

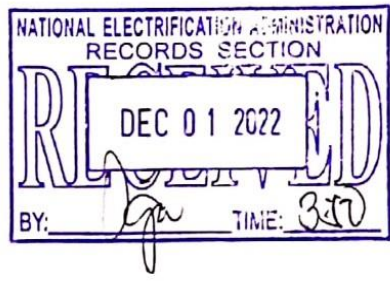
File



National Association of Electricity Consumers for Reforms, Inc. (NASECORE)
No. 85 Independencia Street, Tacloban City, Philippines
Mobile: 09164025321; Email: papibido@gmail.com
Website: www.nasecore.com

November 28, 2022

HON. ANTONIO MARIANO ALMEDA
Administrator
National Electrification Administration
57 NIA Road, Diliman
Quezon City



Dear Administrator Almeda,

We would like to extend our most sincere congratulations on your appointment as Administrator of the National Electrification Administration (NEA). Your capabilities coupled with your record of public service are what we believe are essential to serve the public interest especially now when electricity rates are at a record high.

As an electricity consumer advocacy group, we have brought to the attention of NEA several issues that affect the interest of the Electric Cooperative (EC) member-consumers and the public interest as a whole.

Among these matters is the unconscionable increases in the salaries of EC General Managers which are a direct consequence of NEA Memorandum 2019-008 "Revised Salary Scale of EC Managers". We are herewith furnishing you copies of our prior letter to NEA on the matter.

Under this NEA Memorandum, General Managers of electric cooperatives are allowed salary increases of more than One Hundred percent (100%). A concrete example is the increase of over 100% in the salary of the GM of Samar Electric Cooperative Inc. II (SAMELCO II), Joey Talon, from Php One Hundred Ten Thousand Pesos (P110,000.00) Per Month to PHP TWO HUNDRED TWENTY NINE THOUSAND PESOS (P229,000.00) per month which item was approved by erstwhile NEA Administrator Edgardo R. Masongsong on June 19, 2019 or barely 5 months after the effectivity of the said Memo.

This exorbitant and outrageous salary increases are unheard of even in the private sector.

Further, the said NEA Memorandum is a blatant violation of the law as it provides that said increases are to be approved by the NEA Administrator alone¹ and not by

¹ NEA MC 2019-008, par. V (4): "Any adjustment in the General Manager's salary shall take effect only upon approval by the NEA Administrator."

the NEA Board of Administrators as a whole as required by PD 269 as amended, to wit:

Section 24. Board of Directors. (a) The Management of a Cooperative shall be vested in its Board, subject to the supervision and control of NEA which shall have the right to be represented and to participate in all Board meetings and deliberations and to approve all policies and resolutions.

There have been report that these lavish increase in the salaries of the EC-GMs in 2019 was just the first tranche as this was followed shortly thereafter by a second round of increases, raising the salaries to as much as P300K per month, approaching or exceeding that of a Cabinet-level official. Such automatic increases are a drain on electric cooperatives' funds and impossible to justify to electricity consumers who are already reeling from runaway electricity costs. This creates the impression that the Board and management of electric cooperatives are in collusion with scalawags among NEA officials who are taking advantage of the weak regulation of ECs as shown by the lack of the NEA regular audit of electric cooperatives which reportedly stopped in 2017.

Owing to this, there is a growing apprehension that these abuses may be seized upon by industry players to justify calls for the privatization of electric cooperatives – which can only diminish or marginalize the role of the NEA in national development and even lead to its demise.

For this reason and in the interest of 14 Million electric cooperative member-consumer-owners, we pray that your office take the initiative to strike down NEA MC 2009-008 as *ultra vires* and restore NEA's control and supervision over salary increases of EC officials, who have abused the system.

We will appreciate hearing from you on this concern.

Thank you.

Very truly yours,


ATTY. RAFAEL ANTONIO M. ACEBEDO
Executive Director

Copy furnished:

His Excellency, President Ferdinand R. Marcos, Jr.
Hon. Raphael PM Lotilla, DOE Secretary & NEA Ex-Officio Chairman
Hon. Monalisa C. Dimalanta, ERC Chairperson and CEO

Hon. Juan Miguel F Zubiri, Senate President
Hon. Ferdinand Martin G. Romualdez, Speaker of the House



National Association of Electricity Consumers for Reforms, Inc. (NASECORE)
No. 85 Independencia Street, Tacloban City, Philippines
Mobile: 09164025321; Email: papibido@gmail.com
Website: www.nasecore.com

