



Republic of the Philippines  
**National Electrification Administration**

05 January 2005

NEA MEMORANDUM No. 2005-001

**TO :** ALL ELECTRIC COOPERATIVES  
**SUBJECT :** Administrative Order No. 112

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Please be advised of the issuance of Administrative Order No. 112, signed by President GLORIA MACAPAGAL-ARROYO last 07 December 2004. Said Order empowers NEA with full and sole authority and responsibility in the conversion of electric cooperatives into stock cooperatives.

Hence, all matters concerning this issue now fall under the jurisdiction of NEA and not any other agency of the government.

Attached is a copy of A.O. No. 112 for your reference.

Please be guided accordingly.

  
EDITA S. BUENO  
Administrator

NATIONAL ELECTRIFICATION  
ADMINISTRATION

IN REPLY TO: P.C. - ITR: #0A006226



NEA-0A006226

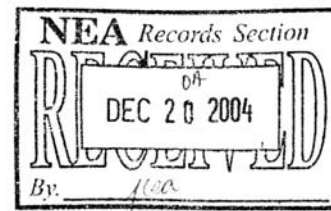
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Office of the President  
of the Philippines  
Malacañang



Manila, December 16, 2004

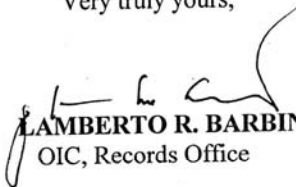
HON. EDITA S. BUENO  
Administrator  
National Electrification Administration  
#57 NEA Building, NIA Road  
Government Center, Diliman  
Quezon City



M a d a m :

I have the honor to transmit for your information and guidance, a certified copy of Administrative Order No. 112 dated December 7, 2004 entitled "**DIRECTING THE NATIONAL ELECTRIFICATION ADMINISTRATION TO TAKE FULL AND SOLE AUTHORITY AND RESPONSIBILITY IN THE CONVERSION OF ELECTRIC COOPERATIVES INTO STOCK COOPERATIVES.**"

Very truly yours,

  
LAMBERTO R. BARBIN  
OIC, Records Office

gld.

**Malacañang**  
Manila

**ADMINISTRATIVE ORDER NO. 112**

**DIRECTING THE NATIONAL ELECTRIFICATION ADMINISTRATION TO  
TAKE FULL AND SOLE AUTHORITY AND RESPONSIBILITY IN THE  
CONVERSION OF ELECTRIC COOPERATIVES INTO STOCK  
COOPERATIVES**

**WHEREAS**, Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (hereinafter "EPIRA Law"), passed on 08 June 2001, provides for the promotion of rural electrification;

**WHEREAS**, Section 57 of the EPIRA Law provides for the conversion of electric cooperatives into either stock cooperatives under the Cooperatives Development Act or stock corporations under the Corporation Code;

**WHEREAS**, in order to achieve the aforementioned purpose, the National Electrification Administration ("NEA") was given additional mandates to develop and implement specific programs that shall prepare electric cooperatives in operating and competing under the deregulated electricity market within five (5) years from the effectivity of EPIRA Law, strengthen the technical capability and financial viability of rural electric cooperatives, and enhance the viability of rural electric cooperatives as electric utilities;

**WHEREAS**, to enable the NEA to perform its additional mandates, the Implementing Rules and Regulations of the EPIRA Law, specifically Section 7, paragraph c (i) of Rule 7 thereof, mandates the NEA to promulgate the Guidelines in the Conduct of Referendum of the members of electric cooperatives who intend to convert the same into either stock cooperatives or stock corporations.

**NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO**, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**Section 1.** The National Electrification Administration shall have full and sole authority and responsibility in the conversion of electric cooperatives into stock cooperatives.

**Section 2.** All issuances, rules and regulations, or parts thereof that are inconsistent with this Administrative Order are hereby repealed, amended or modified accordingly.



**Section 3.** This Administrative Order shall take effect immediately.

DONE in the City of Manila, this 7th of December, in the year of Our Lord Two Thousand and Four.

*Gloria Arroyo*



By the President:

*E. R. Ermita*

**EDUARDO R. ERMITA**

Executive Secretary



CERTIFIED COPY:  
*J. L. Barbin*  
**LAMBERTO R. BARBIN**  
Officer-in-Charge  
Malacanan Records Office  
*8/12-17-04*