



Republic of the Philippines
National Electrification Administration

26 June 2008

MEMORANDUM No. 2008-018

TO : ALL ELECTRIC COOPERATIVES (ECs)

SUBJECT : Implementing Guidelines on the Release of Funds for
"Pantawid Kuryente: Katas ng VAT" Program

I. Background

Pursuant to the directive of Her Excellency, President Gloria Macapagal-Arroyo, the Department of Social Welfare and Development (DSWD) will implement the "Pantawid Kuryente: Katas ng VAT Program", a one-time subsidy to the poorest sector of society to help them pay their electric bills.

Accordingly, the DSWD and NEA executed a Memorandum of Agreement (MOA) for the implementation of this Program in areas covered by the electric cooperatives (ECs) nationwide. Based on the MOA, the DSWD will transfer to NEA the amount that will cover the P500 subsidy for each of the customers consuming 100 KWH per month or less with the initial release of P500M. For its part, NEA will assist DSWD in the proper disbursement of funds to the different ECs, subject to the provisions of these guidelines.

II. Purpose

To set the guidelines on the submission, processing, approval and release of funds for the implementation of "Pantawid Kuryente: Katas ng VAT" Program in areas covered by the ECs.

III. Implementing Guidelines

1. ECs are required to submit to NEA-Institutional Development Department (IDD) the following documents:
 - a. Letter request from the General Manager requesting for the release of funds
 - b. Complete list of residential costumers with consumption of 100 KWH and below based on May 2008 billing duly certified by the EC head of Billing Unit and the General Manager using the attached format (Annex I). This should include the summary of residential consumers per municipality.
 - c. Duly accomplished and notarized Memorandum of Agreement (MOA) between NEA and EC.

2. EC submission shall be evaluated/recommended by IDD, after which NEA shall release the funds in the form of cash advance subject to the usual accounting and auditing procedures on a first come, first served basis.
3. Immediately, EC shall issue credit memo (Annex 2) to qualified consumers stating that the amount of P500 shall be applied starting June 2008 and future billings. The amount of advances shall be reflected in the consumers' monthly billing until the total P500 has been fully accounted for.
4. The EC shall keep and maintain the electricity subsidy in a separate account in a reputable government bank (preferably LBP or DBP). Only the amount actually applied during the month shall be transferred to the EC general fund.
5. NEA, DSWD and/or the Commission on Audit shall require the submission of vouchers and other documents relevant to the subsidy and the project(s) as well as conduct an audit on all transactions made with respect thereto.
6. The EC shall submit Liquidation Report (Accounting of Funds, Summary of Power Bills/Credit Memo Issued and Certificate of Payment to Consumers) within thirty (30) days after completion of the program.
7. It is agreed that all unutilized amount shall be returned/remitted to NEA immediately upon submitted of the liquidation report
8. The EC shall undertake payment of notarial services and other related expenses.
9. NEA shall prepare disbursement report verified by COA.
10. NEA shall forward to DSWD documents submitted by ECs including the disbursement report as proof of liquidation.

IV. Responsibility

The General Manager, Finance Services Manager, Consumers Accounts/Operation Dept. Manager and Internal Auditor shall be responsible in the processing and management of the funds.

The intention of this program is to help your consumers cope with the rising costs of fuel and other commodities by providing a one-time subsidy. You are expected to implement the program immediately, and serve as a partner of government in this undertaking. Proper dissemination of this program should likewise be done to ensure systematic program implementation.

For your information and compliance.


EDITA S. BUENO
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION

IN REPLYING, P.L.C. - ITE: #OR012544



NER-OR012544

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6/26/08

**ILOILO I ELECTRIC COOPERATIVE, INC
(ILECO I)**

Annex 2

Name:
Address:

Date:
Credit Memo No.

We have credited to your account, the amount of **Five Hundred Pesos (P500)** representing subsidy under the "Pantawid Kuryente: Katas ng VAT" Program of Her Excellency, President Gloria Macapagal-Arroyo, through the Department of Social Welfare and Development (DSWD) and National Electrification Administration (NEA).

The program was designed to help you cope with the rising costs of fuel and other basic commodities. The P 500 will be applied to your electric bill starting June 2008 and onwards until it is fully utilized.

Prepared by:

Approved by:

Received by:
(Signature over Printed Name)
Date _____

**ILOILO I ELECTRIC COOPERATIVE, INC
(ILECO I)**

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Name:
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Prepared by:

Approved by:

Received by:
(Signature over Printed Name)
Date _____

LIST OF RESIDENTIAL CONSUMERS
USING 100 KWH AND BELOW
BILL MONTH – MAY 2008

TOWN :
BRGY :

ACCOUNT NO.	NAME	BILL NO.	KWH USE	AMOUNT
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