



Republic of the Philippines  
**National Electrification Administration**  
Quezon City

21 April 2008

**MEMORANDUM No. 2008-003**

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

**SUBJECT : EC Overall Performance Assessment by Color Coding**

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In the advent of a competitive electric power industry, member-consumers have become more empowered and thus have heightened expectations from the ECs. Likewise, stakeholders have also expressed the need for other parameters completely measuring EC performance. As such, the conduct of an Overall Performance Assessment of ECs has become mandatory.

It is in this light that NEA adopts a macro or overall assessment of EC performance and capabilities by Color Coding. This assessment complements the present EC Categorization in order to fully capture the perspectives of institutional and organizational standing of ECs. The mechanics and initial assessment result based on 2007 performance are hereby enclosed.

The EC Overall Performance Assessment by Color Coding shall be conducted annually. Accordingly, motivational packages shall be developed and implemented by NEA to promote an environment of healthy competition among ECs. The agency shall continue to find better ways and means to credit good performance of ECs and to equally service their needs.

The ECs are advised to comply with all the requirements in order to generate assessment result truly reflective of their overall operational performance.

*Edita S. Bueno*  
**EDITA S. BUENO**  
Administrator

NATIONAL ELECTRIFICATION  
ADMINISTRATION

IN REPLYING, PLEASE REFER TO: #OR012191



NER-OR012191

*4/22/08*

# EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING

## I. RATIONALE

The National Electrification Administration (NEA) finds new ways of serving its most valued customer, the electric cooperatives (ECs). From the annual EC Categorization, NEA develops a management tool that will further assess the overall performance and capabilities of the cooperatives by segmentation through color coding.

Assessment result will guide NEA in delivering tailor fit services to ECs that will serve them with distinct competitive advantage. It can be used as the principal basis for allocating resources to similarly-situated ECs and to focus on the assistance that would help them cope in a deregulated electric power industry.

## II. OBJECTIVES

1. To segment the ECs by color coding using an overall assessment of their performance and capabilities measuring their sound financial and technical standing as well as their institutional strength and good governance as determined by a comprehensive operational audit;
2. To help NEA determine its priorities in terms of supervision and assistance, thus, providing more attention and resources to ECs which are more in need and can be saved; and
3. To guide NEA in the final intervention for ECs which have not at all improved.

## III. METHODOLOGY

### A. Purpose

This will help NEA to:

1. Classify the ECs into meaningful and measurable segments, color-coded according to performance and historical profiles;
2. Determine the performance potentials of each segment to serve as basis in allocating resources to tailor fit programs, assistance and services to match the needs of each target segment;
3. Measure performance of each segment and adjust the color coding approach over time as conditions change decision making throughout the organization; and
4. Recognize the efforts of the good performing ECs through benefits, incentives, and awards.

This will help the ECs to:

1. Focus on targets and evaluate their accomplishments;
2. Remain consistently conscious of the need to improve performance in all aspects;
3. Foster friendly competition among them;
4. Enjoy the distinction of earning high rating and be responsible for such; and
5. Gain credit worthiness among banks and their counterparts.

**B. Measurements**

The following matrix best describes the assessment parameters:

Parameters	Score
<b>1. EC's Point Score in the Categorization</b>	70
<b>2. Audit Findings</b>	10
No adverse findings and major procedural lapses	10
With procedural lapses and/or major findings	5
With adverse findings (either on procurement, employees and officials' benefits, cash advances, malversation of funds)	0
<b>3. Institutional Strength</b>	10
Demerit Points:	
Board-Management problem/s	3
Management-Employee relationship problem/s	3
Non-conduct of Annual General Membership Assembly (AGMA)	2
Non-conduct of District Election	2
<b>EC Financial Operating Result</b>	10
EC with Net Margin	10
EC with Net Loss	0
<b>Total</b>	<b>100</b>

### C. Overall Scoring System

Score	Color Code
85 and above	Green
55-84	Yellow
54 and below	Red

### D. Color Coding Result and Significance

1. **Green** – good performing ECs; thus needing less NEA intervention; more flexibility in operations;
2. **Yellow** – border-liner ECs; needing “case-to-case” supervision; and
3. **Red** – poor performing ECs; needing definite NEA intervention.

### E. Frequency of Assessment

The EC Overall Performance Assessment by Color Coding shall be conducted every April of the year based on prior year's accomplishments.

## IV. RECOGNITION

NEA shall develop motivational packages as a result of the assessment to encourage service excellence and to promote competition among ECs on a higher plane, in individual and regional levels.

