



Republic of the Philippines
National Electrification Administration
Quezon City

17 March 2005

NEA MEMORANDUM No. 2005-008

To : **ALL ELECTRIC COOPERATIVES**

Subject : **Disapproval of the Requests for Reconsideration for Election Deferment, Extension of Terms, and Lifting of Terms of the Members of the Board of Directors (BOD)**

The NEA is in receipt of numerous Board Resolutions from different electric cooperatives (ECs) appealing for reconsideration of the following requests:

1. Deferment of the conduct of district elections for the BOD;
2. Extension of the BOD's term of office; and
3. Lifting of the limits of BOD's term of office.

Despite the presence of clear provisions in the EC By-Laws and the Election Code disallowing the above, some ECs continue to pass resolutions of the same nature.

Thus, the NEA Board of Administrators has approved Resolution No. 131 last 20 October 2004 denying the above-mentioned requests for reconsideration, for lack of merit, filed respectively by Davao Oriental Electric Cooperative, Inc. (DORECO), Palawan Electric Cooperative, Inc. (PALECO), and Cotabato Electric Cooperative, Inc. (COTELCO).

The Resolution, likewise, denies requests of similar nature that will be made by ECs in the future if their justifications do not fall within the following exceptions:

1. Unstable peace and order situation;
2. Violence, terrorism, loss or destruction of election paraphernalia or records;
3. Force majeure;
4. The conduct of election had been enjoined by a Temporary Restraining Order or Injunction by a competent court; and
5. The NEA had exercised its authority to defer the district election based on the EC's implementation of its Performance Improvement Plan where the continuing assistance of its incumbent BODs is deemed vital in such implementation.

Attached is a copy of NEA Board of Administrators' Resolution No. 131 for your guidance and strict compliance..


EDITA S. BUENO
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION

IN REPLYING, P.L.C. SITE: #OR006651



NEA-OR006651

ew
HK/AT



Republic of the Philippines
National Electrification Administration

CERTIFICATION

This is to certify that the NEA Board of Administrators, in its Meeting held on October 20, 2004 passed the following resolution, subject to confirmation in its next regular meeting:

RESOLUTION NO. 131

WHEREAS, the Management in its Memorandum of October 14, 2004, presented to the Board the request of some electric cooperatives (ECs) for deferment of, (a) the conduct of their district elections for the Board of Directors (BoD), (b) extension of the BoD's term of office and (c) lifting of the limits of BoD's term of office. These ECs are:

- (1) Davao Oriental Electric Cooperative, Inc. (DORECO) under its Board Resolution No. 35 dated June 25, 2004;
- (2) Palawan Electric Cooperative, Inc. (PALECO) under its Board Resolution No. 64 dated September 6, 2004; and,
- (3) Cotobato Electric Cooperative, Inc. (COTELCO) under its Board Resolution No. 50 dated May 18, 2004.

WHEREAS, the Management is recommending to the Board for the denial of the foregoing requests based on the following grounds:

- (1) Strict compliance with the regular conduct of district elections for BoDs of ECs provided in its By-Laws so that the right of suffrage of the member-consumers will not be infringed;
- (2) Strict compliance with the provision on BoD's term of office under the NEA Guidelines in the Conduct of District Elections of ECs and NEA Board Resolution No. 38 dated October 27, 1999;
- (3) Strict compliance with the following exceptions on the postponement of district elections for BoDs of ECs:
 - (a) unstable peace and order situation;
 - (b) violence, terrorism, loss or destruction of election paraphernalia or records;
 - (c) force majeure;

- (d) the conduct of election had been enjoined by a Temporary Restraining Order or Injunction by a competent court; and,
- (e) the NEA had exercised its authority to defer the district election based on the EC's implementation of its Performance Improvement Plan where the continuing assistance of its incumbent BoD's is deemed vital in such implementation.

WHEREAS, the grounds relied upon by the above-mentioned ECs, which do not fall within the exceptions for the postponement of the district elections are:

- (1) The conduct of election is costly;
- (2) The holding of the district election is untimely due to numerous problems of the ECs;
- (3) The limit of the term of office is short for a good director; and,
- (4) To ensure continuity of programs.

WHEREAS, the Management is likewise recommending to the Board that in the event of a similar request will be made by ECs in the future wherein the justifications for postponement of the district election do not fall within the above-mentioned exceptions, such request shall be denied;

WHEREAS, after a discussion on the matter, the Board found the recommendations of the Management to be impressed with merit;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, based on the foregoing and in accordance with the authority of the Board under Section 5 of P.D. No. 1645, to deny, as it is hereby denied, the request of the following electric cooperatives (ECs) for deferment of; (a) the conduct of their district elections for the Board of Directors (BoD), (b) extension of the BoD's term of office and (c) lifting of the limits of BoD's term of office:

- (1) Davao Oriental Electric Cooperative, Inc. (DORECO) under its Board Resolution No. 35 dated June 25, 2004;



-
- (2) Palawan Electric Cooperative, Inc. (PALECO) under its Board Resolution No. 64 dated September 6, 2004; and,
- (3) Cotobato Electric Cooperative, Inc. (COTELCO) under its Board Resolution No. 50 dated May 18, 2004.

RESOLVED FURTHER, AS IT IS HEREBY RESOLVED that in the event of a similar request will be made by ECs in the future wherein the justifications for postponement do not fall within any of the following exceptions, the same shall be denied for lack of merit:

- (a) unstable peace and order situation;
- (b) violence, terrorism, loss or destruction of election paraphernalia or records;
- (c) force majeure;
- (d) the conduct of election had been enjoined by a Temporary Restraining Order or Injunction by a competent court; and,
- (e) the NEA had exercised its authority to defer the district election based on the EC's implementation of its Performance Improvement Plan where the continuing assistance of its incumbent BoD's is deemed vital in such implementation.

Issued this 2nd day of Noveber 2004, at Quezon City.


NOLLIE B. ALAMILLO
Corporate Board Secretary V