



NATIONAL ELECTRIFICATION ADMINISTRATION
***Energizing the countryside,
electrifying the future***

THE ADMINISTRATOR'S REPORT



ADMINISTRATOR EDITA S. BUENO
NEA-ECs Conference and Recognition
Waterfront Insular Hotel, Davao City
26 April 2012

Flow of Presentation

- Our Mandate: Total Electrification Program
- NEA in 2011
- ECs in 2011
- Closing Chapter - Categorization
Classification
- New Chapter - Key Performance Standards
Options for Ailing ECs
Alternative Dispute Resolution Approach
- Policies & Directions for 2012
- Challenges
- Corporate Performance Commitments

OUR MANDATE: TOTAL ELECTRIFICATION PROGRAM

Sitio Electrification Program: An Update

**Total Energized
Sitio – 2,148**

**1,953 – Funded by
NEA subsidy**

**195 – Funded by
other sources**

**1,520
Funded by
2011 subsidy
fund**

**433
Funded by
spill funds**



The Test Run in 90 days . . .

TARGET : 1,410 sitios
BUDGET : P814.411 M
TIMELINE : 90 days (October to December 2011)

RELEASE OF FUND BY DBM	SEPTEMBER 22
START OF DOWNLOADING OF 50% PROJECT COST TO ECs BY NEA	SEPTEMBER 28
ACTUAL ENERGIZED SITIOS (Using the same Approved Budget)	1,520
ADDITIONAL SITIOS ENERGIZED	110
First Energized Sitio (October 10, 2011)	Sitio Campo, Brgy. Jaguimitan, Nasipit Agusan del Norte
Last Energized Sitio (December 28, 2011)	Sitio Garang, Brgy. Patitinan, Sagnay, Camarines Sur

Sitio Campo, Brgy. Jaguimitan, Nasipit, Agusan del Norte First Energized Sitio among the 1,520 P-Noy's Project



Story Behind the 90-day Implementation

- ✓ 96 ECs participated
- ✓ 2,729 kms. of lines constructed
- ✓ 20,709 poles erected
- ✓ 977 KVA transformers installed
- ✓ 30,014 kWh meters connected
- ✓ 60,000 initial bulbs installed
- ✓ 1,520 crews of 5 members deployed or a total workforce of 7,600 technical people

Paradigm defined in Project Implementation

- Completion vs Energization

Completion – infrastructure in place
(distribution system)

Energization – light in households/community
already switched on; initial of 20 households

- Nearest to Tapping Point

3 to 4 kilometers from the nearest tapping post

The Role of ECs & Regional Associations

- Proper planning of ECs for final & complete list of sitios for implementation until 2015.
- Assistance from Regional Associations in the accreditation of technical evaluators; inventory & training of linemen and electricians; regional procurement of equipment & materials; and possibly final inspection & close out of projects.
- Tapping of Task Force Kapatid for the purpose.

RESULT:

CREATION OF A FORMAL INDUSTRY WITHIN THE ECs

Strategies Formulated into Policies to Facilitate Implementation

- Inclusion of housewiring cost for the first 20 to 30 marginalized households amounting to P2,500 each
- MOA between EC and LGU to ease compliance requirements such as permits, taxes & others; proper coordination with barangay officials to secure all requirements
- Parallel pre-membership activities; membership application & assistance to potential consumers
- Review & issuance of updated price index periodically

The 9 Millionth Consumer Connection

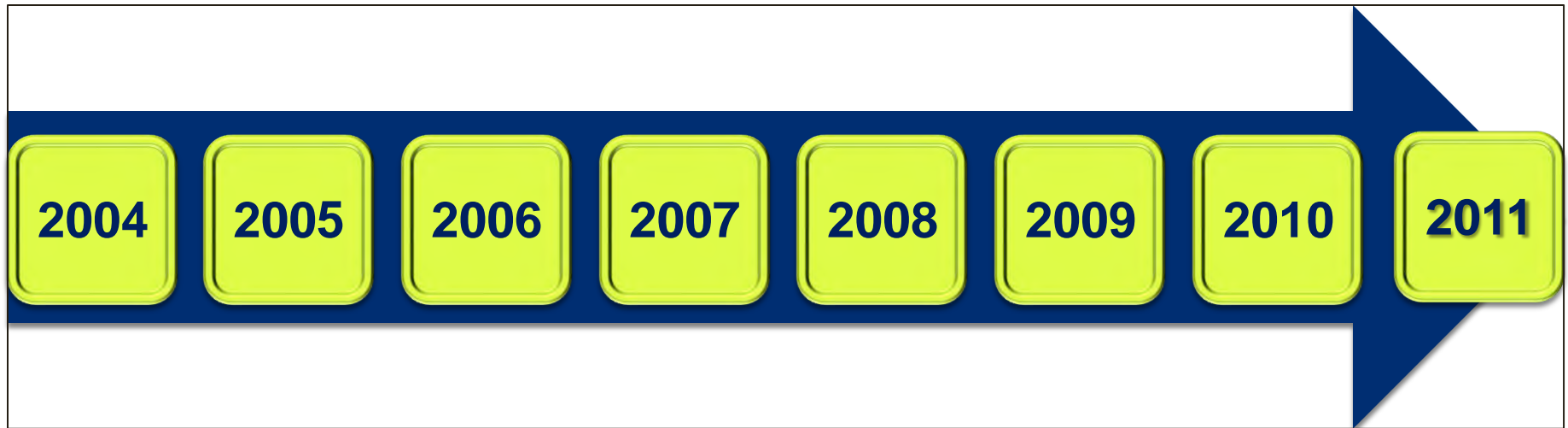


Mrs. Shella Marie Agbayani
Barangay Visitacion, Santa Ana, Cagayan
Energized: May 10, 2011
166th Consumer Connection
CAGELCO II

NEA IN 2011

Financial Performance

CORPORATE FINANCIAL PERFORMANCE



IN THE BLACK FOR 8 CONSECUTIVE YEARS

IN THE BLACK FOR 8 CONSECUTIVE YEARS

LOAN FACILITATED

A total of P1.395 billion was released as loans to electric cooperatives under the following windows:

Short-Term Credit Facility (STCF)/ Stand-by Credit Facility (SCF)	464 M (Average)
Capital Projects	
Calamity	42
RE	484
Single Digit System Loss	186
RE Working Capital	
Special Retirement	218
Power Arrearages	1
TOTAL	1.395 B

LOAN FACILITATED

Co-Financing with LGU-GC

ECs	AMOUNT (PM)
SURNECO	85,303
BUSECO	135,901
FIBECO	142,877
MORESCO II	133,248
SOCOTECO II	135,437
AURELCO	56,000
TOTAL	904,253

LOAN FACILITATED

Co-Financing with DBP

ECs	AMOUNT	
	NEA	DBP
ZAMSURECO II	P 12 M	P 23.3 M

3 ECs are with on-going process for approval amounting to P297.723 million

COLLECTION EFFICIENCY

YEAR	2007	2008	2009	2010	2011
AMORTIZATION DUE	P5.95B	P5.06B	P5.89B	P6.16B	P6.70B
ACTUAL COLLECTION	P6.08B	P4.90B	P5.90B	P6.06B	P7.00B
COLLECTION EFFICIENCY	102%	97%	100%	98%	105%

