



Republic of the Philippines
NATIONAL ELECTRIFICATION ADMINISTRATION
Quezon City

June 1, 2004

MEMORANDUM

TO : ALL CONCERNED ELECTRIC COOPERATIVES

SUBJECT : Short Term Credit Facility (STCF) for ECs Settlement of Power Accounts

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Please be informed that the NEA Board of Administrators, in its Resolution No. 55 dated May 27, 2004 approved the policy on Short Term Credit Facility (STCF) and its Implementing Guidelines (Copies attached).

The highlights are as follows:

- A. ECs which have overdue accounts with NPC/TRANSCO and meet the criteria stated below maybe extended financial assistance:
- ❖ Temporarily experiencing problem in cash flow (Cash deficit)
 - ❖ Must have a debt-service ratio of 1.2
 - ❖ Must show substantial compliance on the implementation of its 5-year Plan
- B. **AMOUNT**
- The maximum amount of credit facility shall be computed as follows:
- ❖ Current month Power Cost (latest MFSR)
 - ❖ Less: 50% of Ave. Monthly collection
 - ❖ Add: Ave. Monthly Non Power Cost
 - ❖ Maximum Amount of credit facility


C. TERMS

- ❖ 1% interest rate per month on the amount withdrawn
- ❖ Six months credit line
- ❖ Payable within 30 days after each availment
- ❖ 1.5% default charge per month

To avail of the short term credit facility, the proponent EC shall be required to submit to the Accounts Management and Guarantee Department (AMGD) the following:

- ❖ Board Resolution requesting for loan
- ❖ 12 Month Projected Income Statement and Cash Flow including Schedules and assumptions to projection

For your information/guidance.


NATIONAL ELECTRIFICATION
ADMINISTRATION
IN THE DISTRICT OF COLUMBIA
FILE NO. OR004913

NER-OR004913
6/3/04

EDITA S. BUENO
Administrator

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