 CORPORATE PERFORMANCE SCORECARD**

	Component			Target	Submission		GCG Validation		
	Objective Measure	Formula	Weight	2018	Actual	Rating	Score	Rating	
LEARNING AND GROWTH	SO 7 To enhance human resources, knowledge, skills, and behavioral competencies								
	SM 13	OHS ISO Certification	Maintained ISO Certification	5.00%	Surveillance Audit Passed	Surveillance Audit Passed	5.00%	Surveillance Audit Passed	5.00%
	SM 14	Percentage of employees with required competencies met	Total number of employees with required competencies over Total number of employees	5.00%	Increase from Baseline	64.01	5.00%	29.80%	5.00%
			Sub-total	10.00%			10.00%		10.00%
	TOTAL			100%			100%		94.09%

NEA has been a goal-oriented institution which motivates higher performance and greater accountability to ensure the accomplishment of its commitments and targets. It tasked the Corporate Planning Office (CPO) to formulate the Agency’s strategic plan and manage performance scorecard, among others. The Board of Administrators, in its Meeting on March 16, 2018, reviewed the vision and mission of the Agency and approved its Charter Statement and Strategy Map.

The Board also monitored the implementation of the corporate strategy and as such has approved NEA’s 2018 Corporate Performance Scorecard Accomplishment Report with an overall rating of 100% . The Governance Commission for GOCCs (GCG) subsequently validated the reported Accomplishment and assessed NEA of having attained a 94.09% rating. As such, NEA is compliant with the GCG requirements which provides that the GOCCs must achieve a weighted-average score of at least 90% in their respective Performance Scorecards.

• **ISO 9001:2015 CERTIFICATION**

Anchored on its Good Governance Agenda, the Agency was able to hurdle the ISO 9001:2015 Surveillance Audit conducted by TÜV Rheinland Philippines, Inc. on December 5, 2018 covering the scope “Provision of Financial, Institutional, Technical and Legal Assistance to the ECs which in turn undertake power distribution on an area coverage basis”.

• **CASCADING OF GOVERNANCE INITIATIVE**

To institutionalize strategy formulation and execution of ECs as aligned to the Corporate Governance Program, the Agency’s governance advocacy was continued to be cascaded to the ECs nationwide.

For 2018, twenty six ECs were able to adopt the Balanced Scorecard Model, namely: QUEZELCO I, PANELCO I, CENPELCO, SAJELCO, BENECO, ILECO I, ILECO III, MOPRECO, IFELCO, ANTECO, GUIMELCO, BATANELCO, ISELCO I, ISELCO II, KAELCO, TISELCO, MASELCO, CAGELCO I, CAGELCO II, CANORECO, CASURECO I, CASURECO II, CASURECO IV, FICELCO, NUVELCO, and QUIRELCO.

As such, a total of 110 ECs adopted the Balanced Scorecard as its Performance Measurement Framework. The NEA envisioned the adoption of the Balanced Scorecard of all the ECs by 2020.

• **TOTAL ELECTRIFICATION MASTERPLAN**

To accelerate access to electricity service for the country’s unenergized communities and households, a masterplan composed of (1) Expanded Sitio Electrification Program (Expanded SEP); (2) Barangay Line Enhancement Program (BLEP); and (3) Expanded Household Electrification Program (Expanded HEP) for On-grid and Off-grid areas was developed. The ECs’ submission were evaluated and consolidated to come up with the Total Electrification Masterplan.

It also presented the challenges as well as the proposed measures and possible sources of funds for the attainment of total electrification up to the household level.

• **EVALUATION OF 2017 EC WORKPLAN ACCOMPLISHMENT REPORTS**

To determine how well the EC planned and executed their respective Approved Workplans, an evaluation of the ECs’ accomplishments for the year 2017 was conducted.

It intends to further enhance the NEA and ECs’ planning process with the end in view of ensuring the timely completion of projects, identify hurdles and challenges of not attaining targets, and serve as reference for the evaluation of the future workplans and granting of EC awards and recognition.



• CAPACITY-BUILDING

The Agency, through the NEA-EC Training Institute (NETI), continued to pursue the capacity building of both NEA and EC personnel as this is one of NEA's 7-point Electrification Agenda. For the year, A total of 61 successful training and scholarship programs were done with a total of 867 NEA employees; surpassing the annual target of 520 employees.

On the other hand, to further continue sharpening and enhancing the skills of EC personnel, 60 successful programs were undertaken with a total of 3,301 employees completing the course; surpassing the annual target of 2,150 employees.

TESDA-NEA-EC TRAINING PARTNERSHIP



The three-way cooperation of TESDA, NEA and the Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA) resulted to the promulgation of TESDA Training Regulations for the Electric Power Distribution Line Construction, Operation and Maintenance–National Certificates (NCs) II, III and IV. These were launched on August 16, 2018 at the SM City General Santos Convention Hall in General Santos City, South Cotabato.

The cooperation aimed to conduct programs for the lineworkers and barangay electricians with the goal of promoting competency and skills development in accordance with the industry standards that will redound to greater efficiency and service delivery.

This training scheme is a ladderized system wherein lineworkers need to complete certain levels of competency to merit a certificate.

SCHOLARSHIP PROGRAMS

Moreover, eleven scholarship opportunities focused on leadership competencies were facilitated for a total of 23 NEA officials. A variety of those courses on Learning and Development Planning, Strategic Performance Management System, Ethical Leadership were facilitated by the Civil Service Commission (CSC) to build-up managerial capabilities.

A total of 10 foreign scholarship trainings were attended by NEA officials in India, Germany, Japan, and the USA. The topics covered ranged from climate change, renewable energy and energy efficiency to power distribution for on-grid and off-grid areas. Another 14 local scholarships were facilitated granting the need of both NEA and EC personnel to update and enhance their knowledge. This totaled to 71 NEA officials and nine EC personnel who were granted with the said foreign and local scholarships. These were made possible through the invitation of international development partners such as the European Union – Access to Sustainable Energy Programme (EU-ASEP), Indian Technical and Economic Cooperation (ITEC), Japan International Cooperation Agency (JICA), National Rural Electric Cooperative Association (NRECA), World Bank (WB), among others.

SPECIAL TRAINING PROGRAMS

a) TRAIN Law

Six batches of Seminar–Workshop on Tax Reform for Acceleration and Inclusion (TRAIN) with a total of 399 EC employees and 52 NEA personnel were conducted. These were held to orient them on the salient provisions of RA 10963 that have effects on the operations of their respective organizations.

b) Strategic Performance Management System (SPMS) for Leaders

With the aim of empowering leaders to go beyond their capacities in achieving projects and developing their capabilities to become innovative and collaborative in attaining goals despite adversities, NEA sent 33 employees to undergo the training.

Challenging the officials and employees of NEA, another leadership training was held last October 4-5, 2018.

c) Career Development and Succession Management

A total of 37 NEA officials and employees attended the Career Development and Succession Management on November 20-22, 2018. This seminar allowed officials and employees to develop career paths envisioning about succession planning, and the impact of turnover in organization.

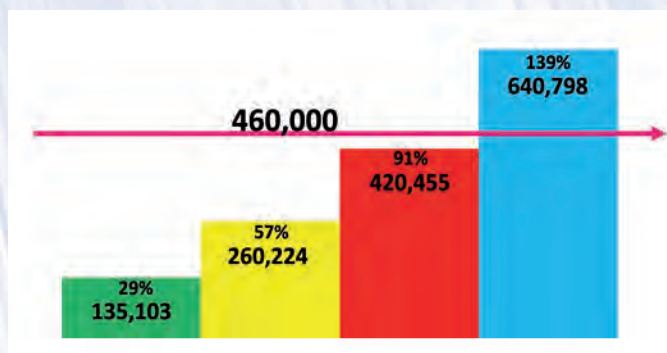
d) Manager's Role in Capacity Building

Four NEA officials participated in the Manager's Role in Capacity Building. A seminar involving a series of strategies and a variety of tools and techniques that promote both organizational capacity building and institutional development. Two batches of this activity took place on May 23-24, 2018 and August 14-15, 2018.