COLLECTIONS WERE FROM PSALM,
ELECTRIC COOPERATIVES AND OTHER
LOAN PAYORS



COLLECTION EFFICIENCY

POWER SOURCE	TARGET (P'000)	ACTUAL COLLECTION (P'000)	COLL EFF (%)
ECs	4,902,464,002.58	4,785,963,260.19	98
PSALM	1,797,795,136.00	2,217,570,833.93	123
TOTAL	6,700,259,138.58	7,003,534,094.12	105

Collection Efficiency

56 ECs in Advance

LUELCO	PELCO	ORMECO	BOHECO II	SAMELCO I	DANECO
PANELCO III	PRESCO	TIELCO	CEBECO I	SAMELCO II	DASURECO
BENECO	NEECO I	MASELCO	CEBECO II	SOLECO	DORECO
IFELCO	NEECI II- A I	ANTECO	CELCO	ZAMSURECO I	COTELCO
CAGELCO I	NEECO II- A2	CAPELCO	NORECO I	FIBECO	SOCOTECO I
CAGELCO II	TARELCO I	GUIMELCO	PROSIELCO	BUSECO	SOCOTECO II
ISELCI II	BATELEC I	ILECO I	BILECO	CAMELCO	SUKELCO
AURELCO	BATELEC II	ILECO II	LEYECO III	MORESCO I	ASELCO
PENELCO	QUEZELCO I	ILECO III	LEYECOV	MORESCO II	DIELCO
				SIARELCO	SURNECO

Collection Efficiency

41 ECs with Current Account

INEC	ZAMECO II	ROMELCO	TISELCO	ESAMELCO	MOELCI I
CENPELCO	BISELCO	CASURECO I	AKELCO	LEYECO I	MAGELCO
KAELCO	QUEZELCO II	CASURECO II	CENECO	LEYECO IV	SULECO
BATANELCO	FLECO	CASURECO IV	VRESCO	ZAMCELCO	ANECO
ISELCO I	LUBELCO	CANORECO	BANELCO	ZAMSURECO II	SURSECO I
PELCO II	MARELCO	FICELCO	BOHECO I	ZANECO	SURSECO II
ZAMECO I	OMECO	SORECO I	CEBECO III	LANECO	

COLLECTION EFFICIENCY

11 ECs in Arrears

ABRECO	NORSAMELCO
QUIRELCO	BASELCO
PELCO III	CASELCO
ALECO	LASURECO
CASURECO III	TAWELCO
SORECO II	

DEBT SERVICING

Foreign loan amortizations due paid in full for 7 straight years. NEA unburdened the National Government from advancing payments to foreign obligations amounting to P8.67B from 2004 to 2011.

CREDITORS	LOAN MATURITY	TOTAL LOAN AVAILED (in \$M)	TOTAL AMT PAID (in \$M)	B ALANCE (in \$M)
USAID	2017	S 77.455M	63.830	13.625
IBRD	2012	133.296M	132.905	0.391
OECF	2014	80.834	55.175	25.659
OPEC		13.557	13.557	PAID
EDC		18.930	18.930	PAID
CHASE MANHATTAN		15.872	15.872	PAID
ADB		53.060	53.060	PAID
KFW	2015	44.688	42.711	1.977
MH/DENDRO LOANS	2012	86.521	86.374	0.147
CONDUIT: MERALCO/VECO	2014 (VECO)	61.698	57.355	4.343
TOTAL		585.911	539.769	46.142

RESPONSIBLE CITIZENSHIP

One of the first batch of GOCCs and GFIs to pay corporate dividends.

For 2011, a total amount of P65.97 million was remitted to Department of Finance as dividends and total amount of P51.72 million as taxes to the Bureau of Internal Revenue.



In sum, NEA paid from 2007 to 2011 a total amount of P282.85 million, of which P165.04 million as dividends and P117.81 million as taxes.

NEA as COA AUDIT COMPLIANT



NEA was conferred by COA with
Unqualified Audit Opinion
for 4 consecutive years

INSTITUTIONAL PERFORMANCE

DOCUMENTS TRACKING

FAST LANE SERVICE



Matters for action from Category A+ ECs and public offices shall be responded to within 24 to 72 hours upon receipt.

Status	2009	2010	2011
Total Documents Received	1,122	1,041	983
Average Response Time (Hrs)	68.20	48.58	42.49

Matters for action from other sources shall be responded to within 7 days or 168 hours upon receipt.

Status	2010	2011
Total Documents Received	914	895
Average Response Time (Hrs)	-	165.60

REGULAR LANE SERVICE

COMPETENCY PROGRAM

- In NEA, there is a total of 815 officials and employees who graduated from Certification & Competency Programs. Each employee attended an average of 3 seminars
- For ECs, total number of graduates is 3,305 on various FIT competency programs. Representing 15% of the total 22,465 workforce, NEA plans to offer more training programs for the officials, management and staff of ECs

INSTITUTIONAL FACTS & UPDATES

Total Members of Board of Directors	889
Total Number of Elections Conducted	84
Number of Districts	291
Total Number of Regular GMs	74
OICs in Process	25
With Performance Management Contract	6

TECHNICAL PERFORMANCE

- JICA-assisted Projects
 - System Loss Reduction Program
 - Voltage Upgrading of Distribution Line
 - Distribution Analysis Computer Software
- Impact Study on CAPEX Requirements of ECs
- Facilitation of Sitio Electrification Program

AUDIT & LEGAL

AUDIT

28 NEA-Accredited External Auditors for ECs

- CARLOS J. VALDEZ & ASSOCIATES
- PUNONGBAYAN & ARAULLO
- ODSINADA, RIVERA & CO.
- R.F. MIRAVITE & ACCOCIATES
- A.P. ACYATAN & CO., CPAs
- ISLA LIPANA & CO.
- LUIS BONGUYAN & CO.
- ISMAEL, PONCE & ASSOCIATES
- QUILAB, CABILIN, BATO & CO.
- ATTY. FRANCISCO A. AQUINO
- TOLOMEO D. LIGUATAN & CO.
- NEPOMUCENO, SUNER & ASSOCIATES
- EULALIO J. MINERVA & CO.
- KPMG LAYA MANANGHAYA & CO.
- FUA, SALES, FABIA & CO., CPAs
- SDD & COMPANY
- M.A. MACHICA ACCOUNTING FIRM
- R.M. VELUZ ACCOUNTING FIRM
- DIAZ, MURILLO DALUPAN
- C.B. FUENTESFINA & CO.
- ALBA, ROMEO & CO.
- SR. DAPAT & CO.
- ABLOG, RIDAD & ASSOCIATES
- BAHICAS, LAMBOSO & CO.
- MANABAT SAN AGUSTIN
- CELSO M. CAHAMBING CMC & Co. CPAs
- MELCHORT. VANGUARDIA AUDITING FIRM
- A.R. SAYSON & ASSOCIATES, CPAs

