



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— *The Philippines' Electric Cooperatives* —

26 October 2023

COMMS-2023-231

ATTY. IVAN DARWIN G. ZAMORA

Department Manager, NEA Management and Consultancy Services Office

National Electrification Administration

57 NEA Building, NIA Road, Government Center

Diliman, Quezon City

Dear *Atty. Zamora*,

Greetings of Peace from PHILRECA!

As the collective voice of Electric Cooperatives nationwide, may we be allowed to formally present our comments and recommendations regarding the draft *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*.

As the Association of the electric cooperatives, we eagerly anticipate your favorable consideration on the comments hereto attached. May we likewise request for an extension of time for our member ECs to provide comments until **November 10, 2023**.

We remain committed to actively engage with forthcoming developments that will influence the energy sector, with a particular emphasis on enhancing the distribution services provided by Electric Cooperatives.

For any issues and concerns, you may reach us at core@philreca.org or at 0917.110.8751 or 0965.533.3318.

Thank you very much!

Respectfully yours,


ATTY. JANEENE DEPAY-COLINGAN
Executive Director/General Manager


MR. JOSELITO P. YAP
President

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines

Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206

Website: www.philreca.org; e-mail address: core@philreca.org

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: **PHILRECA**

Representative:

Contact Details and Email of Representative:

Original Language	Proposed Revisions	Basis/Rationale
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”).	1.1 The rules under this Memorandum apply only to the construction and energization of the Connection Assets 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		

“United We Stand, We Stand United.”

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines

Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206

Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
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 .	1.4 In order for NEA to supervise TelCo Tower connection applications, all ECs shall regularly submit a quarterly report (every 15th of April, July, October, and January the following year) every year to the NEA Engineering Department ("NEA ED") by filling out the NEA monitoring templates. Monitoring templates shall be made available through NEA's website and email: nea.engineeringtod@gmail.com .	Quarterly reports should encompass the entire three-month period. To ensure a comprehensive presentation of the data, we kindly propose that reports be submitted by the 15th of the following month
Failure to timely submit the quarterly report, without justifiable cause, shall be a ground for the imposition of administrative liabilities.	Failure to timely submit the quarterly report, without justifiable cause, shall be a ground for the imposition of administrative liabilities after due process and hearing .	Observance of due process is requested and penalties shall always be viewed as a corrective measure, not punitive in nature.
	Additional Provision: Section 2: Definition of Terms e.g. Connection Assets refers to the components of a regulated distribution system which are used to provide distribution connection services in respect	May we propose the inclusion of a "Definition of Terms" section to provide operational definitions and explanations for terminologies used in this Memorandum

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
	<p>of that regulated distribution system. Meters are not part of distribution connection assets. (DSOAR)</p> <p>Certificate of Final Electrical Inspection (CFEI) refers to a certificate issued by the Building Official to the owner or applicant as a requirement for the installation of power lines to a structure.</p> <p>Certificate of Final Inspection and Acceptance (CFIA) refers to a certificate issued by the NEA and EC to the applicant as approval and verification upon the completion of the project.</p> <p>Contribution in Aid of Construction (CIAC) refers to the amount paid by a connection customer for the construction and/or extension of distribution connection assets beyond the standard connection facilities as proposed by the DU and approved by ERC. (DSOAR)</p>	
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		

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
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.	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 after due process and hearing.	Similarly, observance of due process is requested, with penalties being viewed as a corrective measure, not punitive in nature.
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;		

“United We Stand, We Stand United.”

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines

Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206

Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
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)	Additional Provision: d. ECs reserve the right to require other pertinent documents as may be necessary but should be duly coordinated or explained to the TelCo Applicant.	This approach aims to facilitate a smoother and more equitable evaluation of TelCo Applicants.
a. Electrical Plan duly executed by a licensed Electrical Engineer;		
b. Location Map of the TelCo Tower and Connection Assets; and		

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
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.	2.4.1 The EC's Institutional Services Department ("ISD") or appropriate EC Department/Office 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.	Some ECs may not include an Institutional Services Department in their organizational structure. Therefore, we recommend the inclusion of any appropriate Department or Office who is responsible for fulfilling the duties of the ISD.
The EC's ISD shall immediately inform the TelCo if the latter's submission is non-compliant or incomplete within the period prescribed above.	The EC's ISD or appropriate EC Department/Office shall immediately inform the TelCo if the latter's submission is non-compliant or incomplete within the period prescribed above.	For Clarity and Consistency
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.	2.4.2 After the EC's ISD or appropriate EC Department/Office 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	For Clarity and Consistency

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines

Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206

Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
	or appropriate EC Department/Office 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.	The fees should not be un reasonable 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		

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines

Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206

Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
<p>from receipt of the service distribution transformer to inspect the same.</p> <p>After the EC clears the service distribution transformer, the TelCo may begin construction of the Connection Assets.</p>		
<p>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").</p>	<p>2.4.6 The Connection Assets must adhere to the specifications and standards outlined in <i>NEA Engineering Bulletin DX1320</i> or any other relevant guidelines issued by NEA, the Philippine Distribution Code (PDC), the Distribution Services and Open Access Rules (DSOAR), the Philippine Electrical Code (PEC), as well as the standards set by the Energy Regulatory Commission ("ERC").</p>	
<p>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.</p>	<p>2.4.7 NEA or the concerned EC may conduct periodic inspections of the ongoing construction and installation with or without prior notice to the TelCo.</p>	<p>During the construction and installation phase, the NEA shall remain as the supervisory agency for every project.</p> <p>To streamline project implementation, the EC is authorized to conduct periodic inspections independently. Provided that, the EC is obligated to submit a report to the NEA of the result of the inspection supported by video and image coverage or any other method as may be required by the NEA. A day after the inspection, the EC must promptly organize a virtual meeting with the NEA</p>

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
		to present and discuss the inspection report and proper review of the progress of the construction of the Connection Assets. After the virtual meeting, the NEA will provide an assessment should there be a necessity for another ocular inspection or NEA-EC joint inspection.
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.		