## V. RESPONSIBILITY

1. The Strategic Planning Division of the Corporate Planning Office, in consultation with the EC Categorization Committee, shall conduct the EC Overall Performance Assessment by Color Coding.
2. The members of the NEA Assembly of Leaders are encouraged to collectively determine and recommend appropriate programs, interventions and assistance that shall be accorded for each segment.
3. The ECs are responsible for the timely submission of Monthly Financial and Statistical Reports (MFSRs) and other pertinent data to support their accomplishments.
4. The annual and official release of the EC Overall Performance Assessment shall take effect only after the approval of the NEA Administrator.

**VI. EFFECTIVITY**

This EC Overall Performance Assessment by Color Coding shall take effect beginning 2008 for performance year 2007.

## 2007 EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING

ELECTRIC COOPERATIVES		Categ. Score [70%]	Audit Findings [10%]	Institutional Strengths [10%]	EC Financial Operating Result (Php M) [10%]	Total	Color Code
<b>REGION I</b>							
1.	INEC	90	5	10	19.046	88	<b>GREEN</b>
		63			10		
2.	ISECO	93	10	10	66.404	95	<b>GREEN</b>
		65			10		
3.	LUELCO	90	5	8	30.683	86	<b>GREEN</b>
		63			10		
4.	CENPELCO	75	5	6	(11.485)	64	<b>YELLOW</b>
		53			0		

<b>REGION II</b>							
5.	BATANELCO	90	0	8	207	81	<b>YELLOW</b>
		63			10		
6.	CAGELCO I	91	10	10	(10.812)	84	<b>YELLOW</b>
		64			0		
7.	CAGELCO II	75	10	10	28.929	83	<b>YELLOW</b>
		53			10		
8.	ISELCO I	55	0	10	(17.954)	49	<b>RED</b>
		39			0		
9.	ISELCO II	66	5	6	(72.071)	57	<b>YELLOW</b>
		46			0		

<b>CAR</b>							
10.	BENECO	91	10	10	20.365	94	<b>GREEN</b>
		64			10		
11.	IFELCO	66	5	10	6.263	71	<b>YELLOW</b>
		46			10		
12.	KAELCO	60	5	8	(3.236)	55	<b>YELLOW</b>
		42			0		
13.	MOPRECO	69	5	10	3.843	73	<b>YELLOW</b>
		48			10		

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## 2007 EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING

ELECTRIC COOPERATIVES	Categ. Score [70%]	Audit Findings [10%]	Institutional Strengths [10%]	EC Financial Operating Result (Php M) [10%]	Total	Color Code
<b>REGION III</b>						
14. AURELCO	93	10	10	6.747	95	<b>GREEN</b>
	65			10		
15. NEECO I	68	0	0	17.611	58	<b>YELLOW</b>
	48			10		
16. NEECO II - Area 1	75	5	10	7.317	78	<b>YELLOW</b>
	53			10		
17. NEECO II - Area 2	93	10	10	48.088	95	<b>GREEN</b>
	65			10		
18. PELCO I	92	10	10	57.236	94	<b>GREEN</b>
	64			10		
19. PELCO II	36	0	4	(163.705)	29	<b>RED</b>
	25			0		
20. PENELCO	95	10	5	90.509	92	<b>GREEN</b>
	67			10		
21. PRESCO	91	10	10	2.300	94	<b>GREEN</b>
	64			10		
22. TARELCO I	93	5	10	32.910	90	<b>GREEN</b>
	65			10		
23. TARELCO II	98	10	10	57.779	99	<b>GREEN</b>
	69			10		
24. ZAMECO I	66	5	3	(13.257)	54	<b>RED</b>
	46			0		
25. ZAMECO II	90	0	6	17.522	79	<b>YELLOW</b>
	63			10		

*J. Gayan*

**2007 EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING**

<b>ELECTRIC COOPERATIVES</b>	<b>Categ. Score [70%]</b>	<b>Audit Findings [10%]</b>	<b>Institutional Strengths [10%]</b>	<b>EC Financial Operating Result (Php M) [10%]</b>	<b>Total</b>	<b>Color Code</b>
<b>REGION IV-A (CALABARZON)</b>						
26. BATELEC I	97	5	10	84.046	93	<b>GREEN</b>
	68			10		
27. BATELEC II	94	0	8	113.130	84	<b>YELLOW</b>
	66			10		
28. FLECO	34	0	8	(18.053)	32	<b>RED</b>
	24			0		
29. QUEZELCO I	68	5	10	619	73	<b>YELLOW</b>
	48			10		
30. QUEZELCO II	71	0	10	279	70	<b>YELLOW</b>
	50			10		