Corporate
and EC Training

- **CONSUMER CONNECTIONS**



A total of 640,798 additional consumer connections were monitored for the year representing 139% accomplishment rate from the corporate target of 460,000.

This brought the level of energization to 12,827,290 or a 5% increase from the previous year's level of 12,186,492 consumers. Of the total new connections, 231,547 or 36% was registered in Luzon, 191,493 or 30% in Visayas and 217,758 or 34% in Mindanao.

As we continue to aspire to electrify the countryside and spur rural development, the monitored growth in consumer connections are located in all regions. Efforts toward housewiring from existing facilities, construction of lines for sitio electrification and barangay line enhancements were pursued to connect more houses and establishments.

In the last quarter of the year, a countdown for the 13 Millionth Consumer Connection was launched. A Memorandum to ECs was released to solicit support and encouragement to develop parallel activities to push forward the electrification program. Likewise at NEA, an Infographic was developed primarily to provide monthly updates on the countdown. It was also posted in the Agency's MS outlook and website for general viewership.

- **DATABASE MANAGEMENT**

Energization Profile

The database on energization stores the profiles on consumer connections, barangays, municipalities and cities, legislative districts, provinces and regions. For the year, a total of 2,659 monthly and quarterly reports were processed, validated and uploaded in the masterfiles. On a monthly basis and upon request of the management and stakeholders, 135 reports were generated and issued.

Statistical Profile

The EC Statistical Profile is a source of enormous information on the operations of the ECs. For the year, 742 Monthly Financial and Statistical Reports (MFSRs) and 7,422 Data Entry Templates (DETs) were acknowledged, reviewed, processed and uploaded in this databank. This paved the way for the six quarterly reports on financial and statistical parameters, nine power market profiles, 1,869 fact sheets and various reports and 16 visual aids that were prepared, generated and released.

Publications and Compilation of Information Materials

a) Rural Electrification Chronicle (2015-2017)

A three-year presentation of the Status of Energization and operations of the 121 ECs operating nationwide, the Rural Electrification Chronicle is a ready source of information material on the extent of ECs' operations through parameters and statistics as well as their franchise areas and locations.

b) 2017 EC Fact Sheets and Five-Year EC Profiles

To provide a clear picture of the overall status of operation, the individual EC Fact Sheets for 2017 were generated and compiled. Through the years, fact sheets have consistently served as references for decision making and planning as well for presentation materials.

The five-year EC Profiles, covering 2013-2017, provide historical performances of the ECs. This edition completes and updates the four-decade compilation of EC indicators and parameters, which serves as reliable sources of materials for planning, decision making, studies and research.

c) 2017 Yearbook of EC Awards and Recognitions

A ready and available manifestation of ECs' outstanding performance and competitiveness, this Yearbook is an updated edition incorporating the results of the 2017 performance assessment. It presents a detailed listing of all awards and recognition bestowed upon the ECs.

d) 2017 Management Issuances

This compilation is done to preserve and properly handle the 2017 management issuances consisting of Memoranda to ECs, Office Memoranda and Office Orders. For all intents and purposes, this compilation proves to be a ready source of reference for legal and institutional concerns.

- **RECORDS MANAGEMENT**

Incoming Documents

In compliance with the provisions of Republic Act No. 10531 on ECs' submission of Reportorial Requirements, NEA, through the Records Management Unit (RMU), monitored the ECs' submission of 11,090 required reports consisting of monthly and annual reports such as the ECs' Corporate Operating Budget and Audited Financial Reports. Submitted to the management and posted in the NEA website are three reports summarizing the status of ECs' compliance based on deadlines.

Under the Policy on Tracked Documents, some 1,177 documents under the Fast Lane Service were received, processed and distributed to the concerned departments and offices. The computed average response time is 33.27 hours, longer by 0.27 hour than the corporate target of 33 hours while for the Regular Lane, a total of 1,001 were received, processed and distributed to different departments and offices. The computed response time registered is 48.03 hours, shorter by 36.97 hours than the corporate target of 85 hours.

The total response rate for both fast and regular lanes is 99%, with 2,152 documents already responded as of cut-off date. Submitted to management are four quarterly reports to present the departmental compliance with the policy as well their accomplishments vis-a-vis target number of hours to respond.

On the other hand, 17,573 other documents consisting of board resolutions, reports and other documents were received, processed and distributed to concerned departments and offices.

Outgoing Documents

For mailing and delivery, a total of 15,111 documents were sent through post or private couriers while 1,919 documents were delivered through messenger service.

For internal dissemination of updates and information, 536 documents were posted in the MS outlook.

Implementation of Records Disposition Schedule

The National Archives of the Philippines (NAP) approved and released the NEA's Revised Records Disposition Schedule (RDS) on April 25, 2018. A re-orientation for the Records Management Improvement Committee (RMIC) and sub-RMIC members was conducted on July 31, 2018. In November, the Administrator approved NEA's List of Valueless Records for Disposal and subsequently endorsed to NAP for its evaluation and approval to dispose.

• ICT INFRASTRUCTURE PROJECT DEVELOPMENT AND IMPLEMENTATION



Business Intelligence and Data Analytics for NEA and ECs- NEA Business Intelligence (NEA-BIT) Project in Cloud

June 4, 2018 marked the complete implementation of NEA BIT – an innovation project funded by EU-ASEP as administered by the World Bank. This project was in partnership with Indra Philippines, an IT company, for the benefit of NEA and the ECs.

Spearheaded by ITCSD together with other functional

departments (FITs), NEA BIT provides a portal in cloud to the ECs to fulfill their reportorial requirements under R.A. 10531. This provided NEA with a wealth of information for analysis as references for management decision-making in the attainment of the agency mandate. For 2018, six months after implementation, 119 out of the 121 ECs were able to submit via the NEA BIT Web Portal with 71 ECs recognized with complete submission across all subject areas – Finance, Institutional, Technical, and Projects (Connections).

With collaboration as the main thrust, it went through discovery and design phases with 20+ consultation sessions, 3 system implementation phases (Ph 1 -Inst & Reporting, Ph-2-Technical and Ph 3-Financial), 40,000+ training hours, 160+ meetings and workshops and 100+ communication exchanges. NEA BIT's implementation year was sealed by a Regional EC Summit covering 15 regions across 10 locations. As an effort to solidify operations, the summit conducted by ITCSD & FIT-Projects and Reporting Team, became a venue to strengthen EC cooperation in determining the best solutions to address common EC challenges during this phase of the implementation.

NEA electronic - Governance for Transparency and Accountability

a) NEA Website

The 1st phase of NEA website migration started in November 2018. The old content management system (CMS) was upgraded to its latest version & standard systems platform to attune to the requirements of AO 39 of a uniform government template and integration into the National Government Portal (NGP). Customization activities, in collaboration with other departments, commenced to fast-track its operationalization by the 3rd quarter of 2019.

b) New Governance Commission for GOCCs (GCGG) Platform and Transparency Seal (TS) Sub-Portal Compliance Requirements and publication in the NEA website.