AUDIT

In 2011, 31 ECs were audited by NEA

ZANECO

MOELCI I

ALECO

DANECO

BATANELCO

ZAMECO II

FLECO

ZAMECO I

BATELEC I

VRESCO

PELCO II

TARELCO I

BASELCO

SULECO

FICELCO

MASELCO

ESAMELCO

NORSAMELCO

SAMELCO I

SAMELCO II

CANORECO

CASURECO III

LUBELCO

OMECO – Systems Audit

MAGELCO

LEYECO II

DORELCO

OMECO

CASURECO I

TISELCO

ALECO – Special Audit

LEGAL CASES DISMISSED & RESOLVED IN FAVOR OF NEA IN 2011

1. Marynette R Gamboa, et al vs NEA. Civil Case No. 15141-15, RTC Branch 15, Laoag City
2. Nilo Baculo, Sr. vs Edita S. Bueno, et al, CPL-C -06-2249, Office of the Ombudsman, Quezon City
3. Conrado Cucio vs NEECO I, et al. Civil Case No. 2435, RTC Branch 34, Gapan City
4. Narcisa Hills Development Corp vs NPC, SAMELCO II, NEA. Civil Case No. 831, RTC Branch 31, Calbayog City

LEGAL CASES DISMISSED & RESOLVED IN FAVOR OF NEA IN 2011

5. NEA vs Romano Arandia, et al. Darab Case No. 16361, Darab, Quezon City
6. Hadji Ahmad Lao vs Edita S. Bueno, et al. OMB-C-A-09-0060. Criminal Case for neglect of duty, Office of the Ombudsman, Quezon City
7. Manolito Agra, et al vs COA, Q.R. Number 167807, Supreme Court, en banc, Manila (Re: Claims of NEA former employees) with entry of judgement.
8. Amor Abdon vs NEA, et al, CA-GR Number 108553, Court of Appeals, Manila

ECs in 2011

2011 ELECTRIC COOPERATIVES FACT SHEET

PERFORMANCE INDICATORS	NATIONAL	LUZON	VISAYAS	MINDANAO
Operational ECs	119	55	31	33
Consumers Served	9.251 M	4.602M	2.384M	2.265M
Gross Revenue	P100.47B	P52.95B	P24.54B	P22.99B
Total Releases	P63.24B	P34.07B	P13.28B	P15.89B
Loan	P50.41B	P28.24B	P10.45B	P11.72B
Condoned	P17.98B	P10.69B	P3.92B	P3.37B
Residual	P32.43B	P17.55B	P6.53B	P8.35B
Subsidy/Grant	P12.83B	P5.83B	P2.83B	P4.17B
Sales (GWH)	12,950	6,076	3,041	3,834
Peak Load (MW)	2,961	1,364	763	834
Total Workforce	22,465	11,843	5,378	5,244
Total Circ. Kms. Of Line	287,556	120,125	74,073	93,358
Collection Efficiency	95%	95%	98%	92%

Excluding ABRECO & SORECO II which did not submit their operations data

2011 AVERAGES

PERFORMANCE INDICATORS	NATIONAL	LUZON	VISAYAS	MINDANAO
Ave. Revenue/EC/Month	P72M	P84M	P67M	P59M
Ave Cost for Barangay Line Enhancement	P1.5M	P1.5M	P1.5M	P1.5M
Ave. Cost to Energize a Sitio	P1M	P1M	P1M	P1M
Ave. Cost per Connection	P6K -8K	P6K-8K	P6K-8K	P6K-8K
Ave. System Rate (P/KWH)	7.76	8.72	8.07	6.00
Ave. Investment/Consumer	P6,836	P7,403	P5,570	P7,015
Ave. Connection/EC	77,737	83,663	76,914	68,634
Ave. Kms. Of Line Constructed/EC	2,416	2,184	2,389	2,829
Ave. Conns/Circ. Km of Line	32	38	32	24
Ave. MWH Sales /EC/Month	9,333	9,666	8,271	9,796
Ave. Monthly KWH Consumption/Connection	118	111	108	143
Ave. System Loss	11.87%	11.98%	11.19%	12.24%
Ave. No. of Employee/EC	192	223	173	159

STATUS OF ECs FINANCIAL PERFORMANCE

MAJOR ISLAND	NET MARGIN	NET LOSS
LUZON	43	11
VISAYAS	29	2
MINDANAO	25	8
TOTAL	97	21

ECs STATUS OF FINANCIAL OPERATIONS

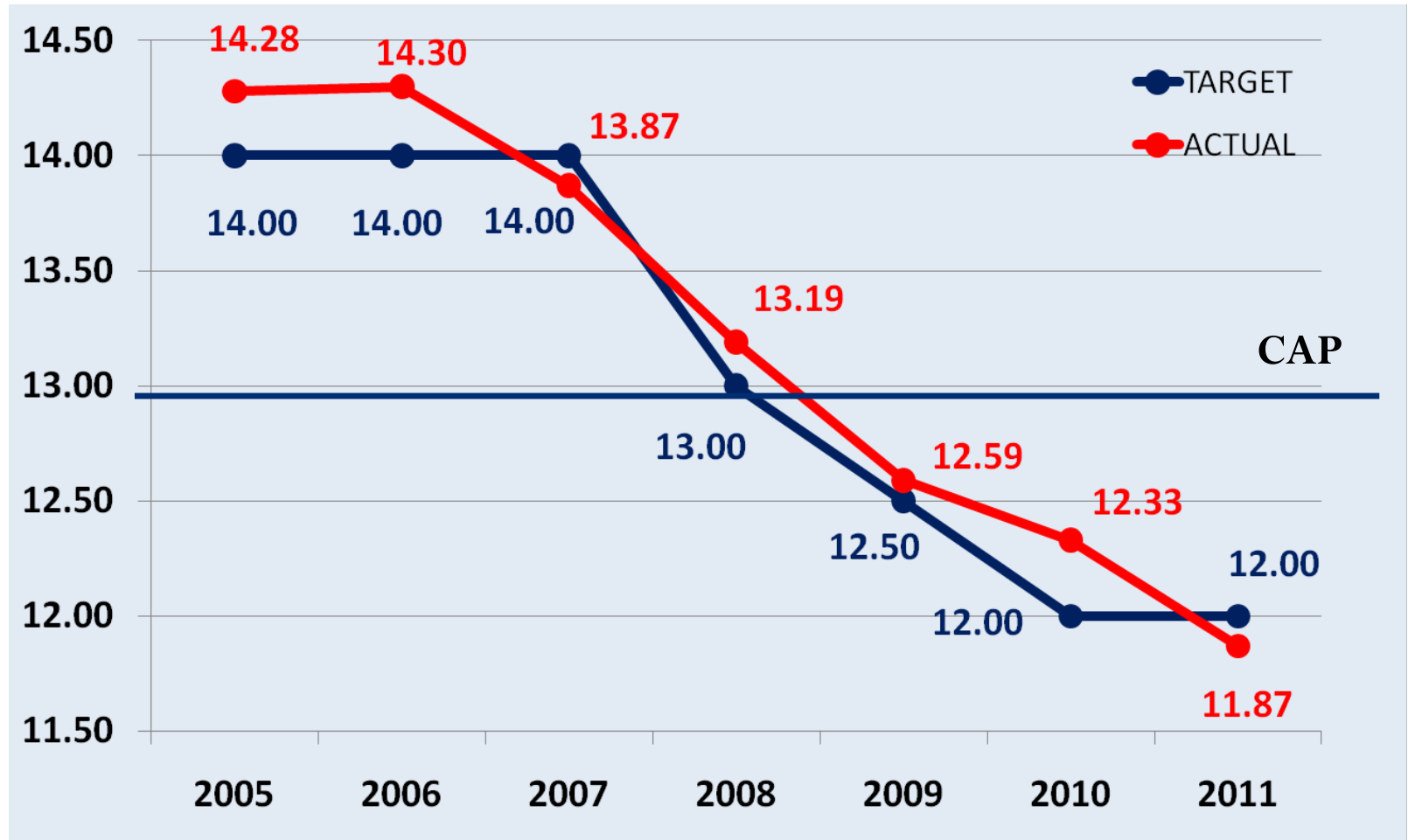
REGION	NET MARGIN	NET LOSS	REGION	NET MARGIN	NET LOSS	REGION	NET MARGIN	NET LOSS
I	6		VI	9	1	IX	2	2
II	6	1	VII	10		X	8	
CAR	4	0	VIII	10	1	XI	3	
III	13	1				XII	4	
IVA	4	1				ARMM	1	6
IVB	5	3				CARAGA	7	
V	5	5						
LUZON	43	11	VISAYAS	29	2	MINDANAO	25	8
TOTAL							97	21

