



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



Management
System
ISO 9001:2015
www.tuv.com
RJ 910506-2020



27 October 2023

TO : ALL TELECOMMUNICATION COMPANIES, ELECTRIC COOPERATIVES, AND CONCERNED STAKEHOLDERS

SUBJECT : REQUEST FOR COMMENTS ON THE GUIDELINES FOR THE CONSTRUCTION AND ENERGIZATION OF DISTRIBUTION LINES AND ASSOCIATED EQUIPMENT FOR THE SUPPLY OF POWER TO TELECOMMUNICATION TOWERS WITHIN THE FRANCHISE AREA OF ELECTRIC COOPERATIVES

Notice is hereby given that the National Electrification Administration ("NEA") is requesting comments to the proposed *Guidelines for the Construction and Energization of Distribution Lines and Associated Equipment for the Supply of Power to Telecommunication Towers within the Franchise Area of Electric Cooperatives* (the "Guidelines") from affected stakeholders.

Please send your comments and/or suggestions to the draft Guidelines using the attached *comment sheet template* to **neatelcomemo@gmail.com** **on or before 10 November 2023**. Regional associations of electric cooperatives are requested to consolidate the feedback of their individual members before sending the same to the NEA.

If necessary, a focus group discussion and/or consultation meeting will follow, the date of which will be announced accordingly.

ATTY. IVAN DARWIN G. ZAMORA

Department Manager

NEA Management and Consultancy Services Office

MEMORANDUM ORDER

TO: ALL ELECTRIC COOPERATIVES

SUBJECT: GUIDELINES FOR THE CONSTRUCTION AND ENERGIZATION OF DISTRIBUTION LINES AND ASSOCIATED EQUIPMENT FOR THE SUPPLY OF POWER TO TELECOMMUNICATION TOWERS WITHIN THE FRANCHISE AREA OF ELECTRIC COOPERATIVES

This Memorandum Order ("Memorandum") is being issued to provide the responsibilities of NEA, Electric Cooperatives ("ECs"), and Telecommunication Companies ("TelCos"), concerning the application for the construction and energization of distribution lines and associated equipment from tapping point of EC distribution lines to the Telecommunication Towers ("TelCo Tower").

Section 1: General Provisions

- 1.1 The rules under this Memorandum apply only to the construction and energization of poles, power lines, and associated equipment from the tapping point in the EC distribution system until the TelCo Tower (collectively, the "Connection Assets").
- 1.2 The connection of a TelCo Tower to the EC's distribution system and the energization of Connection Assets must conform to the rules set in this Memorandum.
- 1.3 In light of Executive Order No. 32, series of 2023, entitled as "*Streamlining the Permitting Process for the Construction of Telecommunications and Internet Infrastructure*" and considering the importance of the telecommunication sector to the overall development of the country, all ECs are hereby **directed to prioritize** applications of TelCos for the installation, construction, connection, and energization of Connection Assets, subject to the TelCos' compliance with the requirements under this Memorandum.
- 1.4 In order for NEA to supervise TelCo Tower connection applications, all ECs shall submit a quarterly report (every 15th of March, June, September, and December) every year to the NEA Engineering Department ("NEA ED") by filling out the NEA monitoring templates. ECs can secure copies of the monitoring templates by sending a request email to nea.engineeringtod@gmail.com.

Failure to timely submit the quarterly report, without justifiable cause, shall be a ground for the imposition of administrative liabilities.

Section 2: Processing of Application

- 2.2 TelCos will only be required to submit one (1) set of original copies or certified true copies of the documents listed in Section 2.
- 2.3 All ECs are directed to strictly comply with the schedule of activities provided in ***Schedule "A"*** of this Memorandum relative to the application and energization of Connection Assets.

Failure to adhere to the periods provided in ***Schedule "A"*** of this Memorandum, without justifiable cause, shall be a ground for the imposition of administrative liabilities.

