



February 27, 2013

MEMORANDUM No. 2013-008

TO : ALL ELECTRIC COOPERATIVES

SUBJECT : GUIDELINES ON REQUEST FOR RELEASE OF CONSTRUCTION FUNDS TO ELECTRIC COOPERATIVES (ECs) FUNDED BY SUBSIDY AND PRIORITY DEVELOPMENT ASSISTANCE FUND (PDAF)

.....

I. PURPOSE

To set the guidelines on the submission, processing and approval of Request for the Release of Construction Funds (RRCF) for the electrification projects of the Electric Cooperatives (ECs) funded by subsidies and PDAF.

II. POLICY

- A. Projects in the approved workplan and priority requests coming from Legislative and Executive branches which have funding allocations from the National Government are eligible for evaluation and release of funds subject to the approval of the Administrator.
- B. Additional projects which have no funding allocation shall also be eligible for evaluation and release of funds upon approval of the Administrator.
- C. Electrification projects covered by PDAF that are channeled through NEA shall also be evaluated and processed for release of funds.

III. IMPLEMENTING GUIDELINES

A. Coverage

Electrification projects under the following classification are eligible under this policy:

1. Distribution lines of unenergized sitios/puroks/zones.
2. Enhancement of distribution lines of barangays previously energized through off-grid technology for connection to the distribution grid of the EC.

3. Improvement of distribution lines which will serve as tapping point of SEP/BLEP Projects.

B. Schedule of Fund Release

1. Upon receipt of the list of projects with approved subsidy allocation, the EC through the Accelerated Total Electrification Office (ATEO) shall initiate the submission of RRCF using the NEA Standard Form duly signed by its General Manager and Board President. All necessary supporting documents shall be attached to the RRCF.
2. The request shall be submitted to NEA for evaluation of ATEO and subject to the recommendation of the Deputy Administrator for Electric Distribution Utilities Services (DAEDUS).
3. Upon approval, the RRCF shall be forwarded to the Financial Planning and Control Division for confirmation of the availability of subsidy funds.
4. The Deputy Administrator for Corporate Resources and Financial Services (DACRFS) then recommends the RRCF to the Administrator for final approval of release of funds to the EC.
5. Upon approval of the RRCF for a specific project classification, funds shall be released to the ECs as follows:
 - First release shall be seventy percent (70%) of the total evaluated project cost to cover mobilization, full payment of the material cost and after submission of the Commitment Letter and Execution Plan to finish the project based on timeline.
 - Second release shall be twenty percent (20%) of the total project cost after completion of at least 50% physical accomplishment of the project including submission of the duly signed accomplishment report and accounting of funds of the previous subsidy releases.
 - Third/final release shall be ten percent (10%) of the total project cost after final inspection/acceptance of the project including submission of the Certificate of Completion, Certificate of Energization duly signed by the concerned barangay officials, Certificate of Final Inspection and Acceptance (CFIA) and Final Accounting of Funds of the project.
6. The succeeding RRCF for projects with the same classification shall be processed only if the first/previous projects funded by subsidy were completed with corresponding accounting of funds.
7. Housewiring materials amounting to Php2,500 per connection shall also be provided with subsidy for a maximum of 60 consumers per sitio/purok or the actual number whichever is lower.

C. NEA Inspection

1. Periodic inspection shall be conducted by the ATEO for the following purposes:
 - a) to ensure that the funds released are properly utilized,
 - b) to determine that the project is undertaken in accordance with the approved plans and specifications,
 - c) to determine the progress of work, and
 - d) to recommend remedial actions for any problem that may arise.
2. Accomplishment report shall be submitted by the ECs with Certificate of Project Completion duly signed by the EC General Manager which will serve as basis for the conduct of final inspection of the ATEO.
3. After final inspection, a Certificate of Acceptance shall be duly signed by the ATEO representative as well as the barangay officials of the same sitio.

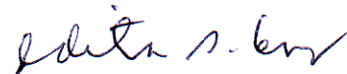
IV. COMPLETION TIMELINES

The ECs are enjoined to follow strictly their submitted/approved completion timelines. Likewise, close monitoring of the contractor's performance should be done to ensure completion of projects as scheduled and in compliance with standard specification.

Acceptance testing of delivered distribution materials shall be conducted by the ECs to establish quality assurance of procured materials.

V. EFFECTIVITY

This policy shall take effect immediately for SEP and BLEP CY 2013. This policy was approved by the NEA Board of Administrators through Board Resolution No. 35 in its meeting on Feb. 7, 2013.


EDITA S. BUENO
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION

IN REPLYING, PLS. CITE: #OR022176



NER- OR022176

46
3/22/13