



PHILRECA

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

02 August 2023
COMMS-2023-194

ATTY. RICHARD J. NETHERCOTT

Chief Executive Officer

Independent Electricity Market of the Philippines, Inc. (IEMOP)

9th Floor, Robinsons Equitable Tower,

ADB Avenue, Ortigas Center

Pasig, Metro Manila

Dear **Atty. Nethercott**:

Greetings of Peace and Solidarity from PHILRECA!

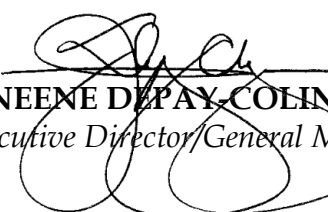
First and foremost, we would like to extend our gratitude for your unwavering commitment to keeping stakeholders informed about the latest developments in the electricity market, as exemplified during the IEMOP Kumustahan held on 19 July 2023.

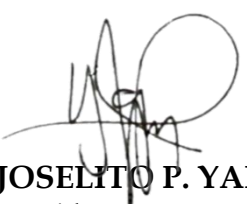
In light of the current concerns of electric cooperatives regarding the Implementation of BIR Ruling OT-3232-2021 for WESM Transactions, we have taken note of the significant issues raised by the electric cooperatives. A major focus of their concerns revolves around the extensive and comprehensive process following the BIR ruling, particularly concerning the issuance of numerous Official Receipts (ORs) and Tax forms (BIR Form 2307).

To address these concerns effectively, we are pleased to submit the collated issues and concerns raised by the electric cooperatives attached herewith, as discussed and requested during the IEMOP Kumustahan Session.

Thank you for your attention to these matters, and we eagerly await your positive response and consideration of the issues and concerns raised.

Respectfully yours,


JANEENE DEPAY-COLINGAN
Executive Director/General Manager


JOSELITO P. YAP
President

"United We Stand, We Stand United."

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

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



Electric Cooperative	Issues and Concerns	Recommendations
ALECO	Printing massive 2307 forms and ORs	Suggest providing a template for generating 2307 forms
BATELEC I	Enormous transactions require additional staff; unable to comply with the ruling	Suggest reverting to DU IEMOP transactions only
BATELEC II	BIR Forms and Official Receipts not fully available in OneDrive; bulk issuance takes time	Consider late submission and provide assistance with OneDrive access
BOHECO I	Settlement notice does not reconcile with actual credit	Enhance the settlement notice with detailed computation
CANORECO	Insufficient time for submission	Request for an extension of submission time
CASURECO II	Difficulties in accessing trading participants' data and settlement information	Request IEMOP to improve transparency and provide essential data
CASURECO IV	Time-consuming preparation of 2307 and ORs	Recommend reverting back to the previous process
CENECO	Requests for 2307 forms despite uploading to OneDrive	Improve communication and provide an official page with updated information
COTELCO	Difficulty in preparing hundreds of individual BIR Form 2307	Consider offsetting purchase and sale transactions
ESAMELCO	Tax preparation is taking too much time on ECs; insufficient time for submission	Extend submission deadline
ISECO	Lack of system to ease BIR Form 2307 and Official Receipt preparation	IEMOP to develop a uniform program/system for easier document preparation
ISELCO I	Tedious creation of withholding tax and issuance of ORs	Revert to the old payment processing
LUELCO	Extensive and comprehensive process after the BIR ruling; issuance of numerous ORs and tax forms	Suggest reconsidering the previous process
NEECO I	Incomplete and outdated participant listing; tedious issuance and reconciliation of ORs	Suggest simplified issuance and reporting procedures

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Electric Cooperative	Issues and Concerns	Recommendations
NORSAMELCO	Lack of orientation seminar before implementation; difficulty in submission	Conduct an orientation seminar for better understanding
PANELCO III	Time-consuming preparation of BIR Form 2307 and issuance of receipts; complicated uploading to OneDrive	Request IEMOP to handle receipt distribution; improve or remove OneDrive upload; simplify the process
PELCO II	Difficulty identifying power suppliers for 2307 issuance	Request PHILRECA to facilitate a meeting among stakeholders
SAMELCO II	Tedious preparation of 2307 forms and ORs	Suggest revisiting the process and streamlining it
SUKELCO	Laborious BIR 2307 preparation	Suggest IEMOP as the withholding agent or provide assistance in preparation
TARELCO I	Discrepancies in reference numbers and amounts; difficulty contacting participants	IEMOP to develop a web-based application for easier reconciliation
ZAMCELCO	Tedious withholding tax issuance process	Revisit and streamline the process
ZAMSURECO II	Difficulty in monthly report compliance due to incomplete supplier information	Reinforce importance of complete and accurate reporting
ZANECO	Discrepancies in official receipts; time and paper waste	Formulate an easier way for preparation

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