

○ P.R.O.G.R.A.M.M.E

Venue: Social Hall, BSU
Loo, Buguias

7:00 A.M. - 9:00 A.M. REGISTRATION BY DISTRICT

Opening Number

9:00 A. M. - 10:00 A.M. PROGRAM PROPER

Invocation Rev. Fr. JONATHAN C. OBAR
Director, District 11, Benguet

National Anthem

Welcome **Hon. RUBEN L. TINDAAN**
Mayor
Municipality of Buguias, Benguet

Introduction of the Guest of Honor & Speaker Dir. LUKE B. GOMEYAC
Director, District 4, Baguio City

Inspirational Messages **Hon. CRESCENCIO C. PACALSO**
Governor, Province of Benguet

Awarding of Plaque of Appreciation Engr. JEFFRED S. ACOP
Board President

assisted by :

Mr. GERARDO P. VERZOSA
General Manager

Intermission Number.....

10:00 A. M. - 12:00 P.M. BUSINESS MEETING

Engr. JEFFRED S. ACOP
BOD President,
Presiding Officer

12:00 P.M. Onwards LUNCH & RAFFLE

Masters of Ceremonies

Mr. Jefferd Monang
Non-Network & Revenue Services Dept.
(NRSD)

Ms. Jovelyn S. Reyes
Non-Network & Revenue Services Dept.
(NRSD)

○ P.R.O.G.R.A.M.M.E

Venue: Baguio Convention Center
Baguio City

7:00 A.M. - 9:00 A.M. **REGISTRATION BY DISTRICT**

Opening Number

9:00 A. M. – 10:00 A.M. **PROGRAM PROPER**

Invocation Pator ROBERT GALONG
*Punong Barangay/MSEAC Member
Poliwes Brgy., Baguio City*

National Anthem

Welcome **Hon. MICHAEL L. LAWANA**
*ABC President
City of Baguio*

Introduction of the Guest of Honor & Speaker Atty. ESTEBAN A. SOMNGI
Director, District 1, Baguio City

Inspirational Messages **Hon. MAURICIO G. DOMOGAN**
Mayor, City of Baguio

Awarding of Plaque of Appreciation Engr. JEFFRED S. ACOP
Board President

assisted by :

Mr. GERARDO P. VERZOSA
General Manager

Intermission Number.....

10:00 A. M. – 12:00 P.M. **BUSINESS MEETING**

Engr. JEFFRED S. ACOP
*BOD President,
Presiding Officer*

12:00 P.M. Onwards **LUNCH & RAFFLE**

Masters of Ceremonies

Mr. Vidal W. Badival, Jr.
*Non-Network & Revenue Services Dept.
(NRSD)*

Ms. Jennifer A. Afable
*Non-Network & Revenue Services Dept.
(NRSD)*

○ P.R.O.G.R.A.M.M.E

Venue: Covered Court, Sitio Bagto,
Ucab, Itogon

7:00 A.M. - 9:00 A.M. **REGISTRATION BY DISTRICT**

Opening Number Tuding Band

9:00 A. M. - 10:00 A.M. **PROGRAM PROPER**

Invocation Rev. Fr. LORENZO ABELA JR.

National Anthem

Welcome **Hon. VICTORIO T. PALANGDAN**
Mayor
Municipality of Itogon, Benguet

Introduction of the Guest of Honor & Speaker Dir. JOSEPHINE B. TULING
Director, District 8, Baguio City

Inspirational Messages **Hon. RONALD M. COSALAN**
Congressman, Lone District of Benguet

Awarding of Plaque of Appreciation Engr. JEFFRED S. ACOP
Board President

assisted by :

Mr. GERARDO P. VERZOSA
General Manager

Intermission Number.....

10:00 A. M. – 12:00 P.M. **BUSINESS MEETING**

Engr. JEFFRED S. ACOP
BOD President,
Presiding Officer

12:00 P.M. Onwards **LUNCH & RAFFLE**

Masters of Ceremonies

Mr. Sales A. Decaran
Non-Network & Revenue Services Dept.
(NRSD)

Engr. Vangie S. Mocati
Network Services Dept.
(NSD)

○ ORDER OF BUSINESS

- I. Report on the number of members present to determine the existence of a quorum;
- II. Reading of the notice of meeting and proof of publication or mailing thereof;
- III. Reading and approval of the minutes of the previous general membership assembly;
- IV. Matters arising from the minutes of the previous general membership meeting;
- V. Presentation and consideration of the President and General Manager's Report
- VI. New Business:
 1. Proposed Amendment to Articles of Incorporation:
 - a) Second-That the cooperative is formed primarily for the purpose of supplying, promoting, generating and encouraging the fullest use of electricity service to its members on an area coverage basis, pursuant to the provision of Republic Act No. 6038;
 - b) Third- That the cooperative shall have its principal office at La Trinidad, Province of Benguet No. 4 South Drive, Baguio City
 2. Proposed amendments to the BENECO By-Laws:
 - a.) ARTICLE III – MEETING OF MEMBERS
SECTION 1. Annual Meeting. The annual meeting of members shall be held every first Saturday of December (proposed amendments: Every 1st Saturday of June) and every year thereafter at such date and place within the service area of the Cooperative as selected by the Board and which shall be designated in the notice of meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meetings. District meetings shall be held as provided in Article IV of this By-Laws for the purpose of electing Board members.
 - b.) ARTICLE IV – BOARD OF DIRECTOR
SECTION 2. Election and Tenure
Addendum: Letter D-Unopposed Candidate - In the event there is only one (1) qualified candidate for Director in a particular district, there shall be no need for actual balloting or election. The District Election Committee shall ipso facto declare the unopposed candidate as the winner of the position for Board of Director in the District. Proponent – Atty. Agapito Bolislis
 - c.) ARTICLE VIII-ENERGY GENERATION
Section 1 - The Cooperative shall put up it own Generation facility. This is to ensure the availability of Electricity to be supplied to the member-consumers and to ensure the affordability of rates that the Consumers will pay.
 - d.) ARTICLE XII-MISCELLANEOUS
Section 5 - Corporate Social Responsibility-As part of the cooperative's CSR, BENECO shall put up a Technical Vocational Training Center in its franchise area to cater to the need of the children of members who could not pursue college education.
Note: DISPOSITION OF PROPERTY –shall be numbered Article IX
SEAL –Shall be numbered Article X
FINANCIAL TRANSACTION –Shall be numbered Article XI
MISCELLANEOUS –Shall be numbered Article XII
AMENDMENTS –Shall be numbered Article XIII
- VII. Adjournment

BENECO, Inc.

2015 ANNUAL REPORT



*presented on
the occasion of the*

36th
ANNUAL GENERAL MEMBERSHIP ASSEMBLY

03, 10, & 17 December 2016

Guests of Honor

Hon. CRESCENCIO C. PACALSO
Governor, Province of Benguet

Hon. MAURICIO G. DOMOGAN
Mayor, City of Baguio

Hon. RONALD M. COSALAN
Representative, Province of Benguet

"Quality Service Is Our Way of Life."

BENECO 2015 ANNUAL REPORT

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Republic of the Philippines
DEPARTMENT OF ENERGY
Energy Center, Bonifacio Global City, Taguig City

The Department of Energy extends its warmest greetings and congratulations to the Benguet Electric Cooperative, Inc. (BENECO) on you 36th General Membership Assembly.

We acknowledge your vigorous efforts to become a model electric cooperative in the country. Your consistency in attaining 100% collection efficiency is truly laudable. This makes possible the unhampered delivery of quality services that will enhance the economic potentials of Baguio City and the whole of Benguet.

Continue to strive for perfection particularly in the matter of reducing system loss, enhancing disaster preparedness and response as you continue to institutionalize professionalism and good governance.

Rest assured that the DOE will always be supportive of the programs of BENECO especially those attuned to the less privileged and under-served.

Mabuhay ang BENECO at ang mga miyembro nito!


ALFONSO G. CUSI
Secretary

Message



Republic of the Philippines
NATIONAL ELECTRIFICATION ADMINISTRATION
*"The 1st Performance Governance System-Institutionalized
National Government Agency"*
NIA Road, Government Center, Diliman, Quezon City

My warm felicitations to Benguet Electric Cooperative, Inc. (BENECO) on your 36th Annual General Membership Assembly (AGMA) held sequentially for the North Benguet Districts, South Benguet Districts, and Baguio City Districts in December 03, 10 and 17 respectively for this year 2016.

Your theme, "Coping with the Challenges of Climate Change through Sustained Excellence" aptly resonate the call which seeks to reduce the impact of and mitigate the risk of climate change through measures and reforms in the quest for service excellence.

Undeniably, climate change is a reality that makes us vulnerable to its many adverse impacts, among which is on our economic growth. The Typhoon Ondoy in 2009 and Typhoon Yolanda in 2013 left in its wake millions of devastation and a grim memory, that until now continues to confront our country with the challenge of rebuilding communities. The onslaught of typhoons into our country, with the recent Lawin and Marce, breaking properties and lives continue to remind us of the importance of understanding and adapting to climate change.

In the midst of the challenges brought to the fore, no less than our President Rodrigo R. Duterte push for the acceleration of infrastructure spending to five percent of the gross domestic product which can be attained through recommended solutions to address climate change, notably: establishing renewable energy sources, decongesting cities and reducing traffic-related carbon emissions.

As the Duterte Administration endeavors for a better life for its citizenry, there is an expectation for an effective implementation of the various socio-economic programs of the government like Rural Electrification (RE) with emphasis on more pressing issues like the reduction of the cost of power, a much improved electric service, empowerment of electric consumers, among others. Consumers yearn for reliable and cheap power as it provides better economic options for them. Electric Cooperatives (Ecs), like BENECO, as key program implementers, need to responsively cater their members' interests particularly zeroing in on efforts at reducing electricity rate to make electric service available and affordable for all. NEA, on the other hand, will continue to assist and capacitate ECs towards achieving a higher level of operational efficiency.

Amidst the real and trying times of climate change, may this year's annual gathering be the opportune time to elicit from your members and other stakeholders the best ideas and concretize them into doable plans and programs that will pursue the government's call for service excellence and consumer welfare promotion: Let there be light...and let it be cheap!

EDGARDO R. MASONGSONG
Administrator



Republic of the Philippines
NATIONAL ELECTRIFICATION ADMINISTRATION
*"The 1st Performance Governance System-Institutionalized
National Government Agency"*
NIA Road, Government Center, Diliman, Quezon City


Sreetings to the Benguet Electric Cooperative, Inc. (BENECO) on the occasion of your 26th Annual General Membership Assembly!

Electric Cooperatives (ECs) have long played an indispensable role in ensuring a socially-inclusive society. Through the Rural Electrification (RE) Program, many of the rural Filipinos are now enjoying basic government services, leading to their increased productivity and greater social participation. Indeed, NEA's partnership with the ECs continues to be a fruitful one., founded on our shared values of service excellence and people empowerment.

BENECO, certainly, has been instrumental in making Benguet one the most progressive provinces in the country today. Through its practices of operational efficiency and industry innovations, BENECO prides itself as a model EC in the region and the rest of the country, setting a higher benchmark in delivering quality service to member-consumers. But BENECO must not rest on these laurels. As a *Mega-Large* cooperative, you must exhaust all means to energize the remaining 11% of potential connections within your coverage area, while maintaining your single-digit system loss and high collection efficiency level. These, after all, are the hallmarks of a well-performing EC.

As BENECO celebrates its achievements and embarks on bigger undertakings, I wish to congratulate you for hurdling the challenges in the power industry and remaining a strong EC for all your 171,297 member consumers. May you continue to be an inspiration for all through your practices of excellence while we strengthen our partnership even more for the success of the Rural Electrification Program.

Mabuhay!


SONIA B. SAN DIEGO
Officer-In-Charge



NGCP

National Grid Corporation of the Philippines
Diliman, Quezon City
"Stronger Transmission for a Stronger Philippines"

NGCPC congratulates Benguet Electric Cooperative, Inc. (BENECO) on the occasion of its 36th Annual General Membership Meeting.

As partners in the Energy Sector, we are called to work together to face challenges brought about by climate change, which remains as one of the biggest problems our world is facing today. The theme of today's event "Coping with the Challenges of Climate Change through Sustained Excellence" reminds us that we must maintain our excellent practices for the benefit of our consumers and our planet. As with every difficult challenge, we must first understand the problem, then learn to adapt to the changes, and ultimately, work toward becoming a part of the solution for a brighter and more sustainable future.

NGCP strongly believes in the importance of fostering a strong partnership with BENECO to achieve our goals. Let us work hand-in-hand to provide safe, reliable, and quality power services, and to bring light to all the industries, businesses, and households in Benguet Province and Baguio City.

Here's to BENECO and everyone who is a part of it, and the success of the 36th Annual General Membership Assembly!

HENRY SY, JR.
President and CEO

Message



**PHILIPPINE RURAL ELECTRIC COOPERATIVES
ASSOCIATION, INC.**
(PHILRECA)
Quezon City, Philippines

Since again, the much awaited time has come for the more than 170,000 strong member-consumers of Benguet Electric Cooperative, Inc. (BENECO) to be apprised of its accomplishments and plans in the years ahead.

On the occasion of BENECO's 36th Annual General Membership Assembly on December 03, 2016, let me then extend my heartfelt and warm greetings to the Board of Directors, Management and Staff, most especially the member-consumers.

As you commit to keep on lighting up every home as well as collectively assess and outline BENECO's technical, financial and institutional performance, we invite you not only to focus on the fast-changing landscape of the power industry but also ensure your preparedness to the effects of "Climate Change" that tend to increase in intensity over time. The disasters and calamities, and the possible increase of electric rates adversely affects the living condition and the well-being of the member-consumers.

For the member-consumers, the dutiful compliance of your role is very vital for the success of BENECO as it cannot do the job without your unwavering support and cooperation. Let us therefore, be one and united in dealing with the intricacies of the energy sector.

PHILRECA wishes you a successful annual gathering and rest assured that it will always be there to support you

Mabuhay and More Power to ALL!


WENDELL V. BALLESTEROS
General Manager



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



My warm greetings to the officers and members of the Benguet Electric Cooperative, Inc. (BENECO) on the occasion of your 36th Annual General Membership Assembly.

As the world heats up to at a dramatic and alarming pace, and global warming already an internationally accepted reality, the energy sector in the country indeed has a great and crucial role to play in the equation.

It is the same planet that we share to our children and their children's children, and you, in the energy sector, can make a big difference in guaranteeing the survival of this home we call Earth by continuously delivering clean energy to our homes.

We are a happy nation blessed with nature's immense wealth. Be the model, be the example, be the front-liner in this struggle for humanity's preservation.

The road ahead is long, but each step, made together, is a significant advancement towards a greener nation while we continue with our service of delivering an efficient and reliable power supply for Baguio and the province of Benguet.

We can achieve the impossible and surpass all challenges by working as a team. Together, we can make things happen.

Congratulations!

MARK C. GO
Representative, Baguio City

Message



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
17th Congress



Warmest greetings to the management, member-consumers and other stakeholders of the Benguet Electric Cooperative, Inc. (BENECO) on the occasion of your 36th Annual General Membership Assembly (AGMA) this December of 2016 with the theme, "Coping with the challenges of climate change through sustained excellence".

Climate change is a global concern. From their end, the grass root communities are offering honest to goodness alternative measures to address said environmental change. It is understood that the wise management of energy resources is part of the solution. We congratulate BENECO for daring to commence the Man-asok Project as a sincere display of competence in the energy/electric industry. We thank the host IP communities for allowing the entry of this important project in their ancestral domain. Kudos!

This AGMA is an opportunity to evaluate how far this cooperative has gone vis-a-viz its stated vision-mission

Moreover, it is a time to assess performance in regard to programs, projects and activities; and very importantly, a moment to commend successes, to acknowledge and correct mistakes, to talk and listen, and to internalize arising issues and concerns. It is hoped therefore that this gathering will strengthen the good relations between management and members so that quality service as our way of life at all times shall come into fruition.

Nabunga ken naragsak nga panag- AGMA 2016 kadakayo amin!

RONALD M. COSALAN
Congressman, Province of Benguet

Message



Republic of the Philippines
Province of Benguet
OFFICE OF THE GOVERNOR



Greetings from the Benguet Province. Your province!

It is with a great sense of admiration that I salute the officers, members and partners of the BENECO on the occasion of their 36th annual assembly with the theme “Coping with the Challenges of Climate Change through Sustained Excellence”.

We are pleased to know that your concern for society goes beyond time and space. Indeed climate change is a global concern that affects us all and taking action to respond to the challenges of climate change is virtually asking each and everyone to commit a change in lifestyle. Every little action that can conserve energy, water, reduce car gas emissions and waste management counts. Climate change is a situation that is built thru time and already its effects are felt not only in our country but the whole world. Typhoons, floods, earthquakes and extreme heat and cold felt worldwide affect our ecosystem and socio-economic lives. And as our experiences show, the vulnerable sectors of our community are most affected by disasters like heavy typhoons, floods and drought brought about by the changing climate.

Even with the enactment of the Climate Change Act (RA 9729) to protect the right of the people to a balance and healthy ecology, the “law” only serves as an action plan that lays out the strategies, initiatives, and activities to prepare the Philippines to the inevitable effects of climate change. “In the end, achieving the goals of the plans as stipulated in R.A. 9729 is deemed attainable with the support and assistance of all stakeholders to include among others the national and local government units, the private sector, the NGOs, and the local communities.”

We are hopeful that your excellent role in educating people about energy and your commitment and advocacy on climate change facilitate innovations and changes that can bring about behavioral adaptation and resiliency in our province.

Cheers and God bless!

CRESCENCIO C. PACALSO
Governor, Province of Benguet



Republic of the Philippines
Province of Benguet
OFFICE OF THE VICE GOVERNOR

Warm Greetings!

On your 36th Annual General Membership Assembly (AGMA), let us take this time to meditate and thank our Lord Almighty for He has abundantly blessed the Benguet Electric Cooperative, Inc. despite of the many challenges and turmoil you've gone through this years.

I convey my felicitations to the incessant efforts exerted by the officers and employees of the cooperative with your undisputable dedication in providing efficient power supply and services; as you actively participate in the different aspects of social development, noble task of nation-building, championed stakeholders initiatives; and strengthened local communities through hands-on service. Undoubtedly, my most of congratulations belongs to our active and passive member consumers, for without them these accomplishments are seemingly impossible.

This annual assembly has become a significant avenue for all stakeholders to come together and unify all efforts towards its continuous dynamism, growth, and development. I sincerely hope that all stakeholders will actively participate and give their best to make this gathering even fruitful and attain its entire objective.

"Service, in short, is not what you do, but it is who you are. It is a way of living that you need to bring to everything you do." As you grown and improve, may your quality service explore in reaching more of the remote areas of the province and sustain your engagement and partnership with us in building a more brighter future for all as we serve with much enthusiasm and impact. God bless you all.

Again, my congratulations!


FLORENCE B. TINGBAOEN
Vice Governor

Message



Republic of the Philippines
City Government of Baguio
OFFICE OF THE MAYOR

In behalf of my family, the people and officialdom of Baguio City, we would like to express our warmest greetings and congratulations to the officers and members of the Benguet Electric Cooperative (BENECO), Inc. on the occasion of your 36th Annual General Membership Assembly which will be sequentially conducted in the strategic areas within your franchise area on 03, 10, and 17, December 2016.

We are elated that our rural electric cooperative continues to be one of the best electric cooperatives in the country and we were able to achieve our status now through our unity, teamwork and solidarity. BENECO has played a key role in helping improve the management and operation of the city's street lighting system amidst the various issues and concerns that continue to surround the said matter but we are optimistic that we will be able to reach a possible 'win-win' solution so that we will be able to sustain quality lighting system for our people in the city's 128 barangays.

We are fortunate that we have competent officials and employees of our electric cooperative who were able to bring our cooperative to greater heights and sustain the quality of service to our customers in your franchise area.

