



NEA-EC LEGAL SUMMIT

24 October 2018



RENEWAL OF ELECTRIC DISTRIBUTION FRANCHISE


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Deputy Administrator for Legal Services



I. DOCUMENTARY/PROCEDURAL REQUIREMENTS

- 1. HOUSE BILL**
- 2. COPY OF FRANCHISE LAW
(SEC. 43 OF P.D. 269 & SEC. 27 OF EPIRA)**
- 3. CERTIFIED COPY OF CERTIFICATE OF REGISTRATION
ISSUED BY NEA OR CDA**
- 4. ARTICLES OF INCORPORATION & BY-LAWS**
- 5. LATEST GENERAL INFORMATION SHEET**

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- 6. RESUME OF MEMBERS OF THE BOARD & GENERAL MANAGER**
 - 7. EC PROFILE OR EXECUTIVE SUMMARY OF HISTORICAL ACCOUNTS (MAXIMUM OF 5 PAGES)**
 - 8. CERTIFICATE OF GOOD STANDING ISSUED BY NEA OR CDA AND ERC.**
 - 9. CERTIFIED COPY OF AUDITED FS SUBMITTED TO NEA AND/OR CDA**
 - 10. BIR CLEARANCE**
 - 11. SOFT COPIES OF DOCUMENTARY REQUIREMENTS**



II. CONTENTS OF HOUSE BILL

1. PREFATORY STATEMENT / BACKGROUND

- a) Legal Basis for Franchise Renewal
- b) Certificate of Registration
- c) Franchise Certificate
- d) Franchise Area



2. ELECTRIC COOPERATIVE PROFILE

- a) EC Classification
- b) Overall performance rating
- c) Financial
- d) Technical
- e) Institutional
- f) Energization Level (if low, state Energization Plan)

3. ACHIEVEMENTS, AWARDS AND RECOGNITIONS RECEIVED


4. CONCLUSION

5. PRAYER



III. POSSIBLE UNEXPECTED QUESTIONS / INQUIRIES (PUQI)

- 1. TOTAL ASSETS**
- 2. TOTAL LIABILITIES**
- 3. TOTAL EQUITY**
- 4. GROSS INCOME (AMOUNT & PERCENTAGE)**
- 5. POWER COST (AMOUNT & PERCENTAGE)**
- 6. DSM CHARGES (AMOUNT & PERCENTAGE)**
- 7. NET INCOME (AMOUNT & PERCENTAGE)**
- 8. ACCOUNTS PAYABLE TO POWER SUPPLIERS**

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- 9. TOTAL GOVERNMENT SUBSIDIES RECEIVED**
 - 10. OUTSTANDING LOANS WITH NEA & BANKS**
 - 11. LEVEL OF ENERGIZATION (SITIOS & HOUSEHOLDS)**
 - 12. SYSTEM LOSS LEVEL
(AMOUNT ABSORBED BY EC IF SL IS ABOVE THE CAP)**
 - 13. COLLECTION EFFICIENCY**
 - 14. OUTSTANDING A/R FROM LGUS**
 - 15. SYSTEMS RATE**
 - 16. POWER RATE**
 - 17. DSM RATE**



18. BILL DEPOSIT

19. METER DEPOSIT

20. OVER/UNDER RECOVERY

21. LIST OF GENCOS (CONTRACTED CAPACITY)

22. STATUS OF CAPEX PLAN

23. STATUS OF POWER SUPPLY AGREEMENT

24. STATUS FOR PETITION FOR RATE ADJUSTMENT

25. NUMBER OF CONNECTIONS (ACTUAL & POTENTIAL)

26. NUMBER OF PERSONNEL



IV. FRANCHISE HEARINGS

- **HOUSE COMMITTEE ON LEGISLATIVE FRANCHISES**
- **SENATE PUBLIC SERVICE COMMITTEE**

V. ATTENDEES TO FRANCHISE HEARINGS

1. **BOARD PRESIDENT & AT LEAST ONE (1) DIRECTOR**
2. **GENERAL MANAGER (GM)**
3. **DEPARTMENT MANAGERS**
4. **LEGAL COUNSEL (PRESENTOR IS GM OR LEGAL COUNSEL)**



VI. DOs and DON'Ts DURING FRANCHISE HEARINGS PRESENTOR / LEGAL COUNSEL / PARTICIPANTS MUST

- 1. BE COURTEOUS**
- 2. BE STRAIGHTFORWARD**
- 3. AVOID GIVING UNNECESSARY INFORMATION & DETAILS**
- 4. AVOID GIVING SIDE COMMENTS**
- 5. AVOID ANY DISTURBANCE OR NOISE**