New technical requirements of GCG concerning the new 2018 GLMS Integrated Reporting System requirements were facilitated. As a result, eight web pages were enhanced and developed as part of the new requirements and revisions in the Disclosure and TS portal in the agency website.

In 2018, 1,088 assorted news, information and articles were published in the NEA website.

c) Online Collaboration Using MS Office 365 Cloud Application

Microsoft Office 365 E3 application which include MS Office Suite (Word, Excel, Powerpoint), Sharepoint, Skype application were deployed to 100 end-users to increase collaboration, adoption of mobile computing and online application. This initiative is part of NEA's digital transformation to a new computing environment which will help increase collaboration and employees productivity. The end-users were provided huge cloud storage which allows flexibility and access regardless of geographical location.

MS Exchange 2012 (in-house electronic mail system-Ms Outlook) was also maintained which caters to a local collaboration system of the agency for all employees.

d) Systems and Procedures for ECs and Data Governance for NEA-BIT

The NEA BIT Systems, Policies and Procedures were approved and implemented last August 7, 2018. This automatically replaced the guidelines of the old system of reporting for NEA. The document which was crafted by the Data Governance Committee will strengthen and support NEA BIT's nationwide implementation.

e) DPO 14, 1ST Data Privacy Summit for NEA and the Electric Cooperatives .

NEA and the EC, in partnership with the National Privacy Commission, conducted the 1st Data Privacy Summit by the National Privacy Commission tagged as DPO 14 last February 6, 2018. The Summit brought awareness to the personnel of NEA and ECs regarding the privacy of an individual through its implementing Law RA. 10173. The initiative is part of the agency's recognition and initial compliance of the Data Privacy Act.

Technology and Infrastructure Upgrading

a) Preparation Activities for the Acquisition of LED Video Wall for the HESA.



ITSDD prepared the technical requirements and Terms Of Reference(TOR) for acquisition of LED Video wall for HESA to enhance multi-media and visual presentation during training and major events for NEA & ECs. Aside from its clear and distinct visual image display, the device

which is easier to maintain, consumes less power than any other conventional multi-media device which is advantageous to the government. Expected installation is on the 2nd Quarter of 2019.

b) New sets of wireless and wired microphones, amplifiers and speakers were procured to augment NEA's present needs for quality sound system and to enhance the existing audio visual facilities for NEA training and events.

c) Network Performance Monitoring application System to efficiently monitor network usage and system performance.

To effectively monitor the agency's network user and performance and automatically generate detailed inventory of hardware and software in the network system, NVISION Off-the-Shelf Application Utility System was acquired.

d) Virtual Local Area Network (VLAN) Implementation in Every Floor

To ease the administration of NEA Local Area Network Administration, implementation of Virtual Lan (VLAN) in every floor was undertaken which will reduce network broadcast traffic, and implement quick enforcement of network security policies. VLANs provide the following advantages: VLANs enable logical grouping of end-stations that are physically dispersed on a network which make the maintenance and administration easier. This is also the WB recommendation after the NEA Network Connectivity Assessment was conducted to support the implementation of NEA-BIT.

e) Installation of additional nodes, re-cabling and physical transfer of cabling facilities

Six offices were provided additional nodes to allow network connectivity and internet access to end-users in various locations.

G2G Partnership with the Department of Information and Communication Technology (DICT) for the Implementation of the National Broadband Plan (NBP) and Wi-Fi for all Projects Nationwide

a) Facilitated the drafting of the Memorandum of Understanding (MOU) for the Tripartite Agreement between DICT, NEA and PHILRECA on August 17, 2018. The MOU will enable connection and allow access to identified ECs' nodes from where DICT will tap to link other government agencies for the NBP.

Acted as the lead department in the implementation of the NBP and Wifi for all Projects nationwide for NEA and ECs. Organized the creation of the EC National ICT Association to assist NEA and the ECs in the implementation of the ICT related projects nationwide.

The NBP which aims to provide affordable, fast and secure internet connectivity gains more ground with the DICT partnering with NEA and the ECs.



NEA NBP Technical Working Group (NBP-TWG)

b) Collaboration Meeting/Focus Group Discussions RE: Cybersecurity for Critical Infostructure – Energy Sector and DICT, particularly on the following subjects:

- Cyber Security Policy for the Energy Sector
- Data Governance and ICT Resource Acquisition Seminar for the Energy Sector
- Policy and Regulatory Reform and Demand Stimulation for the Philippines National Broadband Plan Seminar, Knowledge Sharing Program between DICT and Republic of Korea’s MOEF, KEXIM, and KSP
- 2nd MIC-DICT Cooperation Conference.
- Japan’s Ministry of Internal Affairs and Communications Philippine National Broadband Plan (NBP), Cybersecurity, ICT for Disaster Preparedness, and Digital Terrestrial Television Broadcasting.

Assistance to ECs in their ICT Requirements

- Forty three (43) EC ICT Resolutions, Budget Requests and other related request were processed in 2018 to enhance ECs ICT implementation towards integration and connectivity (Off-site assistance).
- On site assistance on the Integration of PHASE III (Finance, Payroll & Accounting System) of QUEZELCO II Electric Cooperative, Inc. Information Systems.

EC PERFORMANCE ASSESSMENT

COMPLIANCE REPORTS ON THE PERFORMANCE OF ELECTRIC COOPERATIVES

For 2018, NEA completed the evaluation reports for the third and fourth quarters of 2017 and first and second quarters of 2018. These reports were the quarterly evaluation reports on the operational performance of ECs vis-a-vis established financial and technical parameters and standards as required in Section 20 of the implementing rules and regulations of RA 10531. The ECs are classified into Green, Yellow-I, Yellow -2 and Red which serve as triggers for NEA intervention in the EC operation prior to categorizing EC as ailing or under-performing.

Green ECs are those that met all performance parameters and standards, Yellow-1 ECs are those which failed to comply with not more than three parameters and standards, Yellow-2 ECs

are those which failed to comply with four or more but not yet declared as ailing ECs and Red are those declared as ailing ECs by NEA.

Results showed that out of 121 ECs, 60 fully complied with the standard financial and technical parameters thus classified as Green and 55 others have substantial compliance thus classified as Yellow 1 ECs.

2017 EC OVERALL PERFORMANCE ASSESSMENT RESULT AND SIZE CLASSIFICATION

Based on set parameters to assess the financial, institutional and technical operations of EC, the NEA prepared an overall operational performance assessment of ECs. This serves as basis for developing performance incentive mechanisms for EC officials and employees.

Results highlighted improvement in the number of ECs assessed as Category “AAA”, “AA” and “A” to 101 from 96 in 2016 out of 121 ECs; 87 obtained the highest rating of “AAA”. Moreover, 33 out of the 78 ECs attained a perfect score of 100%. Highest performers among regions are Regions VI, VII and CARAGA of which all ECs are categorized as “AAA”.



EC Awards and Recognitions

In 2018, NEA-EC Regional LUMENS Award Ceremony was done for the first time in Calbayog City, Samar on July 13, 2018, initiated by the ECs in Region VIII which was hailed as the Most Improved Region with 10 out of eleven (11) ECs were categorized as “AAA”; four of which have remarkably progressed compared to their 2016 performance status.

Likewise, a simple but substantive EC Recognition Ceremony was also done on August 6, 2018, awarding AAA ECs with Performance Excellence giving distinction especially to ECs with 100% performance assessment and the regions with all ECs are categorized as AAA.