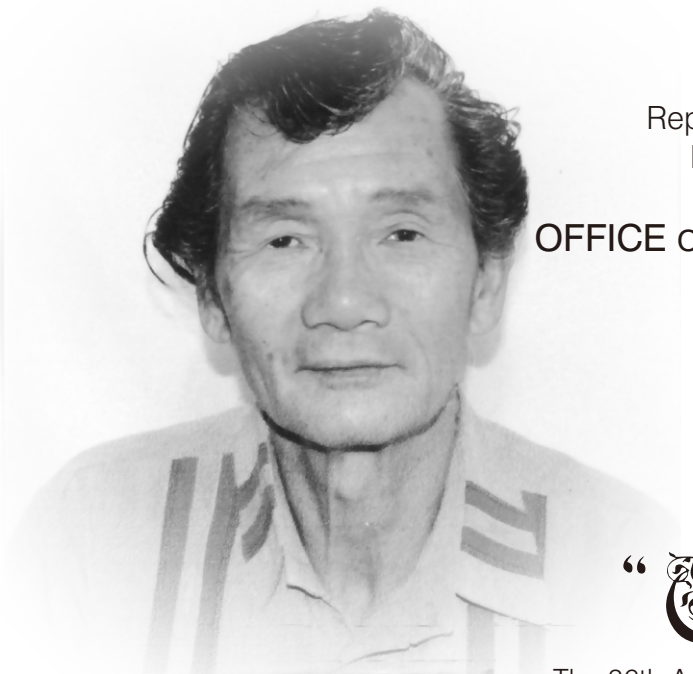
Your theme "*Coping with the Challenges of Climate Change Through Sustained Excellence*" comes in a very opportune and fitting time because it is our ability to enhance our excellence in the delivery of our services that we will be able to cope with the serious negative effects of climate change which is one of the problems that confront every sector of society.

We pray for the successful conduct of your annual gatherings that are scheduled in the identified strategic areas within your franchise area.

Again, our warmest greetings and congratulations to one and all.

Mabuhay tayong lahat!

MAURICIO G. DOMOGAN
Mayor



Republic of the Philippines
Province of Benguet
Municipality of Atok
OFFICE OF THE MUNICIPAL MAYOR

“ *S* ongratulations!

The 36th Annual General Membership Assembly (AGMA) of the Benguet Electric Cooperative, Inc. (BENECO) with the theme “Coping with the Challenges of Climate Change through Sustained Excellence” signifies your success in the implementation of your programs in achieving your vision-mission goal. The local government of Atok commends the efforts you made and strongly hope for your continued partnership with us for the benefit of our constituents.

On behalf of the Local Government Unit and the people of Atok, we wish to extend our heartfelt greetings and gratitude for empowering people's lives through the continuing energization program.

May God splendidly grant all the desires of your heart!

MABUHAY!

PETER B. ALOS
Municipal Mayor

Message



Republic of the Philippines
Province of Benguet
Municipality of Bakun
OFFICE OF THE MUNICIPAL MAYOR

As enshrined in the book of Genesis, the Creator created creation. It was a divine masterpiece designed to provide for the existence of the living. God made man as an administrator of the earth. Being an agent, man is expected to act in accordance with the will of his principal. In defiance of the divine mandate, man abused its authority which resulted into the destruction of mother earth.


As a result, Climate Change comes into play, producing stimuli which expose the vulnerabilities of our communities. Climate changes its natural course which produces effects such as increase in temperature and changes of rainfall pattern.

Mother earth is now taking its revenge. However, its never too late; climate change impacts can be adopted and mitigated. To cope with the challenges of Climate Change through sustained excellence, it is necessary to enhance our capacities and reduce the factors affecting our vulnerabilities.

In behalf of the municipality of Bakun, I would like to commend the BENEKO, Inc. being one of our partners in the electrification program of this municipality.

May the 36th Annual General Membership Assembly (AGMA) be an avenue for every member and the administration to discuss issues and concerns for the improvement of the BENEKO, Inc.

Matago tago tako amin!



FAUSTO T. LABINIO
Municipal Mayor

Message



Republic of the Philippines
Province of Benguet
Municipality of Bokod
OFFICE OF THE MUNICIPAL MAYOR



In behalf of the Officialdom and constituents of the Municipality of Bokod, Benguet, I would like to extend our congratulations to the Benguet Electric Cooperative, Inc. (BENECO) on the occasion of its 36th Annual General Membership Assembly.

Your cooperative shares our tasks in government in brightening the lives of our constituents, and we trust that you will maintain that high standard of service to the people of the Province of Benguet. Providing power does not only contribute in the development of the power industry, and strengthen the economy, but the ties of community as well.

May this assembly be a venue for the stakeholders to seek solutions that will enable better service and unite our endeavors in forging a more vibrant stage for the people of Benguet.

Again, congratulations to all and may you have a fruitful assembly.

THOMAS K. WALES, JR.
Municipal Mayor

Message



Republic of the Philippines
Province of Benguet
Municipality of Buguias
OFFICE OF THE MUNICIPAL MAYOR

N warm congratulations to your institution for reaching yet another year filled with accomplishments and undertakings, which only proves how service-oriented BENEKO is, especially to the constituents of the Municipality of Buguias. Notably, most of the households of the Municipality of Buguias have been lighted, despite its mountainous terrain. Families in all corners of Buguias are currently enjoying the comfort that electric power provides. Children are in so much delight for having to watch their favorite shows on television. Farmers need not to worry about going home late in the evening after a ;day's hard work, because of the presence of streetlights—these are just simple indications of the overwhelming difference the BENEKO has made all throughout the years. To that, we are sincerely grateful.

Nevertheless, change begets change. Thus the challenge of making a difference remains continuing. As we face the effects stirred and is being stirred By the climate change, we have to be fully well-equipped of our resources, and that includes the presence of electric power supply. Also, we have to excel in our disaster risk reduction management to ensure the safety, security, and protection of our constituents.

The wrath of Typhoon Karen and Typhoon Lawin which struck the Province of Benguet, causing areas of farms and crop damages, and almost a month loss of electric power supply, are just one of the many challenges and encounters to come, at present, and in the future.

Thus, in every endeavor, the Municipality of Buguias, being the government unit tasked to preserve the general welfare of the people of Buguias, will remain to be your steadfast partner in this notable and worthwhile mission of effecting progressive change, and leading tremendous public service.

(Sgd.) **RUBEN TINDA-AN**
Municipal Mayor



Republic of the Philippines
Province of Benguet
Municipality of Itogon
OFFICE OF THE MUNICIPAL MAYOR

In behalf of our beloved municipality, I wish to convey our best wishes and warm greetings to Benguet Electric Cooperative on the occasion of its 35th Annual General Membership Assembly. This yearly event is indeed a manifestation of BENECO's continuing efforts to maintain transparency and accountability in the organization providing each and every member-consumer the opportunity to participate in decision making and in planning what is best for our electric cooperative. Throughout the years from PD 269 to EPIRA, Beneco has always been working aggressively to fulfill its mandate. Its ability to withstand all the difficult challenges that came across made this distribution utility stronger and better, thus emerging as one of the best electric cooperatives in the entire country.

As we commend the Beneco for truly providing "Quality Service" as its "Way of Life," let me also take this opportunity to express our municipality's gratitude for its relentless partnership with us not only in terms of rural electrification but also in other co-equally important programs, projects and activities. Our street and alley lighting project has contributed so much to the reduction of crime incidence in this locality. Your accommodation and positive action on our referrals affecting our constituents is reflective of Beneco's commitment in observance of its corporate social responsibility.

The result of the just concluded referendum is indicative of our member-consumers' great concern for others. Clearly we do not want to compromise our desire to uplift the living conditions of our people in the far-flung areas of Benguet with shares, stocks and dividends. With the continuity of our rural electrification program, each and every family will be provided the opportunity to experience and enjoy the convenience and benefits to be derived therefrom.

To the Beneco Board of Directors, the Management and Staff, and to all personnel who are working day and night to ensure that Beneco will always provide quality service.

Congratulations and Mabuhay!


ATTY. VICTORIO T. PALANGDAN
Municipal Mayor



Republic of the Philippines
Province of Benguet
Municipality of Kabayan
OFFICE OF THE MUNICIPAL MAYOR

Sclimate change has become an extensive problem worldwide. The local Government Unit of Kabayan and its 13 Barangays have been constantly enlightening each and every one on the measures in adapting to and mitigation of the rapid changes in our environment.

On June 1993, the United Nations Framework Convention on Climate Change (UNFCCC) has signed and International treaty (know.climateconcern.org), which aims to cope with the Global Warming (GW), Green Hazardous Gases (GHG) and other related phenomenon brought about by climate change. A number adaptation and mitigation plans were made and regularly updated to address all possible adverse effects of climate change. These measures were brought down to all nations, countries, provinces, municipalities and Barangay levels for adoption.

Yes Filipinos are known to be resilient, yet, we need other methods and techniques on how to cope with these challenges by mastering different adaptation and Mitigation processes. Doing so, we become excellent in applying and sustaining it in our own localities and sharing useful insights and good practices to our neighboring towns, cities and countries. Thereby, we will all excel in responding to such great trials of our times brought about by Climate Change.

All the greater glory of the Almighty.


GIDEON PARAN TODIANO
Municipal Mayor

Message



Republic of the Philippines
Province of Benguet
Municipality of Kapangan
OFFICE OF THE MUNICIPAL MAYOR

ibrant greetings from the Officialdom of MLGU-Kapangan!

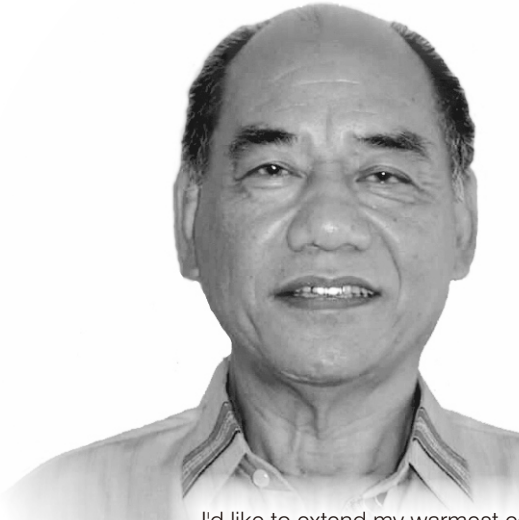
It is my great pleasure to extend my heartfelt congratulations to the BENGUET ELECTRIC COOPERATIVE, INC. (BENECO) on the occasion of the cooperative's 36th Annual General Membership Assembly (AGMA) with the theme "Coping with Challenges of Climate Change through Sustained Excellence".

For over a number of years, BENECO has been dedicated in the delivery of quality service as stated through their slogan "QUALITY SERVICE IS OUR WAY OF LIFE". BENECO has remained committed in delivering outstanding services to the beloved consumers that made them an exemplary Electric Cooperative Company over the region. The unwavering implementation on the Household Electrification Program funded under the prestigious cooperative is a very much privilege that our constituents are so thankful for it. I hope that the consumers will come to cooperate more, and support you in your movement on the power generation industry.


To the member-consumers, I enjoin you to be with the BENECO family on its 36th Annual General Membership Assembly on following clustered venues this month of December 2016. This is to show our full support to the prestigious cooperative that illuminated us for a service of years and had transformed our lifestyle on this new generation.

Mabuhay BENECO, Incorporated!


MANNY E. FERMIN
Municipal Mayor



Republic of the Philippines
Province of Benguet
Municipality of Kibungan
OFFICE OF THE MUNICIPAL MAYOR

reetings of peace and goodwill!

I'd like to extend my warmest congratulations to all the members of BENEKO for marking its 36th Annual General Membership Assembly. I know that it takes plenty of hard work to keep an organization thriving and moving towards excellence. Making it this far only proves that you have been doing well in your craft and that you have a longer way to pave. For the longest time, you have been influential in changing the way people live and do business in the Cordilleras. I hope that you will continue delivering quality service and keep living the values your organization has planted in your hearts.

This year, in celebrating your annual general membership assembly, you have outdone yourselves by choosing a theme that is highly relevant to our time and generation. Technology has radically changed the way the world lives and work that people seem to have difficulty seeing the relevance of taking good care of nature. Sadly, we seem to take it for granted that the earth we live in can survive every stress we put it through. But this is not always the case. We have seen how the temperature has changed in our beloved province through the years and how devastating the effects of heavy rains are. Our precious soil seems unable to hold as much water as it used to and our rivers and oceans seem to ward off rainwater and close themselves off, causing our drainage systems to clog and bring floods. Yet, we seem oblivious to the fact that we greatly contribute to these deviations and that climate change is indeed inevitable. It is a good time for us to raise awareness among people, especially among the youth, that humans being are greatly contributing to global warming and that they are also the only ones who can help alleviate its outcomes. It is time we help people understand that if they do not address these problems now, the future generation will suffer the consequences and might not have fresh air to breath and clean water to drink. If worse comes to worst, the earth will perish in its entirety and there will be no one else to blame for it but humanity.

Luckily, there are organizations like yours who realize that climate change is a staggering reality and that it should be addressed the soonest possible time. In delivering excellent service and in helping raise this consciousness among the people of Cordillera, you will be greatly contributing to a possible resolution of this challenge against humanity. It won't be a walk in the park and some people are likely to reject the idea that they are adding to this problem and that they can also be part of the solution. But if we keep showing them of its legitimacy and of the latter's possibility, they will eventually realize that it is true. They will soon know that climate change is a bigger issue than we perceive it to be and that we all have to work together in order to come up with a long term resolution.

In this regard, I'd like to convey that the municipality of Kibungan will support you all the way of any initiatives you might have on climate change. Rest assured that you will always have our support and cooperation.

Again, congratulations! May your organization flourish through time.

Best Wishes,

(Sgd.) **CESAR M. MOLITAS**

Municipal Mayor

Message



Republic of the Philippines
Province of Benguet
Municipality of La Trinidad
OFFICE OF THE MUNICIPAL MAYOR



S In behalf of the officialdom and people of the Municipality of La Trinidad, I would like to extend our warmest greetings to the Benguet Electric Cooperative (BENECO) on the occasion of your 36th Annual General Membership Assembly.

BENECO ranks as one of the most steadfast partners in securing the life and limb of our people and in providing service aimed at improving the quality of their lives. We thank BENECO for remaining true to this task.

As we squarely confront the challenges of our times, we count on your firm support, especially in the electrification of communities in the hinterlands. Let us continue to capacitate our people thru provision of quality and responsive service.

In fine, may your general assembly be a fruitful occasion that would embody the sentiments of the stakeholders and make BENECO stronger to face the challenges that lie ahead. May you continue to be our partners for a brighter, progressive, and resilient La Trinidad.

Mabuhay and more power!

ROMEO K. SALDA
Municipal Mayor



Republic of the Philippines
Province of Benguet
Municipality of Mankayan
OFFICE OF THE MUNICIPAL MAYOR

Seasons greetings!

In behalf of the citizens and officialdom of the lovely municipality of Mankayan, I would like to extend our congratulations to the Benguet Electric Cooperative Inc. (BENECO) on its 36th Annual General Membership Assembly (AGMA) held throughout December 23016 in the entire Benguet and Baguio City.

Mankayan and BENECO go way back, and I am sure the same is to be said for all the other municipalities as well. It is this sort of partnership that has paved the way for the accelerated growth and progress that the province has enjoyed over the past few decades.

Your chosen theme, “Coping with the Challenges of Climate Change through Sustained Excellence”, brings to light a relevant issue that affects us all today—climate change. In this day and age of rapid technological advancement, as we try to keep ourselves in the loop with all these new innovations that promise a better, more efficient, and easier life for us, we must not lose sight of the possible effects these may have not only on us, but more importantly, the environment we live in.

With everyone's continued support, we will be able to strike a delicate balance between community development and environmental preservation.

Thank you very much and let us all welcome a prosperous 2017 ahead!

Atty. MATERNO P. LUSPIAN
Municipal Mayor

Message



Republic of the Philippines
Province of Benguet
Municipality of Sablan
OFFICE OF THE MUNICIPAL MAYOR

S on behalf of the officialdom and the people of Sablan, my warmest greetings to the Member-Consumers, Board of Directors, Management and Staff of BENEKO, Inc. on its 36th Annual General Membership Assembly (AGMA) with the theme "Coping with the Challenges of Climate Change through Sustained Excellence".

The adverse impacts of Climate Change to our water resources which affects the production of energy is a general concern that should be addressed through Mitigation and Adaptation strategies. Thus, BENEKO under its program is implementing Reforestation Projects or Tree Planting activities especially in our watersheds.

We thank also the cooperative's effort on the continuing Rural Electrification Program which recently benefitted some of our far flung communities and the Nationwide Intensification of Household Electrification (NIHE) program which will soon be implemented.

More power!

ARTHUR C. BALDO
Municipal Mayor

Message



Republic of the Philippines
Province of Benguet
Municipality of Tuba
OFFICE OF THE MUNICIPAL MAYOR



Warm greetings of peace.

The officials and constituents of the municipality of Tuba, Benguet wish to convey our congratulations on the 36th Annual General Membership Assembly being conducted by the Benguet Electric Cooperative.

“Coping with the Challenges of Climate Change through Sustained Excellence” as this year’s theme on the activity is truly reflective of how the cooperative is bracing itself as it faces the effects of climate change the world is facing too. In our locality, let us be aware and actively join programs of the cooperative and other concerned agencies that has something to do with cushioning the effects of climate change. Let us partner with their thrust by conserving and preserving our natural resources. Maintaining cleanliness and properly segregating our garbage at source is one of our simple yet a good contribution to the collective effort of minimizing the effects of climate change.

Once again, warm wishes and congratulations to Benguet Electric Cooperative.

Mabuhay and God bless.

IGNACIO R. RIVERA
Municipal Mayor

Message



Republic of the Philippines
Province of Benguet
Municipality of Tublay
OFFICE OF THE MUNICIPAL MAYOR

My sincerest greetings to the Benguet Electric Cooperative, Inc. (BENECO) as you convene your 36th Annual General Membership Assembly.

Electricity provision eases access to energy services that can directly address the quality of life and economic opportunities for rural communities in line with the commitment of BENECO to rural electrification. Access to electricity consistently increases the quality of services available to meet basic domestic needs for the community as well.

However, according to the Intergovernmental Panel of Climate Change in 2001, the largest portions of pollutants originating from human activity that causes greenhouse gas emissions result from electricity generation. It is the combustion of fossil fuels in order to generate electricity that is the primary source of these air emissions.

So how can consumer electricity choice address global climate change? The new opportunity to choose among electricity suppliers in competitive retail markets allows all of us consumers to select power sources that generate the fewest greenhouse gas emissions when they generate electricity. We should seek out companies or products that do not rely heavily on fossil fuels that primarily contribute to greenhouse gas emissions for electricity.

I do fervently hope that this dialogue may embolden you as you push towards rural electrification and make this parallel with the concern on global climate change.

I wish you a productive and engaging activity.


ARMANDO J. LAURO
Municipal Mayor



BENGUET ELECTRIC COOPERATIVE, Inc.
Alapang, La Trinidad, Benguet
OFFICE OF THE PRESIDENT OF THE BOARD



Dear member consumers:

Cheers to another year of successful cooperation!

Indeed, we could not have survived all these years if not for the resiliency of our cooperation that continues to anchor our desire for continuous improvement of services and commitment to bring electricity to the farthest of our barangays. Today's occasion is another milestone of our unrelenting pursuit to provide the best for you as our member consumers.

But times have rapidly changed. And our AGMA theme for this year says it all—"Coping with the Challenges of Climate Change through Sustained Excellence." We can neither pretend to be ignorant nor demure as innocent since climate change is really now the new normal. This is why electric cooperatives must always stand ready for all kinds of natural calamities that could strike their franchise anytime. Being unprepared and not forewarned are no excuses these days. For what is at stake when cables snap and poles collapse are thousands of homes and lives dependent on electricity. We are lucky that typhoon Karen did not do much damage to us. But it was typhoon Lawin that brought a lot of our poles and transformers down. A lot of our consumers got irked that their power was not restored in a short span of time but your electric cooperative did its best to bring back electricity, only that technical glitches stood in the way, underscoring the degree of havoc the typhoon wrecked on us.

We remain steadfast, however, to confront and combat these challenges. We are already more than 140,000 member consumers and still growing. Baguio City has rapidly increased its load growth in the last few years due to a boom in business and edifice while the 13 towns of Benguet have chartered its own path with agriculture, mining and hydropower development that have likewise upped the demand for capacity. All of these point to one direction – we are going strong and we will remain undaunted.

We salute all member-consumers who have remained confident of the ability of BENECO to serve to the best of its ability. Let us pat ourselves today for rightly so, we contributed to such success and we will continue to do so.

It's our anniversary so we should be happy.
Godspeed.