2011 SYSTEMS LOSS STATUS

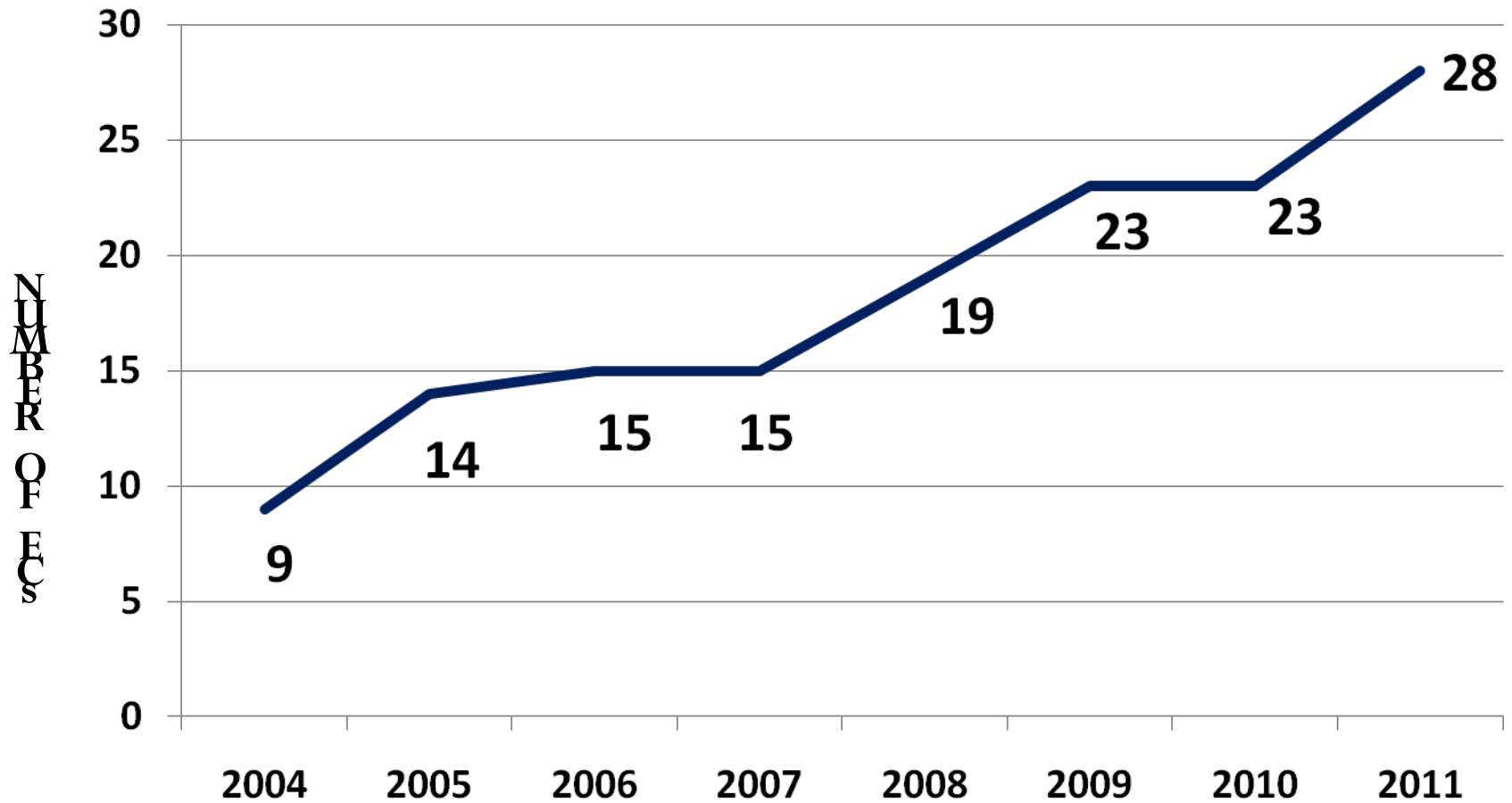
STATUS	NUMBER OF ECs	% TO TOTAL
SINGLE DIGIT	28	24
DOUBLE DIGIT BUT WITHIN 13% CAP	48	41
ABOVE 13%	42	35
TOTAL	118	100

SYSTEMS LOSS

IN
PERCENT



IMPROVEMENT IN SINGLE DIGIT SYSTEM LOSS



28 SINGLE DIGIT SYSTEMS LOSS

LUZON – 12 ECs		VISAYAS – 10 ECs		MINDANAO – 6 ECs	
BATANELCO	7.18%	AKELCO	9.63%	MORESCO I	6.66%
BENECO	9.82%	ANTECO	9.64%	DASURECO	7.74%
AURELCO	9.71%	ILECO I	9.60%	SIASELCO	8.17%
TARELCO I	7.55%	CEBECO I	8.81%	DIELCO	5.26%
TARELCO II	8.05%	CEBECO II	7.73%	SIARELCO	8.93%
PRESCO	9.83%	CEBECO III	5.96%	SURNECO	9.56%
PELCO I	8.80%	CELCO	9.80%		
PENELCO	8.96%	BANELCO	8.60%		
NEECO II- A I	9.03%	BOHECO I	7.03%		
ORMECO	9.75%	LEYECO II	9.89%		
TIELCO	9.45%			Lowest In Mainland	
CANORECO	9.96%			Lowest in SPUG	

48 ECs WITH DOUBLE DIGIT SYSTEMS LOSS WITHIN THE 13% CAP

ECs	%	ECs	%	ECs	%	ECs	%
BATELEC II	10.23	BISELCO	11.20	CAPELCO	11.82	QUEZELCO II	12.65
MOELCI II	10.27	SOCOTECO I	11.26	LANECO	11.84	SAMELCO I	12.71
CAGELCO I	10.43	SURSECO II	11.37	SUKELCO	11.87	ZANECO	12.73
PROSIELCO	10.46	NEECO II AI	11.45	PALECO	12.04	GUIMELCO	12.77
DORECO	10.48	MOPRECO	11.45	ANECO	12.10	BILECO	12.78
SAJELCO	10.48	FIBECO	11.50	BATELEC I	12.13	ZAMECO II	12.83
ASELCO	10.50	LUBELCO	11.55	NORECO I	12.21	LEYECO V	12.88
ZAMSURECO I	10.57	BUSECO	11.64	INEC	12.26	CAMELCO	12.95
SOCOTECO II	10.73	LEYECO IV	11.74	LUELCO	12.26	PELCO II	12.99
MORESCO II	10.90	ISECO	11.74	CENECO	12.28	ROMELCO	13.00
NOCECO	10.99	SORECO I	11.78	ILECO II	12.37	LEYECO III	13.00
BOHECO II	11.10	SURSECO I	11.79	ILECO III	12.50	MOELCI I	13.00

