



Republic of the Philippines
National Electrification Administration

13 April 2007

INSTITUTIONAL ADVISORY NO. 01

T O : ALL ELECTRIC COOPERATIVES

SUBJECT: **DISBURSEMENT OF FUNDS**

Electric Cooperatives (ECs) are enjoined to observe prudent disbursement of funds and religious monitoring of non-power costs, so as to enhance their competitiveness in the environment of open access and retail competition.

It is the duty of the ECs, moreso, their responsibility to the member-consumers, to ensure that funds are disbursed for no other purpose but improving their operations. Relatedly, the Energy Regulatory Commission (ERC) has been strictly monitoring compliance of ECs with the standards for non-power costs.

Consistent with the foregoing reasons, the ECs are hereby enjoined not to utilize its funds for purposes such as, political partisan activities. Funds shall be disbursed only for purposes expressly authorized under existing rules and regulations of NEA and ERC. The General Manager, Finance Manager and Internal Audit Manager shall be held accountable for all disbursements made by the ECs.

For your compliance.

PABLO M. PAN III
Deputy Administrator for
Electric Distribution Utilities Services

Noted by:

EDITA S. BUENO
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION

IN REPLYING, PLS. CITE: #OR010298



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