Engr. JEFFRED S. ACOP
President, BENECO Board of Directors



BENGUET ELECTRIC COOPERATIVE, Inc.
Alapang, La Trinidad, Benguet
OFFICE OF THE GENERAL MANAGER



Beloved member consumers:

We are happy to inform you on the occasion of our 36th Annual General Membership Assembly that your electric cooperative continues to be upbeat of our future, emboldened in particular by the pronounced thrusts in the power industry of the present government which anchor on the same platform as we have envisioned.

For 2015 alone, we were able to accomplish much in terms of the continuity of the Sitio Electrification Program (SEP). This is on top of being able to enhance our capital and operational expenditures program that allowed us to cope with the technological growth of the distribution sector. Of course, we should not discount our own resiliency to weather the perils of climate change which is well captured in the theme for this year's gathering.

There were 70 sitios under the SEP that were energized in 2015. The number may appear minimal but the accomplishment is fair enough given the adverse condition of our terrains. And we have remained committed to bring light to all other sitios no matter how far they would be. This time, we will also include streetlights, health and day care centers, and public schools in our "to do" list.

We have also launched the so-called smart grid infrastructure development which required the installation of fiber optic communication, smart meters and upgrading of the system control and data acquisition (SCADA) for our substations. For you consumers, we have upped

Message

BENECO 2015 ANNUAL REPORT

the ante for education and communication campaigns and the use of radio to empower you to connect with us and air your concerns.

Meanwhile, we have relentlessly pursued our corporate social responsibility programs as a means of payback to your continuous and loyal patronage. Our technical vocational school in Buguias, Benguet continues to grow, thanks to your children who were encouraged to enroll. Our bid to also help in peace and order has slowly found its mark through our donations of closed circuit televisions. Not to be left behind likewise is the unselfish efforts of our Board of Directors to help you through the modest means of its corporate social responsibility fund.

Humbly, there are many more to mention. And we owe you all of these. Your support will remain as our inspiration.

Happy AGMA! We wish you the blessings of yuletide.


GERARDO P. VERZOSA
General Manager



BENECO engineers discussing with Buguias LGU officials the pros and cons of the Man-Asok Mini Hydro Project last February 2015.



GM Verzosa with Mayor Domogan, inspecting the BENECO installed citywide CCTV Project monitoring office at BCPO last January 2015.

○ TECHNICAL HIGHLIGHTS

A. CAPITAL EXPENDITURE PROJECTS

Utilization For the Year 2015

ITEM	ACTIVITY	QUANTITY	UNIT	PROJECT COST
1	Installation of new 50MVA power transformer at NSC	1	unit	21,898.00
2	Rehabilitation of Lines			
	1.1 Pole Requirement			
	1.1.1 Concrete Poles	202	pcs	
	1.1.2 Steel Poles	192	pcs	11,338,037.97
	1.2 Line Requirement			
	1.2.1 Primary	15.36	km	
	1.2.2 Secondary	38.36	km	
3	Installation of reclosers and load break switches	21	unit	10,865,355.00
4	Installation of chem-rod	2	area	144,421.64
5	Installation of new kWh meters	4526	pcs	8,061,094.56
6	Replacement of mechanical kWh meter to electronic kWh meter	2056	pcs	9,691,348.22
7	Extension of Lines			
	7.1 Pole Requirement			
	7.1.1 Concrete Poles	35	pcs	
	7.1.2 Steel Poles	112	pcs	4,176,765.70
	7.2 Line Requirement			
	7.2.1 Primary	33.084	km	
	7.2.2 Secondary	9.248	km	
8	Installation of communal distribution transformers			
	8.1 Transformer Requirement			
	8.1.1 5 kVA	1	unit	
	8.1.2 10 kVA		unit	
	8.1.3 15kVA		unit	
	8.1.4 25 kVA	1	unit	
	8.1.5 37.5kVA		unit	
	8.1.6 50 kVA		unit	
	8.1.7 75 kVA		unit	
	8.1.8 100 kVA		unit	
	8.1.9 167 kVA		unit	
	8.2 Pole Requirement			
	8.2.1 Concrete Poles	10	pcs	
	8.2.2 Steel Poles	4	pcs	
	8.3 Line Requirement			
	8.3.1 Primary	1.18	km	
	8.3.2 Secondary	1.235	km	
9	Installation of buy-back distribution transformers			
	9.1 Transformer Requirement			
	9.1.1 5 kVA		units	
	9.1.2 10 kVA	11	units	
	9.1.3 15kVA	22	units	
	9.1.4 25 kVA	33	units	
	9.1.5 37.5kVA	13	units	
	9.1.6 50 kVA	22	units	
	9.1.7 75 kVA	6	units	
	9.1.8 100 kVA	2	units	
	9.1.9 167 kVA	3	units	
10	Installation of continuous neutral	0.7	km	45,871.83
11	Replacement of 13.2kV insulators with 23kV insulators	1552	pcs	492,534.19
TOTAL				60,466,454.80

Table 1:

BENECO 2015 ANNUAL REPORT

B. OPERATION EXPENDITURE PROJECTS

Utilization For the Year 2015

ITEM	ACTIVITY	QUANTITY	UNIT	PROJECT COST
1	Replacement of rotten poles			
	1.1 Wood poles to Concrete poles	124	pcs	4,121,548.43
	1.2 Wood poles to Steel poles	218	pcs	
2	Relocation of Poles			
2	2.1 Concrete poles	49	pcs	2,791,975.34
	2.2 Steel poles	57	pcs	
3	Right of Way Clearing	300	km	1,383,534.46
4	Replacement of Busted Transformers	25	units	4,326,339.75
5	Optimization of Distribution Transformers	73	units	20,559,132.41
6	Replacement of Defective kWh meters	211	pcs	160,485.94
7	Replacemement, Installation and Maintenance of Streetlights			
	7.1 70 watts HPS Fixture		sets	3,668,396.45
	7.2 250 watts HPS Fixture		sets	
	7.3 70 watts HPS bulb		sets	
	7.4 250 watts HPS Bulb	65	pcs	
	7.5 Photo Switch	1500	pcs	
8	FOC for DPS to SD construction			
8	8.1 8-Core Fiber Optic Cable	2	km	76,640.00
	8.2 100 mbps media converter	2	pc	16,000.00
	8.3 24 ports manageable switch	2	pc	48,000.00
8	FOC for Maharlika to Porta Vaga Collection Centers			
	8.4 8-Core Fiber Optic Cable	2	km	76,640.00
	8.5 1 GB fiber module	2	pc	40,000.00
	8.6 24 ports manageable switch	2	pc	48,000.00
8	Smart Meter Monitoring			
	8.7 Radio antenna	8	unit	96,000.00
8	Repairs and Maintenance			
	8.8 Radio antenna	48	unit	576,000.00
	8.9 manageable switch	22	unit	528,000.00
	8.1 base radio	3	unit	51,000.00
	8.11 Industrial battery	50	unit	600,000.00
8	CSR			
	8.12 BCPO Station 4	1	lot	944,600.00
	8.13 LTB outer ring	1	lot	2,500,000.00
	8.14 Installation of CCTV system for CIDG	1	lot	48,500.00
	8.15 Installation of CCTV system for SD Barangay	1	lot	325,300.00
	8.16 Man asok schools desktop	5	sets	125,000.00
	8.17 Man asok schools communication system	1	lot	349,410.00
9	Installation of Rental Transformers	5	units	103,834.71
			TOTAL	43,564,337.48

Table 2:

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C. SITIO ELECTRIFICATION PROGRAM (SEP)
(Funded by the National Electrification Administration)

ITEM	DISTRICT, SITIO, MUNICIPALITY			POLE REQUIREMENT				KILOMETERS OF LINES					XMER R'QMT QTY	PROJECT COST
				STEEL		CONCRETE		3P	2-P	1-P	U. B.	O.S.		
				30	35	40	45							
I	DISTRICT VIII: (Bokod, Itogon & Kabayan) No. of Sitios = 9			39	17	0	0	0	0	0	0	2.81	1	2,216,297.08
1	Loakan	Bekneg	Itogon	7								0.500		264,252.35
2	Dalupirip	Togi-	Itogon	12								0.935		474,002.79
3	Dalupirip	Calew-	Itogon											
4	Dalupirip	Karil	Itogon											
5	Loakan	Upper Bonikew	Itogon	1	17								1	721,130.57
6	Poblacion	Goldfield (Lower)	Itogon	5								0.300		198,601.68
7	Poblacion	Goldfield (Upper)	Itogon											
8	Loakan	Kitang	Itogon	12								0.875		465,657.44
9	Kabayan Barrio	Upper Saway	Kabayan	2								0.200		92,652.25
II	DISTRICT IX: (Asin Road, Irisan, Sablan & Tuba) No. of Sitios = 1			7	0	0	0	0	0	0	0	0.495	0	291,184.38
1	Nangalisan	Lower Lumecneng	Tuba	7								0.495		291,184.38
III	DISTRICT X: (Atok, Tublay, Kapangan & Kibungan) No. of Sitios = 26			178	64	0	0	0	0	7.395	3.38	12.615	0	10,003,500.76
1	Abiang	Badili, Moding, Upper Tongshol	Atok	40	11				1.825	0.600	1.855	10/15		1,974,608.65
2	Abiang	Ili	Atok		8				0.670	0.410				303,801.09
3	Abiang	Samoyao	Atok	1	3				0.400	0.570				271,163.95
4	Abiang	Shekdan	Atok		9				1.130	0.615				544,051.87
5	Abiang	Teneng	Atok	8	5				0.485	0.485	0.820			563,402.63
6	Cattubo	Baguiney, Tulodan	Atok	3										120,744.53
7	Pasdong	Ambuwaya	Atok	12	9				1.295		0.755			896,237.66
8	Pasdong	Las-ang	Atok	8	4				0.435	0.195	0.690			548,884.05
9	Pasdong	Pangkiwa	Atok	16							1.345			567,925.43
10	Pongayan	Shilam	Kapangan	8							0.705			333,616.93
11	Madaymen	Penmaydeng, Dael	Kibungan	4							0.190			152,722.05
12	Madaymen	Tongotong	Kibungan	6							0.455			233,156.01
13	Madaymen	Upper Taliboy-oc	Kibungan	9							0.645			321,391.65
14	Madaymen	Upper Tongey	Kibungan	3							0.205			109,425.93
15	Poblacion	Balaan,	Kibungan	11	8				0.735	0.505	0.770			884,566.81
16	Poblacion	Salat,	Kibungan											
17	Poblacion	Pede &	Kibungan											
18	Poblacion	Tangadan	Kibungan											
19	Sagpat	Mema &	Kibungan	18							1.54			681,546.45
20	Sagpat	Botiwitw	Kibungan											
21	Basil	Banao,	Tublay	11							0.925			434,959.96
22	Basil	Beckol &	Tublay											
23	Basil	Bovas	Tublay											
24	Basil	Upper Paschal	Tublay	8							0.605			295,154.76
25	Daclan	Dookan -merel	Tublay	7	7				0.420		0.675			572,343.09
26	Daclan	Manalac-Lower daclan	Tublay	5							0.435			193,797.26

(continued on next page)

Table 3:

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Sitio Electrification Program (SEP) ...continued

ITEM	DISTRICT, SITIO, MUNICIPALITY			POLE REQUIREMENT				KILOMETERS OF LINES					XMER R'QMT QTY	PROJECT COST
				STEEL		CONCRETE		3P	2-P	1-P	U. B.	O.S.		
				30	35	40	45							
IV	DISTRICT XI: (Mankayan, Buguias & Bakun) No. of Sitios = 34			192	75	0	0	0	0	4.575	3.34	18.215	0	11,107,511.53
1	Guinaoang	Tocyodan	Mankayan	2								0.125		72,769.90
2	Tabio	Padeklan	Mankayan	2								0.13		79,734.10
3	Tabio	Lungen	Mankayan	12								0.76		425,706.96
4	Amgaleyguey	Ballay,	Buguias	13								0.14	0.93	516,213.48
5	Amgaleyguey	Possel, Sande	Buguias											
6	Amgaleyguey	Sacduan	Buguias											
7	Amgaleyguey	Upper Kaaduan & Katatada	Buguias	6								0.1	0.42	223,963.15
8	Amlimay	Nagawa	Buguias	22								3.48		786,803.03
9	Amlimay	Akikian &	Buguias	8	15							0.695	0.54	892,227.35
10	Amlimay	Lawed	Buguias											
11	Baculongan Norte	Pugo-Naekan	Buguias	4								0.33	0.33	335,078.13
12	Baculongan Sur	Bayoyo,	Buguias	7	37									1,935,439.27
13	Baculongan Sur	Ili	Buguias											
14	Baculongan Sur	Nangudey,	Buguias											
15	Baculongan Sur	Upper Lamagan	Buguias	12								1.13		449,876.87
16	Buyacaoan	Lower Lusong	Buguias	9								0.59		346,656.93
17	Buyacaoan	Tablaan	Buguias	7								0.67		280,051.95
18	Catlubong	Balat &	Buguias	8									0.565	467,331.60
19	Catlubong	Paksay	Buguias											
20	Sebang	Nadekkan,	Buguias	41										1,443,794.47
21	Sebang	Sagasaf,	Buguias											
22	Sebang	Upper Botiki	Buguias											
23	Sebang	Labilab-	Buguias	6	6									598,990.70
24	Sebang	Gipidan-	Buguias											
25	Sebang	Baney	Buguias											
26	Sebang	Nalatang	Buguias	4								0.35		149,369.89
27	Gambang	Upper Calumitan	Bakun	8								0.57		295,424.69
28	Poblacion	Mabilig	Bakun	5	17							1.27	1.26	940,449.56
29	Poblacion	Tigwey	Bakun	3								0.22		155,074.70
30	Sinacbat	Luponan	Bakun	5									0.6	222,848.16
31	Sinacbat	Panapan,	Bakun											
32	Sinacbat	Matalictic	Bakun	3								0.403		184,432.97
33	Sinacbat	Pega, Bolibo	Bakun	3								0.27		113,159.03
34	Sinacbat	Tamulloc, Beyeng	Bakun	5								0.49		192,114.64
TOTAL				412	156	-	-	-	-	11.97	6.72	33.64	1	23,618,493.75

Table 3: (continued)

○ INSTITUTIONAL SERVICES DEPARTMENT. HIGHLIGHTS

- 1 **ANNUAL GENERAL ASSEMBLY (AGMA 2015) (Attendance)**1,149
 December 5, 2015
 Kabayan Central Covered Court
 Poblacion, Kabayan

2 **2015 REFERENDUM RESULTS**

District	City / Municipalities	VOTES			TOTAL VOTES
		Non-Stock Cooperative (under NEA)	Stock Cooperative (under CDA)	Stock Corporation (under SEC)	
District 1	Baguio City	644	21	13	678
District 2	Baguio City	442	135	10	587
District 3	Baguio City	1,144	40	10	1,194
District 4	Baguio City	511	24	6	541
District 5	Baguio City	210	72	5	287
District 6	Baguio City	920	24	4	948
District 7	La Trinidad	366	104	12	482
District 8	Bokod, Kabayan, Itogon	2,788	132	11	2931
District 9	Sablan and Tuba	1,472	48	7	1,527
District 10	Atok, Tublay, Kibungan, Kapangan	2,286	256	16	2558
District 11	Bakun, Buguias, Mankayan	3,633	296	35	3,964

Table 4:

GRAND TOTAL

- a. NON-STOCK COOPERATIVE under the NEA.....14,416
 b. STOCK COOPERATIVE under the CDA1,152
 c. STOCK CORPORATION under the SEC129
 Total Votes15,697

3 **CONSUMER EDUCATION CAMPAIGNS**

- a. Number of Information Education Campaign conducted.....191
 b. Number of Participants12,716

4 **PRE-MEMBERSHIP SEMINARS (PMES)**

- a. Total Number of Seminars conducted
 In-house65
 Outreach24
 b. Total Number of Participants
 In-house2,166
 Outreach2,493

Continued on next page...

INSTITUTIONAL SERVICES... CONT'D

4	MEMBERSHIP APPLICATIONS	
	a. Membership Application Processed	2,393
	b. Senior Citizens Discounts, Applications Processed	2,032
	c. Membership IDs Printed and Distributed	5,506
6	COMPLAINTS & REQUESTS PROCESSED and ACCOMPLISHED	5,380
7	UPDATING OF MEMBERSHIP LIST	
	a. Total Updating of Membership List	17
	b. Total number of account names updated	1,299
8	MEDIA RELATIONS	
	a. Radio Program	
	Z Radio	52
	DZWT	52
	b. TV Program (SkyCable), Shows	8
	c. Kapihan / Press Conferences	2
9	VISITOR EDUCATIONAL TOURS & GUESTS	19
	a. ACTS Computer College, IC Students	
	b. National Electrification Administration, Dance Troupe	
	c. Pamantasan ng Cabuyao, ECE Students	
	d. NIIT-Baguio	
	e. De La Salle University	
	f. Tadian Mt. Province College of Engineering	
	g. Sienna College of IT	
	h. Columban College, Engineering Students	
	i. Polytechnic University of the Philippines (Taguig Branch)	
	j. Polytechnic University of the Philippines (Manila)	
	k. Pangasinan III Electric Cooperative, Inc. (PANELCO III)	
	l. Quezon Electric Cooperative, Inc. (QUEZELCO)	
	m. Batangas Electric Cooperative, Inc. (BATELEC)	
	n. First Catanduanes Electric Cooperative, Inc. (FICELO)	
	o. Marinduque Electric Cooperative, Inc. (MARELCO)	
	p. Misamis Oriental I Electric Cooperative, Inc. (MORESCO I)	
	q. Peninsula Electric Cooperative, Inc. (Bataan)	
	r. Association of Mindanao Rural Electric Cooperatives, (AMRECO)	
	s. Isabela I Electric Cooperative, Inc. (ISELCO I)	
10	CORPORATE SOCIAL RESPONSIBILITY PROJECTS & SPECIAL PROJECTS	
	a. Tree Nursery	
	Coffee Seedlings Donated, Number	6,575
	Benguet Pine Tree Seedlings Donated, Number	8,169
	Tree Planting Activities Conducted	10
	b. Beneco Skills Development Training Center	
	Total Number of Graduates as of 2015	819
	Electrical Installation and Maintenance and Installation	337
	Shielded Metal Arc Welding	411
	Massage Therapy	71

○ BSDTC (BENECO SKILLS DEV'T TRAINING CENTER)

Bekes Buyacaoan, Buguias, Benguet



TESDA Accredited

In February 25, 2011, as one of the corporate social responsibility programs and in response to helping a number of out-of-school youth from indigent families who are member-consumers and want their children to gain vocational skills, we established the BENECO Skills Development Training Center at Abatan, Buguias, Benguet.

Initially offering two courses – Electrical Installation and Maintenance (EIM) and Shielded Metal Arc Welding (SMAW) which eventually included Massage Therapy (MT). As of the end of SY 2015 a total of 819 students have earned their NCII Certificates from the training center. Of these figure 337 were students of EIM, 411 SMAW and 71 MT earned their certificates.

