



NATIONAL ELECTRIFICATION ADMINISTRATION

"The 1st Performance Governance System-Institutionalized National Government Agency"
57 NIA Road, Government Center, Diliman, Quezon City 1100



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10 November 2017

MEMORANDUM No. **2017-036**

Series of 2017


TO : ALL ELECTRIC COOPERATIVES

SUBJECT : GUIDELINES IN ALLOWING FOR ANOTHER TERM OF OFFICE
FOR EC BOARD OF DIRECTORS

We are providing you a copy of the Guidelines in Allowing for Another Term of Office for EC Board of Directors which was discussed in Electricity Forum Phase I. The said guidelines had been approved by the NEA Board of Administrators through Board Resolution No. 128, Series of 2017 dated 23 October 2017.

The timely and widest circulation of these guidelines to all concerned is hereby enjoined.

For your information and compliance.


EDGARDO R. MASONGSONG
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION
Office of the Administrator



NEA-OA246160

11/27/17



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October 27, 2017

THE DIRECTOR

Office of the National Administrative Register
University of the Philippines
U.P. Law Center, Diliman
Quezon City

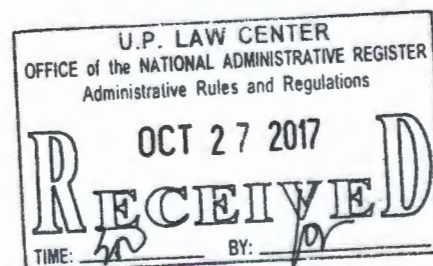
Sir:

Pursuant to Book VII, Chapter 2, Section 3 of the 1987 Administrative Code of the Philippines we are respectfully submitting to the U.P. Law Center, for filing, publication and recording the attached certified true copies of the **Guidelines in Allowing for Another Term of Office for EC Board of Directors** promulgated by the National Electrification Administration (NEA) in accordance with its authority under Section 5 of P.D. No. 269 as amended.

Thank you very much for the usual and kind assistance of the U.P. Law Center.

Very truly yours,

ATTY. ALEXANDER PAUL T. RIVERA
Corporate Board Secretary V





GUIDELINES IN ALLOWING FOR ANOTHER TERM OF OFFICE FOR EC BOARD OF DIRECTORS

I. RATIONALE

Defined as "good decision-making processes", good governance is expected of duly-elected representatives to the coop board in the exercise of their duties and responsibilities to ensure that policies are in place for proper implementation by management.

Practicing good governance draws member-consumer-owner confidence in their representatives especially in the presence of an environment that creates opportunities and encourages participation through shared responsibility. If sustained, the exercise becomes a clear manifestation that the intentions set forth in the enactment of R.A. 10531 of creating a governance framework through established standards and compliances, and of R.A. 9136 in promoting the empowerment of stakeholders are realized.

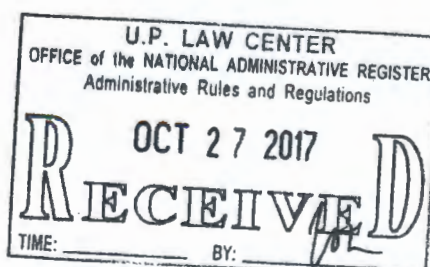
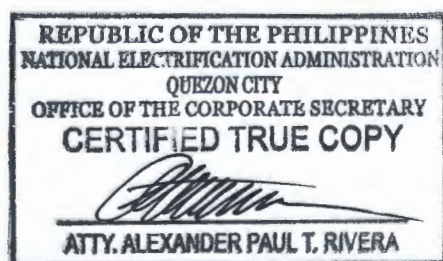
The board of directors is a body composed of representatives elected in every district. The election of representatives for a definite and fixed period is a right vested in the member-consumer-owners as provided for in the coop by-laws. The present guidelines provides for a term of three (3) years for an elected member of the board of directors and entitlement to two (2) consecutive re-elections. However, allowing for an additional term of three (3) years is an opportunity given to the coop board under exceptional circumstances.

II. OBJECTIVES

1. To provide an opportunity for the interested director to continue his program direction through the formulation of relevant policies;
2. To allow the interested director to fully participate in the attainment of the EC's over-all strategic objectives in its e-ICPM and Balanced Scorecard;
3. To establish performance measures and encourage peak performance from the EC board.

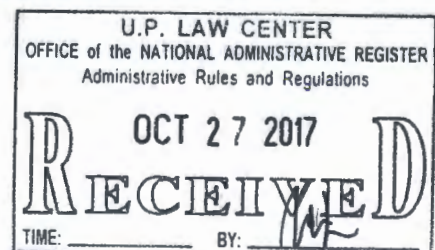
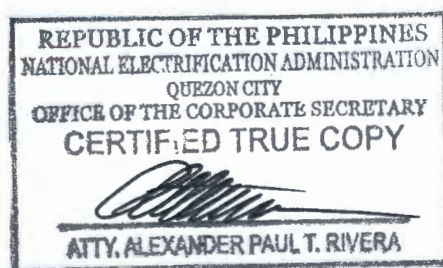
III. MECHANICS

1. All incumbent board of directors currently on their last term of office, or has completed three (3) consecutive terms may run for an additional term of office.



