

Republic of the Philippines
National Electrification Administration

"The 1st Performance Governance System - Institutionalized National Government Agency"

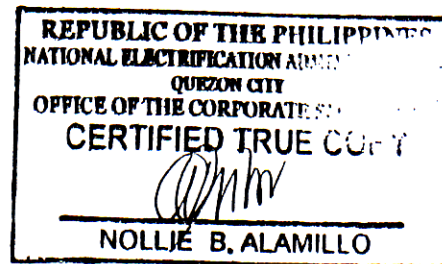
07 February 2013

MEMORANDUM No. 2013-003

Series of 2013

TO : ALL ELECTRIC COOPERATIVES

SUBJECT : POLICY ON THE ROUNDTABLE ASSESSMENT (RTA) OF ELECTRIC COOPERATIVES' PERFORMANCE



I. **RATIONALE**

The electric cooperatives (ECs) have been confronted with many challenges under the deregulated environment in the power industry. The impending implementation of open access and retail competition requires the ECs to be more focused on improving their operations. Further, member-consumers have manifested their desire for better service and faster response to their needs.

II. **POLICY STATEMENT**

It shall be the policy of this Agency that Roundtable Assessment (RTA) of ECs' operational status be conducted as a management tool to assist the coops in the improvement of operations, thus, become more competitive and viable electric distribution utilities.

III. **OBJECTIVES**

- 1) To assess/evaluate the present operational status of the ECs;
- 2) To determine the effectiveness and efficiency of the incumbent EC officials; and
- 3) To determine options that will be best for the ECs to improve and become more competitive.

IV. **COVERAGE**

ECs falling under Category B, C, D, and E, those presently under Officers-in-Charge (OICs) and those with serious concerns that need NEA's immediate intervention shall undergo Roundtable Assessment. However, upon NEA's performance assessment of ECs under higher categories, they may also undergo the same process.

V. **MECHANICS OF IMPLEMENTATION**

- 1) The RTA is conducted by NEA wherein evaluation and analysis of the coop operational status shall be made and in which the key performance indicators consistent with industry standards are used to gauge the EC's level of efficiency.

- 2) The ECs General Manager/Officer-In-Charge together with all the members of the Board of Directors and Department Managers shall attend the RTA as scheduled.
- 3) The GM/OIC shall report through powerpoint presentation the highlights of present EC operation. Problems and plans of action for improvement shall also be presented for assessment and evaluation.
- 4) The NEA panel of evaluators composed of members of the Board of Administrators, Deputy Administrators and Directors shall assess the performance of the EC using the status of operations (financial, institutional and technical) based on NEA audit and available data submitted by ECs and as presented by the GM/OIC. It is expected that the result will be guided by extensive discussion undertaken between the coop and NEA officials.
- 5) The assessment form which the panel of evaluators shall accomplish contains comments/remarks in financial, institutional and technical aspects of operations and recommendations.
- 6) NEA shall inform the EC of the result of the assessment which includes the identified issues/problems, possible solutions and recommendations with the advice to implement the necessary actions and proper monitoring to sustain improved operations.
- 7) In case the EC fails to improve its performance within the period of six (6) months to one (1) year from the conduct of the said RTA, NEA's final decision on its options shall be implemented.

VI. RESPONSIBILITY

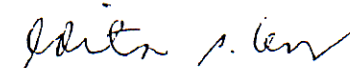
The Institutional Development Department (IDD) shall be in-charge in the conduct of the RTAs which includes the following preparations:

- 1) Coordination with the concerned parties;
- 2) Gathering of data and information materials; and
- 3) Documentation of the proceedings.

Strict monitoring of compliances by the coops which undertook said activity shall be done by the IDD in coordination with other concerned departments.

VII. EFFECTIVITY

This Policy shall take effect immediately and shall be a continuing activity depending on the performance of the electric cooperatives (ECs).


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 Administrator

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 ADMINISTRATION

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