- ◆ COURSES:
 - ◆ ELECTRICAL INSTALLATION AND MAINTENANCE
(NCII-WTR1115032063)
 - ◆ SHIELDED METAL ARC WELDING
(NCII-WTR201315032008)
 - ◆ MASSAGE THERAPY – NCII
 - ◆ Other:
 - Tile Setting,
 - Lineman Training Course



The BSDTC is in partnership with Technical Education & Skills Development Administration (TESDA)

○ KEY PERFORMANCE INDICATORS

2015 COLLECTION EFFICIENCY

No.	Year	Efficiency (%)
1	1990	77.90
2	1991	87.64
3	1992	85.62
4	1993	94.12
5	1994	95.24
6	1995	95.71
7	1996	100.00 (104.00)
8	1997	99.47
9	1998	92.03
10	1999	94.96
11	2000	98.58
12	'01	96.80
13	'02	98.17
14	'03	95.98

No.	Year	Efficiency (%)
15	'04	99.01
16	'05	98.28
17	'06	99.36
18	'07	100.00 (101.75)
19	'08	100.00 (100.53)
20	'09	100.00 (101.22)
21	'10	98.50
22	'11	96.94
23	'12	97.26
24	'13	98.45
25	'14	100.00 (102.58 eff.)
26	2015	100.00 (103.19)

Table 5:

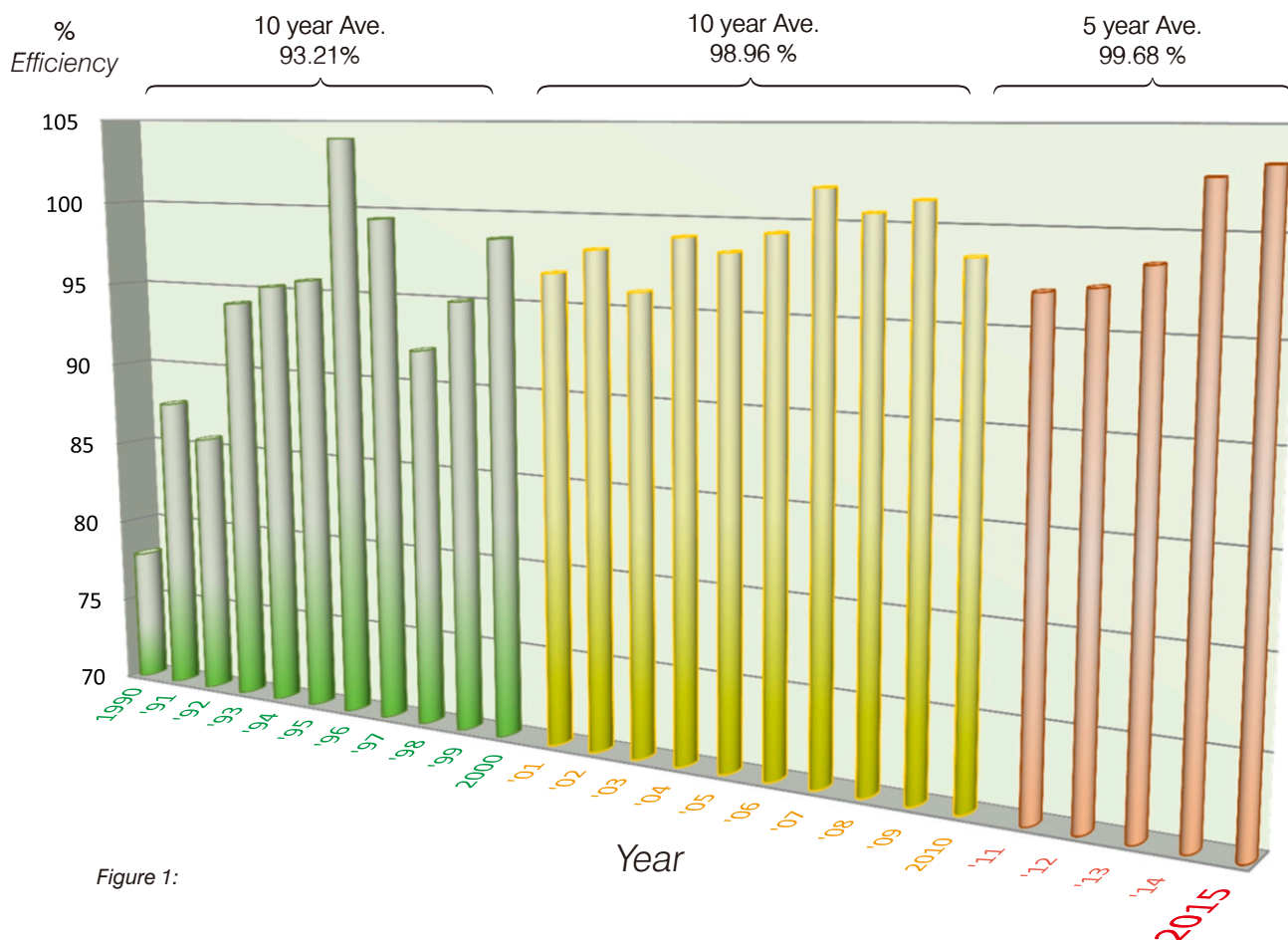


Figure 1:

○ KEY PERFORMANCE INDICATORS

Per Year: 1990-2015

2015 SYSTEMS LOSS PROFILE

Year	Sys. Loss(%)	
1990	29.21	
'91	28.45	
'92	24.31	
'93	22.90	
'94	18.12	
'95	18.69	
'96	18.09	
'97	16.21	
'98	15.81	
'99	14.48	
2000	12.56	14.54*
'01	8.71	15.35*
'02	7.03	14.65*
'03	6.37	13.77*
'04	10.68	11.93*
'05	11.35	
'06	12.71	
'07	12.19	
'08	10.68	
'09	11.58	
'10	9.46	
'11	9.82	
'12	10.84	
'13	9.44	
'14	9.48	
2015	9.50	

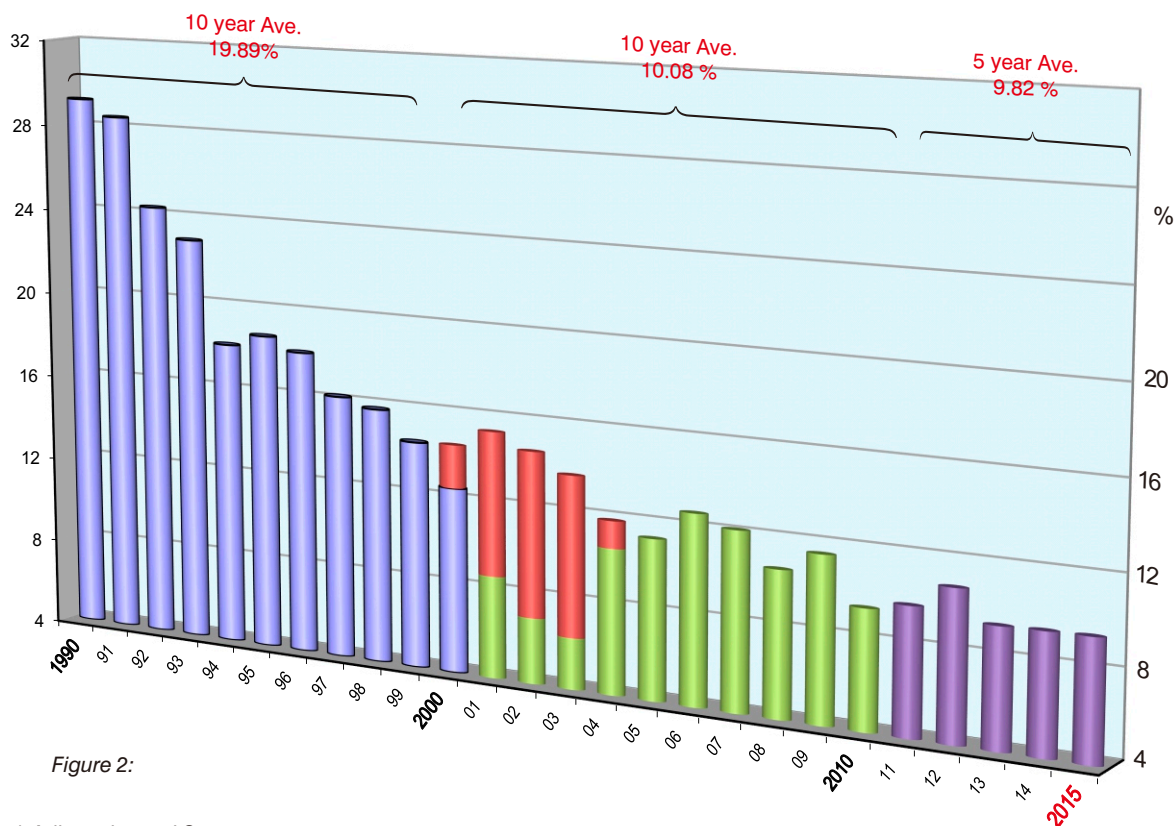


Figure 2:

NOTE : * Adjusted actual System Loss due to TRANSCO Under-Billing

Table 6:

Per Month of 2015

Month	Systems Loss (%)
January	9.23
February	9.63
March	8.66
April	9.13
May	9.74
June	7.70
July	8.83
August	7.57
September	13.72
October	3.18
November	16.96
December	8.56
Year Ave.	9.50

Table 7:

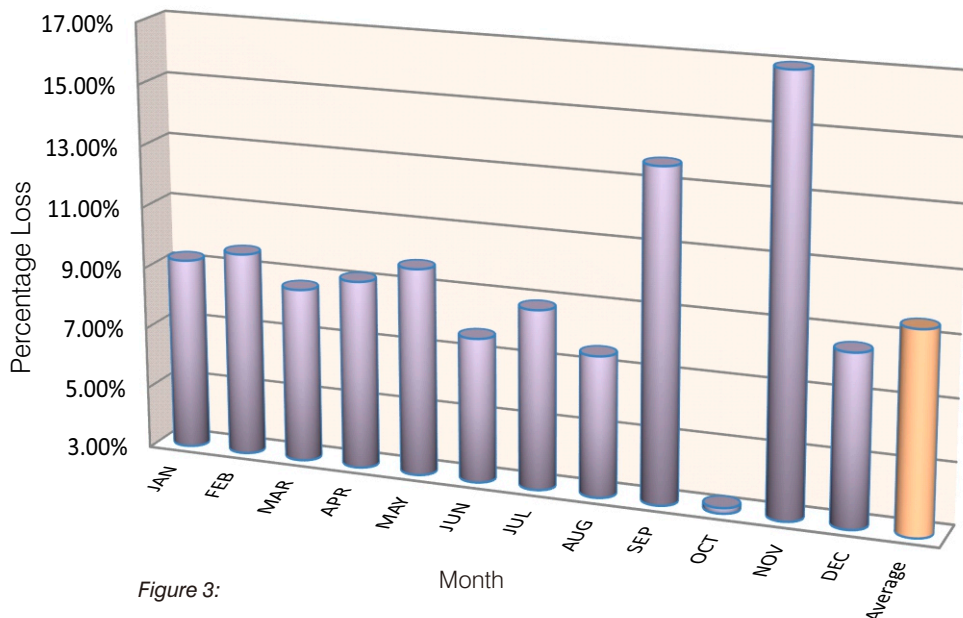


Figure 3:

○ COMPARATIVE CONSUMER CLASSIFICATION

2015 v 2014

Table 8:

Type of Consumer	2015		2014		Increase/(Dec)	
	Qty	%	Qty	%	Qty	%
Residential	157,478	92.23	153,960	92.27	3,518	2.29%
Industrial	25	0.01	20	0.01	5	25.00
Commercial	10,810	6.33	10,583	6.34	227	2.14%
Public Buildings	2,125	1.25	2,013	1.21	112	5.56%
Street Lights	278	0.16	256	0.15	22	8.59%
BAPA	33	0.02	35	0.02	(2)	-5.71%
TOTAL	170,749	100	166,867	100	3,882	

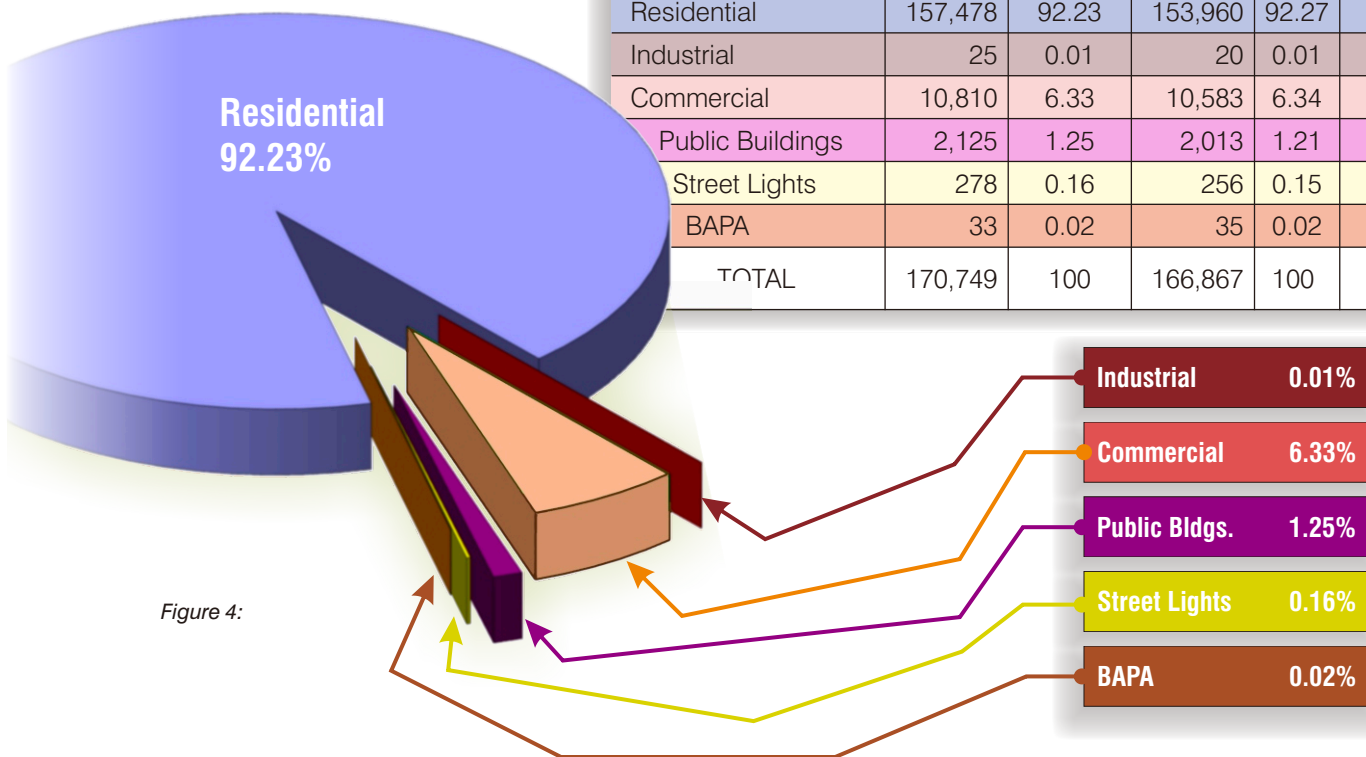


Figure 4:

○ COMPARATIVE ENERGY SALES DATA

2015 v 2014

Type of Consumer	2015 Sales			2014 Sales		
	Amount PhP	KWH	%	Amount PhP	KWH	%
Residential	1,361,199,888.00	192,279,139	52.44	1,377,353,980.00	187,797,523	52.74
Commercial	938,074,355.00	147,045,647	40.10	984,830,346.00	141,705,244	39.79
Public Bldgs.	102,544,877.00	16,183,304	4.41	61,434,261.00	15,989,077	4.49
St. Lights	58,577,870.00	9,395,218	2.56	11,431,374.00	8,947,652	2.51
Industrial	11,144,320.00	1,785,928	0.49	111,065,921.00	1,671,098	0.47
Total	2,471,541,310.00	366,689,236	100	2,546,115,882.00	356,110,594	100

Table 9:

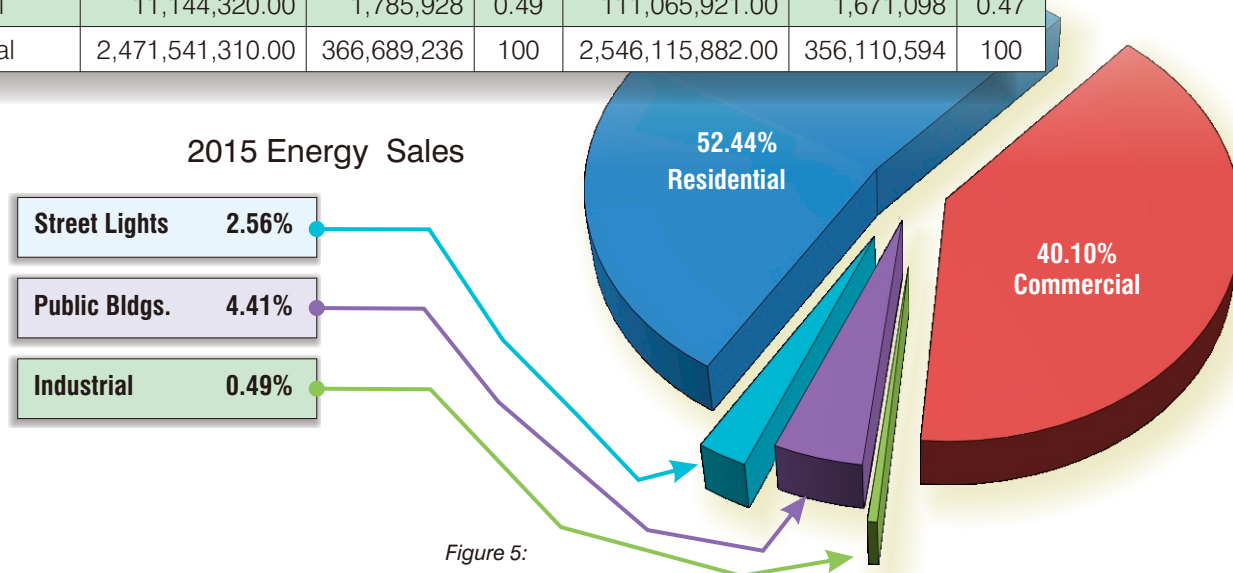


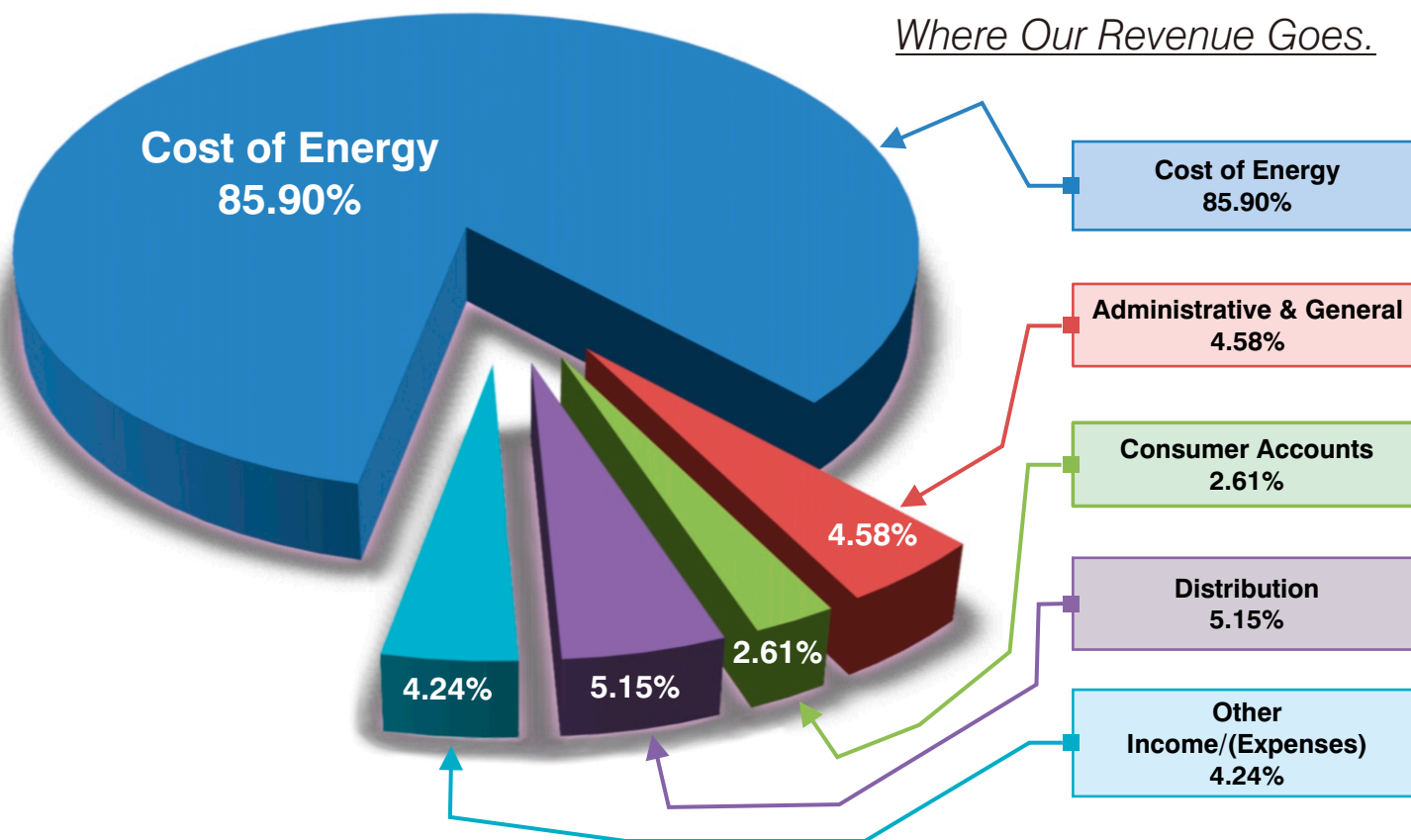
Figure 5:

○ OPERATING INCOME, EXPENSES & COST OF ENERGY ○

PARTICULARS	2015		2014		NEA Standard
	Amount	%	Amount	%	
Net Energy Sold	2,429,911,173.00	100	2,546,115,882.00	100	
Cost of Energy Sold	2,087,235,031.00	85.90	2,186,959,704.00	85.89	50-60%
Gross Operating Income	342,676,142.00		359,156,178.00		
Operating Expenses:					
Administrative & General	111,388,331.00	4.58	112,943,442.00	4.44	10-15%
Distribution	124,917,821.00	5.15	130,594,864.00	5.13	5-8 %
Consumer Accounts	63,354,099.00	2.61	60,156,356.00	2.36	3-5 %
Total Operating Expenses	299,660,251.00	12.33	303,694,662.00	11.93	
Total Cost of Energy & OpEx	2,386,895,282.00	73.57	2,490,654,366.00	97.82	90-95%
Other Income / (Expenses)					
Depreciation	(141,002,655.00)	4.24	(83,547,470.00)	(2.22)	
Finance Cost	(9,936,353.00)		(17,859,666.00)		
Other Income	47,878,635.00		44,906,056.00		
Net Income/ (Loss)	(60,044,482)	2.47	(1,039,564.00)	0.04	5%

Table 10: Notes: Net Energy Sales is exclusive of Reinvestment for Sustainable CAPEX
Other Income consists of Prompt Payment Discounts, Surcharges , Rent from Electric Property, etc.