<b>REGION IV-B (MIMAROPA)</b>						
31. LUBELCO	31	5	10	(1.723)	37	<b>RED</b>
	22			0		
32. OMECO	56	10	10	(30.091)	59	<b>YELLOW</b>
	39			0		
33. ORMECO	94	10	10	31.729	96	<b>GREEN</b>
	66			10		
34. MARELCO	70	10	10	(13.641)	69	<b>YELLOW</b>
	49			0		
35. TIELCO	95	10	10	1.581	97	<b>GREEN</b>
	67			10		
36. ROMELCO	87	5	7	2.405	83	<b>YELLOW</b>
	61			10		
37. BISELCO	84	5	10	834	84	<b>YELLOW</b>
	59			10		

*J. Cayanan*

**2007 EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING**

<b>ELECTRIC COOPERATIVES</b>	<b>Categ. Score [70%]</b>	<b>Audit Findings [10%]</b>	<b>Institutional Strengths [10%]</b>	<b>EC Financial Operating Result (Php M) [10%]</b>	<b>Total</b>	<b>Color Code</b>
<b>REGION V</b>						
38. CANORECO	83	5	10	(15.791)	73	<b>YELLOW</b>
	58			0		
39. CASURECO II	56	0	4	39.371	53	<b>RED</b>
	39			10		
40. CASURECO III	(16)	0	5	(67.604)	5	<b>RED</b>
	0			0		
41. CASURECO IV	69	5	10	4.168	73	<b>YELLOW</b>
	48			10		
42. FICELCO	91	5	10	(9.020)	79	<b>YELLOW</b>
	64			0		
43. MASELCO	14	5	10	(26.667)	25	<b>RED</b>
	10			0		
44. SORECO I	11	5	10	(18.020)	23	<b>RED</b>
	8			0		

*J. Cayano*

## 2007 EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING

ELECTRIC COOPERATIVES	Categ. Score [70%]	Audit Findings [10%]	Institutional Strengths [10%]	EC Financial Operating Result (Php M) [10%]	Total	Color Code
<b>REGION VI</b>						
45. AKELCO	81	10	10	(26.815)	77	<b>YELLOW</b>
	57			0		
46. ANTECO	93	10	10	18.119	95	<b>GREEN</b>
	65			10		
47. CAPELCO	90	5	10	(542)	78	<b>YELLOW</b>
	63			0		
48. CENECO	93	0	7	77.270	82	<b>YELLOW</b>
	65			10		
49. GUIMELCO	75	10	10	2.072	83	<b>YELLOW</b>
	53			10		
50. ILECO I	98	10	10	48.076	99	<b>GREEN</b>
	69			10		
51. ILECO II	96	5	10	29.449	92	<b>GREEN</b>
	67			10		
52. ILECO III	87	5	7	14.959	83	<b>YELLOW</b>
	61			10		
53. VRESCO	92	0	10	18.060	84	<b>YELLOW</b>
	64			10		

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**2007 EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING**

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<b>REGION VII</b>						
54. BANELCO	94	10	10	(3.543)	86	<b>GREEN</b>
	66			0		
55. BOHECO I	95	10	10	47.398	97	<b>GREEN</b>
	67			10		
56. BOHECO II	97	10	10	10.510	98	<b>GREEN</b>
	68			10		
57. CEBECO I	95	10	10	29.566	97	<b>GREEN</b>
	67			10		
58. CEBECO II	95	10	10	35.808	97	<b>GREEN</b>
	67			10		
59. CEBECO III	97	10	10	32.584	98	<b>GREEN</b>
	68			10		
60. CELCO	94	10	10	(3.025)	86	<b>GREEN</b>
	66			0		
61. NORECO I	91	10	10	2.013	94	<b>GREEN</b>
	64			10		
62. PROSIELCO	100	10	8	2.487	98	<b>GREEN</b>
	70			10		