42 ECs WITH DOUBLE DIGIT SYSTEMS LOSS ABOVE THE 13% CAP

ECs	%	ECs`	%	ECS	%	ECs	%
NEECO I	13.34	COTELCO	13.99	CASURECO II	17.28	ZAMSURECO II	22.07
VRESCO	13.53	DANECO	14.00	ESAMELCO	17.34	CASURECO III	22.07
ISELCO I	13.57	OMECO	15.32	PANELCO III	17.51	NORSAMELCO	22.41
FICELCO	13.63	LEYECO I	15.34	QUEZELCO I	17.77	ALECO	22.99
SOLECO	13.64	IFELCO	15.94	MASELCO	17.97	TAWELCO	22.99
CAGELCO II	13.65	NUVELCO	16.02	LASURECO	18.01	BASELCO	26.55
FLECO	13.77	CASURECO IV	16.23	PELCO III	18.03	CASELCO	39.36
SAMELCO II	13.91	PANELCO I	16.37	MARELCO	18.10	MAGELCO	41.08
ZAMECO I	13.92	QUIRELCO	16.56	TISELCO	18.69	SULECO	42.69
KAELCO	13.97	ISELCO II	16.70	NORECO II	19.48		
CENPELCO	13.98	ZANECO	16.88	CASURECO I	19.75		

PROFILE OF ECs PEAK LOADS

LEVEL	NUMBER OF ECs
Over 100 MW	3
80 to 99 MW	1
50 to 79 MW	10
30 to 49 MW	24
15 to 29 MW	31
Below 15 MW	43
TOTAL	112

AVERAGE PEAK LOAD PER EC - 25 MW

ECs WITH 50 MW & ABOVE PEAK LOAD

Over 100 MW		80TO 99 MW		50TO 79 MW	
BATELEC II	140	ZAMCELCO	100	DANECO	76
CENECO	121			PELCO II	69
SOCOTECO II	112			BENECO	65
				ALECO	63
				PENELCO	58
				PANELCO III	54
				CENPELCO	54
				ANECO	52
				ISELCO I	51
				BATELEC I	50
TOTAL – 3 ECs		TOTAL- 1 EC		TOTAL – 10 ECs	

ECs WITH 30 TO 49 MW PEAK LOAD

CEBECO II	46	ISECO	37	ZANECO	32
CEBECO III	46	CAGELCO I	36	COTELCO	32
CASURECO II	45	ILECO I	35	CAPELCO	32
NORECO II	44	SOCOTECO I	35	LASURECO	32
AKELCO	43	DASURECO	35	TARLAC I	32
LEYECO II	40	VRESCO	34	CEBECO I	31
INEC	39	ZAMSURECO I	33	TARLAC II	31
NOCECO	37	PELCO I	33	LUELCO	30

TOTAL -24 ECs

ECs WITH 16 TO 29 MW PEAK LOAD

ISELCO II	29	CAGELCO II	24	OMECO	17
PELCO III	29	MORESCO I	24	BOHECO II	17
LEYECO V	29	ASELCO	24	ANTECO	16
ORMECO	29	SUKELCO	23	PANELCO I	16
FIBECO	28	NEECO I	23	CASURECO III	16
QUEZELCO I	28	NUVELCO	22	SOLECO	16
SURNECO	27	PALECO	22		
NEECO II-A1	27	ZAMSURECO II	21		
NEECO II-A II	27	CANORECO	21		
MOELCO II	26	ZAMECO II	21		
BOHECO II	25	MORESCO II	21		
ILECO II	24	DORECO	17	TOTAL	30 ECs

ECs WITH 15 & BELOW MW PEAK LOAD

SOLECO	15	CASURECO I	11	BILECO	5	BATANELCO	1
ZAMECO I	15	SAMELCO II	11	KAELCO	5	LUBELCO	0.89
FLECO	15	SAMELCO I	11	AURELCO	5	SISELCO	0.56
ILECO III	14	SURSECO I	9	QUEZELCO II	4		
SAJELCO	14	CASURECO IV	8	MOPRECO	4		
LANECO	13	MARELCO	8	CAMELCO	4	TOTAL – 42 ECs	
SURSECO II	13	SORECO I	8	PROSIELCO	3		
ESAMELCO	13	BASELCO	7	ROMELCO	3		
NORECO I	12	SULECO	7	SIARELCO	3		
NORSAMELCO	12	GUIMELCO	7	BISELCO	2		
LEYECO IV	12	LEYECO III	7	IFELCO	2		
LEYECO I	12	PRESCO	6	DIELCO	2		
MASELCO	11	QUIRELCO	6	CELCO	2		

ECs Power Accounts

(As of December 2011)

POWER SUPPLIERS	NUMBER OF ECs	TOTAL OVERDUE (P Billion)
PSALM	12	6.184
NPC-SPUG	8	2.934
IPPs	5	0.945
TOTAL	25	10.063

COMMISSIONED MINI-HYDRO PROJECTS

by ECs from 2004 to 2011

MINI-HYDRO PROJECTS	INSTALLED CAPACITY (IN MW)	ELECTRIC COOPERATIVE
Cantingas	0.900 MW	ROMELCO
Lower Cascade Linao Cawayan	2.100 MW	ORMECO
Sevilla	2.500 MW	BOHECO I

CONSORTIUM

(Existing & In Process)