Where Our Revenue Goes.



○ REPORT OF INDEPENDENT AUDITOR

Aquino, Ablog & Associates, CPAs
Certified Public Accountants

Ben Idmilao Bldg., Poblacion 1, Pura, Tarlac,
Philippines
frankakino@yahoo.com
0920-223-1430/0999-880-4196

Independent Auditor's Report

The Board of Directors
BENGUET ELECTRIC COOPERATIVE, INC.
Alapang, La Trinidad, Benguet, Philippines

We have audited the accompanying financial statements of **BENGUET ELECTRIC COOPERATIVE, INC.** which comprise the statements of financial position as of December 31, 2015 and 2014, and the statements of income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information. 2014 audit was done by another external auditor.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparations and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

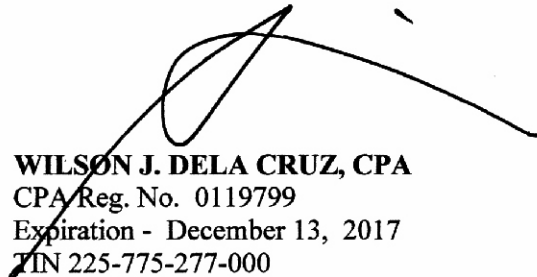
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **BENGUET ELECTRIC COOPERATIVE, INC.** as of December 31, 2015 and 2014, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Report on Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 27 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.



WILSON J. DELA CRUZ, CPA
CPA Reg. No. 0119799
Expiration - December 13, 2017
TIN 225-775-277-000
BOA Accreditation Cert. No. 4863
Expiration - December 31, 2016
BIR Accreditation-04-004676-1-2015
Expiration - February 5, 2018
PTR No. 0749385, January 7, 2016 at Cabanatuan City

March 14, 2016
Pura, Tarlac, Philippines

○ FINANCIAL STATEMENTS

BENGUET ELECTRIC COOPERATIVE, INC.

(A Non-Stock and Non-Profit Rural Electric Cooperative)

STATEMENT OF FINANCIAL POSITION

December 31, 2015

(With comparative figures for 2014)

ASSETS	<i>Notes*</i>	2015	2014
Noncurrent Assets			
Property, Plant and Equipment	4 & 5	2,189,079,404	2,193,143,956
Other Non-Current Assets	4 & 6	20,803,737	20,803,737
Total Non-Current Assets		2,209,883,141	2,213,947,693
Current Assets			
Cash & Cash Equivalents	4 & 7	374,276,297	495,745,314
Consumer Account Receivables, Net	4 & 8	185,049,439	175,015,567
Materials & Supplies Inventories, At Cost	4 & 9	117,606,529	58,511,203
Prepayments and Other Current Assets	10	148,923,351	133,962,054
Total Current Assets		825,855,616	863,234,138
TOTAL ASSETS		3,035,738,757	3,077,181,831
EQUITY AND LIABILITIES			
Equity			
Memberships	11	693,950	679,850
Donated Capital	12	381,891,271	453,327,429
Miscellaneous Contributed Capital	13	1,102,940,547	1,018,741,196
Revaluation Surplus	15	804,034,551	787,608,968
Accumulated Margin/(Loss)	14	(397,932,031)	(337,807,091)
Total Equity		1,891,628,288	1,922,550,352
Non-Current Liabilities			
Long-term Debt, net of current portion	16	290,562,023	267,842,025
Consumers' Deposits	17	224,718,719	204,780,465
Retirement Liability	24	110,825,437	194,131,420
Deferred Credits	18	104,377,256	93,048,168
Total Non-Current Liabilities		730,483,435	759,802,078
Current Liabilities			
Accounts Payable and Accrued Expenses	4 & 19	369,957,430	367,362,057
Current Portion of Long-term Debt	16	43,669,604	27,467,344
Total Current Liabilities		413,627,034	394,829,401
Total Liabilities		1,144,110,469	1,154,631,479
TOTAL EQUITY AND LIABILITIES		3,035,738,757	3,077,181,831

**(See accompanying notes to financial statements)*

Table 11:

BENECO 2015 ANNUAL REPORT

BENGUET ELECTRIC COOPERATIVE, INC.

(A Non-Stock, Non-Profit Rural Electric Cooperative)

STATEMENT OF INCOME

For the Year Ended December 31, 2015

(With comparative figures for 2014)

Notes	2015	2014
REVENUES		
Pass Through Revenues		
Generation Charges	1,542,520,723	1,637,624,638
Transmission Charges	334,390,851	353,185,663
System Loss Charges	200,639,796	210,483,621
Subsidy Charges (net of Discounts)	7,803,147	2,982,608
Total Pass Through Charges	2,085,354,517	2,204,276,530
Coop Revenues		
Distribution	165,991,988	161,335,382
Supply	110,718,434	107,991,800
Metering	76,202,881	74,243,294
Others	(8,424,631)	(2,621,102)
Total Coop Revenues	344,488,672	340,949,374
Other Adjustments	67,984	889,978
NET Energy Sales	20 2,429,911,173	2,546,115,882
Cost of Energy Sold, Net	21 (2,087,235,031)	(2,186,959,704)
Gross Income	342,676,142	359,156,178
OPERATING EXPENSES	23	
Administrative & General	(111,388,331)	(112,943,442)
Consumer Accounts	(63,354,099)	(58,943,626)
Operation and Maintenance	(124,917,821)	(131,598,230)
Total Operating Expenses	(299,660,251)	(303,485,298)
Depreciation	22 (141,002,655)	(84,669,499)
OTHER INCOME (CHARGES)	22	
Rental Income	10,044,362	7,904,799
Interest Income	2,331,360	2,674,904
Finance Cost	(9,936,353)	(17,859,666)
Others, Net	35,502,913	34,326,353
Total Other Income (Charges)	37,942,282	27,046,390
NET INCOME (LOSS)	(60,044,482)	(1,952,229)

**(See accompanying notes to financial statements)*

Table 12:

BENGUET ELECTRIC COOPERATIVE, INC.

(A Non-Stock, Non-Profit Rural Electric Cooperative)

STATEMENT OF CHANGES IN EQUITY

For the Year Ended December 31, 2015
(With comparative figures for 2014)

	MEMBERSHIP	DONATED CAPITAL	Miscellaneous Contributed Capital	Revaluation Surplus	Margin (Loss)	TOTAL EQUITY
BALANCES AT DECEMBER 31, 2013	655,545	391,640,260	941,192,287	872,599,895	(597,798,158)	1,608,289,829
Prior period adjustments (Note 14)					261,943,296	261,943,296
Changes in Equity:						
Additional Membership	24,305					24,305
Additional Donated Capital		61,687,169				61,687,169
Additional Contributions for Reinvestment			77,548,909			77,548,909
Earned Portion/Adjustment				(84,990,927)		(84,990,927)
Net Income(Loss)					(1,952,229)	(1,952,229)
BALANCES AT DECEMBER 31, 2014	679,850	453,327,429	1,018,741,196	787,608,968	(337,807,091)	1,922,550,352
Prior period adjustments (Note 14)					(80,458)	(80,458)
Changes in Equity:						
Additional Membership	14,100					14,100
Additional Donated Capital		(71,436,158)				(71,436,158)
Additional Contributions for Reinvestment			84,199,351			84,199,351
Earned Portion/Adjustment				16,425,583		16,425,583
Net Income(Loss)					(60,044,482)	(60,044,482)
BALANCES AT DECEMBER 31, 2015	693,950	381,891,271	1,102,940,547	804,034,551	(397,932,031)	1,891,628,288

(See accompanying notes to financial statements)

Table 13:

BENECO 2015 ANNUAL REPORT

BENGUET ELECTRIC COOPERATIVE, INC.
(A Non-Stock, Non-Profit Rural Electric Cooperative)

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015
(With Comparative Figures for 2014)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME for the year	(60,044,482)	(1,952,229)
<i>Adjustments to reconcile net income to net cash Provided by Operating Activities:</i>		
Depreciation and Amortization	141,002,655	84,669,499
Prior period adjustments, net	(80,458)	261,943,296
Revaluation Surplus	16,4215,583	(84,990,927)
Changes in Assets & Liabilities		
Decrease (Increase) in:		
Accounts Receivable	(10,033,872)	25,632,334
Materials and Supplies Inventories	(59,095,326)	(24,177,266)
Prepayments and Other Current Assets	(14,961,297)	(6,791)
Other Non-Current Assets	-	19,986,220
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	2,595,373	(14,257,894)
Current Portion of LTD	16,202,260	15,564,135
Consumers' Deposits	19,938,254	10,339,668
Retirement Liability	(83,305,983)	(8,077,947)
Deferred Credits	11,329,088	(113,895,891)
Net Cash Provided (Used) in Operating Activities	(20,028,205)	70,776,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Plant, Property and Equipment	(136,938,103)	(153,023,238)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in		
Long-term Loans Payable (Net of current portion)	22,719,998	(23,338,148)
Donated Capital	(71,436,158)	61,687,169
Contribution in Aid of Construction	84,199,351	77,548,909
Membership	14,100	24,305
Net Cash Provided (Used) in Financing Activities	35,497,291	115,922,235
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(121,469,017)	133,675,204
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	495,745,314	362,070,110
CASH & CASH EQUIVALENTS AT END OF YEAR	374,276,297	495,745,314

(See accompanying Notes to Financial Statements)

Table 14:

○ NOTES TO FINANCIAL STATEMENTS

BENGUET ELECTRIC COOPERATIVE, INC.

(A Non-stock Non-Profit Membership Electric Cooperative)

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1. ORGANIZATION AND BUSINESS

a) Cooperative Information

Benguet Electric Cooperative, Inc. is a non-stock, non-profit membership rural electric cooperative duly organized under the existing Philippine Laws and Regulations, particularly Republic Act 6038 as amended by Presidential Decree Nos. 269 and 1645. It was incorporated and registered with the National Electrification Administration (NEA) on October 5, 1973.

The Cooperative was granted a Certificate of Franchise to operate an electric light and power service for a period of 50 years from March 20, 1978, covering Baguio City and 13 municipalities namely: Atok, Bakun, Bokod, Buguias, Itogon, Kabayan, Kapangan, Kibungan, La Trinidad, Mankayan, Sablan, Tuba and Tublay all in the Province of Benguet. The Cooperative operates within the Philippines with 261 employees in 2015. Its office address is located in Alapang, La Trinidad, Benguet, Philippines.

The accompanying financial statements were approved by the Board of Directors.

b) Principal Business Risk

The principal business risks associated with the Cooperative's operations include financial/operating risks and credit/liquidity risks.

- Financial/Operating Risks

The capital contribution from members is limited to the membership fee of PhP 5.00 per member, as provided in Section 5 Article I of the Cooperative's By-laws, and to such amount credited by way of excess of amount paid for electric energy purchased over cost of service, if any, under Section 6 Article I thereof, additionally, all of these are under an operation on a non-profit basis, and mainly hopeful of a patronage capital connected with furnishing electric service as provided in Section 2 of Article VII of the By-Laws.

- Credit Risks

The carrying amount of consumers and other receivables represents the Cooperative's maximum exposure to credit risks. No other financial assets carry a significant exposure to credit risks. The Cooperative has no significant concentration of credit risk with any single consumer on an on-going basis. All consumers are subjected to credit verification procedures as a matter of company policy to identify accounts to be disconnected to minimize uncollected accounts.

- Liquidity Risks

The Cooperative's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans or by any other business means. The cooperative while it utilizes and maximizes suppliers' credit terms as a cash management strategy, it can stand on its own as it is highly liquid. It always avails of Prompt Payment Discount for its power obligations.

c) Tax Exemption

Presidential Decree (PD) Nos. 269, as amended, granted a number of tax and duty exemption privileges to electric cooperative's (EC's).

Executive Order (EO) No. 93 withdrew all tax exemptions granted to private entities effective March 19, 1987. Memorandum Order No. 65 suspended the implementation of the said EO until June 30, 1987 for Cooperatives. Effective July 1, 1987, income from bank deposits, are taxable pursuant to the Fiscal Incentives Review Board Resolution No. 24-87. The Cooperative's exemption status expires on June 8, 2014. However, exception of electric cooperatives from income tax is permanent in nature as expressly provided in Section 39 (a) of PD 269.

The Bureau of Internal Revenue clarified that due to such permanent nature of exemption, the Cooperative is not subject to Creditable Withholding Tax, as provided under paragraph A (4) of Revenue Memorandum Circular (RMC) No. 72-2003 in relation to Section 39 (a) of Presidential Decree (PD) No. 269.

BIR Revenue Memorandum Circular No. 72-2003 dated October 20, 2003, states that electric cooperatives registered with the NEA are exempt from:

- a) Franchise tax under Section 119 of the Tax Code of 1997;
- b) Value added tax, on sales relative to the generation and distribution of electricity as well as their importation of machinery and equipment, including spare part, which shall be used in the generation and distribution of electricity;
- c) Income taxes for which they are already liable;
- d) 3% percentage tax under Section 116 of the Tax Code of 1997.
- e) All national government taxes and fees, including franchise, filing, recordation, license or permit fees or taxes. Provided however, that the said exemption shall end on December 31 of the thirtieth full calendar year after the said date of cooperative's organization or Conversion, or until it shall become completely free of indebtedness incurred by borrowing, whichever event first occurs. Provided further, that the period exemption for a new cooperative formed by Consolidation, as provided for in Section of PD No. 269, to begin from as the date of the beginning of such period for the constituent consolidating cooperative which was most recently organized or converted under PD No. 269;

Limitations of Exemption under R.A. 9337 On May 24, 2005, the President of the Republic of the Philippines signed into law RA No. 9337, otherwise known as the Expanded Value Added Tax Law of 2005 (the "Act"),

which took effect on November 1, 2005. The Act, among others, introduces the following changes:

- a) New transactions subject to VAT include, among others, sale of electricity by generation, transmission and distribution companies and services of franchise grantees of electric utilities.
- b) Power of the President upon the recommendation of the Secretary of Finance to increase the rate of the VAT to 12%, after any of the following conditions has been satisfied; (i) VAT collection as a percentage of gross domestic product (GDP) of the previous year exceeds 2 and 4/5%; or (ii) National Government deficit as a percentage of GDP of the previous year exceeds 1 and ½ %. On February 1, 2006, the President increased the 10% VAT rate to 12% as the conditions were met.
- c) Input VAT on capital goods should be spread evenly over the useful life or 60 months, whichever is shorter, if the acquisition cost, excluding the VAT component thereof, exceeds P1 million.
- d) Input VAT credit in every quarter shall not exceed 70% of the output VAT (amended to 100% under revenue regulation No. 0200-07)

2. REGISTRATION UNDER R.A 6938, COOPERATIVE DEVELOPMENT AUTHORITY

On February 10, 1994, the Omnibus Rules and Regulations on the registration of electric cooperatives under RA No. 6938 were approved. As a result, the Cooperative shall have a three-year transition period from the effectivity of the Omnibus Rules before it can qualify for permanent registration with the Cooperative Development Authority (CDA). The Cooperative did not register with the CDA.

3. OPTION TO CONVERT TO STOCK COOPERATIVE OR STOCK CORPORATION UNDER EPIRA

Republic Act No. 9136 otherwise known as the "electric power industry reform act" (EPIRA) of 2001 was signed into law on June 8, 2001. Upon the effectivity of this act, all outstanding financial obligations of Electric Cooperatives (EC's) to NEA and other government agencies incurred for the purpose of financing the rural electrification shall be assumed by the Power Sector Assets and Liabilities Management Corporation (PSALM). Within five (5) years from the condonation of the debts, any electric cooperative which shall transfer ownership or control of its assets, franchise or operations, shall repay PSALM the total debts including accrued interests thereon.

Under Chapter 7, Section 7 of R.A. No. 9136, electric cooperatives are given the option to convert into either a stock cooperative under the CDA or stock corporation under the Corporation Code, provided that electric cooperatives which opt to remain non-stock, non-profit shall continue to be registered with the NEA and shall be governed by Presidential Decree (PD) No. 269 pursuant to Section 7c (ii) of Rule 7 of the rules implementing the EPIRA.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

This summary of significant accounting policies is

presented to assist the reader in understanding the financial statements of Benguet Electric Cooperative, Inc.

4.1 Basis of Preparation

The financial statements of the Cooperative are prepared in conformity with accounting principles generally accepted in the Philippines and with the general practices on rural electric cooperatives as prescribed by the National Electrification Administration (NEA).

The financial statements are presented in Philippine peso, which is the Cooperative's functional and presentation currency.

Furthermore, the preparation of the financial statements requires management's use of certain critical accounting estimates and the exercise of its judgment in the process of applying the Cooperative's accounting policies.

4.2 Adoption of New Accounting Standards

New accounting standards based on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), referred to as Philippine Accounting Standards (PAS) and Philippine Financial Reporting Standards (PFRS), respectively, are already in effect. The Cooperative has adopted the following relevant new accounting standards to the extent applicable:

- PAS 7 (2013) - Amendments Financial Statements: Disclosures-Transfer of Financial Assets
- PAS 13 (2013) - Fair Value Measurements
- PAS 19 (2013) - Revised Standards on Fringe Benefits
- PAS 27 (2014) - Amendments (PAS 10, 12 & 27) Investment Entities
- PAS 32 (2014) - Amendments Financial Instruments: Presentation – Asset and Liability Offsetting
- PAS 34 (2014) - Amendments Interim Financial Reporting
- PAS 36 (2014) - Amendments Impairment of Assets

These new standards, amendments and interpretations prescribe new accounting measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with the transitional provisions of the standards, otherwise the adoption of the new standards is accounted for as change in accounting policy under PAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors". The effects of these new standard, amendments and interpretations on the Company's accounting policies and on the amounts disclosed in the financial statements are summarized as follows:

- PAS 7, "Amendments Financial Statements: Disclosures – Transfer of Financial Assets", the amendments require disclosure of information that enables users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognized financial assets.
- PAS 13, "Fair Value Measurements." the standard

applies to IFRSs that require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement. This standard establishes a fair value hierarchy that categorizes into 3 levels the inputs to valuation techniques used to measure fair value to increase consistency and comparability in fair value measurement and related disclosures. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 inputs) and the lowest to unobservable inputs (Level 5 inputs).