- 2.4 **PRE-CONSTRUCTION** - Prior to the conduct of a joint field inspection, staking, and right-of-way coordination activities, the TelCo applicant must submit the following *Pre-Construction* requirements:

Proof of Identity

- a. Letter of Intent addressed to the concerned EC, supported by the pertinent Board Resolution or Secretary's Certificate authorizing the TelCo to apply for a connection;
- b. Duly executed application for membership form;
- c. Certificate of Incorporation and the latest Articles of Incorporation filed with the Securities and Exchange Commission;
- d. Pre-Membership Education Seminar Certificate from the concerned EC;
- e. Two (2) valid government-issued identification cards of the TelCo's duly authorized representative(s); and
- f. Special Power of Attorney as the case maybe.

Permits and Proof of Right to Occupy or Use

- g. Proof of right to occupy or use the land upon which the TelCo Tower and Connection Assets will be constructed (i.e., Certificate of Title, Right of Way Agreements, Lease Agreements, or any other similar tenurial instruments depending on the nature of the right of the TelCo to occupy or use the concerned land);
- h. Duly executed Privacy Notice; and
- i. Building Permit issued by the appropriate local building official.

Plans and Designs (*These are the technical documents for the system planner to create the necessary distribution line design used as references during ocular inspections*)

- a. Electrical Plan duly executed by a licensed Electrical Engineer;
- b. Location Map of the TelCo Tower and Connection Assets; and
- c. Gantt Chart. The Gantt Chart should explicitly provide the timelines from *Pre-Construction* until *Energization* as provided in this Memorandum.

- 2.4.1 The EC's Institutional Services Department ("ISD") shall have **two (2) work days** from submission of complete documents to review and approve the *Pre-Construction* requirements submitted by the TelCo in each application.

The EC's ISD shall immediately inform the TelCo if the latter's submission is non-compliant or incomplete within the period prescribed above.

- 2.4.2 After the EC's ISD clears the TelCo's *Pre-Construction* submission, the EC's Engineering Services Department ("ESD") must prepare the schedule for the joint field inspection, staking, and right-of-way coordination activities and inform the TelCo of said schedule.

The joint field inspection must be conducted within **eight (8) work days** from the EC's ISD clearance of the TelCo's *Pre-Construction* submission.

- 2.4.3 For uniformity with other consumers, the concerned EC shall follow its existing policy on power metering facility, if any, such that the power metering facility will be placed in a location the EC deemed best. Within **five (5) work days** after the conduct of the joint field inspection, staking, and right-of-way coordination activities, the concerned EC shall prepare an *As-Planned Staking Sheets* and *Bill of Quantities*.

- 2.4.4 After the *As-Planned Staking Sheets* and *Bill of Quantities/Materials* are prepared, the EC's Finance Services Department ("FSD") shall have **two (2) work days** to prepare and issue the Statement of Account ("SOA") for the TelCo's payment of the fees related to the conduct of the joint field inspection and preparation of the *As-Planned Staking Sheets* and *Bill of Quantities*.

The fees should not be unreasonable and should reflect the actual cost of inspection and preparation of the foregoing documents.

- 2.4.5 After payment of the fees based on the issued SOA, the EC shall inspect the service distribution transformer to be used by the TelCo. The inspection is to verify its compliance with the NEA standards, especially in terms of line losses. The concerned EC shall have **two (2) work days** from receipt of the service distribution transformer to inspect the same.

After the EC clears the service distribution transformer, the TelCo may begin construction of the Connection Assets.

- 2.4.6 The Connection Assets must adhere to the specifications and standards outlined in *NEA Engineering Bulletin DX1320* or any other relevant guidelines issued by NEA as well as the standards set by the Energy Regulatory Commission ("ERC").

2.4.7 NEA and the concerned EC may conduct periodic inspections of the ongoing construction and installation with or without prior notice to the TelCo.

2.5 **POST-CONSTRUCTION** - After construction of the Connection Assets, the TelCo must submit the following *Post-Construction* requirements:

- a. Certificate of Final Electrical Inspection ("CFEI") from the appropriate local building official;
- b. Fire Safety Certificate from the Bureau of Fire Protection; and
- c. Certificate of Occupancy or Certificate of Use from the appropriate local building official.

2.5.1 The EC concerned shall have **two (2) work days** from submission of complete documents to review the *Post-Construction* requirements submitted by the TelCo in every site or application.