PSAG - AMRECO

REGION VI ECs

REGION II ECs

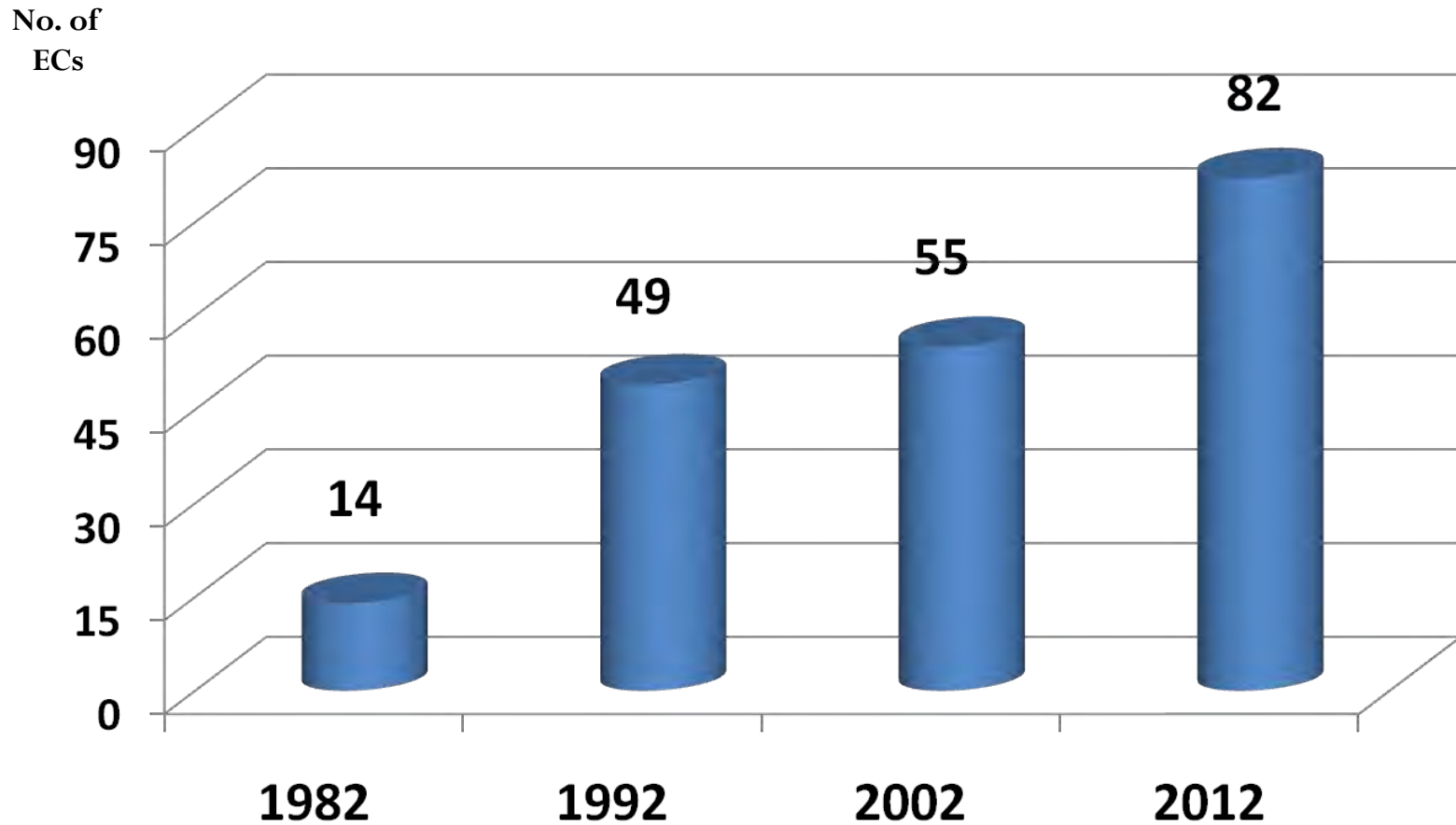
REGION VIII ECs

CLOSING CHAPTER

ANNUAL CATEGORIZATION
ANNUAL CLASSIFICATION

CATEGORIZATION IN 30 YEARS

EXCELLENT PERFORMING ECs BASED ON CATEGORIZATION FOR THE PAST 30 YEARS



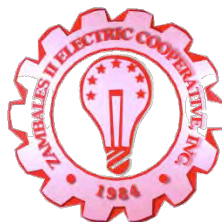
Consistent Category A+ and A ECs 22 to 30 years

MORESCO I	INEC
DASURECO	CAPELCO
CEBECO I	ILECO I
CEBECO II	BANELCO
CEBECO III	SURSECO I
BOHECO I	ORMECO
LEYECO IV	PROSIELCO

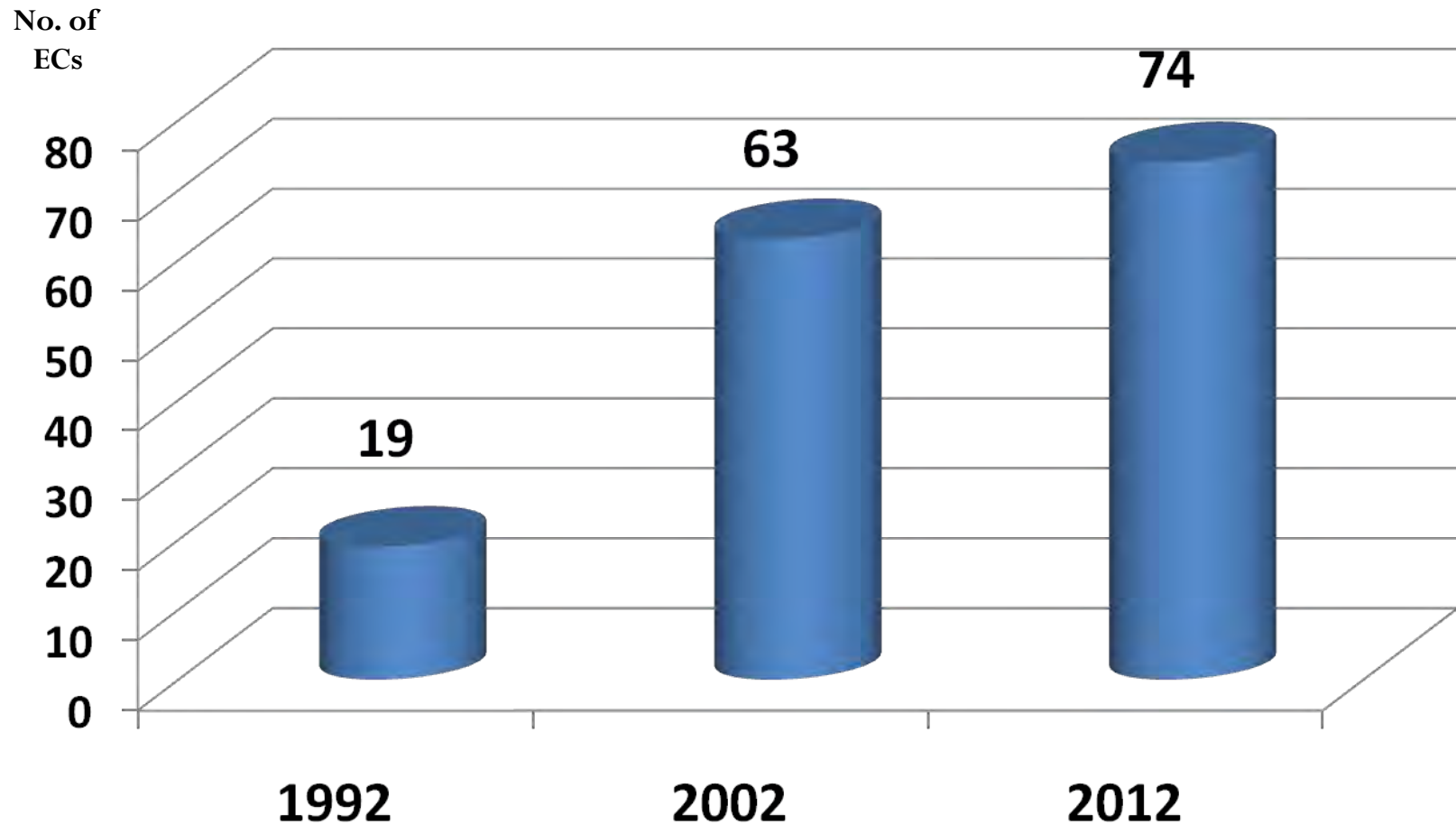
Diamond Awardees are in bold

MOST IMPROVED REGION

REGION III



MEGA & EXTRA LARGE ECs BASED ON CLASSIFICATION FOR THE PAST 20 YEARS



COLOR CODING SCHEME

CRITERIA

MEASURES		SCORE
1. EC's Point Score in the Categorization		70
2. Audit Findings		10
No adverse findings and major procedural lapses	10	
With procedural lapses and/or minor findings	5	
With adverse findings (either on procurement, employees and official's benefit, cash advances, malversation of funds)	0	