Human Resources and Administration

•COMPETENCY ASSESSMENT

As part of the Agency's Performance Scorecard required by the Governance Commission on GOCC's (GCG) and to determine the competency gaps of the employees, an assessment was conducted to measure the level of competency of NEA employees to determine the baseline competency. The assessment was done on a two-way process: Self-assessment wherein employees assessed themselves based on their present competencies vis-à-vis their position and/or actual duties and responsibilities; and Supervisor's assessment wherein the latter was validated by their specific supervisors. 185 Out of the 289 respondent-employees, 64.01% met the required competencies.

• MERIT SELECTION PLAN

Pursuant to the provisions of Section 32, Book V of Administrative Code of 1987 (Executive Order No. 292), CSC Memorandum Circular No. 3, s. 1979 as amended by CSC Memorandum Circular No. 18 s. 1988, MC No. 38, s. 1989, MC No. 8, s. 1998, MC No. 8 & 15 s. 1999, MC No. 3, s. 2001 and MC No. 24 s. 2017, the NEA Merit Selection Plan (MSP) was established for the guidance of the Agency and submitted to the Civil Service Commission for approval.

The MSP covers career positions in the first and second levels in the NEA, including non-career positions.

The MSP affirms that it is the policy of the NEA to strictly adhere to the principles of merit fitness and equality. The selection of employees shall be based on their relative qualifications and competence to perform the duties and responsibilities of the position. There shall be no discrimination in the selection of employees on account of gender, civil status, disability, religion, ethnicity or political affiliation. In this pursuit, the NEA Merit Selection Plan aims to:

(1) Establish a system that is characterized by strict observance of the merit, fitness and equality principles in the selection of employees for appointment to positions in the career and non-career service in all levels; and

(2) Create equal opportunities for employment to all men and women to enter the government service and for career advancement in NEA.

•EMPLOYEE SATISFACTION SURVEY

To have a better understanding on how employees feel about their work, and how engaged they are in helping the organization grow and succeed, an Employee Satisfaction Survey was conducted which gathered a total of 132 responses. The survey showed that employees have an average of 3.74

Satisfaction Level, with 5.0 being the highest. Through this, the management was given a basis to identify and address opportunities for increasing satisfaction level to improve performance beneficial to the employees and the clients.

• EMPLOYEES WELFARE

In line with the best practices of the agency, an information campaign was organized to keep the employees up-to-date on guidelines, policies, news and relevant information issued by different government agencies. Invited speakers came from the CSC on the revised Omnibus Rules and Appointments and Other Human Resources Actions (ORA-OHRA), Government Service Insurance System (GSIS) on Retirement Benefit Package and Group Personal Accident Insurance, PhilHealth Corporation on Medical Benefits, and Philippine National Volunteer Service Coordinating Agency (PNVSCA) on nationwide awareness and participation of government agencies on volunteerism, and others.

Another program of the Agency is the *Salamat NEAn, Mabuhay Ka* Program. It is the opportunity of the office to honor the contributions of the retiring officials and employees, whether under optional or compulsory retirement, and to give due recognition for their valued contribution and services to the Agency. This program is part of the Monday General Assembly at HES Auditorium, of which, a video presentation of the contributions, achievements of the honoree were presented on the event. For the year, nine employees were given the due recognition.



• JOB ROTATION PROGRAM

To boost the career development program of the Agency in order to optimize the capabilities of the human resources, the Job Rotation Program or Personnel Engagement Program was reinforced as a means for developing and enhancing their potentials by exposing them to other functions of the agency. The Program is expected to utilize the present and potential competencies to respond to requirements of the agency and focus services where there is need.

• FOUR-DAY WORKWEEK SCHEME

To promote work-life balance among the employees and boost their morale and productivity and in order to contribute to the Government's austerity measures, a recommendation for the adoption of a four-day work week scheme was submitted to the Civil Service Commission (CSC) for approval. The Scheme also aims to generate savings for the agency; minimize employees' transportation and other related expenses.

- **PERSONNEL COMPLEMENT**

To continually ensure that the vision and mandated mission will be carried out, the Human Resources Merit, Promotion, Selection Board (HRMPSB) was able to process the hiring of 31 manpower and promotion of 36 employees. An additional 10 Project Officers (POs) were also hired to provide support to the continuous implementation of the functions of various adhoc offices bringing to 21 the total number of POs employees.

- **PROPERTY AND SUPPLY MANAGEMENT**

To effectively manage properties and supplies, the Property and Supply Management Services (PSMS) have completely processed two new major contracts under public bidding method of procurement, namely:

a. “Procurement of NEA’s Network Management Licenses” which was awarded to Multi-Fold Links, Inc. on February 19, 2018. This aims to acquire a single solution for user activity/network monitoring and have remote access to the computers for protection against data leaks, security and for software and hardware inventory management.

b. “Procurement of One Set LED Video Wall for HESA” was awarded to Microdata Systems and Management, Inc. on Dec. 18, 2018. The NEA acquired an indoor LED Wall for video and graphic output display necessary for seminars, meetings, etc. to provide a bigger and brighter visual presentation.

Two existing and regular annual contracts were processed, the “Provision of the three-year Multi-obligational Contract for Manpower Services” which were awarded to DBP Service Corporation on 28 February 2018 and “Rental of 17 units Photocopying Machines” to UBIX Corporation on 27 November 2018, respectively.

Also, about two hundred ten successful non-bidding procurements or requests from different divisions were prepared and processed under Shopping and Small Value.

The NEA Annual Procurement Plan (APP), Annual Procurement Plan-Common Use Supplies & Equipment (APP-CSE) and Quarterly Procurement Monitoring Report (PMR) for FY 2019 were submitted to DBM-Procurement Service and GPPB in compliance to MC No. 18-1 dated May 28, 2018.



- **MAINTENANCE AND SECURITY OF BUILDING FACILITIES, UTILITIES AND PREMISES**

To efficiently maintain and secure the NEA building, its facilities, utilities and premises, the following were undertaken:

Service Contracts

Planned Preventive Maintenance is essential to ensure that buildings and other built assets present a good appearance and operate at optimum efficiency. Apart from decay and degradation of the building itself, inadequate maintenance can reduce performance, affect health and threaten the safety of occupants and those in the vicinity. Hence, NEA engaged in two service contracts to guarantee the welfare to NEA employees.

Pest Control

On April 5, 2018, the Pest Control Service Agreement between NEA and the Power House Pest Control Services with a duration period of one (1) year from April 7, 2018 to April 7, 2019 was approved by the Administrator. The acquisition of the service is aimed to control termite infestation in the area through a one (1) massive treatment of highly experienced pest control technicians with the supervision of a Certified Pesticide Applicator.

Air-conditioning Unit

On August 28, 2018, the Service Contract between NEA and RBIEL, AIR with a duration of one (1) year from August 31, 2018 to July 31, 2019 was approved by the Administrator. The acquisition of the service to ensure that the air-conditioning units were properly maintained and repaired by trained and skilled personnel.

Approved Policies

Risks are reduced when policies, laws, guidelines, rules, rights and duties are clearly defined, implemented and enforced. Policies and legal instruments provide a framework to cope with competing demands. However, the network of instruments that govern the protection, allocation and diverse uses of building assets often reflects the fragmented state of the building operations. Therefore, the following policies were approved by the Administrator on April 4, 2018:

A. Implementing Guidelines for the NEA Security Force

This aims to provide guidelines on the basic job of the NEA security force.

B. 6S Housekeeping at the NEA Building

This aims to protect employees from workplace hazards, help avoid injuries, illnesses and accidents, minimize or eliminate safety and health risks, and help the management provide the employees with a safe and healthful conditions.

C. Policy Guidelines on the Use and Maintenance of Parking Spaces at the NEA Premises

This aims to create a clear and transparent process governing the parking space assigned for official NEA vehicles as well as for personal vehicles of officials and employees, based on priority.

