



Republic of the Philippines
National Electrification Administration

13 October 2010

MEMORANDUM No. 2010-026

TO : **All Electric Cooperatives (ECs)**
SUBJECT : **Utilization of Subsidy**

Subsidies coming from either the National Government, under Energy Regulations No. 1-94 (ER 1-94) of the Department of Energy (DOE), or the Priority Development Assistance Fund (PDAF) of the members of the House of Representatives are financial assistance to help ECs pursue their mission of electrifying the countryside. As such and by their very nature and purpose, subsidy funds should be disbursed in accordance with the regulations of the Commission on Audit (COA), limited by the expressed purpose of their allocation. In the same manner, realignment or diversion of subsidy funds from one project to another is not allowed. However, with justifiable reasons, the said realignment could be given consideration upon prior approval from the originating/releasing agency.

Considering strict COA regulations on the disbursement/utilization and the regular monitoring of subsidy-funded projects by concerned agencies like the DOE and NEA, all EC-recipients of subsidy funds are thus strongly advised to comply with the guidelines on the proper disbursement/utilization of said funds as well as implement these projects in accordance with the duly signed Memorandum of Agreement (MOA).

For your guidance and strict compliance.


EDITA S. BUENO
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION

IN REPLYING, PLS. CITE: #OR017445



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