18 January 2022

THE BOARD OF ADMINISTRATORS

HON. ALFONSO G. CUSI, DOE SECRETARY and NEA CHAIRMAN
HON. JESUS POSADAS, DOE Undersecretary and
NEA alternate Chairman
HON. EMMANUEL P. JUANEZA, Administrator
HON. ALIPIO CIRILO V. BADELLES, Member
HON. RENE M. GONZALES, Member
HON. AGUSTIN L. MADDATU, Member

National Electrification Administration
57 NIA Road, Diliman
Quezon City

Subject: NEA APPROVAL OF THE SALARY INCREASES OF
ELECTRIC COOPERATIVES GENERAL MANAGERS

GENTLEMEN:

Greetings!

This is in reference to our letters dated 20 September 2021 and 18 October 2021 on the above subject which up to the present, has not been favored with a reply informing of any action taken by NEA on the matter.

In our 20 September 2021 letter, we cited the Samar II Electric Cooperative, Inc. (SAMELCO II) Board Resolution No. 26 which was approved by erstwhile NEA Administrator Edgardo R. Masongsong that unconscionably increased the salary of GM talon from P120,000/month to P300,000.00/month! However, said approval did not show that it was approved by the NEA Board of Administrators pursuant to PD 269¹ as amended, nor did it cite a specific NEA Board Resolution approving the same.

The necessity of urgent action on the matter is the danger that SAMELCO II's action could be followed by other EC's all over the country, precipitating a runaway increase

¹ Section 24. Board of Directors. (a) The Management of a Cooperative shall be vested in its Board, subject to the supervision and control of NEA which shall have the right to be represented and to participate in all Board meetings and deliberations and **to approve all policies and resolutions.**

in payroll costs in the billions of pesos which would ultimately be paid by the consumers.

To reiterate, our objections to the unconscionable pay raises are as follows:

- (1) With respect to SAMELCO II's action, carried out by means of a board resolution, it does not appear that the same was approved by the NEA Board in the same manner as other EC board resolutions of this nature; it only carries the personal approval of former Administrator Edgardo Masongsong, which is beyond his power and therefore of no force and effect.
- (2) Assuming that it had the NEA Board's approval, again such approval is ultra vires for the reason that Payroll is a major expense included in an ECs Annual Revenue Requirement (ARR), the approval of the same falls within the jurisdiction of the Energy Regulatory Commission (ERC).

In light of the adverse effects of these actions on the consumers, may we reiterate our request for a categorical answer from NEA whether said SAMELCO II Board Resolution has been duly approved by the NEA Board of Administrators in accordance with law? If so, may we be furnished copy of the said NEA BOA resolution and the minutes of said meeting?

We are making this request because the matter is greatly imbued with consumer interest and is closely related to the basis for the dismissal of Masongsong.

In the public interest, we hope you will favor us with your most positive and immediate action.

Thank you.

Very truly yours,



RAFAEL ANTONIO M. ACEBEDO
Executive Director

Copy furnished:

His Excellency, President Rodrigo Roa Duterte
Hon. Salvador C. Medialdea, Executive Secretary
Hon. Sherwin Gatchalian, Chairman, Senate Committee on Energy
Hon. Jose Miguel M. Arroyo, Chairman, House Committee on Energy
Hon. Agnes Devanadera, Chair & CEO, Energy Regulatory Commission
Hon. Emmanuel Juaneza, NEA Administrator



National Association of Electricity Consumers for Reforms, Inc. (NASECORE)
No. 85 Independencia Street, Tacloban City, Philippines
Mobile: 09164025321; Email: papibido@gmail.com
Website: www.nasecore.com

18 October 2021

THE BOARD OF ADMINISTRATORS

HON. ALFONSO G. CUSI, DOE SECRETARY and NEA CHAIRMAN
HON. EMMANUEL P. JUANEZA, Member and NEA Administrator
HON. ALIPIO CIRILO V. BADELLES, Member
HON. RENE M. GONZALES, Member
HON. AGUSTIN L. MADDATU, Member

National Electrification Administration
57 NIA Road, Diliman
Quezon City

Subject: **NEA APPROVAL OF THE SALARY INCREASES OF**
ELECTRIC COOPERATIVES GENERAL MANAGERS

GENTLEMEN:

Greetings!