Corporate Communication

CORPORATE COMMUNICATIONS

For 2018, NEA, through the Corporate Communications and Social Marketing Office (CCSMO) doubled its effort to promote the Rural Electrification Program (REP) and raise public awareness of the significant contributions of the Program through the Electric Cooperatives (ECs) towards achieving a happier and more contented life of people in the rural areas.

• COMMUNICATION NETWORK LINKAGING

For the first time, a NEA-EC Communicators' Summit entitled: *"Member-Consumer-Owner (MCO) Empowerment through Strong, Reliable and Effective Communication System"* was conducted on January 18-19, 2018. This aimed to set the electricity consumer empowerment direction of the ECs by the introduction of the NEA Communication Policy underscoring the aggressive promotion of the REP and maximizing the utilization of traditional and new media to achieve sectoral objectives and respective corporate goals.

The activity gathered a total of 255 EC Information Officers and ISD Managers who actively participated in the workshops and came up with concrete plans to address the urgent need of empowering and engaging the MCOs in the cooperatives undertakings.

The activity also served as the venue to strengthen the role of EC communicators through the organization of



a group called LEXICON or the League of EC Information and Communication Officers. LEXICON is tasked to boost grassroots visibility about NEA, the ECs and, the REP.

• MEDIA RELATIONS AND INTERACTION

Apart from using EC communication channels and logistical facilities, NEA tapped tri-media platforms to disseminate information on how NEA fulfill its mandate of total rural electrification. During the observance of the 49th NEA Founding Anniversary and 9th National Electrification Awareness Month (NEAM), a Media Forum was held on August 1, 2018 at the Fernandina Club Filipino in San Juan, Metro Manila.

Consistent with the objectives of NEAM, the forum provided the opportunity to give updates on the status and extent of the REP as well as NEA's accomplishments in line with the agenda of the present government of sustainable development. A total of 30 practitioners from various media networks participated in this activity.



Likewise, a Special Feature on REP was published in two major broadsheets namely Malaya Business Insights and The Manila Times to commemorate the events.

Seven press briefings and conferences were also facilitated to further spread news on NEA and EC activities as well as boost relations with the media partners.

Further, issuance of media releases was done to convey the REP. For 2018, a total of 98 media releases on issues and concerns affecting NEA, the ECs and, the REP were prepared as warranted and sent to tri-media organizations. These releases were also uploaded in the NEA website for public information.

In this initiative, the Agency saved some Php2.21 million on publicity and advertisement from the accommodation of various news desks which published the articles for free.

• SOCIAL MEDIA MANAGEMENT

In the aggressive promotion of the REP, the social media pages of the Agency were actively utilized through posting of relevant contents such as e-cards, news, photo and video releases which include the NEA-EC-MCO Solidarity Dance video.

Facebook Hits column was added to keep track of the online engagement generated from post/s including netizen reactions. The Agency's official Facebook page (@OfficialNEA) has reached 9,474 likes and 9,671 followers while NEA's official Twitter account (@nea_ph) attained 146 followers.



- **FREEDOM OF INFORMATION (FOI) FACILITY MANAGEMENT**

To provide NEA’s various publics with a ready facility to access information about the Agency and the REP, the FOI facility was established in 2017 in compliance with Executive Order No. 2 which was approved on July 23, 2018. FOI is also part of the Good Governance Conditions (GGCs) based on Administrative Order No. 25, series of 2011.

For 2018, a total of eight requests for information was facilitated. five quarterly and semi-annual reports were submitted to the Presidential Communication Operations Office (PCOO) and uploaded in the NEA website which merited a certificate of compliance.

- **IEC CAMPAIGN**

- **Monthly Information Block/Series**

A monthly presentation of various information about the REP and NEA was introduced tagged as the Monthly Information Block/Series. For the year, a total of 46 presentations was made.

This new project which aimed to increase awareness of employees were presented during Monday HESA assemblies through Audio Visual Presentations (AVPs). This includes four initiatives namely:

- Power Insights** - Collection and synthesis of news on power issues affecting NEA, the ECs and the MCOs in the past month. It also features the sentiments of the key players and stakeholders in the energy industry on the pressing issues for the period;
- UpLIFT** - Report of the activities undertaken by the different sectors and/or how the Legal, Institutional, Financial and Technical issues and concerns of the stakeholders are responded to vis-à-vis NEA’s 7-Point Electrification Agenda;
- Straight Forward** - Collection of policy issuances and directives of regulatory and supervisory bodies as bases for crafting, reviewing and updating of organizational/internal policies as well as apprise employees on the impact of these policies to NEA, ECs and the electricity consumers; and
- RE in Retrospect** - A glimpse of the milestones, significant events, trivia and other interesting information in the history of the Philippines’ REP.

- **Info Materials Production, Exhibit and, Dissemination**

Significant publications for the year such as the 2017 Annual Report, Volume XIV, Issue 4, and Volume XV, Issues 1, 2, and 3 of EnerNEA, and the 2019 corporate calendar were printed and distributed to various publics to make known NEA’s programs and projects and their contribution to nation building and countryside development.



The Agency also participated in two exhibit occasions such as the Power Trends Exhibition and Infrastructure Congress from September 4 to 6, 2018 and the Institute of Integrated

Electrical Engineers (IIEE) National Convention and 3E XPO 2018 from November 14 to 17, 2018. These activities aimed at strengthening network connections with various interest groups and showcase the Agency and its thrusts.

Meanwhile, the Pedro G. Dumol Library and RE Museum collected 129 titles on book donations and 47 magazines subscriptions using the self-generated PGD Library Fund.

- **CUSTOMER SATISFACTION SURVEY**

In NEA’s commitment to improve the delivery of quality service to its partner-ECs, a Customer Satisfaction Survey (CSS), specifically to ECs as NEA’s primary customers, was conducted by Contact Asia Services, Inc. (CASI) Research, a Third Party Research Agency.

The survey employed the methodology and questionnaires prescribed by the Governance Commission for GOCCs (GCG). It gathered 179 respondents consisting of General Managers, Board Presidents and department heads. Results showed that NEA garnered a Very Satisfactory rating of 90% or 4.50 equivalent to Very Satisfactory.

The survey was also part of the Corporate Performance Scorecard of NEA under Strategic Measure No. 4.

Meanwhile, an In-house survey was also developed as an alternative/supplemental tool which aimed to gather feedbacks and gain new perspectives from various publics in order to determine the satisfaction level of these customers on the different services extended by NEA. This tool is intended to get feedbacks from walk-in customers.

A pilot test run was done in November and December which generated a 3.30 rating translated to Outstanding customer satisfaction level.