CRITERIA

MEASURES		SCORE
3. Institutional Strength		10
Demerit Points:		
Board - Management Problem/s	3	
GM - Employee Relationship Problem/s	3	
Non-conduct of AGMA	2	
Non-conduct of District Election	2	
4. EC Financial Operating Results		10
EC with Net Margin	10	
EC with Net Loss	0	
TOTAL		100

COLOR CODING

CODE	2005	2006	2007	2008	2009	2010	2011
GREEN	58	45	50	62	64	70	64
YELLOW	36	45	40	29	29	26	32
RED	25	20	12	9	13	10	10

REGION I

INEC	GREEN
ISECO	GREEN
LUELCO	GREEN
CENPELCO	YELLOW

REGION II

BATANELCO	YELLOW
CAGELCO I	GREEN
CAGELCO II	GREEN
ISELCO I	YELLOW

CAR

BENECO	GREEN
IFELCO	YELLOW
KAELCO	YELLOW
MOPRECO	GREEN

REGION III

AURELCO	GREEN
TARELCO I	GREEN
TARELCO II	GREEN
NEECO I	YELLOW
NEECO II A1	GREEN
NEECO II A2	GREEN
PRESCO	GREEN
PELCO I	GREEN
PELCO II	YELLOW
PELCO III	RED
PENELCO	GREEN
ZAMECO I	YELLOW
ZAMECO II	GREEN

REGION IV A

FLECO	YELLOW
BATELEC I	GREEN
BATELEC II	GREEN
QUEZELCO I	YELLOW
QUEZELCO II	YELLOW

REGION IV B

LUBELCO	YELLOW
OMECO	YELLOW
ORMECO	GREEN
MARELCO	YELLOW
TIELCO	GREEN
ROMELCO	YELLOW
BISELCO	YELLOW

REGION V

CANORECO	YELLOW
CASURECO I	YELLOW
CASURECO II	YELLOW
CASURECO IV	YELLOW
SORECO I	YELLOW
FICELCO	GREEN
MASELCO	RED
TISELCO	RED

REGION VI

AKELCO	GREEN
ANTECO	GREEN
CAPELCO	GREEN
ILECO I	GREEN
ILECO II	GREEN
ILECO III	GREEN
GUIMELCO	GREEN
VRESCO	YELLOW
CENECO	YELLOW

REGION VII

NORECO I	GREEN
BANELCO	GREEN
CEBECO I	GREEN
CEBECO II	GREEN
CEBECO III	GREEN
PROSIELCO	GREEN
CELCO	GREEN
BOHECO I	GREEN
BOHECO II	GREEN

REGION VIII

LEYECO I	YELLOW
LEYECO II	GREEN
LEYECO III	GREEN
LEYECO IV	GREEN
LEYECO V	GREEN
SOLECO	GREEN
BILECO	GREEN
NORSAMELCO	RED
SAMELCO I	YELLOW
SAMELCO II	GREEN
ESAMELCO	YELLOW

REGION IX

ZANECO	YELLOW
ZAMSURECO I	GREEN
ZAMSURECO II	RED
ZAMCELCO	YELLOW

REGION X

MOELCI I	YELLOW
MOELCI II	GREEN
MORESCO I	GREEN
MORESCO II	GREEN
FIBECO	GREEN
BUSECO	GREEN
CAMELCO	GREEN
LANECO	YELLOW

REGION XI

DANECO	YELLOW
DASURECO	GREEN
DORECO	GREEN

REGION XII

COTELCO	GREEN
SOCOTECO I	GREEN
SOCOTECO II	GREEN
SUKELCO	GREEN

ARMM

TAWELCO	RED
SIASELCO	YELLOW
SULECO	RED
BASELCO	RED
LASURECO	RED
MAGELCO	RED

CARAGA

ANECO	GREEN
ASELCO	GREEN
SURNECO	GREEN
SIARELCO	GREEN
DIELCO	GREEN
SURSECO I	GREEN
SURSECO II	GREEN

MAJOR AWARDS/AWARDEES

MAJOR AWARDS (1985 TO 2011)

MAJOR AWARDS	NO. OF ECS	NO. OF AWARDS	MAJOR AWARDS	NO. OF ECS	NO. OF AWARDS
MEGA DIAMOND	1	1	HALL OF FAME- MOST OUTSTANDING EC	7	7
GRAND DIAMOND	6	6	HALL OF FAME – OUTSTANDING EC	8	8
DIAMOND	6	6	OUTSTANDING EC – PHILIPPINES	5	5
GRAND HALL OF FAME	4	5	OUTSTANDING EC	42	118
HALL OF FAME- EMMANUEL PELAEZ	1	1	BEST EC – PHILIPPINES	3	3
EMMANUEL PELAEZ	26	56	BEST EC	28	46
ADMINISTRATOR	20	22	EC OF THE YEAR	26	49
RE MILESTONE	3	3	TOTAL	186	336

Top Awardees

ECs	NO. OF AWARDS	ECs	NO. OF AWARDS
BOHECO I	106	PENELCO	66
CEBECO III	101	DASURECO	63
MORESCO I	82	INEC	59
CEBECO I	79	BANELCO	58
CEBECO II	75		
ILECO I	67		

NEW CHAPTER

- Key Performance Standards
 - Options for Ailing Ecs
 - Alternative Dispute Resolution Approach
-