The EC shall immediately inform the TelCo if the latter's submission is non-compliant or incomplete within the period prescribed above.

2.5.2 Once cleared by the EC's ISD and ESD, the EC concerned shall immediately inform the NEA ED of the same for the purpose of scheduling a joint ocular inspection. NEA shall then immediately respond with its proposed schedule for the joint inspection.

2.5.3 NEA and the EC involved have **five (5) work days** to conduct their joint ocular inspection. The purpose of this inspection is to assess whether the constructed poles, power lines, and related connection equipment is compliant with NEA's and ERC's specifications and standards and meet the requirements set by the EC.

2.5.4 For this purpose, the TelCo shall pay NEA an *Engineering and Administrative Overhead Fee* of 3% of the total project cost to defray NEA's administrative costs of conducting the joint inspection. The total project cost must be certified by the EC and should be based on the *As-Built Bill of Materials* including the cost of labor.

NEA shall have **five (5) work days** to prepare the SOA and bill the TelCo for the *Engineering and Administrative Overhead Fee*. NEA's 5-day period shall start from NEA's receipt of the:

- (i) NEA inspector's report endorsing the project for CFIA; and
- (ii) The total project cost as certified by the EC.

NEA shall not issue the Certificate of Final Inspection and Acceptance ("CFIA") sans the TelCo's payment of the *Engineering and Administrative Overhead Fee*.

The EC shall likewise be allowed to impose a similar fee which should not be unreasonable and should reflect the actual cost of inspection. For this purpose, the EC shall have **five (5) work days** from its receipt of the NEA inspector's report endorsing the project for CFIA to prepare the SOA and bill the TelCo accordingly.

- 2.5.5 If the NEA and/or EC inspectors discover any evidence of substandard materials or equipment used to construct the assets subject of this Memorandum, the contractor and/or subcontractor responsible for the construction or installation of those materials or equipment will be blacklisted and banned from participating in any future projects of any nature with NEA and all ECs nationwide.

Further, NEA and the concerned EC shall not issue the CFIA unless the project complies with NEA standards.

- 2.5.6 NEA and the concerned EC may request the submission of documents from the TelCo or its contractors and/or subcontractors to evaluate the materials or equipment used to construct the assets subject of this Memorandum.

- 2.6 **ENERGIZATION** – Provided there are no issues during the joint ocular inspection and after payment of the necessary inspection fees, NEA and the EC involved shall issue a Joint CFIA.

- 2.6.1 The NEA Administrator, NEA Inspector who actually conducted the inspection, and the General Manager of the EC involved shall be the signatories of the Joint CFIA.

- 2.6.2 After the issuance of the CFIA, the TelCo and the EC concerned must enter into the following agreements:

- a. a notarized Memorandum of Agreement with the following minimum provisions:
 - The Connection Assets will be donated to the concerned EC and treated as a Contribution in Aid of Construction ("CIAC");
 - Assignment of the necessary right-of-way agreements or permits to the concerned EC; and
 - Outlining the obligations of the parties concerning the maintenance of the Connection Assets, including but not limited to the repair, replacement of damaged lines and its accessories. and
- b. a notarized Connection Service Agreement.

- 2.6.3 The EC concerned must energize the power line within **one (1) work day** after due execution of both contracts referred to in Section 2.6.2.

2.7 UPGRADING OF CONNECTION ASSETS – Should the TelCo require the upgrading of the Connection Assets, the following process shall be adopted:

2.7.1 The TelCo shall submit a Letter of Intent addressed to the concerned EC, supported by the pertinent Board Resolution or Secretary's Certificate authorizing the TelCo to apply for an upgrade to the Connection Assets for additional load to the TelCo's existing infrastructure.

- a. For upgrades under Section 2.7.1., the EC shall have **two (2) work days** to inspect the uprated distribution transformer to be used by the TelCo.
- b. Once cleared, the EC concerned shall allow the installation of an uprated transformer and associated equipment without need of any other documentary requirements from the TelCo.
- c. After an uprated transformer is installed, the TelCo must submit to the concerned EC the CFEI from the appropriate local building official prior to energization.
- d. Upon receipt of the CFEI, the concerned EC and TelCo shall then amend their Memorandum of Agreement to include the uprated transformer and associated equipment as part of the assets turned over to the EC as CIAC.
- e. After the amendment of the Memorandum of Agreement, the concerned EC shall have **one (1) work day** to energize the power line.