EC PROFILE

	ELECTRIC COOPERATIVES	ACRONYM	MUNICIPALITIES/CITIES		B A R A N G A Y S			S I T I O S			C O N N E C T I O N S		
			COVERAGE/ ENERGIZED	%	POTENTIAL	ENERGIZED/ COMPLETED	%	POTENTIAL	ENERGIZED/ COMPLETED	%	POTENTIAL	ENERGIZED/ COMPLETED	%
						TODATE			TODATE			TODATE	
REGION I (ILOCOS REGION)													
1	Ilocos Norte Electric Cooperative, Inc.	INEC	23	100	559	559	100	2,913	2,913	100	166,882	164,550	99
2	Ilocos Sur Electric Cooperative, Inc.	ISECO	34	100	768	768	100	902	882	98	187,807	186,836	99
3	La Union Electric Cooperative, Inc.	LUELCO	18	100	536	536	100	1,098	1,060	97	160,045	152,813	95
4	Pangasinan I Electric Cooperative, Inc.	PANELCO I	9	100	192	192	100	625	535	86	92,153	86,546	94
5	Central Pangasinan Electric Cooperative, Inc.	CENPELCO	15	100	553	553	100	2,147	2,030	95	255,281	249,544	98
6	Pangasinan III Electric Cooperative, Inc.	PANELCO III	17	100	421	421	100	1,869	1,848	99	203,074	187,779	92
	Sub-Total		116	100	3,029	3,029	100	9,554	9,268	97	1,065,242	1,028,068	97
REGION II (CAGAYAN VALLEY)													
7	Batanes Electric Cooperative, Inc.	BATANELCO	6	100	29	29	100	41	38	93	6,305	6,290	99
8	Cagayan I Electric Cooperative, Inc.	CAGELCO I	12	100	376	376	100	340	283	83	160,156	149,022	93
9	Cagayan II Electric Cooperative, Inc.	CAGELCO II	21	100	510	510	100	1,225	990	81	143,947	128,174	89
10	Isabela I Electric Cooperative, Inc.	ISELCO I	15	100	484	484	100	386	366	95	218,075	215,898	99
11	Isabela II Electric Cooperative, Inc.	ISELCO II	21	100	545	545	100	425	305	72	179,014	145,048	81
12	Nueva Vizcaya Electric Cooperative, Inc. ¹	NUVELCO	15	100	275	275	100	639	346	54	113,080	98,066	87
13	Quirino Electric Cooperative, Inc.	QUIRELCO	6	100	150	150	100	328	296	90	55,426	53,375	96
	Sub-Total		96	100	2,369	2,369	100	3,384	2,624	78	876,003	795,873	91
CORDILLERA ADMINISTRATIVE REGION (CAR)													
14	Abra Electric Cooperative, Inc. ²	ABRECO	27	100	303	303	100	128	100	78	58,681	55,301	94
15	Benguet Electric Cooperative, Inc.	BENECO	14	100	269	269	100	3,158	2,512	80	201,403	180,739	90
16	Ifugao Electric Cooperative, Inc.	IFELCO	11	100	176	176	100	3,008	2,615	87	48,876	44,330	91
17	Kalinga-Apayao Electric Cooperative, Inc.	KAELCO	11	100	221	221	100	783	597	76	59,348	48,927	82
18	Mountain Province Electric Cooperative, Inc.	MOPRECO	10	100	144	144	100	890	634	71	41,511	40,142	97
	Sub-Total		73	100	1,113	1,113	100	7,967	6,458	81	409,819	369,439	90
REGION III (CENTRAL LUZON)													
19	Aurora Electric Cooperative, Inc.	AURELCO	9	100	157	157	100	487	473	97	57,446	55,807	97
20	Tarlac I Electric Cooperative, Inc.	TARELCO I	15	100	421	421	100	2,005	1,992	99	179,668	177,886	99
21	Tarlac II Electric Cooperative, Inc.	TARELCO II	5	100	120	120	100	241	228	95	122,415	120,371	98
22	Nueva Ecija I Electric Cooperative, Inc.	NEECO I	5	100	96	96	100	165	164	99	98,379	97,410	99
23	Nueva Ecija II Electric Cooperative, Inc. - Area 1	NEECO II-Area I	10	100	291	291	100	539	517	96	144,806	133,917	92
24	Nueva Ecija II Electric Cooperative, Inc. - Area 2	NEECO II-Area II	11	100	225	225	100	259	242	93	128,807	118,512	92
25	San Jose City Electric Cooperative, Inc.	SAJELCO	1	100	40	40	100	39	8	21	35,350	35,349	99
26	Pampanga Rural Electric Service Coop., Inc.	PRESCO	-	100	34	34	100	13	12	92	23,743	23,302	98
27	Pampanga I Electric Cooperative, Inc.	PELCO I	6	100	112	112	100	233	226	97	114,060	114,039	99
28	Pampanga II Electric Cooperative, Inc.	PELCO II	7	100	175	175	100	1,042	1,031	99	183,078	177,378	97
29	Pampanga III Electric Cooperative, Inc.	PELCO III	6	100	95	95	100	24	22	92	84,702	82,270	97
30	Peninsula Electric Cooperative, Inc.	PENELCO	12	100	241	241	100	422	414	98	200,312	196,624	98
31	Zambales I Electric Cooperative, Inc.	ZAMECO I	6	100	118	118	100	179	179	100	70,597	68,153	97
32	Zambales II Electric Cooperative, Inc.	ZAMECO II	7	100	111	111	100	196	186	95	86,845	86,832	99
	Sub-Total		100	100	2,236	2,236	100	5,844	5,694	97	1,530,208	1,487,850	97

