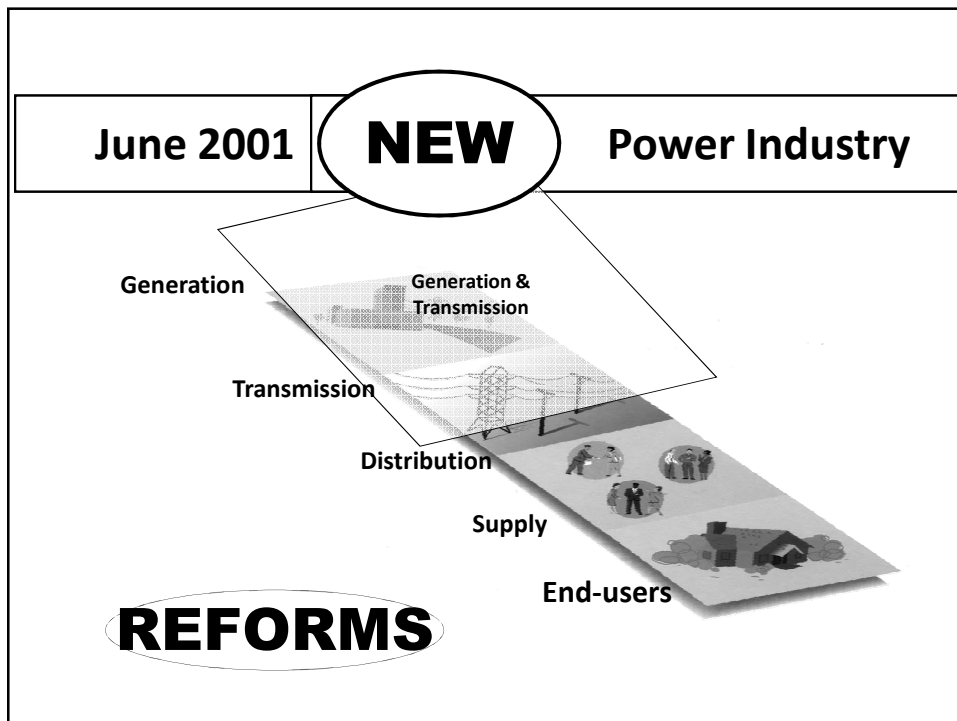
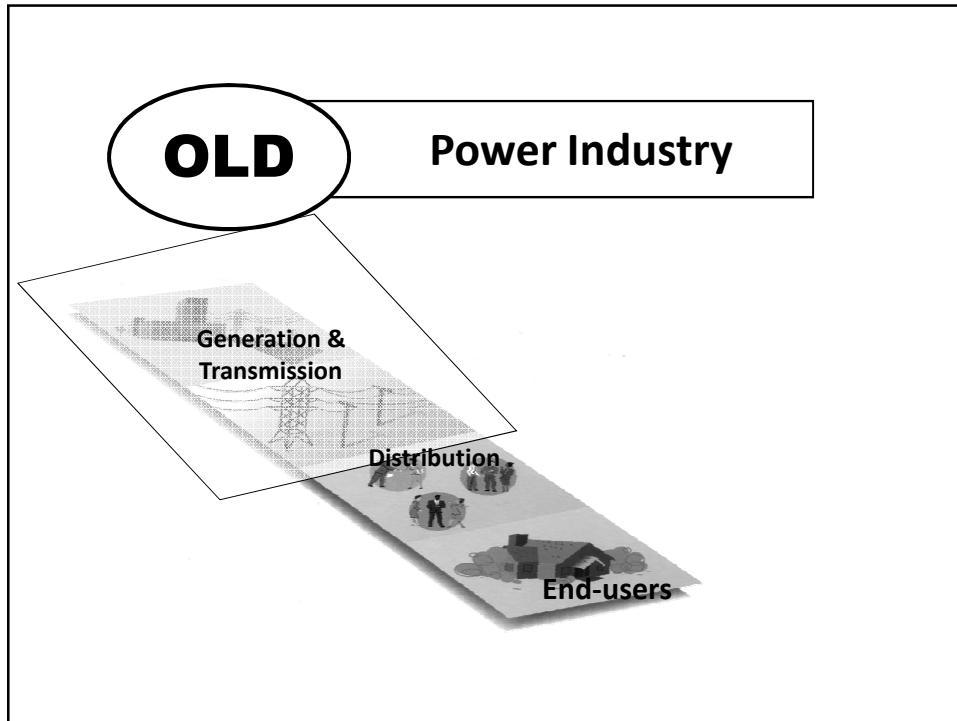


**YEAR 2011**  
**ACCOUNTANCY WEEK**  
**CELEBRATION**

**COOPERATIVE FORUM**

*Hotel Intercontinental  
Makati City  
July 22 2011  
8:00 am-5:00pm*





Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- On January 25, 1974, Palawan Electric Cooperative, Inc. (PALECO) was organized and registered with NEA with five appointed Board of Directors representing the first five districts of the Cooperative

Palawan Electric Cooperative Inc.  
PALAWAN EXPERIENCE

- PALECO began its first 12 hours of operation with an initial 464 consumers on January 11, 1975. After a month, its consumers enjoyed the 24 hours of elective service. On August 08, 1979, PALECO received its permanent franchise from the National Electrification Commission. Since then, its coverage area continued to expand all over the Province of Palawan, including the island municipalities of Cuyo, Magsaysay, Agutaya, Cagayancillo and Araceli in the North and the island of Balabac in the South.