2.7.2 However, should the proposed upgrade require the construction of additional TelCo Towers, the process shall be for new electric service connection application or second account for the same member, as the case may be. In this case, the size of the service distribution transformer shall be determined by the EC based on the total connected load computed in the Electrical Plan. This will also determine the capacity of the distribution line serving the TelCo, including the secondary service drop.

Section 3: Responsibilities of ECs

- 3.1 In order to avoid any disruption to its distribution services, ECs are prohibited from offering their services, manpower, and resources to erect, construct, or install the Connection Assets subject of this Memorandum. Instead, TelCos must engage a contractor from the EC's list of accredited contractors.

NEA reserves the right to review and assess the competence, capability, and capacity of the accredited contractor chosen by the TelCos.

- 3.2 The EC's responsibilities shall be limited to the following:

- a. Preparation of the Staking Plan, Technical Study showing the impact of the new facilities to the EC's distribution network, and Bill of Quantities and Materials; and
- b. Energizing the Connect Assets.

Section 4: Responsibilities of TelCos

- 4.1 In consideration of the priority status accorded to TelCo Tower projects and to immediately implement the said projects, TelCos shall:
 - a. Bear the costs for the erection, construction, or installation of the Connection Assets, which shall be treated as a Contribution in Aid of Construction; and
 - b. Be responsible to secure the necessary right of way agreements to ensure the implementation of the TelCo Tower project and Connection Assets.¹
- 4.2 For coordination and planning purposes, TelCos with future plans to further develop their telecommunication assets must submit a 5-year plan to the EC concerned.
- 4.3 All taxes, fees, and charges in relation to the installation, construction, or erection of the Connection Assets shall be for the account of the TelCo.

Section 5: Prohibitions on EC Officials, Directors, and Employees

- 5.1 EC officials, directors, and employees are strictly prohibited from offering the EC's resources and manpower to erect, construct, or install the poles and associated equipment subject of this Memorandum.
- 5.2 TelCos are strictly prohibited from engaging contractors or subcontractors who have any form of financial or business-related connections with the EC's officials, directors, and employees for the supply of equipment, materials, and/or labor for the construction of the assets subject of this Memorandum.
- 5.3 No CFIA shall be issued to those projects which violate Sections 5.1 and 5.2 of this Memorandum.
- 5.4 The concerned EC is required to disclose to the TelCo if the chosen accredited contractors (or its subcontractors) violate Section 5.2 of this Memorandum. Further, it shall be the duty of the TelCo to conduct reasonable due diligence to ensure that Sections 5.1 and 5.2 are complied with.

¹ This is pursuant to Section 2.7.7 of the DSOAR which provides that "The DU shall design line extensions along existing rights of way whenever such rights of way are available. The End-user shall, without reimbursement, procure for the DU any rights of way for a line extension across property owned or controlled by the End-user or others when such rights of way are necessary to connect the End-user....." (Emphasis supplied)

- 5.5 If, after due process, NEA determines that Sections 5.1 and/or 5.2 of this Memorandum were violated, the erring EC official, director, and employee shall be subject to administrative liabilities, including removal from office. This shall be without prejudice to other civil or criminal liabilities that may be filed against the erring official, director, and employee.

Section 6: Replacement and/or Repair of Assets

- 6.1 During the construction phase, the responsibility to replace and/or repair the Connection Assets shall be for the account of the TelCo.
- 6.2 Upon energization and transfer of ownership of the Distribution System to the concerned EC, the maintenance of the equipment's therein, including but not limited to the repair, replacement of damaged lines and its accessories shall be governed by the Memorandum of Agreement they executed.

Section 7: Miscellaneous Provisions

- 7.1 Applicability: This Memorandum supersedes any and all EC policies, guidelines, or requirements concerning the connection of TelCo Towers and construction of Connection Assets.