This is to thank you for your letter-reply dated 07 October 2021 to our September 20, 2021 letter informing us *“that said concerns were already discussed by the NEA Board of Administrators and instructed NEA to conduct a review of the Memorandum No. 2018-003 and 2019-008. The NEA was also directed to apprise NASECORE on the updates regarding this matter.”*

This matter has become more urgent in light of reports that several general managers of Electric cooperatives have availed themselves of said salary scheme which we believe is grossly prejudicial to best interests of the 121 EC's and their respective member-consumers who will ultimately shoulder this cost.

We have also received reports of a scheme that grants Bonuses to employees but is in actuality only a percentage is actually received by the employee **and the rest given to PHILRECA and APEC as a so-called “donation”**. This obviously is a naked and desperate attempt to circumvent the election laws that prohibit public utilities from giving financial contributions for partisan political activity. It would appear that the ECs continue to commit the same violation that got former NEA Administrator Masongsong in trouble – in the guise of employees' “donation”.

Given the urgency of the matter due to the coming May 2022 national and local elections, we urge NEA to act decisively and swiftly by:

- (1) Directing the concerned department of the NEA to release all copies of Board Resolutions of ECs, granting their GMs and Officers salary increases, together with Mr. Masongsong's letters of approval in 2019 and in 2021;
- (2) Directing the concerned department of NEA to determine whether all bonuses granted to EC employees have the requisite EC board resolution which has been duly approved by NEA and a categorical statement from the NEA Board as to the existence or non-existence of the NEA Board approvals in 2019 and 2021 of the GMs and Officers' salaries and, if so, to furnish us copies of said NEA Board approvals.
- (3) Minutes of the meetings on the above, if any.

In the interest of good governance, we hope you will favor us with your most positive and immediate action.

Thank you.

Very truly yours,



RAFAEL ANTONIO M. ACEBEDO
Executive Director

CC: EC Member-consumers



National Association of Electricity Consumers for Reforms, Inc. (NASECORE)
No. 85 Independencia Street, Tacloban City, Philippines
Mobile: 09164025321; Email: info@nasecore.com
Website: www.nasecore.com

20 September 2021

THE BOARD OF ADMINISTRATORS

HON. ALFONSO G. CUSI, DOE SECRETARY and NEA CHAIRMAN
HON. EMMANUEL P. JUANEZA, Alternate Chairman
& DOE Undersecretary
HON. ALIPIO CIRILO V. BADELLES, Member
HON. RENE M. GONZALES, Member
HON. AGUSTIN L. MADDATU, Member

National Electrification Administration
57 NIA Road, Diliman
Quezon City

Subject: **NEA APPROVAL OF THE SALARY INCREASES OF
ELECTRIC COOPERATIVES GENERAL MANAGERS**

GENTLEMEN:

Greetings!

We are writing your office regarding the letter-approvals by the erstwhile NEA Administrator Edgardo R. Masongsong of salary increases of various general managers of electric cooperatives.

We cite, for example, Samar II Electric Cooperative, Inc (SAMELCO II) Board Resolution No. 26, "*In the matter of Adjusting the Monthly Salary of General Manager Joey L. Talon as Provided in NEA Memorandum 2019-008 dated 24 January 2019 on the subject: Revised Salary Scale for EC General Managers, to Rank 7 Step 2 Under Extra Large EC in the amount of **Php 229,353.00 Effective May 2019***" dated 19 June 2019 addressed to the Board President Ms. Dolores G. Cayas. (photocopy of the letter attached)

Based on the said letter, Masongsong's approval letter stated that "*Please be informed that this Office approves the salary upgrading of GM Talon from **One Hundred Ten Thousand (P110,000.00) to Two Hundred Twenty Nine Three Hundred Fifty Two Thousand Pesos (P229,352.00)**, effective 01 June 2019.*"

However, a cursory reading of the cited letter clearly shows that it was only the office of the NEA Administrator that has approved the SAMELCO II Board Resolution and not by the NEA Board of Administrators which has the exclusive authority pursuant to PD

269¹ as amended as the letter did not cite a specific NEA Board Resolution approving the above cited SAMELCO II Board Resolution.

We have it on good authority that several other general managers of ECs, such as the GM of QUEZELCO II have had pay raises based on the mere approval of Mr. Masongsong – without citing any corresponding NEA Board approval to make the same effective.

In fact, it is our suspicion that such unilateral actions by Mr. Masongsong were deliberately concealed from the Board similar to the EC Board Resolutions appropriating certain amounts as contributions to PHILRECA.