*J. Cayman*

**2007 EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING**

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<b>REGION VIII</b>						
63. BILECO	82	5	10	5.038	82	<b>YELLOW</b>
	57			10		
64. ESAMELCO	56	5	8	10.801	62	<b>YELLOW</b>
	39			10		
65. LEYECO I	69	5	10	12.219	73	<b>YELLOW</b>
	48			10		
66. LEYECO II	91	5	7	51.277	86	<b>GREEN</b>
	64			10		
67. LEYECO III	63	5	7	8.923	66	<b>YELLOW</b>
	44			10		
68. LEYECO IV	92	10	10	4.801	94	<b>GREEN</b>
	64			10		
69. LEYECO V	93	10	8	14.825	93	<b>GREEN</b>
	65			10		
70. NORSAMELCO	4	0	5	(13.902)	8	<b>RED</b>
	3			0		
71. SAMELCO I	70	0	10	(37.662)	59	<b>YELLOW</b>
	49			0		
72. SAMELCO II	93	5	10	16.782	90	<b>GREEN</b>
	65			10		
73. SOLECO	91	5	8	(15.981)	77	<b>YELLOW</b>
	64			0		

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**2007 EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING**

<b>ELECTRIC COOPERATIVES</b>	<b>Categ. Score [70%]</b>	<b>Audit Findings [10%]</b>	<b>Institutional Strengths [10%]</b>	<b>EC Financial Operating Result (Php M) [10%]</b>	<b>Total</b>	<b>Color Code</b>
<b>REGION IX</b>						
74. ZAMSURECO I	100	10	10	44.102	100	<b>GREEN</b>
	70			10		
75. ZAMSURECO II	92	10	10	3.616	94	<b>GREEN</b>
	64			10		
76. ZANECO	75	5	4	(29.874)	62	<b>YELLOW</b>
	53			0		
77. ZAMCELCO	74	5	10	7.406	77	<b>YELLOW</b>
	52			10		

<b>REGION X</b>						
78. FIBECO	99	10	10	21.875	99	<b>GREEN</b>
	69			10		
79. BUSECO	90	5	10	18.808	88	<b>GREEN</b>
	63			10		
80. CAMELCO	90	5	10	(5.923)	78	<b>YELLOW</b>
	63			0		
81. LANECO	94	10	10	25.447	96	<b>GREEN</b>
	66			10		
82. MOELCI I	93	5	10	10.764	90	<b>GREEN</b>
	65			10		
83. MOELCI II	95	10	10	46.878	97	<b>GREEN</b>
	67			10		
84. MORESCO I	100	10	10	29.631	100	<b>GREEN</b>
	70			10		
85. MORESCO II	95	5	10	17.292	92	<b>GREEN</b>
	67			10		

*J. Ong*

## 2007 EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING

ELECTRIC COOPERATIVES	Categ. Score [70%]	Audit Findings [10%]	Institutional Strengths [10%]	EC Financial Operating Result (Php M) [10%]	Total	Color Code
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### REGION XI

86. DORECO	100	10	10	16.183	100	GREEN
	70			10		
87. DANECO	95	5	10	55.201	92	GREEN
	67			10		
88. DASURECO	100	10	10	42.645	100	GREEN
	70			10		

### REGION XII

89. COTELCO	92	5	10	20.756	89	GREEN
	64			10		
90. SOCOTECO I	100	10	10	28.650	100	GREEN
	70			10		
91. SOCOTECO II	93	10	10	91.454	95	GREEN
	65			10		
92. SUKELCO	79	10	10	(2.344)	75	YELLOW
	55			0		

### ARMM

93. BASELCO	(24)	0	6	(15,642)	6	RED
	0			0		
94. SIASELCO	50	10	8	35	63	YELLOW
	35			10		
95. SULECO	16	0	6	(37.862)	17	RED
	11			0		

*J. Capina*

**2007 EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING**

<b>ELECTRIC COOPERATIVES</b>	<b>Categ. Score [70%]</b>	<b>Audit Findings [10%]</b>	<b>Institutional Strengths [10%]</b>	<b>EC Financial Operating Result (Php M) [10%]</b>	<b>Total</b>	<b>Color Code</b>
<b>CARAGA</b>						
96. SURSECO I	91	10	10	5.124	94	<b>GREEN</b>
	64			10		
97. SURSECO II	95	10	10	5.044	97	<b>GREEN</b>
	67			10		
98. ASELCO	90	5	10	(9.846)	78	<b>YELLOW</b>
	63			0		
99. SURNECO	67	5	10	7.487	72	<b>YELLOW</b>
	47			10		
100. DIELCO	93	10	10	3.049	95	<b>GREEN</b>
	65			10		
101. SIARELCO	98	10	10	(3.782)	89	<b>GREEN</b>
	69			0		
102. ANECO	95	10	10	34.346	97	<b>GREEN</b>
	67			10		

*J. Ocampo*

## 2007 EC OVERALL PERFORMANCE ASSESSMENT BY COLOR CODING

### Summary

Color Code	No. of ECs
Green	50
Yellow	40
Red	12
Total	102

*J. Capri*