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SENATE

S. No. 415

VED BY: Pelle

Introduced by Senator S. R. Osmeña III

### EXPLANATORY NOTE

Latest figures from the National Statistical Coordination Board (NSCB) show that 5,277 barangays nationwide remained unlighted as of end 2002. The comparative figures below summarize the power distribution profile of the country as of end 1999.


	<u>Luzon</u>	<u>Visayas</u>	<u>Mindanao</u>	<u>Philippines</u>
Total Barangays	15,535	10,974	9,571	36,080
Lighted	14,419	9,377	7,007	30,883
Percent lighted	92.8%	85.4%	73.2%	85.4%

The experience of advanced countries have shown the effectiveness of cooperatives in promoting mass participation in economic development and in the distribution of its fruits. This bill therefore seeks to tap the resources of the cooperative movement, and to empower cooperatives in bridging the gap in power distribution throughout the country with the following provisions:

- (a) Two additional members of the governing board of electric cooperatives, who shall be nominated by the National Association of Electric Cooperatives;
- (b) Restructuring the National Electrification Administration to strengthen its capabilities to offer lending facilities to electric cooperatives, and as a regulatory agency; and
- (c) Rules for the establishment of stock cooperatives, including capitalization which shall enjoy tax and other privileges under the cooperative code.

It is the height of tragedy that in this day and age, our barangays remain isolated from the rest of the economy, and unable to tap into the fruits of modern technology, simply by the deficiency of organizational structures that would simply deliver to them electric power that is already available for distribution.

In view of the foregoing, the immediate approval of this bill is earnestly requested.

  
SERGIO OSMEÑA III  
Senator

THIRTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
*First Regular Session*

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S E N A T E

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Introduced by Senator S. R. Osmeña III

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AN ACT  
TO FURTHER PROMOTE AND STRENGTHEN THE NATIONAL TOTAL  
ELECTRIFICATION POLICY, AMENDING FOR THE PURPOSE  
PRESIDENTIAL DECREE NUMBERED TWO HUNDRED AND SIXTY-NINE  
(P.D. NO. 269), AS AMENDED, AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines in  
Congress assembled:*

1       SECTION 1. The first paragraph of Section 2 of PD No. 269, as  
2 amended, is hereby amended to read as follows:

3       SEC. 2. ***Declaration of National Policy.*** – The total electrification of the  
4 Philippines on an area coverage basis being vital to the welfare of its people and  
5 the sound development of the nation, it is hereby declared to be the policy of the  
6 State to pursue and foster, in an orderly and vigorous manner, the attainment of  
7 this objective. For this purpose, the State shall promote, encourage, and assist  
8 all public service entities engaged in supplying electric service, particularly  
9 electric cooperatives, which are willing to pursue diligently this objective.

10       **TOWARDS THE ATTAINMENT OF THIS OBJECTIVE, AND TO OPTIMIZE**  
11       **THE USE OF AND BENEFITS FROM THE LIMITED RESOURCES OF THE**  
12       **COOPERATIVE SECTOR, THE STATE SHALL TAP AND/OR POOL CAPITAL**  
13       **FROM ITS MEMBERS.**

1           IT IS HEREBY FURTHER DECLARED THE GOAL OF THE STATE TO  
2   ENERGIZE ALL BARANGAYS AND FAR-FLUNG COMMUNITIES WITHIN  
3   FIFTEEN (15) YEARS FROM THE EFFECTIVITY OF THIS ACT.

4           X X X X X “

5           SEC. 2. Section 5 of PD 269, as amended, is hereby amended to read  
6   as follows:

7           “SEC. 5. *National Electrification Administration; Board of Administrators;*  
8   *Administrator.* – (a) For the purpose of administering the provisions of this  
9   Decree, there is hereby established a public corporation to be known as the  
10   National Electrification Administration. All of the powers of the corporation shall  
11   be vested in and exercised by [the] a Board of Administrators, which shall be  
12   composed of a Chairman and [four (4)] **SIX (6) members, TWO (2) OF WHOM**  
13   **SHALL BE NOMINATED BY THE NATIONAL ASSOCIATION OF ELECTRIC**  
14   **COOPERATIVES**, who shall be appointed by the President of the Philippines to  
15   serve for a term of six (6) years: *Provided*, That the terms of the first appointees  
16   shall be six (6) years for the Chairman and [one] **THREE (3) members and three**  
17   **(3) years for the [two] THREE (3) other members, respectively, and that the term**  
18   of the ex-officio member shall be coterminous with his term as the Administrator:  
19   **PROVIDED, FURTHER, THAT THE TERM OF OFFICE OF ONE (1) OF THE**  
20   **TWO (2) ADDITIONAL MEMBERS OF THE BOARD OF ADMINISTRATORS**  
21   **UNDER THIS AMENDATORY ACT SHALL BE COTERMINOUS WITH THAT**  
22   **OF THE INCUMBENT CHAIRMAN AND THE TERM OF THE OTHER**  
23   **COTERMINOUS WITH THAT OF THE INCUMBENT ADMINISTRATOR.**  
24   **UNLESS THE PRESIDENT OF THE PHILIPPINES APPOINTS OTHERWISE,**  
25   **THE SECRETARY OF THE DEPARTMENT OF ENERGY SHALL BE THE EX-**  
26   **OFFICIO CHAIRMAN OF THE BOARD OF ADMINISTRATORS. x x x**

27           xxxxxxx

28           The presence of at least [three] **FOUR** members shall constitute a quorum  
29   which shall be necessary for the transaction of any business. **THE MEMBERS**