This Memorandum shall be made applicable to all existing applications or ongoing constructions of Connection Assets which have not yet been energized upon the Effectivity of this Memorandum.

- 7.2 Separability: If any section of this Memorandum is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.
- 7.3 Effectivity: This Memorandum shall take effect fifteen (15) calendar days upon its publication in one (1) newspaper of general circulation. Copies of this Memorandum shall be filed with the University of the Philippines Law Center — Office of National Administrative Register.

Schedule A

Steps	Party Responsible	Period (in work days)	Deliverables or Output
1. TelCo applies for service connection	Telco		TelCo to submit documents listed in Section 2.4 of the Memorandum (i.e., <i>Pre-Construction</i> requirements)
2. EC to review completeness and correctness of TelCo <i>Pre-Construction</i> requirements	EC ISD	2 work days from complete submission of <i>Pre-Construction</i> requirements	EC ISD to review and clear the TelCo's <i>Pre-Construction</i> submission
3. EC ESD to schedule and conduct the joint Field Inspection, Staking, and, Right-of-Way Coordination, if needed, with TelCo	EC ESD	8 work days from the EC's ISD clearance of the TelCo's <i>Pre-Construction</i> submission	EC ESD to produce: 1. Schedule of joint field inspection; 1. Initial Staking Plan; 2. Right-of-Way plan, if needed; and 3. Technical Study – showing impact to EC's distribution network
4. EC to prepare <i>As-Planned Staking Sheets</i> and <i>As-Planned Bill of Quantities</i>	EC ESD	5 work days after the conduct of the joint field inspection	EC ESD to produce: 1. <i>As-Planned Staking Sheets</i> – drawing; and 2. <i>As-Planned Bill of Quantities</i> – cost
5. EC to bill TelCo	EC FSD	2 work days after EC ESD prepares the <i>As-Planned Staking Sheets</i> and <i>Bill of Quantities</i>	SOA for TelCo
6. EC inspection of the service distribution transformer to be used by the TelCo	EC ESD	2 work days from receipt of the service distribution transformer to be inspected	EC ESC to clear or deny the service distribution transformer to be used by TelCo
6. TelCo to pay the SOA to the EC	TelCo		Proof of payment
7. Construction Proper	TelCo		
8. After construction, TelCo to submit <i>Post-Construction</i> requirements	TelCo		TelCo to submit documents listed in Section 2.5 of the Memorandum (i.e., <i>Post-Construction</i> requirements)
9. EC ISD and ESD to review the <i>Post-Construction</i> requirements	EC ISD EC ESD	2 work days from complete submission of <i>Post-Construction</i> requirements	EC to review and clear the TelCo's <i>Post-Construction</i> submission EC to coordinate with NEA for the purpose

			of scheduling a joint ocular inspection
10. Joint Ocular Inspection	NEA EC TelCo	5 work days to conduct Joint Ocular Inspection	(i) NEA inspector's report endorsing the project for CFIA; and (ii) <i>As-Built Bill of Quantities</i>
11. NEA to bill the TelCo the inspection fee EC to bill the TelCo the inspection fee	NEA EC	For NEA: 5 work days from NEA ED's receipt of the following: (i) NEA inspector's report endorsing the project for CFIA; and (ii) <i>As-Built Bill of Quantities</i> For EC: 5 work days from EC's receipt of NEA inspector's report endorsing the project for CFIA	NEA and EC SOA for TelCo
12. TelCo to pay NEA's SOA TelCo to pay EC's SOA	TelCo		Proof of payment
13. NEA and EC to issue the Joint CFIA	NEA EC		Joint CFIA
14. Execution of (i) notarized Memorandum of Agreement (MOA); and (ii) notarized Connection Service Agreement (CSA)	EC TelCo		Executed MOA and CSA
15. Energization proper	EC	1 work day after due execution of the MOA and CSA	
Total Days		32 working days	

Comments on the *“Guidelines for the construction and energization of distribution lines and associated equipment for the supply of power to Telecommunication Towers within the franchise area of Electric Cooperatives”*

Company Name:
Representative:
Contact Details and E-mail of Representative:

Original Language	Proposed Revisions	Basis / Rationale