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
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.	2.5.2 Once cleared by the EC's ISD or appropriate EC Department/Office 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.	For Clarity and Consistency
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.		<p>The NEA should take into account the following factors when considering joint ocular inspections:</p> <ol style="list-style-type: none">1. Sufficiency of their manpower to execute the activity nationwide, especially in cases of coinciding inspections;2. Essential resources for travel, lodging, and other needs for project visit, particularly in ECs located in remote areas or those with a single project only; and3. Time allotment for preparations and other activities prior to the actual inspection. <p>These may prolong the necessary transactions and implementations prior to the energization of Connection Assets.</p> <p>To address these challenges, may we propose that the primary responsibility for inspection should lie with the EC. However, the condition for this</p>

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
		delegation is that the inspection is thoroughly documented through video coverage or other methods as requested by the NEA. Subsequently, the EC should promptly arrange a virtual meeting with the NEA to discuss the evaluation of the constructed Connection Assets. This approach allows the NEA to decide whether additional on-site inspections are required.
<p>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.</p> <p>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:</p> <ol style="list-style-type: none">NEA inspector's report endorsing the project for CFIA; andThe total project cost as certified by the EC. <p>NEA shall not issue the Certificate of Final Inspection and Acceptance ("CFIA") sans the TelCo's payment of the Engineering and Administrative Overhead Fee.</p>		<p>To alleviate the workload of the NEA, we kindly suggest that the NEA primarily serves as a supervisory agency rather than an active participant in the joint inspection. This adjustment aims to expedite the process. As part of its mandate, the NEA will continue to oversee the transactions and implementations between ECs and TelCos to ensure compliance under this Memorandum.</p>

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
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.	The EC shall likewise be allowed to impose a similar fee which should not be un reasonable, 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.		

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines

Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206

Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
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.		Emergencies, natural disasters, or other unexpected events should be taken into consideration in case of delays in the energization. The EC may be required to submit an incident report upon resolution of issues.

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines

Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206

Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
2.7 UPGRADING OF CONNECTION ASSETS – Should the TelCo require the upgrading of the Connection Assets, the following process shall be adopted:		Pursuant to Section 2.10.3 of DSOAR, The design and specifications of any additional Facilities required for Connection shall: (a) Conform to the Distribution Code; (b) Conform to reasonable engineering standards specified by the DU; and (c) Be approved by the DU.
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.		

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines

Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206

Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
d. Upon receipt of the CFEL, 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.		In the case of ECs without contractors and/or sub-contractors, the EC shall be allowed to offer their services, manpower, and resources during the construction phase of Connection Assets without compromising the approved plans and designs. Provided that it should not interfere with the ECs daily operations and distribution services.

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines

Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206

Website: www.philreca.org; e-mail address: core@philreca.org

Original Language	Proposed Revisions	Basis/Rationale
NEA reserves the right to review and assess the competence, capability, and capacity of the accredited contractor chosen by the TelCos.		<p>The NEA should establish explicit and well-defined criteria, commonly referred to as 'parameters,' that contractors must adhere to be included in the list of accredited contractors.</p> <p>By incorporating these parameters into the evaluation process, the NEA ensures a streamlined and standardized assessment of contractor competence, capability, and capacity and achieves significant efficiencies. This approach leads to substantial time savings and minimizes the need for extensive workforce resources traditionally allocated to evaluations.</p> <p>Furthermore, the EC's roster of accredited contractors features individuals with a PCAB License, showcasing their steadfast dedication to meeting the necessary criteria for acquiring and upholding this license. As a result, this serves as a robust certification to evaluate these accredited contractors' competence, capability, and capacity.</p>
3.2 The EC's responsibilities shall be limited to the following:	<p>Additional Provision: c. The EC shall have the right to require the TelCos to take any and all such measures, including but not limited to the installation of new or additional equipment, as</p>	<p>Given the technical capabilities and on-ground operations, the responsibilities of ECs may be expanded to possibly include a more active involvement during the construction phase for monitoring and possible assistance if need arises.</p>

"United We Stand, We Stand United."



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
	necessary to comply with such requirements.	
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.		
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.		

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
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.		
5.5 If, after due process, NEA determines that Sections 5.1 and/or 5.2 of this Memorandum were violated, the erring EC		

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines

Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206

Website: www.philreca.org; e-mail address: core@philreca.org



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

Original Language	Proposed Revisions	Basis/Rationale
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.		For transparency, ECs shall be notified for any replacement and/or repair during the construction phase.
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		
<p>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.</p> <p>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.</p>		

"United We Stand, We Stand United."

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

Original Language	Proposed Revisions	Basis/Rationale
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.		
Additional Comments:		Providing a Process Flow Chart is essential to facilitate clear guidance for various stakeholders.

“United We Stand, We Stand United.”