

Republic of the Philippines National Electrification Administration

13 October 2005

INSTITUTIONAL ADVISORY NO. 02

TO : ALL ELECTRIC COOPERATIVES

SUBJECT : EC GENERAL MANAGERS HIRING EXPENSES

.....

The selection of the best and most qualified Electric Cooperative (EC) General Managers is one of the main goals of the NEA and the ECs to ensure that the ECs can effectively compete in the deregulated electricity industry.

In the process of selection, however, there are administrative expenditures that must be shared by the EC as part of its personnel investment including the publication charge in any newspaper of national circulation. Considering that the conduct of Background Investigation (BI) is also part of the selection process, the travel expenses and per diem of NEA personnel undertaking the BI shall now be shouldered by the coop concerned.

On the other hand, applicants who passed the Intelligence Quotient (IQ), Essay Examinations and the Interview are required to shoulder the payment for the Emotional Quotient Examination administered by the University of the Philippines, Department of Psychology.

With our shared efforts of making the ECs competitive, we shall be equipped in facing the many challenges and innovations now prevailing in the energy sector.

Your cooperation is earnestly enjoined.

PABLO M. PAN III — Deputy Administrator for

Electric Distribution Utilities Services

Noted by:

EDITÁ S. BUENO Administrator