	ELECTRIC COOPERATIVES	ACRONYM	MUNICIPALITIES/CITIES		BARANGAYS				SITIOS			CONNECTIONS		
			COVERAGE/ ENERGIZED	%	POTENTIAL	ENERGIZED/ COMPLETED	%	POTENTIAL	ENERGIZED/ COMPLETED	%	POTENTIAL	ENERGIZED/ COMPLETED	%	
						TODATE			TODATE			TODATE		
REGION IV-A (CALABARZON)														
33	First Laguna Electric Cooperative, Inc.	FLECO	11	100	164	164	100	710	636	90	73,942	70,862	96	
34	Batangas I Electric Cooperative, Inc.	BATELEC I	12	100	366	366	100	735	735	100	179,306	178,745	99	
35	Batangas II Electric Cooperative, Inc.	BATELEC II	17	100	482	482	100	1,699	1,623	96	322,239	316,195	98	
36	Quezon I Electric Cooperative, Inc.	QUEZELCO I	23	100	805	805	100	2,333	2,107	90	216,213	179,584	83	
37	Quezon II Electric Cooperative, Inc.	QUEZELCO II	8	100	129	128	99	967	863	89	51,766	41,080	79	
	Sub-Total		71	100	1,946	1,945	99	6,444	5,964	93	843,466	786,466	93	
MIMAROPA REGION														
38	Lubang Electric Cooperative, Inc.	LUBELCO	2	100	25	25	100	140	140	100	9,096	8,325	92	
39	Occidental Mindoro Electric Cooperative, Inc.	OMEKO	9	100	139	139	100	1,214	932	77	104,516	81,432	78	
40	Oriental Mindoro Electric Cooperative, Inc.	ORMECO	15	100	426	426	100	4,368	3,133	72	221,621	214,399	97	
41	Marinduque Electric Cooperative, Inc.	MARELCO	6	100	218	218	100	417	386	93	58,628	58,367	99	
42	Tablas Electric Cooperative, Inc.	TIELCO	10	100	112	112	100	820	770	94	43,928	43,284	99	
43	Romblon Electric Cooperative, Inc.	ROMELCO	5	100	83	83	100	644	566	88	25,372	24,869	98	
44	Busuanga Electric Cooperative, Inc.	BISELCO	4	100	61	61	100	127	120	94	24,585	18,221	74	
45	Palawan Electric Cooperative, Inc.	PALECO	19	100	371	371	100	1,380	560	41	239,523	140,016	58	
	Sub-Total		70	100	1,435	1,435	100	9,110	6,607	73	727,269	588,913	81	
REGION V (BICOL REGION)														
46	Camarines Norte Electric Cooperative, Inc.	CANORECO	12	100	273	273	100	558	464	83	136,298	119,454	88	
47	Camarines Sur I Electric Cooperative, Inc.	CASURECO I	10	100	287	287	100	729	580	80	93,294	84,988	91	
48	Camarines Sur II Electric Cooperative, Inc.	CASURECO II	10	100	259	259	100	409	351	86	136,719	124,734	91	
49	Camarines Sur III Electric Cooperative, Inc.	CASURECO III	7	100	229	229	100	63	55	87	97,503	80,164	82	
50	Camarines Sur IV Electric Cooperative, Inc.	CASURECO IV	9	100	258	258	100	847	577	68	79,951	66,251	83	
51	Albay Electric Cooperative, Inc.	ALECO	18	100	720	720	100	348	251	72	277,127	190,303	69	
52	Sorsogon I Electric Cooperative, Inc.	SORECO I	8	100	253	253	100	1,506	1,288	86	81,220	81,198	99	
53	Sorsogon II Electric Cooperative, Inc.	SORECO II	7	100	288	288	100	1,719	1,594	93	98,687	93,652	95	
54	First Catanduanes Electric Cooperative, Inc.	FICELCO	11	100	315	315	100	158	153	97	59,463	57,426	97	
55	Masbate Electric Cooperative, Inc.	MASELCO	15	100	434	434	100	1,799	1,328	74	148,530	76,428	51	
56	Ticao Island Electric Cooperative, Inc. ³	TISELCO	4	100	72	72	100	221	106	48	21,362	15,688	73	
	Sub-Total		111	100	3,388	3,388	100	8,357	6,747	81	1,230,154	990,286	81	
	TOTAL LUZON		637	100	15,516	15,515	99	50,660	43,362	86	6,682,161	6,046,895	90	
REGION VI (WESTERN VISAYAS)														
57	Aklan Electric Cooperative, Inc.	AKELCO	19	100	380	379	99	1,091	965	88	182,538	177,907	97	
58	Antique Electric Cooperative, Inc.	ANTECO	16	100	537	537	100	1,459	1,316	90	127,601	114,255	90	
59	Capiz Electric Cooperative, Inc.	CAPELCO	17	100	473	473	100	1,371	1,150	84	192,512	173,154	90	
60	Iloilo I Electric Cooperative, Inc.	ILECO I	15	100	794	794	100	1,958	1,803	92	164,920	159,835	97	
61	Iloilo II Electric Cooperative, Inc.	ILECO II	15	100	587	587	100	2,603	2,430	93	157,164	132,105	84	
62	Iloilo III Electric Cooperative, Inc.	ILECO III	13	100	340	340	100	1,679	1,460	87	121,729	96,420	79	
63	Guimaras Electric Cooperative, Inc.	GUIMELCO	5	100	98	98	100	690	578	84	40,575	36,885	91	
64	Northern Negros Electric Cooperative, Inc.	NONECO	9	100	196	196	100	2,859	2,458	86	200,450	164,080	82	
65	Central Negros Electric Cooperative, Inc.	CENECO	6	100	158	158	100	539	416	77	264,622	231,764	88	
66	Negros Occidental Electric Cooperative, Inc.	NOCECO	17	100	308	308	100	3,147	2,366	75	259,057	196,149	76	
	Sub-Total		132	100	3,871	3,870	99	17,396	14,942	86	1,711,168	1,482,554	87	

	ELECTRIC COOPERATIVES	ACRONYM	MUNICIPALITIES/CITIES		B A R A N G A Y S				S I T I O S			C O N N E C T I O N S		
			COVERAGE/ ENERGIZED	%	POTENTIAL	ENERGIZED/ COMPLETED	%	POTENTIAL	ENERGIZED/ COMPLETED	%	POTENTIAL	ENERGIZED/ COMPLETED	%	
						TODATE			TODATE			TODATE		

REGION VII (CENTRAL VISAYAS)

67	Negros Oriental I Electric Cooperative, Inc.	NORECO I	11	100	285	285	100	1,940	1,751	90	133,402	85,430	64
68	Negros Oriental II Electric Cooperative, Inc.	NORECO II	14	100	272	272	100	1,733	1,384	80	193,308	161,300	83
69	Bantayan Electric Cooperative, Inc.	BANELCO	3	100	49	49	100	463	425	92	33,442	33,070	99
70	Cebu I Electric Cooperative, Inc.	CEBECO I	18	100	366	366	100	3,356	3,138	94	157,147	153,324	98
71	Cebu II Electric Cooperative, Inc.	CEBECO II	13	100	323	323	100	2,512	2,510	99	179,430	167,988	94
72	Cebu III Electric Cooperative, Inc.	CEBECO III	5	100	134	134	100	1,461	1,435	98	107,406	107,260	99
73	Province of Siquijor Electric Cooperative, Inc.	PROSIELCO	6	100	134	134	100	773	724	94	27,650	27,635	99
74	Camotes Electric Cooperative, Inc.	CELCO	4	100	56	56	100	419	380	91	25,703	24,688	96
75	Bohol I Electric Cooperative, Inc.	BOHECO I	26	100	603	603	100	3,596	3,596	100	168,985	168,897	99
76	Bohol II Electric Cooperative, Inc.	BOHECO II	21	100	491	491	100	3,269	2,995	92	152,729	144,173	94
	Sub-Total		121	100	2,713	2,713	100	19,522	18,338	94	1,179,202	1,073,765	91

REGION VIII (EASTERN VISAYAS)

77	Don Orestes Romualdez Electric Cooperative, Inc.	DORELCO	13	100	499	499	100	672	450	67	98,154	73,264	75
78	Leyte II Electric Cooperative, Inc.	LEYECO II	3	100	196	196	100	126	126	100	72,385	70,911	98
79	Leyte III Electric Cooperative, Inc.	LEYECO III	9	100	285	285	100	341	273	80	63,772	57,216	90
80	Leyte IV Electric Cooperative, Inc.	LEYECO IV	6	100	245	245	100	1,318	1,227	93	82,475	82,456	99
81	Leyte V Electric Cooperative, Inc.	LEYECO V	12	100	414	414	100	1,654	1,258	76	155,970	123,744	79
82	Southern Leyte Electric Cooperative, Inc.	SOLECO	19	100	500	500	100	2,010	1,874	93	107,344	106,672	99
83	Biliran Electric Cooperative, Inc.	BILECO	7	100	117	117	100	300	264	88	38,233	36,219	95
84	Northern Samar Electric Cooperative, Inc.	NORSAMELCO	24	100	569	569	100	505	302	60	126,562	80,880	64
85	Samar I Electric Cooperative, Inc.	SAMELCO I	10	100	427	427	100	149	125	84	72,791	65,040	89
86	Samar II Electric Cooperative, Inc.	SAMELCO II	16	100	524	524	100	1,694	1,474	87	94,933	82,811	87
87	Eastern Samar Electric Cooperative, Inc.	ESAMELCO	23	100	596	596	100	843	409	49	107,684	97,721	91
	Sub-Total		142	100	4,372	4,372	100	9,612	7,782	81	1,020,303	876,934	86
	TOTAL VISAYAS		395	100	10,956	10,955	99	46,530	41,062	88	3,910,673	3,433,253	88

REGION IX (ZAMBOANGA PENINSULA)

88	Zamboanga del Norte Electric Cooperative, Inc.	ZANECO	23	100	585	585	100	2,527	1,762	70	195,790	123,662	63
89	Zamboanga del Sur I Electric Cooperative, Inc.	ZAMSURECO I	25	100	628	628	100	2,941	2,216	75	201,273	135,877	68
90	Zamboanga del Sur II Electric Cooperative, Inc.	ZAMSURECO II	23	100	558	558	100	3,151	2,124	67	194,127	127,021	65
91	Zamboanga City Electric Cooperative, Inc. ⁴	ZAMCELCO	1	100	94	94	100	827	700	85	188,746	142,620	76
	Sub-Total		72	100	1,865	1,865	100	9,446	6,802	72	779,936	529,180	68