- PAS 19, "Revised Standards on Fringe Benefits," defined benefit cost comprises service cost and net interest on the defined benefit liability or asset (both in profit or loss); and the measurements recognized in OCI. The service cost comprises current service cost, past service cost, and gains or losses on curtailments and settlements. Net interest on defined benefit liability (asset) shall be determined by multiplying the net defined benefit liability (asset) by the discount rate. Deferral or actual gains and losses (AGL) is not permitted. AGLs are recognized immediately in OCI. Reclassifications to profit or loss are not permitted. All changes in the net defined benefit liability (asset) which arise from changes in the defined benefit plan are included in "service cost" and recognized fully in profit or loss when they occur. Items of re-measurements include AGL, the differences between the return on plan assets and interest income on plan assets and changes in asset ceiling.
- PAS 27, "Amendments (PAS 10, 12 & 27) Investment Entities," these apply to the twin objectives of setting standards in the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent; and in accounting for investment in subsidiaries, jointly controlled entities, and associates when an equity elects, or is required by local regulations, to present separate (non-consolidated) financial statements. Intragroup balances, transactions, income and expenses should be eliminated in full. Intragroup losses may indicate that an impairment loss on the related asset should be recognized. Consolidated financial statements must be prepared using uniform accounting policies for like transactions and other events in similar circumstances. Minority interests should be presented in the consolidated balance sheet within equity, but separate from the parent's stockholders' equity.
- PAS 32, "Amendments Financial Instruments: Presentation – Asset and Liability Offsetting," offsetting, otherwise known as "netting" takes place when entities present their rights and obligations to each other as a net amounts in their statements of financial position. It specifies that a financial asset and a financial liability should be offset and the net amount reported when, and only when, an entity currently has a legally enforceable right of set-off the amounts; and intends either to settle on a net basis or to realize the financial asset and settle the financial liability simultaneously. The costs of issuing or reacquiring equity instruments (other than

in a business combination) are accounted for as a deduction from equity, net of any related income tax benefit.

- PAS 34, "Amendments Interim Financial Reporting," this standard applies when an entity prepares an interim financial report, without mandating when an entity should prepare such a report. Permitting less information to be reported than in annual financial statements (on the basis of providing an update to those financial statements), this standard prescribes the minimum content of an interim financial report. An interim period is a shorter than a full financial year (most typically a quarter or a half-year). An interim financial report contains either a complete or condensed set of financial statements for an interim period

If the financial statements are condensed, they should include, at a minimum, each of the headings and sub-totals included in the most recent annual financial statements and the explanatory notes required. Additional line-items or notes should be included if their omission would make the interim financial information misleading. If the annual financial statements were consolidated (group) presentations as well. If the company's business is highly seasonal, the standard encourages disclosure of financial statements for the comparable year-to-date period of the immediately preceding financial year. Entities covered by such matters as interim financial reporting are decided by national governments, securities regulators, stock exchanges and accounting bodies.

- PAS 36, "Amendments Impairment of Assets- Recoverable Amount Disclosures for Non-financial Assets," this standard's objective is to ensure that assets are carried at no more than their recoverable amount, and to define how recoverable amount is determined. Impairment loss pertains to the amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. An impairment loss is recognized whenever recoverable amount is below carrying amount. It is recognized as an expense (unless it relates to a revalued asset where the impairment loss is treated as a revaluation decrease. Adjust depreciation for future periods. If it is not possible to determine the recoverable amount (fair value less cost of disposal and value in use) for the individual asset, then determine recoverable amount for the asset's cash-generating unit. CGU is smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The adoption of the above standards, amendments and interpretations, upon which the Cooperative has opted not to adopt early, did not have any significant effect on the Cooperative's financial statements. These, however, require additional disclosures on the Cooperative's financial statements.

- 4.3 Property, Plant and Equipment and Depreciation
Property, Plant and Equipment is carried in the books at cost less accumulated depreciation and amortization. Land is stated at cost less any impair-

ment in value. The cost of an asset consists of its purchase price and cost attributable to bringing the asset to its working condition for its intended use.

Major repairs and maintenance, which extends the life of the asset, are charged to the appropriate Property, Plant and Equipment accounts. All other subsequent expenditures are recognized as expenses in the period in which those are charged. Proceeds from sales of salvaged materials are credited to Non-Operating Revenue.

Depreciation and amortization are computed on a straight-line method over the estimated useful lives of the assets.

No depreciation is provided on land and land rights; when fixed assets are retired or otherwise disposed of, a credit to the appropriate fixed asset account is made to eliminate the asset from the books and the corresponding accumulated depreciation is debited

4.4 Construction Work-In-Progress.

Construction Work in Progress is stated at cost. This includes the cost of construction, other direct and indirect cost attributable to construction in progress. Borrowing costs that are directly attributable to the construction of utility plant and others are capitalized during the construction period. Property under construction is not depreciated until such time that completed construction are put into operational use.

4.5 Intangible Assets

Intangible assets shall be recognized if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of the intangible asset can be measured reliably.

An intangible asset shall be derecognized on disposal; or when no future economic benefits are expected from its use or disposal. The gain or loss arising from de-recognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognized in profit or loss when the asset is derecognized. Gains shall not be classified as revenue.

4.6 Financial Assets

Financial assets include cash on hand and in banks and other financial instruments. Financial assets, other than hedging instruments, are classified into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

- Cash and Cash Equivalents

Cash includes Cash on Hand, Working Funds and Cash in Banks. Cash Equivalents are short term, highly liquid investments that are readily convertible to known amount of cash maturities of three (3) months or less from the date of acquisition. Cash in banks earn interest at the respective bank deposit rates.

- Trade and Other Receivables

Trade and Other receivable are stated net of allowance for uncollectible accounts.

- Allowance for Uncollectible Accounts

Allowance for uncollectible accounts is

maintained at a level considered adequate to provide for potential uncollectibility of its receivables. The level of this allowance is generally based on the aging of consumer receivables. Allowance for uncollectible accounts on other receivables is based on management's evaluation on past collection experience and other factors that may affect collectability.

Given the nature of the Cooperative's business, the consumer receivables are appropriate for collective impairment assessment rather than specific. The Cooperative's policy in providing allowance for uncollectible accounts is in accordance with NEA's policy:

- 1% - Current to 90 days past due
- 2% - Over 90 days past due
- 3% - Over 180 days past due
- 4% - Over 240 days past due
- 5% - Over 1 year past due
- 100% - Specifically identified accounts

The amount and timing of recorded expenses for any period would therefore differ based on the judgments or estimates made.

4.7 Inventories and Supplies

The inventories on hand are stated at fair value and are determined using the moving average method, the balances are checked by means of annual physical counts. Physical inventory is being conducted annually.

4.8 Revenue and Cost Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Cooperative and the amount of the revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services provided in the normal course of business

Revenue from Distribution of Electricity is recognized upon supply of power to the consumers, net of portion allocated to capital contribution for reinvestment.

Service Charges and Penalties are recognized only upon collection or accrued where there is reasonable degree of certainty as to its collectability.

Interest Income is recognized as the interest accrues (taking into account the effective yield on the asset).

Income from Scrap Sales is recognized when the significant and rewards of ownership of the goods have passed to the buyer.

Costs and Expenses are recognized in the statement of income upon utilization of the service or in the date they are incurred. Finance costs are reported on an accrual basis.

4.9 Financial Liabilities

Financial liabilities include trade and other payables, interest bearing borrowings and other liabilities. Financial liabilities are recognized when the Cooperative becomes a party to the contractual agreements of the instruments. All interest related charges are recognized as an expense in the income statements under the caption Interest Expense.

Trade and Other Payables are recognized initially at

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their nominal value and subsequently measured at amortized cost less settlement payments.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. It is necessary to estimate the amount or timing of accruals, however, the uncertainty is generally much less than for provisions.

4.10 Retirement Benefits

Republic Act (RA) No. 7641 (New Retirement Law) took effect on January 7, 1993. Under the new law, the Cooperative is required to provide minimum retirement benefits to qualified retiring employees. The Cooperative has funded, non-contributory defined benefit plan covering all entitled employees in compliance with such law.

4.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation, either legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. When the Company expects reimbursement of some or all of the expenditure required to settle a provision, the entity recognizes a separate asset for the reimbursement only when it is virtually certain that reimbursement will be received when the obligation is settled.

The amount of the provision recognized is the best estimated of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its

carrying amount is the present value of those cash flows.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.12 Related Parties

Parties are considered related if one party has control, joint control, and significant influence over the other party in making financial and operating decisions. Individuals, associates or companies that directly or indirectly control or are controlled by or are under common control are also considered related parties.

4.13 Subsequent Events

The Company identifies subsequent events as events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's financial position at the balance sheet date are reflected in the financial statements.

Events that are not adjusting events are disclosed in the notes to the financial statements when material.

4.14 Reclassification of Accounts

Certain reclassifications have been made to the 2014 financial statements to conform to this year's presentation.

5. PROPERTY, PLANT AND EQUIPMENT

	HISTORICAL COST		APPRAISAL INCREASE		TOTAL	
	2015	2014	2015	2014	2015	2014
<u>ELECTRIC PLANT IN SERVICE</u>						
Distribution Plant	2,131,710,964	1,957,627,625	2,363,527,634	2,363,527,634	4,495,238,598	4,321,155,259
General Plant*	602,125,943	562,768,623	130,907,943	130,907,943	733,033,886	693,676,566
	<u>2,733,836,907</u>	<u>2,520,396,248</u>	<u>2,494,435,577</u>	<u>2,494,435,577</u>	<u>5,228,272,484</u>	<u>5,014,831,825</u>
<u>ACCUMULATED DEPRECIATION & AMORTIZATION</u>						
Distribution Plant	1,206,873,290	1,125,473,267	1,579,768,725	1,534,705,447	2,786,642,015	2,660,178,714
General Plant	200,923,390	186,056,033	110,632,301	93,495,359	311,555,691	279,551,392
	<u>1,407,796,680</u>	<u>1,311,529,300</u>	<u>1,690,401,026</u>	<u>1,628,200,806</u>	<u>3,098,197,706</u>	<u>2,939,730,106</u>
<u>NET BOOK VALUE</u>						
Distribution Plant	924,837,674	832,154,358	783,758,909	828,822,187	1,708,596,583	1,660,976,545
General Plant	401,202,553	376,712,590	20,275,642	37,412,584	421,478,195	414,125,174
	<u>1,326,040,227</u>	<u>1,208,866,948</u>	<u>804,034,551</u>	<u>866,234,771</u>	<u>2,130,074,778</u>	<u>2,075,101,719</u>
Construction Work in Progress (CWIP*)					59,004,626	118,042,237
TOTAL PROPERTY, PLANT & EQUIPMENT-NET					<u>2,189,079,404</u>	<u>2,193,143,956</u>

Table 15:

*Construction Work in Progress (CWIP) represents the total cost of construction work awarded through contracts and those being done by the cooperative's own workforce.

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6. OTHER NON-CURRENT ASSETS

This account is composed of the following:

PARTICULARS	2015	2014
Investment REFC	6,000,000	6,000,000
Restricted Fund Reinvestment	55,148	55,148
Security Deposits–WESM	12,050,198	12,050,198
Security Deposits–Transco	2,698,391	2,698,391
TOTAL	20,803,737	20,803,737

Table 16:

7. CASH & CASH EQUIVALENTS

This account consists of:

PARTICULARS	2015	2014
Cash General Fund	373,369,558	492,747,483
Cash On Hand	336,739	2,362,831
Revolving & Change Fund	435,000	505,000
Petty Cash Fund	135,000	130,000
TOTAL	374,276,297	495,745,314

Table 17:

8. CONSUMER ACCOUNT RECEIVABLES, NET

This account consists of receivables from the following:

Particulars	2015	2014
Consumer Account Receivables	188,941,119	177,203,938
Allowance for Uncollectible Accounts	(3,891,680)	(2,188,371)
Total	185,049,439	175,015,567

Table 18:

9. MATERIALS AND SUPPLIES

This account represents the value of inventory of electric distribution materials acquired primarily for use in the utility business, office supplies, and spare parts of vehicles and cost of special equipment, details of which are as follows:

PARTICULARS	2015	2014
Materials & Supplies – Electric	53,394,945	12,250,416
Materials & Supplies – Housewiring	11,919,237	10,735,411
Materials & Supplies – Others	3,920,651	6,582,641
CWIP – Special Equipment	48,371,696	28,942,735
TOTAL	117,606,529	58,511,203

Table 19:

10. PREPAYMENTS AND OTHER CURRENT ASSETS

This consists of the following:

PARTICULARS	2015	2014
Prepayment-Insurance	1,102,866	821,228
Prepayment-Suppliers	23,441,514	26,522,761
Prepayment-Others	757,622	515,402
Due from Other RECs	7,184,276	12,476,799
Accounts Receivable – Cost Estimate	3,962,476	2,026,550
Accounts Receivable – Pole Rental	6,121,100	4,211,758
Accounts Receivable – Penalty	1,147,891	1,193,541
Accounts Receivable – Others (Consumers)	326,813	208,569
Salary & Other Loans Receivable	5,121,235	6,751,187
RMBA	-	1,149,256
Accounts Receivable – Others (Employees)	1,061,031	5,689,696
Accounts Receivable – Business Tax	12,293,639	-
Accounts Receivable – Others	18,592,717	17,018,888
Input VAT & Other Taxes	46,942,899	55,376,419
Preliminary Survey	20,867,272	-
TOTAL	148,923,351	133,962,054

Table 20:

11. MEMBERSHIP

This represents the total face value of member's equity. Membership in the electric cooperative is limited to any person, firm or association, corporation or body politic or subdivision thereof, "bonafide" residing or situated at the area coverage of the electric cooperative. As at December 31, 2015 and 2014, the amount of membership fee is PhP 693,950 and PhP 679,850 respectively.

12. DONATED CAPITAL

This account is composed of the following:

PARTICULARS	2015	2014
PSALM	134,891,822	134,891,822
NEA	124,000,264	183,261,072
Subsidy from NEA	29,507,587	41,682,938
Team Phils. Energy Corp	38,195,646	38,195,646
DOE	36,039,857	36,039,857
NPC	13,856,094	13,856,094
Provincial Government	5,000,000	5,000,000
APEC Party	400,000	400,000
TOTAL	381,891,271	453,327,429

Table 21:

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Pursuant to Section 60 of EPIRA, PSALM shall assume all Rural Electrification Loans upon compliance by the concerned EC with Section 5 of Executive Order No. 119, and thereupon, such EC shall cease to be debtor of NEA or of other creditor government agencies.

With the implementation of the condonation of loan under the Electric Power Industry Reform Act (EPIRA) of 2001, "the Cooperative's outstanding loan amounting to P 228,446,712 as of June 30, 2001 were assumed by the Power Sector Asset Liabilities Management Corporation (PSALM). Only loans intended for the Rural Electrification Program were assumed by PSALM.

The Coop was recipient of subsidies, grants, donations from government and other agencies.

Subsidy from NEA constitutes completed projects for Sitio Electrification and other subsidy releases.

13. MISCELLANEOUS CONTRIBUTED CAPITAL

This account consists of the following:

PARTICULARS	2015	2014
Contribution For Reinvestment	1,102,513,718	1,018,314,367
Consumers Capital Contribution	426,829	426,829
TOTAL	1,102,940,547	1,018,741,196

Table 22:

Pursuant to PD. 269, electric cooperatives are mandated to allocate 5% of their revenues derived from the sale of electricity, a reinvestment fund to ensure that electric cooperatives would have the necessary funds to finance the rehabilitation and extension of their distribution lines, maintenance and upgrading of their substations, replacement of transformers and meters. Under the Rules for Setting Electric Cooperatives' Wheeling Rates (RSEC-WR), the reinvestment contribution from members is now called Reinvestment Fund for Sustainable Capital Expenditures (RFSC).

14. ACCUMULATED MARGIN (LOSS)

This account consists of the following:

PARTICULARS	2015	2014
Accumulated Profit/(Loss) beginning	(337,807,091)	(597,798,158)
Prior Period Adjustment (Net)	(80,458)	261,943,297
Corrected Balance End	(337,887,549)	(335,854,862)
Net Income for the Year	(60,044,482)	(1,952,229)
TOTAL	(397,932,031)	(337,807,091)

Table 23:

15. REVALUATION SURPLUS

The balance of this account resulted from the appraisal of properties of the Coop in various locations in the Province of Benguet and Baguio City performed by Cuervo Appraisers, Inc. The Appraisal Report presents the reproduction costs (new)/replacement costs (new) and sound values of the appraised properties consisting of land, buildings, other land

improvements, condominium units, leasehold improvements, machinery and equipment, computer equipment, and furniture and office equipment.

As of December 31, 2015 and 2014, the carrying balance of revaluation surplus amounted to P 804,034,551 and P787,608,968, respectively.

16. LONG TERM DEBTS

This account represents loans with NEA and other Banks the breakdown of which is shown below:

PARTICULARS	2015	2014
NEA – Construction Loan*	78,417,175	67,575,859
NEA – Calamity Loan	22,364,690	20,356,197
NEA – Overseas Economic Cooperation Fund	17,165,039	18,773,155
NEA – Restructured	4,143,247	4,799,565
DBP Loans	56,392,492	6,822,475
BPI Loans	134,885,850	151,235,650
MBTC Loans	20,475,164	-
Rural Electrification Financing Corp.	-	1,467,155
Matured Principal & Interest	387,970	24,279,313
Current portion	(43,669,604)	(27,467,344)
TOTAL	290,562,023	267,842,025

Table 24:

NEA Loans bear interest of 8-12% per annum, payable at various intervals of quarterly payments for an average period of 5 to 20 years, and secured by a pledge on a portion of the Utility Plant of the Coop.

*Has pending request to NEA for loan condonation.

DBP Loans are for SCADA and for Various Materials purposes with interest rate of 3.5% and payable for 5 years.

BPI Loan is for CAPEX purposes with interest rate of 4% and payable for 10 years.

MBTC Loans are for Vehicles purposes with interest rate of 4% and payable for 5 years and for salary loans of employees.

17. CONSUMERS' DEPOSITS

The breakdown of this account is as follows:

PARTICULARS	2015	2014
Advances for Construction	131,650,501	114,456,109
Meters & Accessories	75,029,435	75,029,435
Energy	17,966,727	15,167,516
Others	72,056	127,405
TOTAL	224,718,719	204,780,465

Table 25:

The member consumers also provided capital and operating funds to facilitate the construction of service installations including deposits to secure payment of monthly bills which are refundable upon termination of the service contract. Meter deposits cover mainly the

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cost of meters. However, on June 9, 2004, the ERC authorized the promulgation of Magna Carta for Residential Electricity Consumers which took effect on July 19, 2004 which stipulated that residential consumers shall be exempt from the payment of meter deposits.