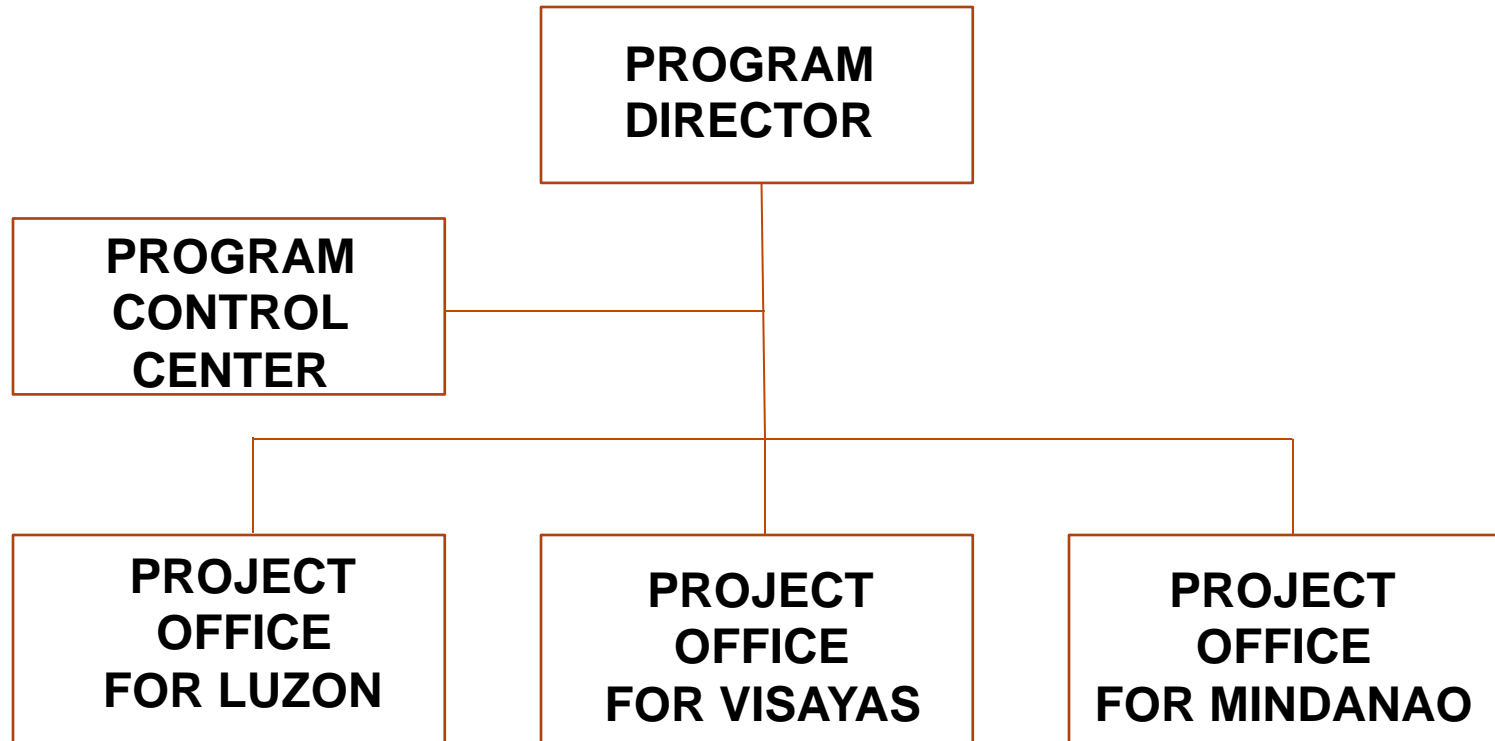
POLICIES & DIRECTIONS

- ECs as Competitive Power Industry Players
- Further Strengthening of EC Board of Directors, GM, Management Staff & Employees through Competency Programs
- A stronger push for more Membership Participation & Transparency in Operations
- Partnership with Civil Society Organizations through Program Awareness Campaign and full support

CHALLENGES

**Sitio and Barangay Line
Enhancement Programs
as Centerpiece of NEA & ECs**

Creation of the Accelerated Total Electrification Office (ATEO) to oversee the full implementation of these programs



Directly under the supervision of the Deputy Administrator
for Electric Distribution Utilities

SITIO ELECTRIFICATION PROGRAM

A. Energization of all sitios by 2015

YEAR	SEP	EST. PROJECT COST (P)
2012	5,643	5.643 B
2013	6,500	6.500 B
2014	10,729	10.729 B
2015	10,851	10.851 B
TOTAL	33,723	33.723 B

BARANGAY LINE ENHANCEMENT PROGRAM

B. Completion by 2015

YEAR	BLEP	EST. PROJECT COST (P)
2012	581	871.50 M
2013	600	900.00 M
2014	600	900.00 M
2015	560	840.00 M
TOTAL	2,341	3,511.50 M

ENERGIZATION MILESTONES

<u>YEAR</u>	SEP			HH Connection		
	Target	Running Total	% Potential	Target	Running Total	% Potential
2012	5,643	84,922	75	250,000	9.5M	78
2013	6,500	91,422	81	300,000	9.8M	81
2014	10,729	102,151	90	200,000	10M	82
2015	10,851	113,002	100	300,000	10.3M	85
TOTAL	33,723			1,050,000		

SEP 2011

Potential - 113,002
 Energized (2011) - 79,279 (70%)
 Unenergized - 33,723

Connection 2011

Potential - 12.16M
 Actual - 9.250M (76%)
 Difference - 2,909,287

GOVERNANCE: AN ISSUE

-
- ⦿ No deferment of elections
 - ⦿ Audit results
 - ⦿ Procurement policy
 - ⦿ Hiring & selection of new & technology driven workforce; Succession Planning
 - ⦿ More responsible & knowledgeable Board
 - ⦿ Member-consumer focused program/ membership participation
 - ⦿ Managing politics

Administrative Cases filed with NEA against EC General Managers/Boards of Directors.

NEA Board Decision: **Suspension**
 Dismissal

NUMBER OF ADMINISTRATIVE CASES	20
NUMBER OF ELECTRIC COOPERATIVES	10

Cases Filed: Grave Misconduct, Gross Neglect of Duty, Malfeasance, Crime involving Moral Turpitude, Gross Mismanagement and Nepotism.

Course on Credentialed Cooperative Director (CCD)

- ⦿ NEA & NRECA International Ltd. entered into MOU on Governance Training and Capacity Building for EC BODs in 16 schools until 2015
- ⦿ Target Participants: 80 Green- & 16 Yellow- rated ECs
- ⦿ Modules: Director Duties and Liabilities, Understanding the Electric Utility Business, Board Roles and Relationships, Strategic Planning, Financial Decision Making & Implementing Effective Governance in ECs

OTHER MAJOR CHALLENGES

- Open Access & Retail Competition in September
- Long-Term Bilateral Power Supply Contracts
- Civil Society Organization (CSO) Participation
- Member-Consumers Participation
- 2013 Elections

CORPORATE PERFORMANCE COMMITMENTS

**2011 ACCOMPLISHMENTS
2012 TARGETS**

2011 Corporate Performance Commitment

PERFORMANCE MEASURES	TARGET	ACTUAL
I. STAKEHOLDERS' PERSPECTIVE		
Sitio Energization	1,500	1,953
Reduction of Ave Sys Loss from 12.33% in 2010	12%	11.87%
Category A+ & A ECs	80	82
Consumer Connections	320,000	391,402
Increase No. of ECs with Positive Financial Operation from 93 (2010)	96	88

2011 Corporate Performance Commitment

PERFORMANCE MEASURES	TARGET	ACTUAL
II. FINANCIAL PERSPECTIVE		
Amount of Loan Facilitated	P 1 B	P 1.395 B
Collection Efficiency	98%	100%
Profitability	Positive	Positive
Debt Servicing	100%	100%

2011 Corporate Performance Commitment

PERFORMANCE MEASURES	TARGET	ACTUAL
III. INTERNAL PROCESS PERSPECTIVE		
Average Response Time in Hours		
Fast Lane Documents	48	42.49
Regular Lane Documents	168	165.60

2011 Corporate Performance Commitment

PERFORMANCE MEASURES	TARGET	ACTUAL
IV. LEARNING & GROWTH		
Employees Average Performance Rating	94%	94%
Number of Officials/Employees from Certification/ Competency Programs		
NEA	488	815
ECs	2,400	3,305

2012 Corporate Performance Commitments

PERFORMANCE MEASURES	TARGETS
I. STAKEHOLDERS' PERSPECTIVE	
1. Sitio Energization	4,241
2. Barangay Line Enhancement	391
3. Reduction of National Average System Loss	11.75
4. Consumer Connections	400,000
5. Number of NEA-Supervised Ecs with Positive Financial Operation	90
II . FINANCIAL PERSPECTIVE	
6. Amounts of Loans Facilitated	P 1.3 B
7. Collection Efficiency	98 %
8. Profitability	Positive
9. Debt Servicing	100

2012 Corporate Performance Commitments

PERFORMANCE MEASURES	TARGETS
III. INTERNAL PROCESS PROSPECTIVE	
10. Average Response Time on Documents Received	
a. Fast Lane Documents	42 hrs.
b. Regular Lane Documents	160 hrs.
IV. LEARNING AND GROWTH PERSPECTIVE	
11. Average Performance Rating of Employees	94%
12. Number of officials/employees graduated from Certification/Competency Programs	
a. NEA	335
b. ECs	3,000

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