



Republic of the Philippines  
**National Electrification Administration**

27 July 2006

**INSTITUTIONAL ADVISORY NO. 5**

TO : ALL ELECTRIC COOPERATIVES (ECs)

SUBJECT : Clarification on the Definition of a “Member of Good Standing” under the 2005 Guidelines on the Conduct of District Elections of Electric Cooperatives

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The qualifications of a candidate for Board Director are set forth clearly under the Election Guidelines. These qualifications, however, should be met not only during the period of filing one’s certificate of candidacy but likewise throughout the tenure of an incumbent Director. Thus, the qualifications of a Director shall be a continuing requirement which must be possessed before and during one’s entire term of office.

Under Article II, Section 7 (6) of the 2005 Guidelines on the Conduct of District Elections of Electric Cooperatives, one of the basic requirements to become and/or to remain as member of the Board is that one should be “**a member of good standing**”.

Specifically, “**xxx He/she must be a member of good standing. A member of good standing shall mean that said member:**

- a) **must have no unsettled or outstanding obligations to the cooperative at the time of his/her filing of the Certificate of Candidacy, including accountabilities of commercial or industrial connections of which he/she is the owner/co-owner:**

An unsettled or outstanding obligation is an account which has not been paid and has become due for payment. This account includes power bills, cash advances, disallowances (including NEA audit findings) and materials and equipment issuances. At the time of a candidate’s filing of the Certificate of Candidacy (COC), he/she must be totally free of any indebtedness and/or disallowances with the EC.

- b) **has not been apprehended of electric pilferage by the coop; and,**

A mere apprehension of electric pilferage by the EC, even without conviction for such offense by any court, shall be a valid ground for disqualification.

The word "apprehension" should be taken in the strict context as used in Republic Act No. 7832, otherwise known as "**Anti-Electricity and Electric Transmission Lines or Materials Pilferage Act of 1994**", which means that a person is caught *flagrante delicto* for violating the provision of said act.

c) **has not been removed for cause as director or an employee from the electric cooperative. xxx**

In general, removal or termination of service from the EC is caused by a grave offense or violation/s of policies, rules and regulations. A former director or employee with a record of dismissal for cause from the EC shall be disqualified to run.

The compliance with these requirements shall be at the outset, readily determined by the Screening Committee from submitted documents and available records of the EC.

Gleaned from the above, only when a member-consumer is considered a member of good standing that he shall be qualified as candidate. Further, non-compliance with any of these at any time during anyone's incumbency shall be a valid cause for disqualification as Director.

The Board of Directors and the General Manager shall be responsible in ensuring that all requirements for being a member of good standing are met by any incumbent director.

For your guidance.

  
**PABLO M. PAN III**  
Deputy Administrator  
Electric Distribution Utilities Services

Noted:

  
**EDITA S. BUENO**  
Administrator

NATIONAL ELECTRIFICATION  
ADMINISTRATION

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