18. DEFERRED CREDITS

These accounts consist of the following:

PARTICULARS	2015	2014
Deferred Items		
Net Settlement - WESM	81,878,595	76,120,391
EVAT billed to Consumers*	22,498,661	16,927,777
TOTAL	104,377,256	93,048,168

Table 26:

**For 2015, this account includes unidentified deposits from consumers (Power Bills Payment).*

19. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

These accounts consist of the following:

PARTICULARS	2015	2014
Accounts Payable – Power	129,910,671	152,680,994
Accounts Payable – Suppliers	62,633,791	133,657,151
Accounts Payable – VAT System Loss	24,136,863	19,268,637
Accounts Payable – VAT Transmission	2,156,320	6,840,731
Accounts Payable – VAT Generation	(255,953)	2,785,730
Accounts Payable – VAT BIR	2,672,251	2,065,839
Accounts Payable – PSALM	39,411,922	28,312,916
Accounts Payable – FITALL	2,074,975	–
Accounts Payable – Katas ng VAT	46,744	50,584
Accounts Payable – NEA Subsidy	90,443,623	–
Due to other ECs	–	5,154,285
SSS, PhilHealth, HDMF and Taxes	7,842,786	7,632,065
STD-SALARY LOAN	68,921	–
Accounts Payable – Others	8,814,516	8,913,125
TOTAL	369,957,430	367,362,057

Table 27:

20. REVENUE FROM SALE OF ELECTRIC ENERGY

This account consists of billed electric revenues to member-consumers classified as follows:

PARTICULARS	2015	2014
Residential	1,361,199,888	1,377,353,980
Commercial	938,074,355	984,830,346
Public Buildings and Facilities	102,544,877	111,065,921
Public Street and Highways	58,577,870	61,434,261
Industrial Sales - Low Voltage	11,144,320	11,431,374
TOTAL	2,429,911,173	2,546,115,882

Table 28:

21. COST OF ENERGY SOLD

This account consists of

PARTICULARS	2015	2014
Power Purchased	2,129,274,016	2,236,923,027

Table 29:

22. OTHER INCOME (CHARGES)

This account consists of the following:

PARTICULARS	2015	2014
Rental Income	10,044,362	7,904,799
Interest Income	2,331,360	2,674,904
Misc. Non-Operating Income:		
Retrobilling	1,769	85,156
Penalties	32,349	265,900
Others, net	35,469,257	33,975,297
Gain (Loss) on Disposal	(462)	–
Finance Cost*	(9,936,353)	(17,859,666)
TOTAL	37,942,282	27,046,390

**Interest Expense from Loans Payable*

	2015	2014
OECF	1,837,276	1,988,532
Construction	–	6,076,816
Service Vehicle Loan	5,694,658	6,456,892
REFC	209,279	199,538
Others	2,195,140	3,137,888
TOTAL	9,936,353	17,859,666

Table 30:

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23. OPERATING EXPENSES

Expenses consist of the following:

Particulars	2015	2014
a) Admin and General:		
Adm. & Gen. Salaries and Benefits	29,351,702	29,120,578
Office Supplies expense	5,311,903	5,049,678
Outside Service Employed	12,846,375	12,476,808
Taxes & Licenses	747,471	815,285
Injuries & Damages	920,794	345,892
Emp. Pension & Benefits	16,080,725	28,021,971
Rents	1,122,929	972,885
Regulatory	3,569,074	2,551,000
Maintenance of Office & General Plant	4,934,670	5,151,728
Property Insurance	2,245,244	2,189,968
Officers Allow. & Benefits	4,836,245	2,265,400
Training & Travel	11,548,716	10,165,048
Employees Insurance	2,546,974	2,489,982
Utilities	7,051,460	5,477,002
Association & Membership Dues	314,717	82,000
Misc. Gen. Expense	7,959,331	5,768,217
Total	111,388,330	112,943,442
b) Consumer Accounts		
Supervision	2,191,752	2,390,408
Meter Reading Expense	31,389,228	29,104,686
Consumers' Records & Coll'n. Expense	9,457,014	7,651,164
Uncollectible Account	1,703,014	608,459
Info & Instructional Expense	2,194,034	600,352
MECS and BAPA	642,616	421,615
Campus Journalism	-	2,000
Misc. Consumer Services	15,776,441	18,164,942
Total	63,354,099	58,943,626

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Particulars	2015	2014
c) Operations and Maintenance		
Supervision & Engineering	8,341,352	8,812,253
Station Expense	7,173,423	7,934,932
Structures	35,801,816	37,897,720
Overhead Line Expenses	34,782,873	34,132,852
Meter Expenses	5,826,758	4,001,836
Line Transformer	18,881,478	17,849,848
Cons. Installation Expense	3,236,801	4,070,585
Miscellaneous	6,792,937	7,190,971
Total	124,917,821	131,598,230
d) Depreciation		
Distribution Plant	73,691,360	66,811,239
General Plant	15,576,950	17,858,260
Sub-Total	89,268,310	84,669,499
Amortization Expense - Appraisal Increase	51,734,345	-
TOTAL	141,002,655	84,669,499

Table 31 :

24. RETIREMENT BENEFIT PLAN

The Coop recognizes the retirement benefits required under R.A. No. 7641 to qualified employees.

Under PAS 19, Retirement benefit Costs pertain to the cost of defined retirement benefits, including those mandated under R.A. No. 7641. Such cost shall be determined using an accrued benefit valuation method or the projected benefit valuation method.

The Coop has registered with the BIR the BENECO Employees' Retirement Plan (BERP).

As per Board Resolution No. 28A-2011 dated June 22, 2011, the Coop's Board of Directors approved the request of the employees to use portion of the retirement fund to purchase a lot amounting to P78.5M with an area of 21,495sq.m for the employees housing needs. Total cost of this lot was recorded in the Coop books as part of Land and Land Rights account. As of December 31, 2015, part of total cost of this lot amounting to P4,736,046 was already awarded to ten qualified retirees. However, amount awarded was not deducted to the books because lot was not yet subdivided.

At December 31, 2015 and 2014, the recognized amount of obligation for retirement benefits is P110,825,437 and P194,131,420, respectively.

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25. CONTINGENCIES AND COMMITMENT

The Cooperative makes various commitments and incurs certain contingent liabilities that are not given recognition in the accompanying financial statement. Management believes that losses, if any that may arise

from these commitments and contingencies, will not have material effects on the financial statements.

26. ERC CASE NO. 2011-054CF (ORDER DATE: 02 SEPTEMBER 2013 & 04 AUGUST 2014)

	Amount to be Collected	Beginning Balance	2015 Amount Collected	Ending Balance	As of Dec 31, 2015 Total Amount Collected
Other Generation Rate Adjustment (OGA) Charge	293,074,127	281,843,087	45,909,492	235,933,595	57,140,532
Other System Loss Cost Adjustment (OSLA) Charge	6,368,308	6,126,105	990,061	5,136,044	1,232,264
Other Lifeline Rate Cost Adjustment (OLRA) Charge	21,053,639	19,442,946	6,579,968	12,862,978	8,190,661
TOTAL	320,496,074	307,412,138	53,479,522	253,932,617	66,563,457

	Amount to be Collected	Beginning Balance	2015 Amount Collected	Ending Balance	As of Dec 31, 2015 Total Amount Collected
Other Transmission Cost Adjustment (OTCA) Charge	258,612,166	248,725,152	40,161,999	208,563,153	50,049,013
Inter-Class Cross Subsidy Charge	49,424,791	47,552,548	7,643,002	39,909,546	9,515,245
Prompt Payment Discount	2,803,502	2,048,720	2,072,577	(23,856)	2,827,359
TOTAL	310,840,459	298,326,420	49,877,578	248,448,842	62,391,617

Table 32:

27. SUPPLEMENTARY INFORMATION REQUIRED BY REVENUE REGULATIONS NO. 15-2010

Revenue Regulations No. 15-2010 became effective on December 28, 2010 and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. In Section 2 of RR No. 21-2002, it was further amended to include in the notes to financial statements information on taxes, duties and license paid/accrued during the year in addition to what is mandated by Philippine Financial Reporting Standards.

Below is the additional information required by RR No. 15-2010:

I. OUTPUT VAT	
PARTICULARS	Amount
VAT Output	53,288,374
II. INPUT VAT	
PARTICULARS	2014
Beginning balance	1,833,003
Input Tax on	
Goods other than for resale or manufacture	13,804,663
Capital goods subject to amortization	6,004,646
Services	642,286
Claims for tax credits	1,667,065
End Balance	2,029,099

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III. WITHHOLDING TAX	
PARTICULARS	Amount
Withholding tax on compensation	22,202,514
Creditable withholding taxes:	
Contractors	529,711
Retainers	163,697
Board of Directors	471,184
Rents	51,259
Materials	1,920,276
Services	35,095,326
Final Withholding Taxes	524,238
IV.	
PARTICULARS	Amount
DST	489,040
Taxes on Properties	241,787

Table 33:



○ CONSTITUTION & BY-LAWS

**BY-LAWS OF THE
BENGUET ELECTRIC COOPERATIVE, INC.**

As amended during the 34th Annual General Membership Assembly

On December 6, 2014

Kapangan Municipal Covered Court

Lomon, Kapangan, Benguet

Approved by the NEA on March 17, 2015

**ARTICLE I
MEMBERSHIP**

SECTION 1. REQUIREMENTS FOR MEMBERSHIP Any person, firm, association or body politic or subdivision thereof may become a member in Benguet Electric Cooperative, Inc. (hereinafter called the "Cooperative") by:

- a) filing a written application for membership therein;
- b) agreeing to purchase from the Cooperative electric energy as herein specified in Section 6, Article 1;
- c) agreeing to comply with and be bound by the Articles of Incorporation and By-Laws of the Cooperative, any rule and regulations adopted by the Board, and requirements of the National Electrification Administration;
- d) paying the membership fee herein specified, provided however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until the membership fee has been accepted by the Board; and,
- e) any person applying for membership must specifically state in his/her application the number of the house he/she lives (if any), the street or sitio and/or barangay where he/she resides.

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in this By-Laws. No bonafide applicant for membership who is able and willing to satisfy and abide by all such terms and conditions shall be denied arbitrarily, capriciously or without good cause.

SECTION 2. MEMBERSHIP CERTIFICATES. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto and/or member's identification card duly signed by the President and by the Secretary of the Cooperative and the member including an attached one inch by one inch photo of the member. No membership certificate or identification card shall be issued for less than one for less than membership fee fixed in this By-Laws, nor until such membership fee has been fully paid. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued thereof upon such uniform terms and indemnity to the Cooperative as the Board may prescribe.

SECTION 3. JOINT MEMBERSHIP. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. Any application for membership by a husband or a wife alone shall automatically be deemed to be an application for joint membership to include the spouse, whose name shall likewise be indicated thereon. Any application failing to indicate thereon the name of the applicant's spouse shall be deemed as application for single

membership. The term member, as used in this By-Laws shall be deemed to include a husband and wife holding joint membership, and any provision relating to the rights and liabilities of membership shall apply equally with respect to the holders of joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions or in respect to the holders of a joint membership shall be as follows:

- a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of meeting;
- b) The vote of either separately or both jointly shall constitute a joint waiver;
- c) A waiver of notice signed by either or both shall constitute a joint waiver;
- d) Notice to either shall constitute notice to both;
- e) Expulsion of either shall terminate the joint membership; and,
- f) Either but not both may be elected or appointed as officer or Board member, provided that the qualifications for such office are met.

SECTION 4. CONVERSION OF MEMBERSHIP.

- a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, By-Laws and rules and regulations adopted by the Board. The outstanding membership certificates shall be surrendered, and shall be re-issued by the Cooperative in such manner as shall indicate the changed membership status.
- b) Upon death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be re-issued in such manner as shall indicate the changed membership status, provided however, that the estate of the deceased shall not be released from any debts due to the Cooperative.

SECTION 5. RIGHTS OF THE MEMBERS. Every bonafide member shall have the following rights:

- a) to vote;
- b) to hold elective office;
- c) to be informed of cooperative affairs;
- d) to examine the cooperative's book of accounts at any reasonable time during office hours;
- e) to bring charges against any Board Member, officer or employee; and,
- f) to receive one free permanent electric service connection upon payment of membership fee subject to existing rules and regulations.

SECTION 6. MEMBERSHIP FEE. The membership fee shall be Five Pesos (P5.00).

SECTION 7. PURCHASE OF ELECTRIC ENERGY. Each member shall, as soon as electric energy shall be available,

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purchase from the Cooperative all electric energy used in the premises specified in his application for membership, and shall pay therefore at rates which shall, from time to time, be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished the members as capital and each member shall be credited with the capital so furnished as provided in Article VII of this By-Laws. Each member shall pay all amounts owed by him to the Cooperative as when the same shall become due and payable.

SECTION 8. TERMINATION OF MEMBERSHIP.

- a) Any member may withdraw from membership upon compliance with uniform terms and conditions as the Board may prescribe. The Board, through a resolution, by the affirmative vote or not less than two-thirds of all members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, By-Laws, or rules and regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative and such failure shall have continued for at least ten (10) days after such notice was given that such failure makes him liable to expulsion.
- b) The membership of a member who, for a period of six (6) months after service is available to him has not purchased energy from the Cooperative may be cancelled by resolution of the Board.
- c) Upon withdrawal, death or expulsion of a member, the membership certificate of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debt due the Cooperative.
- d) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him, provided however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debt or obligation owed by the member to the Cooperative.

ARTICLE II

PROPERTY RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. PROPERTY INTEREST OF MEMBERS. The members are the joint owners of the Cooperative, with their individual equity in its assets determined on the basis of their patronage. Upon dissolution, after [a] all debts and liabilities of the Cooperative shall have been paid; and [b] all capital furnished through patronage shall have been retired as provided in the By-Laws, the remaining property and assets of the Cooperative shall be distributed among members and former members in the proportion which aggregate patronage of each bears to the total patronage of all members during the ten (10) years next preceding the date of the filing of the certificate of dissolution, or if the Cooperative shall not have been in existing for such a period, during the period of its existence.

SECTION 2. NON-LIABILITY FOR DEBTS OF THE COOPERATIVE. The private property of the member shall be exempted from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debt or liability of the Cooperative.

**ARTICLE III
MEETING OF MEMBERS**

SECTION 1. ANNUAL MEETING. The annual meeting of members shall be held every first Saturday of December and every year thereafter at such date and place within the service area of the Cooperative as selected by the Board and which shall be designated in the notice of meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meetings. District meetings shall be held as provided in Article IV of this By-Laws for the purpose of electing Board members.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by resolution of the Board, or upon written request signed by any three (3) Board members, by the President or by thirty (30) members of five percent (5%) of all the members, whichever shall be lesser and it shall thereupon be the duty of the Secretary to cause the notice of meetings to be given as hereinafter provided. Special meetings of the members may be held at any place within the area served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

SECTION 3. NOTICE OF MEMBERS MEETING. Written notice stating the purpose, place, day and hour of the meeting and, in case of special meeting or annual meeting at which business requiring special notice is to be transferred is called, shall be delivered not less than ten (10) days or more than twenty five (25) days before the date of meeting, either personally or by mail, by the Secretary or upon the failure to do same, by the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the Philippine mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereupon prepaid. Where practical and necessary, broadcast media may be availed of.

SECTION 4. QUORUM. A quorum for the transaction of business at all meetings of the members of the Cooperative having not more than one thousand (1,000) members shall be five percent (5%) of all members, and of a cooperative having more than one thousand (1,000) members shall be five percent (5%) of all members or one hundred (100), whichever is lesser. However on matters pertaining to making decisions on the possible entry of private capital into BENECO, be it in the form of a joint venture, build-operate-transfer, or merger or whatever type allowed by NEA, the quorum shall be cumulative of fifty one percent (51%) of all members excluding juridical membership who may meet on a per district basis inasmuch as there is no single venue available to accommodate 51% of all members-consumers. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting from time to time without further notice. The minutes of each meeting shall contain a list of the members present in person. Failure to obtain a quorum at an annual membership meeting shall not prevent a Board member duly elected at a district meeting from taking office.

SECTION 5. ORDER OF BUSINESS. The order of business at annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meetings:

- a) Report on the number of members present in person in order to determine the existence of a quorum;
- b) Reading of the notice of the meeting and the proof of the due publication or mailing thereof, or the waiver or

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- waivers or notice of the meeting, as the case may be;
- c) Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereon;
- d) Presentation and consideration of reports of officers, manager and committees;
- e) Unfinished business;
- f) New business; and,
- g) Adjournment.

SECTION 6. VOTING. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a majority of the members present, except as otherwise provided by law or other provisions of this By-Laws.

**ARTICLE IV
BOARD OF DIRECTORS**

SECTION 1. GENERAL POWERS. The business and affairs of the Cooperative shall be the responsibility of the Board, including the General Manager sitting as an ex-officio member of such body, without voting power, which shall formulate and adopt policies and plans, promulgate rules and regulations for the management, operations and conduct of the business of the Cooperative, and exercise all the powers of the Cooperative, except such as By-Laws, Articles of Incorporation, or this By-Laws conferred upon or reserved to the members of the Cooperative, or reserved by the National Electrification Administration.

Powers of the Board shall be exercised only by actions and determinations shall be recorded in the official minutes of Board meetings. The authority of any individual member of the Board may be exercised only as a participant in a regularly called and legal meetings of the Board.

SECTION 2. ELECTION AND TENURE.

A. ELECTION

1. The persons named as Board members in the Articles of Incorporation shall compose the interim Board until the first annual meeting date, heretofore indicated, or until their successors shall have been elected and shall have qualified.
2. Prior to the first annual meeting, as heretofore provided in this By-Laws, first regular members shall be elected to office at district meetings. Each Board member shall represent one of the districts, and shall be elected in conformance with the procedures as herein after described except that the term of office for each will be as follows:
 - a) The Board members representing District I, III and IV, all within Baguio City, shall each be elected to serve for one year until their successors shall have been elected and shall have qualified.
 - b) The Board members representing Districts V (Bokod), VII (La Trinidad), and X (Tublay) shall each be elected to serve two years or until their successors shall have been elected and shall have qualified.
 - c) The Board members representing Districts II (Baguio City), VI (Itogon), VIII (Sablan) and IX (Tuba) shall each be elected to serve for three years until their successors shall have been elected and shall have qualified. Beginning with the expiration of the terms of office of the Board members elected to fill vacancies caused by expiration of the incumbents' terms of office shall each be elected for three year terms.
3. Newly elected Board members shall assume office on the first day of January of the year following their election.

B. TERM OF OFFICE

1. The term of office of a regularly elected member of the Board of Directors shall be three (3) years. Such member shall be entitled to only two consecutive re elections.
2. A member of the Board who is elected in a special election under section 3(3.2) of this Code or in a postponed regular election conducted after the Annual Meeting date of the year in process, shall take his/ her Oath of Office immediately after proclamation and shall serve until the Annual Meeting date of the year of the unexpired portion of his/ her term.
3. A member of the Board who is considered resigned per NEA Memo No. 2012-16 dated 06 July 2012, or its subsequent amendment thereto if applicable, may not be re-appointed by the Board to serve the unexpired portion of his term.
4. A board of director who has just completed his consecutive terms or an equivalent tenure of nine (9) years in office shall no longer be eligible for appointment to a Board vacancy per Section 3 (3, 2,).
5. Newly elected Board members shall assume office immediately after taking their oath of office.

SECTION 3. QUALIFICATIONS: No person shall be elected as a Director unless he posses the following qualifications:

1. He or she is a Filipino citizen;
2. He or she is a graduate of a four (4) year course;
3. He or she is between twenty one (21) and seventy (70) years old on the date of election;
4. He or she is of good moral character; Good moral character may be established with the submission of a certificate issued by any of the following:
 - a. Barangay where the candidate resides;
 - b. National Bureau of Investigation;
 - c. Philippine National Police; or
 - d. Leader of religious sect where the candidate is affiliated
5. He or she is a member of the EC in good standing for the last five (5) years immediately preceding the election or appointment and shall continue to be a member in good standing during his or her incumbency;

A member of good standing shall mean that said member:

 - a. Has no unsettled or outstanding obligation to the cooperative during his membership in the cooperative whether personal or commercial or industrial connection of which he or she is the owner or a co-owner; three (3) months prior to the time of filling of certificate of candidacy; provided that for incumbent members of the EC Board who will seek re-election, unsettled or outstanding obligation shall be deemed to include power bills, cash advances, disallowances (including NEA audit findings) and materials and equipment issuances, reckoned from the time of filing of certificate of candidacy.
 - b. Has not been apprehended for electric pilferage;

A mere apprehension of electric pilferage by the EC, even without conviction for such offense by any court, shall be a valid ground for disqualification. The word "apprehension" should be taken in the strict context as used in Republic Act No. 7832, otherwise known as "Anti-Electricity and Electric Transmission Line or Materials Pilferage Act of 1994" which means that a person is caught in flagrante delicto for violating the provision of the said Act;
 - c. Has not been removed for cause as a director or an employee from any EC;

In general, removal or termination of service from the EC is caused by a grave offense or violation/s of policies, rules and regulations. A former director or employee with a record of termination/removal for cause from public service or for

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just causes as defined in Article 282 of the Labor Code as amended shall not be qualified to be elected or appointed as director of an EC.

6. He or she is an actual resident and consumer in the district that he or she seeks to represent for at least two (2) years immediately preceding the election; and
7. He or she has attended at least two (2) Annual General Membership Assemblies (AGMA) for the last five (5) years immediately preceding the election or appointment.

(New)

SECTION 3-A. DISQUALIFICATIONS:

Pursuant to Section 26-B of PD 269, as amended by the Act, any person shall be ineligible to be elected or be appointed as member of the board of directors or officers of an EC if:

1. Such person or his or her spouse holds any public office. For purpose of disqualification, any person holding an elective position or an appointive position with a salary grade of sixteen (SG 16) or higher or its equivalent shall not be eligible to be elected as member of the Board of Directors or officers of an EC;
2. Such person or his or her spouse has been a candidate in the last preceding local or national elections;
3. Such person has been convicted by final judgment of a crime involving moral turpitude;
4. Such person has been terminated from public office/government employment or private employment for just cause as defined in Article 282 of the Labor Code. For this purpose, termination from public office shall mean removal;
5. Such person is related within the fourth civil degree of consanguinity or affinity to any member of the EC Board of Directors, Department Manger, NEA- appointed Project Supervisor (PS) or Acting General Manger (AGM) or its equivalent or higher position; and
6. Such person is employed by or has financial interest in a competing enterprise or business of selling electric energy or electrical hardware to the cooperative or doing business with the EC including, but not limited to, the use or rental of poles; "Doing business" shall refer to the transaction related to the core or main line business of the EC, which is conveyance of electricity through its distribution facilities.

