

July 24, 2008

MEMORANDUM No. 2008-020

TO : ALL ELECTRIC COOPERATIVES

SUBJECT : Joint Department of Social Welfare and Development (DSWD) and National Electrification Administration (NEA) Implementing Guidelines for "Pantawid Kuryente: Katas ng VAT" Program

I. Background/Rationale

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 pay their electric bills. The program which aims to cushion the impact of the high cost of electricity will be funded through the allocation of P2 billion from oil VAT collection.

The DSWD and NEA subsequently executed a Memorandum of Agreement (MOA) for the implementation of the program in areas covered by the Electric Cooperatives (ECs) nationwide. In order to effect the appropriate and efficient processing, approval and release of funds for the implementation of the program these implementing guidelines are required.

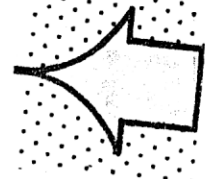
II. General Policies

1. The Program shall be implemented in all areas covered by the one hundred nineteen (119) Electric Cooperatives (see attached **Annex 1**), nationwide.
2. Consumers whose monthly electricity consumption is 100 kilowatt hours or less for the billing period ending May 2008 shall be eligible for the cash subsidy.
3. The DSWD shall 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.
4. NEA shall be responsible in the proper disbursement of funds to the different ECs.

III. Implementing Guidelines


1. NEA shall ensure that the Electric Cooperatives (ECs) comply with the following:
 - 1.1. Submit to NEA-Institutional Development Department (IDD) the following documents

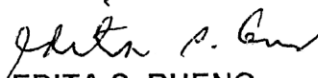
- a) Letter request from the General Manager requesting for the release of funds.
 - b) Complete list of residential customers with consumption of 100 KWH and below based on May 2008 billing duly certified by the EC head of Billing Unit and the General Manager using the attached format **(Annex 2)**.
 - c) Duly accomplished and notarized Memorandum of Agreement (MOA) between NEA and E.C.
- 1.2. Allow all its submission to be evaluated by the NEA-IDD which recommendation shall serve as basis for the release the funds in the form of cash advance subject to the usual accounting and auditing procedures on a first come, first served basis.
 - 1.3. Issue credit memo **(Annex 3)** to qualified consumers stating that the amount of P500 is a subsidy from the national government and shall be applied starting June 2008 and future billings. The amount of advances shall be reflected on the consumers monthly billing until the total P500 has been fully accounted for.
 - 1.4. Keep and maintain the electricity subsidy in the existing subsidy account with the Land Bank of the Philippines (LBP)/Development Bank of the Philippines (DBP). Only the amount actually applied during the month shall be transferred to the EC general fund.
 - 1.5. Submit vouchers and other documents relevant to the subsidy and the project(s) to the NEA as well as allow the NEA, DSWD and/or the Commission on Audit to conduct an audit on all transactions made with respect thereto.
 - 1.6. The EC shall undertake payment of notarial services and other related expenses.
 - 1.7. Submit Liquidation Report (Accounting of Funds, Summary of Power Bills/Credit Memo Issued and Certificate of Payment to Consumers) every month and a final report at the end of the program or upon the full utilization of the transferred funds.
2. It is agreed that all unutilized amount shall be returned/remitted to NEA immediately upon submission of the liquidation report.
 4. NEA shall prepare monthly and final disbursement report verified by COA.
 5. NEA shall forward to DSWD documents submitted by ECs including the disbursement report verified and audited by the Commission on Audit (COA) for the replenishment of at least 50% utilization of initial release as proof of liquidation.
 6. NEA shall ensure that the responsibilities of the ECs are complied with
 7. The NEA, General Manager, Finance Services Manager, Consumers Accounts/Operation Dept. Manager and Internal Auditor of the Electric Cooperatives shall be responsible in the processing and management of the funds.



IV. EFFECTIVITY

The implementation shall take effect as soon as these guidelines are signed by DSWD and NEA and shall continue until the funds of the program are fully utilized and/or the identified beneficiaries are all served.


ESPERANZA I. CABRAL, MD
Secretary, DSWD


EDITA S. BUENO
Administrator, NEA

DSWD - OSEC



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K *1/11* _____
at **Date**

NATIONAL ELECTRIFICATION
ADMINISTRATION

IN PERMITS - P.L. SITE: #0R012733



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A. - 4/1

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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_____ ELECTRIC COOPERATIVE, INC.

Name :
Address :

Date:
Credit Memo No.

We have credited to your account, the amount of _____ 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 rising costs of fuel and other basic commodities. The P500.00 will be applied to your electric bill starting June and onwards until it is fully utilized.

Prepared by:

Approved by:

Received by:

Signature over Printed Name

Date: _____

Note:

Preference is in the vernacular.

Replies to queries of Secretary Esperanza I. Cabral re: DSWD-NEA IRR for Pantawid-Kuryente: Katas ng VAT program.

Pp 2. No. 3.

2. *Immediately, EC shall issue credit memo (Annex 3) 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 on the consumers monthly billing until the total P500 has been fully accounted for.*