

MEMORANDUM OF AGREEMENT
"Pantawid Kuryente: Katas ng VAT"

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and entered into by and between:

NATIONAL ELECTRIFICATION ADMINISTRATION, a government corporation created and established by Presidential Decree No. 269, as amended, with principal office at the #57 NEA Building, NIA Road, Government Center, Diliman, Quezon City, and represented in this Act by its Administrator, _____ or Deputy Administrator, MARIANO T. CUENCO hereinafter called "NEA".

-and-

_____ an electric cooperative duly organized, incorporated and registered pursuant to Presidential Decree No. 269, as amended, and with principal office at _____, and represented in this Act by its President, _____, or General Manager, _____, hereinafter called the "RECIPIENT".

WITNESSETH That:

Whereas President Gloria Macapagal Arroyo issued a directive granting cash subsidy for lifeline consumers of electricity;

Whereas the DSWD pursuant to the Presidential directive will implement the "Pantawid Kuryente: Katas ng VAT" Program, a one-time subsidy to the poorest sector of society to help them pay their electricity bills;

Whereas NEA as government owned and controlled corporation that has oversight functions over electric cooperatives all over the country, will assist the Department in the implementation of the Program in areas covered by such cooperatives

WHEREAS, the RECIPIENT seeks financial assistance from the government by way of grant/subsidy to fund power consumption of consumers consuming 100 KWH and below based on May 2008 billing within the area coverage at P500 each.

WHEREAS, NEA has agreed to provide electricity subsidy to the RECIPIENT under the terms and conditions cited below;

WHEREAS, NEA Board Resolution No. 22 was passed on March 16, 1990 authorizing and empowering the Administrator or the Deputy Administrator for Corporate Resources and Financial Services, to sign and execute this MOA; and

WHEREAS, _____ Board Resolution No. _____ was passed on _____ authorizing and empowering _____, Board President to sign and execute this MOA.

MARIANO T. CUENCO
Deputy Administrator
Corporate Resources
and Financial Services

SONIA B. SAN DIEGO
Acting Director
Finance Services Department

President

General Manager

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties have agreed and hereby agree, as follows:

MARIANO T. CUENCO
Deputy Administrator
Corporate Resources
and Financial Services

1. NEA shall provide one-time subsidy in the form of advances to the RECIPIENT in an amount not exceeding PESOS: _____, Philippine currency, to finance the power consumption of consumers consuming 100 KWH and below based on May 2008 billing.

2. The accounting treatment and proforma entries of subsidy under "Pantawid Kuryente: Katas ng VAT" shall be followed and reflected on the MFSR as follows:

- To take up deposit of Subsidy Fund to the bank

Sinking Fund	xx	
Accounts Payable-NEA		xx
- To record application of credit memo (Annex A) issued to consumers

Accounts Payable - NEA	xx	
Consumers Deposit- Energy (Bayad Kuryente)		xx
- To record actual application of subsidy

Consumers Deposit-Energy (Bayad Kuryente)	xx	
Accounts Receivable-Energy		xx

SONIA B. SAN DIEGO
Acting Director
Finance Services Department

3. The RECIPIENT 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.

4. 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.

5. The RECIPIENT 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.

6. NEA shall institute appropriate actions, may suspend release and/or require the return of the electricity subsidy in the event of failure of the RECIPIENT to strictly comply with the provisions of this agreement.

7. It is agreed that all unutilized amount shall be returned/remitted to NEA immediately upon submittal of the liquidation report.

8. The RECIPIENT shall undertake payment of notarial services and other related expenses.

President

General Manager

IN WITNESS WHEREOF, the authorized signatories of the parties have signed these presents this ____th day of _____, 20____ at Quezon City, Metro Manila.

NATIONAL ELECTRIFICATION
ADMINISTRATION

ELECTRIC COOPERATIVE, INC.

By:

By:

MARIANO T. CUENO
Deputy Administrator
Corporate Resources
and Financial Services

President

Signed in the Presence of:

SONIA B. SAN DIEGO
Acting Director
Finance Services Department

General Manager

ACKNOWLEDGEMENT

MARIANO T. CUENCO
Deputy Administrator
Corporate Resources
and Financial Services

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

BEFORE ME, a Notary Public for and in the above-stated locality, personally
appeared the following, this _____th day of _____, 20 _____:

Name	Comm. Tax Cert. No.	Date/Place Issued
<u>MARIANO T. CUENO</u>	<u>16323263</u>	<u>1/17/2008/Quezon City</u>
_____	_____	_____

SONIA B. SAN DIEGO
Acting Director
Finance Services Department

known to me and to me known to be the same persons who executed the foregoing
instrument and who acknowledged that the same is their free and voluntary act and deed as
well as of the entities herein represented.

This refers to a Memorandum of Agreement consisting of five (5) pages including
Schedule A and this page whereupon this acknowledgement is written, signed by the parties
and their instrumental witnesses in each and every page hereof.

WITNESS my hand and seal at the place and on the date first above written.

President

NOTARY PUBLIC
Until December 31, 20____

General Manager

Doc. No. _____
Page No. _____
Book No. _____
Series of _____

_____ **ELECTRIC COOPERATIVE, INC.**

Name : Date:
Address : 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: _____