(New)

SECTION 3-B. REQUIREMENTS FOR THE FILING OF CERTIFICATE OF CANDIDACY:

1. Duly accomplished and notarized Certificate of Candidacy (3 copies) with (3) copies 2" x 2" picture;
2. Court Clearance;(Municipal/Regional)
3. Photocopy of Tax Identification Number (TIN);
4. Birth Certificate (NSO)
5. Barangay Captain's certification that the candidate is an actual resident of the barangay/district he/she seeks to represent for the last two (2) years;
6. Certification from the Commission on Election (COMELEC) that he/she was not a candidate on any election immediately preceding the Electric Cooperative District Election;
7. Transcript of records or diploma (graduate of a 4 year course);
8. Certificate of Good Moral Character issued by any of the following: Barangay, National Bureau of Investigation, Philippine National Police, Leader of Religious Sect where the candidate is affiliated
9. Certification from the EC:
 - a. That the candidate is a bonafide member-consumer of the cooperative in the district he/she seeks to represent for

the last five (5) years and actual consumer for the last two (2) years.

- b. That the candidate is a member of the cooperative in good standing.
- c. That the candidate has attended at least two (2) Annual General Membership Assemblies' (AGMA) for the last five (5) years.

SECTION 4. DISTRICTS.

- a) DEFINITION. A District is a segment or portion of the territory served or to be served by the Cooperative which shall be represented by one member of the Board of Directors.
- b) COMPOSITION. A District may be composed of a barangay determined by the Board or a city, or a group or portions thereof, as may be determined by the Board in accordance with provisions hereof and duly approved by the National Electrification Administration.
- c) NUMBER. The Cooperative shall have not less than five (5) districts but in no event shall the number thereof exceed fifteen (15). Unless and until changed, the Cooperative shall consist of the City of Baguio and the entire Province of Benguet as follows:

DISTRICT NUMBER	MUNICIPALITY/BARANGAY
DISTRICT I	BAGUIO CITY
DISTRICT II	BAGUIO CITY
DISTRICT III	BAGUIO CITY / Asin Road Brgy.
DISTRICT IV	BAGUIO CITY/ Irisan Brgy.
DISTRICT V	BAGUIO CITY
DISTRICT VI	BAGUIO CITY
DISTRICT VII	LA TRINIDAD
DISTRICT VIII	ITOGON/BOKOD /KABAYAN
DISTRICT IX	TUBA/SABLAN
DISTRICT X	ATOK/TUBLAY /KAPANGAN/KIBUNGAN
DISTRICT XI	MANKAYAN /BUGUIAS/ BAKUN

As additional barangays, municipalities or cities or portions thereof are integrated in the Cooperative, the aforementioned districts may be increased provided that the total number specified herein is not exceeded.

SECTION 5. REDISTRICTING. In case the integration of additional barangays, municipalities or cities will require redistricting of the territory in order that all will be duly and equitably represented in the Board, then the Board shall, subject to the approval of the National Electrification Administration, undertake a redistricting thereof in accordance with the following criteria:

- a) Each district shall be composed of barangays or municipalities or cities or portions thereof that are contiguous to each other geographically and interconnected by roads and/or other means of transportation facilities.
- b) The number of members or potential members in each district shall, as much as possible, be equal.
- c) Each district shall, to the extent possible, have common dialect.

SECTION 6. NOMINATIONS. The procedure for nominations shall be determined by the Board subject to the NEA rules and regulations regarding the same.

SECTION 7. DISTRICT MEETINGS. District meetings shall be conducted in not less than thirty (30) days nor more than sixty (60) days before any annual meeting. On the occasion of the annual anniversary (October 5) of the Cooperative, the Board shall call a meeting of the members of each district in which the term of the incumbent Board member is due to expire for the purpose of electing one Board member to represent the

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members located within each of such districts.

Each Board member shall be elected by ballot at the district meeting held in the district he will represent, by and from the members of the office or until his successor shall have been elected and shall have qualified. In an election of the Board members shall not be held on the day designated herein for the district meeting or any adjournments thereof, a special meeting shall be held within a reasonable time thereafter but not later than provided for under this By-Laws. Failure to hold the district meeting at the designated time shall not work for a forfeiture or dissolution of the Cooperative.

The President, or, in his incapacity or absence, the Vice President or Secretary of the Cooperative may act as chairman and preside any district meeting or a chairman may be elected by the members present. A Secretary may be provided by the Cooperative or selected by the members present and shall record the proceedings of said meeting and together with the Chairman shall certify said proceedings to the Board. The certification of the Chairman and the Secretary of the election of the Board member by any district meeting shall be taken by the Cooperative as verification of the election of such Board member at such district meetings.

The Board shall appoint a three-man District Election Committee composed of a Chairman and two members who must be members of the Cooperative. The Chairman shall be a public school teacher. The committee on elections shall act within fifteen (15) days upon receipt on any election protest and the decision of the committee shall be final and un-appealable.

SECTION 8. NOTICE OF DISTRICT MEETING. Written notice of district meetings stating the purpose, place, day and hour of the district meeting shall be delivered not less than seven (7) days before the date of each meeting, either personally or by mail to each of the members of the district. Broadcast media may be availed of if practical and necessary.

SECTION 9. QUORUM. Five percent (5%) of the members or one hundred (100) members, whichever is lesser, in the district shall constitute a quorum for the transaction of business at the district meeting. If less than a quorum is present at any district meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

SECTION 10. VOTING. Each member in attendance at the district meeting shall be entitled to one vote. No member shall be permitted to vote by proxy or by mail at any district meeting.

SECTION 11. COMPLAINTS AGAINST BOARD MEMBERS, OFFICERS OR EMPLOYEES. Any complaint against any Board Members, General Manager, Department Managers, Area Manager and Members of the Bids and Awards Committee (BAC) shall be filed with the National Electrification Administration - Administrative Committee (NEA-ADCOM), who has the primary and exclusive jurisdiction of Administrative Cases. (Pursuant to Section 7 - Jurisdiction of NEA over Administrative Cases - IRR, R.A. 10531)

SECTION 12. VACANCY. The remaining members of the Board Directors, by majority vote, shall fill any vacancy occurring in the Board due to death, incapacity, disability, removal, resignation, or other similar cases from among nominees of the district where the vacancy occurs, who shall serve for the unexpired portion of the term.

SECTION 13. COMPENSATION. Board members shall not receive any salary for their services as such, but shall be entitled to a fixed fee for every attendance in Board meeting. Board members carrying out cooperative business authorized by the Board may be entitled to per diem and/or reimbursements for actual expenses incurred, subject to the existing policies and regulations of the NEA. No Board members shall receive

compensation for serving the Cooperative in any other capacity.

**ARTICLE V
MEETINGS OF THE BOARD**

SECTION 1. REGULAR MEETING. A regular meeting of the Board shall be held without notice, immediately after, and at the same place as the annual meeting of the members. A regular meeting of the Board shall also be held thrice a month at the principal office of the Cooperative at such time as designated by the Board.

Such regular monthly meeting may be held without notice other than such resolution fixing the time thereof, provided that the date and time of the Board meeting shall be posted in the office of the Cooperative. Regular meeting shall be provided with the necessary Per Diem.

SECTION 2. SPECIAL MEETING. Special meetings of the Board may be called by the President or by any three Board members, and it shall be thereupon the duty of the Secretary to cause a notice of such meeting to be given as hereinafter provided. The President or Board members calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. NOTICE OF SPECIAL BOARD MEETING. Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Board member either personally or by mail, by or at the directions of the Secretary, or upon default in duty by the Secretary, by the President or by the Board members calling the meeting.

If mailed, such notice shall be deemed to be delivered when deposited in the Philippine mail addressed to the Board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five (5) days before the date of the meeting.

SECTION 4. QUORUM. A majority of the Board shall constitute a quorum provided that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time, and provided further, that the Secretary shall notify any absent Board member of the time and place of such adjourned meeting. The act of the majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in this By-Laws.

**ARTICLE VI
OFFICERS**

SECTION 1. NUMBER. The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, PRO and such other officers as may be determined by the Board from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers shall be elected by ballot annually, by and from the Board at the meeting of the Board immediately after the annual meeting of the members. If the election of officers shall not be held at such meetings, such election shall be held as soon as possible thereafter, as convenient. Each officer shall hold office until the first meeting of the Board following the next succeeding meeting of the members or until his successors shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

SECTION 3. REMOVAL OF OFFICERS AND AGENTS OF THE BOARD. Any officer or agent elected or appointed by the Board

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may be removed by the Board whenever in its judgment the best interest of the Cooperative will be served thereby.

SECTION 4. PRESIDENT. The President shall:

- a) be the principal officer of the Cooperative and unless otherwise determined by the members of the Board, shall preside at all meetings of the Board;
- b) sign, with the secretary, certificates of membership he issue of which shall have authorized by the Board or the members, and may sign any deed, mortgage, deed or trust, note, bond, contract or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by this By-Laws to some other officers and agents of the Cooperative, or shall be required by law to be otherwise signed or executed; and,
- c) in general, perform all duties incidental to the office of the President and such other duties as may be prescribed by the Board from time to time.

SECTION 5. VICE PRESIDENT. In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President. The Vice President shall also perform other duties as may be assigned to him by the Board from time to time.

SECTION 6. SECRETARY. The Secretary shall be responsible for:

- a) keeping the minutes of the meetings of the members and of the Board in books provided for that purpose and kept in a secured file in the office of the Cooperative;
- b) seeing that all notices are duly signed in accordance with this By-Laws or as required by law;
- c) the safekeeping of the corporate books and record and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issue thereof, and to all documents the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of this By-Laws;
- d) keeping a register of the names and post office address of all members;
- e) signing with the President certificates of membership, the issuance of which shall have been authorized by the Board or the members;
- f) keeping on file at all times a complete copy of the Articles of Incorporation and By-Laws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing any member upon request; and,
- g) in general, performing all duties incidental to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board.

SECTION 7. TREASURER. The Treasurer shall be responsible for:

- a) assuring proper custody of all funds and securities of the Cooperative;
- b) assuring the proper receipt of and issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such bank or banks shall be selected by the Board in accordance with the requirements of the National Electrification Administration; and,
- c) the general performance of all the duties incidental to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Board.

SECTION 8. PUBLIC RELATIONS OFFICER (PRO). The PRO shall coordinate public relations between the Board, management and the general public. The PRO shall also

perform such other duties as from time to time may be assigned to him by the Board.

SECTION 9. GENERAL MANAGER. The Board shall appoint a General Manager who shall be responsible to the Board for the management of the Cooperative in conformance with guidelines established upon the manager to keep the Board fully informed of all aspects of the operations and activities of the Cooperative. Appointment and dismissal of the manager shall require approval of NEA.

No incumbent member of the Board may hold or apply for the position of General Manager unless resigned six (6) months prior to application.

SECTION 10. BONDS OF OFFICERS. The Treasurer and any other officer or agent of the Cooperative charged with the responsibility for the custody of any of its funds or property shall be bonded in such sum as the Board shall determine. The Board, in its discretion, may also require any other officer, agents or employees of the Cooperative to be bonded in such amount as it shall determine.

**ARTICLE VII
NON-PROFIT OPERATION**

SECTION 1. INTEREST OF DIVIDENDS ON CAPITAL

PROHIBITED. The Cooperative shall at all times be operated on a non-profit basis for the mutual interest of its patrons. No interest or dividends shall be paid or shall be payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY.

- a) In the furnishing of electric energy with the Cooperative's operations shall be so conducted that members and non-members alike will, through patronage, furnish capital for the cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons, members and non-members alike, for all accounts received and receivable from the furnishing of electric energy in excess of operating cost and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating cost and expenses at the amount of receipt by the Cooperative are received with the understanding that they are furnished by the members and non-members alike as capital. The Cooperative is obligated to pay credit to a capital account for each patron all such amounts in excess of operating cost and expenses.
- b) The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account.
- c) All other amounts received by the Cooperative from its operation in excess of cost and expenses shall, insofar as permitted by law be [1] used to offset any losses incurred during the current or any prior fiscal year, and [2] to the extent not needed for that purpose, allocated included as part of the capital credited to the accounts of the patrons, as herein provided.
- d) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credited to the patrons'

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accounts shall be retired without priority on a non-rate basis for any payment is made on account of property rights of members. If at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to the patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

- e) Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors-in-interest or successors-in-occupancy in all or part of such patron's premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise.
- f) Notwithstanding any other provisions of this By-Laws, the Board, at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of this By-Laws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon, provided however, that the financial condition of the Cooperative will not be impaired thereby.
- g) The patrons of the Cooperative, by dealing with the Cooperative, acknowledged that the terms and provisions of the Articles of Incorporation and By-Laws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of the Articles of Incorporation and By-Laws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

**ARTICLE VIII
DISPOSITION OF PROPERTY**

SECTION 1. The Cooperative may not otherwise sell, lease or except by consolidation or merger, otherwise dispose of its property (other than merchandise and property which shall represent not in excess of ten percent (10%) of the value of the Cooperative's total asset, or which, in the judgment of the Board, are not necessary or useful in operating the cooperative) unless such sale, lease or except in consolidation or merger, other disposition is authorized at a meeting of the members thereof by the affirmative and consented to by the NEA and any other lending source which holds lien or any of the Cooperative properties, provided, however, that notwithstanding anything therein contained, the Board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize execution and delivery of a mortgage or a deed of trust, or the pledging of encumbering otherwise, or any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired, and wherever situated, as well as the revenue therefrom, all upon such terms and conditions as the Board shall determine, to secure any borrowing by or indebtedness of the Cooperative

to the government of the Philippines or any instrumentality or agency thereof or any lending institution approved by the NEA.

**ARTICLE IX
SEAL**

SECTION 1. The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the cooperative, date of incorporation, and the word SEAL engraved thereon.

**ARTICLE X
FINANCIAL TRANSACTIONS**

SECTION 1. CONTRACTS. Except as otherwise provided in this By-Laws, the Board may authorize any officer or officers or agents to enter into any contract or execute and deliver any instrument in the name and in behalf of the Cooperative, and such authority may be general or confined to specific instance, except as limited or authorized in the loan agreement with the National Electrification Administration.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agent, employee or employees of the Cooperative and in accordance with NEA rules and regulations.

SECTION 3. DEPOSITS. All funds except petty cash of the Cooperative shall be deposited to the credit of the Cooperative in such bank or banks as the Board may select, subject to the approval of NEA.

SECTION 4. CHANGE OF RATES. Changes in the rates charged by the Cooperative for electric energy become effective only after approval by the Energy Regulatory Commission (ERC).

SECTION 5. FISCAL YEAR. The fiscal year of the Cooperative shall begin on the first day of each year and shall end on the last day of the same year.

**ARTICLE XI
MISCELLANEOUS**

SECTION 1. MEMBERSHIP IN OTHER ORGANIZATIONS. The Cooperative may, upon the authorization of the Board and approval of the National Electrification Administration, purchase stock in or become a member of any other cooperative or corporation organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification.

SECTION 2. AUDIT. The Board shall, after the close of each fiscal year, cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following meeting.

SECTION 3. AREA COVERAGE. The Board shall make diligent effort to see the electric service is extended to all unserved persons within the Cooperative service area who [a] desire such service; and, [b] meet all reasonable requirements established by the Cooperative as a condition of such service, provided that the financial viability of the Cooperative will not be impaired.

SECTION 4. NEPOTISM. No relative of the General Manager nor any member of the Board up to the third degree of relationship, either in consanguinity or affinity, shall be employed by the Cooperative or receive compensation for

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service/s to the Cooperative.

**ARTICLE XII
AMENDMENTS**

SECTION 1. This By-Laws may be altered, amended or repealed only by affirmative vote or not less than the majority of the Cooperative present at a regular or special meeting and, provided further that the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

If any member or members desire to offer an amendment of any of said articles or sections, such member or members shall deposit a copy of said proposed amendment with the Secretary of the Board at least twenty (20) days before the meeting in which such resolution is to be offered and the said Secretary shall cause a copy of said proposed resolution to be included in the notice of meeting

All amendments to this By-Laws shall be subject to NEA approval.



○ BENECO INCORPORATORS ○

Manuel E. Gonzales, Jr.	District I, Baguio City
Nicasio T. Aliping	District II, Baguio City
Marcelo P. Cabato	District III, Baguio City
Manuel B. Carantes	District IV, Baguio City
Basanio Tello	Bokod, Benguet
Juan B. Tiongán	Itogon, Benguet
Jack Dulnuan	La Trinidad, Benguet
Pedro G. Pimentel	Sablan, Benguet
Carlos M. Dumasi	Tuba, Benguet
Mahong S. Muscara	Tublay, Benguet

○ DISTRICTS AREA COVERAGE REFERENCE GUIDE ○

District I	Salud Mitra, Cabinet Hill-Teachers Camp, Marcoville, Engineers Hill, DPS Cmpd., South Drive, Greenwater Village, Military Cut-off, Hillside, Sta. Escolastica, Scout Barrio, Upper Dagsian, Lower Dagsian, Gabriela Silang, Atok Trail, Loakan-Apugan, Camp 8 , Baguio Country Club, Happy Hollow, Outlook Drive, Lucnab, Mines View, Pucsusan, Gibraltar, Lualhati, Pacdal and St. Joseph Village
District II	PMA Fort Del Pilar, Kias, Loakan-Liwanag, Loakan Proper, Camp 7, Poliwes, San Vicente, BGH Cmpd., Phil-Am, Imelda Marcos , Balsigan, SLU-SVP, Bakakeng Norte/Sur, Bakakeng Central, Sto. Tomas Proper, Dontogan and Sto. Tomas School Area
District III	Rizal Monument, Burnham-Legarda, AZCKO, Kayang Extension, Palma-Urbano, MRR-Queen of Peace, Lourdes Extension, Lower Lourdes Subd., Lourdes Proper, Dominican-Mirador, San Roque, San Luis, Asin Road, Upper Rock Quarry, Middle Rock Quarry, Lower Rock Quarry, City Camp Central, City Camp Proper, Lower QM Subd., Upper QM Subd., Ferdinand and Sto. Rosario Village
District IV	Camp Allen, Cresencia Village, Andres Bonifacio, Guisad Central, Guisad Surong, Pinget, Pinsao Pilot Project, Pinsao Proper, Fairview, Quezon Hill Proper, Middle Quezon Hill, Victoria Village, Campo Filipino and Irisan.
District V	Kagitingan, T. Alonzo, New Lucban, ABCR, P. Zamora, Kayang Hilltop, Upper City Market, P. Burgos, Upper Magsaysay, Sto. Nino-Slaughterhouse, Magsaysay Private Road, Lower Magsaysay, Antonio Tabora, Happy Homes-Lucban, Dizon Subd., Camdas Subd., Lower Quirino Hill, Middle Quirino Hill, West Quirino Hill and East Quirino Hill
District VI	Trancoville, South Sanitary Camp, North Sanitary Camp, Lopez Jaena, Aurora Hill Proper, North Central Aurora Hill, South Aurora Hill, Bayan Park Village, San Antonio Village, Ambiong, Brookspoint, West Bayan Park, East Bayan Park, West Modern Site, East Modern Site, Brookside, Imelda Village, M. Roxas-Teahers Camp, Holy Ghost Proper, Honeymoon-Holy Ghost, Holy Ghost Ext., Upper General Luna, Lower General Luna, Kabayanihan, Session Rd., Harrison-Carantes and Malcolm Square
District VII	La Trinidad
District VIII	Bokod, Itogon and Kabayan
District IX	Sablan and Tuba
District X	Atok, Tublay, Kapangan and Kibungan
District XI	Buguias, Mankayan, Bakun

○ MANAGEMENT STAFF

Mr. Gerardo P. Verzosa
General Manager



Ms. Brenda B. Carling
Manager
Non-Network & Revenue
Services Dept



Atty. Delmar O. Cariño
Manager
Institutional Service Dept.
Corporate Legal Counsel



Engr. Melchor S. Licoben
Manager
Network Services Dept.



Mr. Alejandro G. de los Santos, Jr.
Manager
Internal Audit Office



Engr. Ricardo S. Pallogan
Manager
Power Generation Operations
Dept.



○ My NOTES:



A series of horizontal dashed lines providing a template for handwritten notes.