



Republic of the Philippines
National Electrification Administration

11 December 2007

MEMORANDUM No. 2007-026

TO : **ALL ELECTRIC COOPERATIVES**

SUBJECT : **ASSET MANAGEMENT PROGRAM FOR ECs**

The National Electrification Administration, in response to the rigid demands and structural changes under the EPIRA environment, enjoins all Electric Cooperatives (ECs) for the continuous implementation of the asset management program which commenced during the preparation of application and approval of caps on the recoverable rates of distribution losses with the Energy Regulatory Commission (ERC).

During the initial stage of EPIRA implementation, NEA approved the incorporation of asset management division in the EC organizational structure thru Memorandum No. 2004-024, to confront the challenges by the competitive environment.

The program that has been started, especially the system losses segregation activities, is a comprehensive approach for system loss analysis and planning. Please see attached information about data development for Distribution System Loss Segregation activities.

Please be guided accordingly.


EDITA S. BUENO
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION

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Distribution System Loss Segregation (DSLS)

The development and implementation of the Distribution System Loss Segregation is a comprehensive approach for system loss analysis and planning. The concept shall start the analysis from the feeder, down to the substation, and ultimately to the whole system. It provides the engineers basic information in determining the specific target areas of activities in the Loss Reduction.

The need for ECs to continuously update the system data which was previously developed and organized thru System Loss Segregation is a must for the following reasons:

1. DSL Segregation activity is a continuing process. The system data developed and organized is vital as described below:
 - Useful in the preparation of feasibility study, design, operation and maintenance activities of the ECs.
 - Key requirement in the development of Asset Management for ECs.
2. Realization of benefits out of the activities by the ECs
 - System data management is more systematic.
 - System Loss Segregation is a scientific approach on System Loss Reduction Program.
 - Management and Engineers are more confident in decision-making.
 - All departments are harmonized on their activities in System Loss Reduction.
3. Availability of developed and organized data for engineering study.
 - System Loss Study - Technical Standard in System Efficiency
 - Short Circuit Study - Technical Standard in Reliability
 - Load Flow Study – Technical Standard in Power Quality
4. Requirement for different compliances for EPIRA , GMC and DMC .
 - System Efficiency Standards - Cap on System Loss
 - Power Quality Standards
 - Reliability Standards
 - Distribution Development Plan (DDP)
 - CAPEX Project
 - Rate Making

5. Availability of National Data required by NEA.

- Development of National Data Banking System
- Enhancement of Distribution Development Plan/ Long Term Development Plan
- Implementation of the Non-Technical System Loss Reduction Program
- Basis in NEA Loan such as SDSL, Regular Loan, and etc.
- Linking with MEAP/Area Engineering of NEA

Recommendation :

Advise ECs to implement the Asset Management Program which includes the permanent activities on DSL Segregation by undertaking the following :

- Update regularly and maximize the use of system data banking.
- Maximize efforts of all EC personnel on DSL Segregation activities particularly those that have undergone the NEA-UP Competency Program.
- Various findings/output in the System Loss Segregation study per feeder / substation must be implemented.

Prepared by:

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