2. To qualify, the interested director:

- a. Must remain to possess all the qualifications and none of the disqualifications set forth in R.A. 10531 and NEA Memorandum No. 2014-019, Guidelines on the Conduct of District Elections for Electric Cooperatives:
- b. Must belong to a very satisfactory performing EC, with the following attainments:
 - AAA EC in the latest NEA Overall Performance Assessment;
 - Color Blue in the most recent NEA Financial and Management Audit; and
 - With no qualified findings in the external audit.
- c. Must have a proven track record during the 3 terms (or 9 nine years) served, subject to validation by NEA, with a performance that includes but is not limited to:
 - The excise of duties, responsibilities and limitations as provided for in NEA Bulletin No. 35 and Institutional Advisory No. 3, s. 2005;
 - Contributions of his district in power reliability within the standards, net surplus at almost breakeven (including RFSC), single digit system loss, etc. to be verified using the Area Engineering concept;
 - Initiatives in encouraging active participation of organized MSEAC and MCO within the district in coop programs and activities (information dissemination, member-consumer meetings, district elections, AGMA, etc.)
 - Activities in attaining a 20% turn-out in AGMA attendees and 25% district election voters in good standing of the district represented;
 - Must submit a study of EC programs for power rate reduction, renewable energy development, SEP house connection, livelihood, line clearing, sanitation of masterlist, conversion, meter reading and collection, anti-pilferage, and technical/non-technical system loss reduction, etc.;
 - Must have sponsored Corporate Social Responsibility (CSR) Programs that give significance to the electrification program and/or create an impact to the member-consumers at the least cost to the



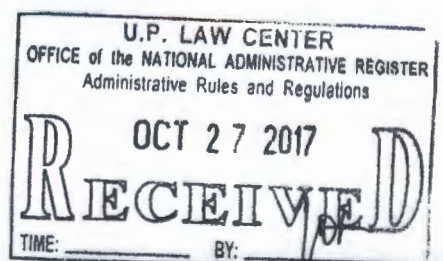
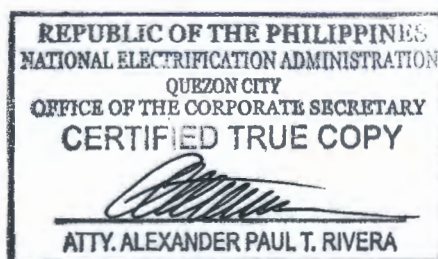
coop, such as the reduction in number or percent of lifeline consumers;

- Must have practiced cost-cutting measures and savings generated through the wise use of coop funds, allowances or incentives exclusively intended for the board which may be pooled to serve as revolving fund for the holding of meetings and other activities within the applicant-director's district;
 - Must have reasonable, affordable, if not cheap, power rate imposed by the EC during his/her incumbency;
 - Must submit all on-going as well as proposed projects with corresponding cost-benefit study.
- d. Must have no pending administrative and/or criminal charges filed against him/her in relation to his/her position as board of director;
- e. Must submit the following to the coop, copy furnish the NEA:
- Application letter expressing interest in the lifting of the term of office;
 - Certifications/clearances and other documents as required by the Screening Committee to ensure continuing qualifications;
 - Accomplishment report on the above-mentioned coop programs and activities; and
 - Paper containing the following:

Comparative description of the EC now as against the time prior to incumbency;

Contributions in making the EC financially, institutionally, and technically viable; and

Best practices in the EC to serve as further recommendations to promote good governance, avoid corruption and political intervention, thrive against calamities, and protect the rights of MCOs.
- f. Must have complete attendance in all of the following:
- NEA mandated seminars/trainings;



- NEA conducted/sponsored programs and activities;
- ERC public hearings;
- Exit conference by NEA, ERC, DOE and COA; and
- Official programs and activities held by the EC, such as but not limited to AGMA and BOD meetings.

g. Must undertake a three-pronged Annual Governance Survey to be administered by IDD.

IV. IMPLEMENTATION

All documents prescribed under this guidelines shall be submitted to the Screening Committee of the EC together with the application to run as Director. The procedures for filing application, screening of candidates and other provisions provided in the Guidelines on the Conduct of District Elections for Electric Cooperatives under Memorandum No. 2014-019 dated 01 July 2014 shall be applicable.

V. EFFECTIVITY

These guidelines immediately take effect fifteen (15) days after filing with the University of the Philippines (U.P.) Law Center pursuant to Presidential Memorandum Circular No. 11, dated October 9, 1992.


EDGARDO R. MASONGSONG
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION
Office of the Administrator



NEA-OA245054

EB
10/24/17

Proposed
* NEA memo No. 127
dated