Palawan Electric Cooperative Inc.  
PALAWAN EXPERIENCE

- When RA No. 7160 otherwise known as the Local Government Code of the Philippines was signed into law on October 10, 1991 and became effective on January 1, 1992, tax exemptions of electric cooperatives not registered with the Cooperative Development Authority (CDA) were removed by virtue of Articles 193 and 234 of the said law.

Palawan Electric Cooperative Inc.  
PALAWAN EXPERIENCE

- On March 9 1993, PALECO provisionally registered with the CDA giving PALECO two years to convert permanently with the CDA.
- On March 27, 1996, the said Provisional Registration of PALECO with the CDA was extended until March 4, 1997.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- On January to March 1997, PALECO had conducted consultative meetings in all its districts anent the permanent registration of PALECO with the CDA. Again, on April 23, 1998, former Executive Secretary Ruben D. Torres issued a Memorandum extending for not less than three years or up to May 4, 2000 the provisional registration of PALECO.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- On May 24, 2003, during its 25<sup>th</sup> Annual General Membership Meeting , the members passed General Resolution No. 01 Series of 2003, “A RESOLUTION DISTRIBUTING THE EQUITY OF PALECO TO ALL ITS MEMBER-CONSUMERS AS OF DECEMBER 31, 2002 IN PROPORTION TO THEIR LENGTH OF MEMBERSHIP.”

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- On November 04, 2004, the Sangguniang Panlalawigan of Palawan passed a Resolution urging the Management of PALECO to expedite its conversion into a Cooperative under the administrative supervision and control of the Cooperative Development Authority.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- Meanwhile, some LGUs in the Province of Palawan started to assess PALECO on its Real Property Taxes on PALECO's real properties located in their localities. The City Government of Puerto Princesa alone had assessed PALECO real property taxes from 1999-2006 amounting to P29,556,328.53. Similarly, other municipalities assessed PALECO millions of pesos for real property taxes.

**Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE**

- Sangguniang Panlalawigan of Palawan passed a Resolution No. 6387 Series of 2006 requesting the NEA to consider the conversion of PALECO and BISELCO from non-stock to stock cooperative pursuant to Administrative Order No. 112 Series of 2004. The PALECO Board passed a Resolution No. 070-06 requesting the CDA to convert PALECO's Provisional Registration to a permanent one. On August 1, 2006, CDA issued PALECO the Certificate of Permanent Registration.

**Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE**

- PALECO conducted its 27<sup>th</sup> Annual General Membership Meeting and submitted to the General Assembly the Proposed Amendments to the Articles of Cooperation and By-Laws of PALECO.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- The General Assembly approved the permanent registration of PALECO with the CDA through General Resolution No. 01-06. The members present ratified and approved the Proposed Amendments to PALECO's Articles of Cooperation and By-Laws.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- From March 13 to May 06 of the same year, PALECO had conducted series of District Assembly Meetings in all its nine (9) districts and discussed matters in connection with the CDA registration and the amendments to PALECO's Articles of Cooperation and By-Laws.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- On May 17, 2008, during the PALECO's 29<sup>th</sup> Annual General Membership Assembly Meeting held at its Headquarters, 1,015 attending members witnessed the distribution of Certificates of Equity share initially for 1974 registered members.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- In 2008 R.A 9520 (Philippine cooperative code of 2008) was enacted, PALECO was deemed registered with the CDA because:
- Art. 132 Effect of Registration with CDA  
***(6) Electric cooperatives registered and confirmed with the Authority under Republic Act No. 6938 and Republic Act No. 6939 are hereby deemed registered under this Code.***

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- PALECO also declared a net surplus of P10,368,851.00 wherein 70% of which or P7,258,196.00 was allocated as Patronage Refund and Dividend for distribution to its members. Its thrust is to distribute Patronage Refund and Interest on Capital on all its members every time PALECO had a net surplus on its operation.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- Last May 21, 2011, it distributed Patronage Refund to all its members for its net surplus in the year 2007, the highest paid amount to a member is more than SIXTY THOUSAND PESOS.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

WHY CDA???

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- To bring down the electricity cost in the areas serviced by the electric cooperatives specifically in the rural areas which will spur growth and consequently brings a salutary effect in the lives of “common tao”.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- Lower electricity rates will translate into a more vibrant economy as prices of basic commodities will have to go down and the confidence of foreign as well as local investors will be boosted.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- ECs can now increase their capitalization through internally generated funds where member-consumer-owners(MCO's) will have to contribute a certain amount for the capital build up of an EC.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- Tapping of idle funds at the grass-roots level through sustained capital build-up, arising from their savings in the cost of electricity
- The Government's **public-private partnership program** will be given a boost and enjoy better credibility at the level of the masses

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- Greater management accountability. Member consumer owners (MCO's) are empowered through their BOD's. They have the power to hire, appoint and remove officers of the EC's

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- Minimal government exposure. Since MCO's are the real owners, they can at anytime call a general assembly to increase capitalization for the EC's capital expenditures instead of present practice where payments are treated as contributions.

Palawan Electric Cooperative Inc.  
PALECO EXPERIENCE

- Finally, its compliance with the RA 9136 (EPIRA Law) Chapter 7, sections 57-60 entitled Promotion of Rural Electrification. With emphasis on Sec 57 Conversion of Electric Cooperatives.

MARAMING SALAMAT PO!  
MABUHAY ANG SAMBAYANANG PILIPINO!

HAWAK KAMAY TAYO SA  
“*DAANG MATUWID*” NI **P-NOY** NA MAY  
“*LIWANAG AT PAG-ASA*” (LP)