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NEA forms task force to improve MORESCO II's operational efficiency

The National Electrification Administration (NEA) has taken steps to intervene into the management of an electric cooperative in Misamis Oriental through the creation of a task force aimed at improving the power distribution utility's operational efficiency.

The NEA Board of Administrators passed Resolution No. 2021-44, approving the deactivation of the Board of Directors of the Misamis Oriental II Rural Service Electric Cooperative, Inc. (MORESCO II) and the creation of Task Force Sidlakang Misamis Dos Power (TF-SMDP).

NEA Administrator Edgardo Masongsong, through Office Order No. 2021-36 dated March 30, 2021, said the creation of the task force was in the exigency of the service and pursuant to Section 4 (e) and (j) and Section 4-A of Presidential Decree (PD) No. 269 as amended by Republic Act (RA) No. 10531.

This developed after the comprehensive assessment conducted by the NEA Management and Consultancy Services Office (MCSO) revealed that the operational performance of MORESCO II retrogressed from "AAA" to "B" rating, with three non-compliances, namely, power accounts, collection efficiency and system loss.

"The immediate intervention of the NEA is necessary in order to avert further operational and financial losses to the detriment of the EC member-consumer-owners and other stakeholders," Administrator Masongsong said through the Office Order.

The task force, chaired by Atty. Melchor Cubillo, will perform the duties and responsibilities of the EC Board of Directors prescribed in NEA Bulletin No. 35 and NEA Memorandum No. 2020-001 on Code of Governance for Electric Cooperatives.

Named as members of the task force are the general managers of neighboring top-performing Electric Cooperatives: Engr. Jovel Ubay-Ubay of the Misamis Oriental I Rural Service Electric Cooperative, Inc. (MORESCO I); Christopher Dulfo, CPA, of Bukidnon Second Electric Cooperative, Inc. (BUSECO); and Engr. Darwin Daymiel of Agusan del Norte Electric Cooperative, Inc. (ANECO); with Jovinita Calingin and a representative from the provincial government of Misamis Oriental.

In coordination with the MORESCO II management, the TFSMDP is tasked, among others, to endeavor to resolve several issues that brought it to its financial distress; institute measures in the management and operational performance towards NEA standards; review its governance policies and practices and institute measures for reforms; and, obtain/encourage commitment building from the EC leaders, officers and employees and stakeholders.

It is also tasked to assist NEA in monitoring an assessment of the operations of MORESCO II based on monthly and quarterly reports, historical and projected cash flow statement; and, in providing financial, institutional, and technical support in its operational management.

To recall, the NEA also designated Edmundo Pacamalan as Project Supervisor (PS) of MORESCO II effective September 25, 2020 by virtue of Office Order No. 2020-097 in an effort to help resolve the issues on frequent power interruptions and operational inefficiency.###

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NATIONAL ELECTRIFICATION ADMINISTRATION

Corporate Communications and Social Marketing Office
3/F, Right Wing, 57 NEA Building
NIA Road, Government Center, Diliman
Quezon City, Philippines 1001