REGION X (NORTHERN MINDANAO)

92	Misamis Occidental I Electric Cooperative, Inc.	MOELCI I	8	100	227	227	100	327	308	94	64,717	62,168	96
93	Misamis Occidental II Electric Cooperative, Inc.	MOELCI II	8	100	253	253	100	317	289	91	90,893	90,224	99
94	Misamis Oriental I Electric Cooperative, Inc.	MORESCO I	10	100	155	155	100	1,508	1,440	95	100,327	97,176	97
95	Misamis Oriental II Electric Cooperative, Inc.	MORESCO II	12	100	269	269	100	1,518	1,194	79	95,298	81,264	85
96	First Bukidnon Electric Cooperative, Inc.	FIBECO	13	100	303	303	100	3,170	2,557	81	186,266	158,475	85
97	Bukidnon II Electric Cooperative, Inc.	BUSECO	10	100	171	171	100	1,730	1,254	72	129,330	116,249	90
98	Camiguin Electric Cooperative, Inc.	CAMELCO	5	100	58	58	100	924	924	100	23,815	23,800	99
99	Lanao del Norte Electric Cooperative, Inc.	LANECO	19	100	407	407	100	1,167	859	74	132,675	99,186	75

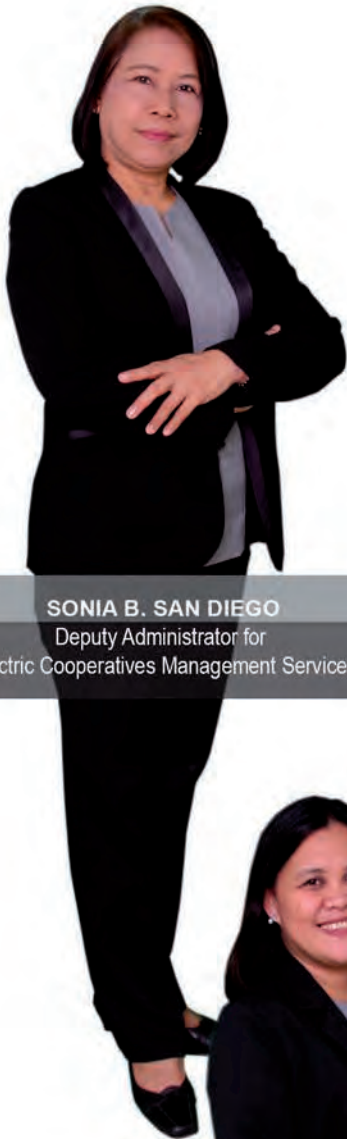
EC PROFILE

	ELECTRIC COOPERATIVES	ACRONYM	MUNICIPALITIES/CITIES		BARANGAYS			SITIOS			CONNECTIONS		
			COVERAGE/ ENERGIZED	%	POTENTIAL	ENERGIZED/ COMPLETED	%	POTENTIAL	ENERGIZED/ COMPLETED	%	POTENTIAL	ENERGIZED/ COMPLETED	%
						TODATE			TODATE			TODATE	
REGION XI (DAVAO REGION)													
100	Davao Oriental Electric Cooperative, Inc.	DORECO	11	100	183	183	100	1,586	1,191	75	132,936	109,270	82
101	Davao del Norte Electric Cooperative, Inc.	DANECO	18	100	376	376	100	2,346	1,107	47	311,782	207,541	67
102	Davao del Sur Electric Cooperative, Inc.	DASURECO	15	100	337	337	100	4,982	3,446	69	244,919	177,892	73
	Sub-Total		44	100	896	896	100	8,914	5,744	64	689,637	494,703	72
REGION XII (SOCCSKSARGEN)													
103	North Cotabato Electric Cooperative, Inc.	COTELCO	12	100	348	348	100	2,773	2,338	84	205,935	165,499	80
104	PPALMA-COTELCO	P-PALMA	6	100	195	195	100	1,335	1,070	80	121,437	66,495	55
105	South Cotabato I Electric Cooperative, Inc.	SOCOTECO I	10	100	172	172	100	1,801	1,448	80	179,886	134,629	75
106	South Cotabato II Electric Cooperative, Inc.	SOCOTECO II	10	100	205	205	100	2,739	2,049	75	322,068	211,718	66
107	Sultan Kudarat Electric Cooperative, Inc.	SUKELCO	17	100	311	311	100	2,958	2,168	73	202,160	152,003	75
	Sub-Total		55	100	1,231	1,231	100	11,606	9,073	78	1,031,486	730,344	71
AUTONOMOUS REGION IN MUSLIM MINDANAO (ARMM)													
108	Tawi-Tawi Electric Cooperative, Inc. ⁵	TAWELCO	9	100	186	186	100	355	242	68	62,321	13,597	22
109	Siasi Electric Cooperative, Inc. ⁶	SIASELCO	2	100	66	66	100	76	41	54	17,162	4,258	25
110	Sulu Electric Cooperative, Inc. ⁷	SULECO	16	100	330	330	100	86	71	83	116,930	27,742	24
111	Basilan Electric Cooperative, Inc. ⁸	BASELCO	14	100	269	269	100	247	191	77	87,041	45,288	52
112	Cagayan de Sulu Electric Cooperative, Inc. ⁹	CASELCO	2	100	17	17	100	87	28	32	5,208	3,155	61
113	Lanao del Sur Electric Cooperative, Inc. ¹⁰	LASURECO	41	100	1,175	1,175	100	136	68	50	164,347	56,475	34
114	Maguindanao Electric Cooperative, Inc. ¹	MAGELCO	30	100	404	398	99	1,322	749	57	151,877	51,528	34
	Sub-Total		114	100	2,447	2,441	99	2,309	1,390	60	604,886	202,043	33
CARAGA													
115	Agusan del Norte Electric Cooperative, Inc.	ANECO	12	100	253	253	100	2,136	2,086	98	184,984	181,538	98
116	Agusan del Sur Electric Cooperative, Inc.	ASELCO	14	100	314	314	100	2,736	2,506	92	172,277	165,862	96
117	Surigao del Norte Electric Cooperative, Inc.	SURNECO	12	100	203	203	100	364	314	86	94,288	92,991	99
118	Siargao Electric Cooperative, Inc.	SIARELCO	9	100	132	132	100	238	238	100	34,391	34,362	99
119	Dinagat Islands Electric Cooperative, Inc.	DIELCO	7	100	100	100	100	197	173	88	31,298	27,876	89
120	Surigao del Sur I Electric Cooperative, Inc.	SURSECO I	5	100	112	112	100	670	550	82	79,820	79,804	99
121	Surigao del Sur II Electric Cooperative, Inc.	SURSECO II	14	100	197	197	100	1,318	1,214	92	82,641	79,897	97
	Sub-Total		73	100	1,311	1,311	100	7,659	7,081	92	679,699	662,330	97
	TOTAL MINDANAO		443	100	9,593	9,587	99	50,595	38,915	77	4,608,965	3,347,142	73
	TOTAL		1,475	100	36,065	36,057	99	147,785	123,339	83	15,201,799	12,827,290	84

reports on hhc as of :

1Feb 2018	3May 2018	5Mar 2017	7	Nov 2017	9MFSR-Nov 2016
2Sep 2018	4Nov 2018	6Aug 2015	8	Dec 2018	

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57 NIA Road, Government Center, Diliman, Quezon City 1100 Philippines
Telefax: (632) 929-2237 Local: (632) 929-1909 loc.153



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