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NEA issues addendum to guidelines on writing-off worthless consumer accounts receivables

State-run National Electrification Administration (NEA) recently issued an addendum to the existing guidelines approved by the agency in October last year on writing-off worthless consumer accounts receivables.

The addendum comes after the Lanao del Sur Electric Cooperative, Inc. (LASURECO) wrote to the agency's Electric Cooperatives Audit Department (ECAD), requesting to write-off power bills, the records of which were lost or destroyed including electronic storage devices as a result of the armed conflict in Marawi City in May 2017.

"The existing NEA guidelines on the writing-off of receivables does not cover such conditions as a qualification for the writing-off of said receivables," NEA Administrator Edgardo Masongsong said in issuing the addendum.

"Apart from natural calamities, the man-made disasters like theft, robbery, arson, and other crimes, acts of terrorism, civil disorder, war and the like also have destructive effects to the ECs, which include causing the damage, loss, or impossibility of retrieval/recovery of records," the NEA chief added.

A new item to be designated as Section III (B) (4) is inserted in NEA Memorandum No. 2020-055 on the "Revised Guidelines for Writing-Off Worthless Consumer Accounts Receivables As Amended," which was approved by the NEA Board of Administrators in October 2020.

It states: "Consumer accounts receivables where a copy of the power bills, electronic or otherwise, and the actual file storage are lost, destroyed or damaged, and there is the impossibility of retrieval due to unforeseen/fortuitous events and other circumstances, such as natural calamities and man-made disasters like theft, robbery, arson, and other crimes involving destructions, acts of terrorism, civil disorder and war."

In a memorandum, the NEA said the request to write-off must be duly approved by the EC Board of Directors through a resolution stating the amount to be written-off and the circumstances of the loss, destruction or damage. The request must also be supported by relevant documents.

"The amount to be written-off, as proven by the required evidence presented, shall be limited and shall be applicable only to power bills that were lost on the date of declaration of the state of calamity or the occurrence of the above-mentioned unforeseen/fortuitous events and other circumstances, as the case may be," it stated.

"Hence, the conditions as a qualification for the writing-off of receivables enumerated in this Addendum finds retroactive effect to ECs requesting for write-off of power bills, electronic or otherwise, where the actual file storage are lost, destroyed or damaged due to natural calamities and man-made disasters," it added.

The Addendum will take effect 15 days after its filing with the University of the Philippines Law Center pursuant to Presidential Memorandum Circular No. 11 dated October 9, 1992. ###

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