



Department of Energy  
**NATIONAL ELECTRIFICATION ADMINISTRATION**  
Quezon City

02 August 2004

NEA MEMORANDUM No. 2004-009

TO : **ALL ELECTRIC COOPERATIVES**

SUBJECT : **ELECTRIC COOPERATIVE EXPENDITURES**

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The current economic situation in the country, which is characterized by deregulation and competition, demands much from the rural electrification sector, especially its key players – the 119 electric cooperatives (ECs). To address the challenges of the times, the Electric Power Industry Reform Act of 2001 or Republic Act 9136 was passed to provide the framework of reforms that the ECs need to carry out to achieve the goal of operational and economic efficiency.

Foremost are the requirements of the Energy Regulatory Commission (ERC) for ECs to be equally competitive, and necessarily possess the highest standards of power reliability. These can only be achieved, however, if the ECs will continually upgrade their systems and improve employees' competencies, among others.

In view of this, we are enjoining all ECs to determine ways and means on how to save on expenses. Prudent use of resources would mean more funds for expenditures that would contribute to improving the ECs' efficiency. This would also build a better image of ECs under the watchful eye of the public. Thus, for instance, travel engagements, both domestic and foreign, should be carefully-planned and cost-effective; cost of overtime work and other administrative cost should be minimized without sacrificing efficiency of service. Expenses, in other words, should be reasonable and well-justified.

We expect the EC Board of Directors and General Managers to set examples for the rest of the employees. We further encourage them to discuss cost-saving measures among their employees and obtain from them other suggestions on how they can do their share in using their organizations' already-strained resources wisely.

  
**EDITA S. BUENO**  
Administrator

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