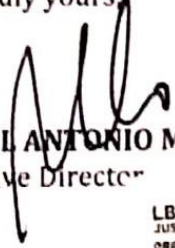
Accordingly, in order to establish the truth, may we request specifically the following:

- (1) Direct the concerned department of the NEA to release all copies of Board Resolutions of ECs, including SAMELCO II, granting their GMs and Officers salary increases, together with Mr. Masongsong's letters of approval in 2019 and in 2021;
- (2) A categorical statement from the NEA Board as to the existence or non-existence of the NEA Board approvals in 2019 and 2021 and, if so, to furnish us copies of said NEA Board approvals.
- (3) Minutes of the meetings on the above, if any.

In the interest of good governance, we hope you will favor us with your most positive and immediate action.

Thank you.

Very truly yours,


RAFAEL ANTONIO M. ACEBEDO
 Executive Director

Cc: SAMELCO

Customer's Copy

THIS SERVES AS AN OFFICIAL RECEIPT
 15111221362837952
 Serial No 0801155-6CR436178M
 Official Receipt No - 5VT010000179311

1270 4691 0363

SHIPPER:
NASECORE, NASECORE
 Address NO 85 INDEPENDENCIA STREET,
 TACLOBAN, LEYTE
 Contact No (s) 9164025321 / 9164025321
 Card Number TIN
 Email

CONSIGNEE
 And/or care of:
THE BOARD OF ADMINISTRATORS, NONE
 Address NATIONAL ELECTRIFICATION ADMINISTRATION 57
 NIA RD DILIMAN
 QUEZON CITY METRO MANILA
 Contact No (s) 9164025321

Courier N-Pouch Regular			Track your padala at
Origin	VIS-5VT01-SAVENORE TACLOBAN	Variable(Freight)	116 07
Tran. Date	09/21/2021 11 09 34 AM	VAT Exempt	0 00
Delivery Date	09/24/2021 - 09/26/2021	VAT Zero-Rated	0 00
Area Dest	METRO MANILA	100M Pickup Fee	0 00
Tran. Type	Delivery	Discount	116 07
Cut-off	12 00 PM	Total Sales	124 93
Actual Wt (kg)	0 00	12% VAT	
		Amount Due : 130.00	
		Mode	CASH

Said to Contain DOCUMENTS

Due to pandemic, delivery date may change without prior notice
 LBC EXPRESS values your business. For more info on our delivery service visit www.lbcexpress.com.
 SHIPPER WARRANTS THAT THE SHIPMENT HAS NO CASH INSIDE. CLAIMS OF CARGO ARE LIMITED UP TO ACTUAL DECLARED VALUE ONLY.
 I hereby agree to be bound with the terms and conditions written at the back not forth by LBC EXPRESS.

PHILIPIN DOMINGO TALLAN
 Signature of Recipient

NASECORE, NASECORE
 Signature of Shipper

DR Series No. 5VT0100000000001 to 5VT0100000000000 Final PTU # FP-XXXXXX-XXX-XXXXX-XXXXX
 BIR Registration No. L2000702140-015000110 Date Issued 06/26/2015 valid until 07/31/2025
 THIS INVOICE/RECEIPT SHALL BE VALID FOR FIVE(5) YEARS FROM THE DATE OF THE PERMIT TO USE

¹ Section 24. Board of Directors of the Board, subject to representation and to policies and resolutions.



NATIONAL ELECTRIFICATION ADMINISTRATION

"An Office of the Department of Energy, Institutionalized National Government Agency"



DN 30181

19 June 2019

THE BOARD OF DIRECTORS

Samar II Electric Cooperative, Inc.
Paranas, Samar

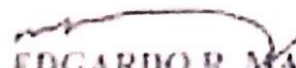
Attention: **Ms. Dolores G. Cayas**
Board President

Mesdames/Gentleman:

This refers to your Board Resolution No. 26, "In the Matter of Adjusting the Monthly Salary of General Manager Joey L. Talon as Provided in NEA Memorandum No. 2019-008 Dated 24 January 2019 on the Subject: Revised Salary Scale for EC General Managers, to Rank 7 Step 2 Under Extra Large EC in the Amount of Php229,353.00 Effective May 2019, Subject to NEA Approval"

Please be informed that this Office approves the salary upgrading of GM Talon from One Hundred Ten Thousand (P110,000.00) to Two Hundred Twenty Nin Thousand Three Hundred Fifty Two Thousand Pesos (P229,352.00), effective 0 June 2019.

Very truly yours,


EDGARDO R. MASONGSONG
Administrator



cc: GM Joey L. Talon
SAMELCO II
Paranas, Samar