



**NATIONAL ELECTRIFICATION ADMINISTRATION**  
"The 1<sup>st</sup> Performance Governance System-Institutionalized National Government Agency"  
57 NIA Road, Government Center, Diliman, Quezon City 1100

07 November 2014

**MEMORANDUM No. 2014-023**

**TO :** ALL ELECTRIC COOPERATIVES (ECs)

**SUBJECT :** Compliance to Reportorial Requirements/Sanctions for Non-Compliance

Implementation of Chapter III, Section 12 of the Republic Act 10531 and Rule III, Section 11(b) of its Implementing Rules and Regulations (IRR), specifically on reportorial requirements from electric cooperatives (ECs) has been in operation for six months already. These are religiously monitored and validated by NEA to ensure that reports are delivered on time and efficiently in the form of an Integrated Assessment Report on ECs operation to the Joint Congressional Power Commission (JCPC) and Department of Energy (DOE) as required by law.

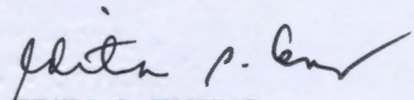
Submittal of reports has improved in the Second Quarter compared with the First Quarter of this year. From seven (7) ECs which fully complied during the first quarter in all of the monthly reportorial requirements, increase in the level of compliance was observed for the months of April, May and June by forty-four (44) ECs, though only five ECs complied with the mandated timeline for submission.

Thus, this is a reminder of our Memorandum No. 2014-018 dated 28 July 2014 which informed ECs of the transition period of two quarters in 2014 for the purpose of submission of reportorial requirements as mandated by RA 10531. Section 14 of RA 10531 and Section 28 of its IRR states the following:

- First Offense – issuance of a show cause order from the Legal Services Offices requiring the EC to explain within 15 days from receipt of the order for the reason for the non-submission
- Second Offense – imposition of a fine of Ten Thousand Pesos (P10,000.00) for every required documents not submitted on time
- Third Offense - imposition of a fine in the amount of Twenty Thousand Pesos (P20,000.00) for every required document not submitted on time and/or possible criminal prosecution and administrative disciplinary action against the general manager and the responsible department manager/s and/or officer/s of the EC

The ECs have assigned their Compliance Officers to ensure full compliance to these statutory requirements. Let us work together to ensure that ECs need not get show cause orders in order to comply.

Your preferential attention and utmost cooperation is highly enjoined.

  
**EDITA S. BUENO**  
Administrator