1 OF THE BOARD SHALL RECEIVE REASONABLE PER DIEMS FOR EVERY  
2 BOARD MEETINGS ACTUALLY ATTENDED. x x x x"

3 SEC. 3. Section 5, sub-paragraph (a), (6) of PD 269, as amended, is  
4 hereby repealed.

5 SEC. 4. Section 6 of PD No. 269, as amended, is hereby further  
6 amended to read as follows:

7 "SEC. 6. *Capital Stock*. – The authorized capital stock of NEA is [five  
8 billion pesos (P5B)] **TWENTY BILLION PESOS (P20B)** divided into [ten (10)]  
9 **TWO HUNDRED** (200) million shares having a par value of one hundred  
10 (P100.00) pesos each, which shares are not to be transferred, negotiated,  
11 pledged, mortgaged, or otherwise given as security for the payment of any  
12 obligation.

13 [The sum of not less than five hundred million pesos shall be earmarked  
14 out of the corporate equity investment funds contained in Batas Pambansa Blg.  
15 40 and the same amount is hereby appropriated out of the funds in the National  
16 Treasury not otherwise appropriated, for the payment of subscription of the NEA  
17 capital stock, for each year beginning with fiscal year 1981 until the unpaid  
18 subscription to the government to the capital stock of the corporation shall have  
19 been paid in full: *Provided*, That additional amounts as may be needed shall be  
20 included in the annual General Appropriations Act.]

21 **THE ADDITIONAL FIFTEEN BILLION PESO (P15B) - AUTHORIZED**  
22 **CAPITAL STOCK SHALL BE FULLY SUBSRIBED BY THE GOVERNMENT**  
23 **OF THE REPUBLIC OF THE PHILIPPINES AND SUCH SUBSCRIPTION**  
24 **SHALL BE PAID, AS FOLLOWS:**

25 (A) BY THE CONVERSION INTO EQUITY OF THE –

26 1. ADVANCES BY THE BUREAU OF TREASURY FOR THE  
27 PAYMENT OF THE MATURED PORTION OF VARIOUS  
28 FOREIGN LOANS OF THE NEA; AND

29 2. LONG-TERM LIABILITIES OF THE NEA, AS THEY FALL DUE;

1 (B) BY SUCH SUMS AS MAY BE APPROPRIATED BY THE  
2 CONGRESS OF THE PHILIPPINES ANNUALLY FOR RURAL  
3 ELECTRIFICATION PROJECTS AND THE REHABILITATION OR  
4 RESTORATION OF ELECTRIC DISTRIBUTION FACILITIES  
5 WHICH THE NEA MAY BE REQUIRED TO ADVANCE AS  
6 LOANS TO ELECTRIC COOPERATIVES, UNTIL SAID  
7 AUTHORIZED AND SUBSCRIBED CAPITAL STOCK IS FULLY  
8 PAID UP: *PROVIDED*, THAT THE NEA SHALL ENDEAVOR TO  
9 PROMOTE AUTONOMOUS OPERATION AND CAPITAL  
10 FORMATION AND GENERATION OF FUNDS AND OTHER  
11 RESOURCES FROM OTHER SOURCES TO FINANCE THEIR  
12 EXPANSION, REHABILITATION AND MAINTENANCE  
13 REQUIREMENTS THEREBY REDUCING THEIR DEPENDENCE  
14 ON GOVERNMENT LOANS AND SUBSIDIES, AND THE  
15 APPROPRIATION AND RELEASES OF FUNDS FOR THE  
16 AUTHORIZED CAPITAL PROVIDED HEREUNDER; AND

17 (C) BY SUCH DIVIDEND DECLARE IN FAVOR OF THE  
18 GOVERNMENT PUSUANT TO REPUBLIC ACT NO. 7656, AND  
19 ITS IMPLEMENTING RULES AND REGULATIONS.”

20 SEC. 5. Section 10 of PD 269, as amended, is hereby repealed  
21 and substituted with new provisions to read, as follows:

22 “SEC. 10. **ENFORCEMENT POWERS AND REMEDIES.** – IN  
23 THE EXERCISE OF ITS RIGHTS AS LENDER, THE NEA SHALL  
24 RECOGNIZE THE INDEPENDENCE OF ELECTRIC COOPERATIVES  
25 AS PEOPLE’S ORGANIZATIONS AND RESPECT THEIR  
26 MANAGEMENT: *PROVIDED*, THAT IF THE ELECTRIC COOPERATIVE  
27 CONCERNED OR OTHER SIMILAR ENTITY FAILS, AFTER DUE  
28 NOTICE TO COMPLY WITH THE TERMS OF THE LOAN CONTRACT  
29 AND SIMILAR AGREEMENTS, THE NEA BOARD OF

1 ADMINISTRATORS MAY AVAIL ITSELF OF ANY OR ALL OF THE  
2 POWERS, REMEDIES AND/OR SANCTIONS UNDER EXISTING LAWS:  
3 *PROVIDED, FURTHER*, THAT IN CASE OF FORECLOSURE, THE  
4 ADMINISTRATOR MAY APPLY *EX PARTE* FOR THE APPOINTMENT  
5 OF A RECEIVER AT THE TIME OF THE INSTITUTION OF THE  
6 PROCEEDINGS: *PROVIDED, FINALLY*, THAT IN NO CASE SHALL  
7 THE RECEIVER ASSIGN THE PROPERTIES OR ANY PART THEREOF  
8 AND/OR ASSIGN ANY OR ALL OF HIS FUNCTIONS TO MANAGE AND  
9 OPERATE THE SYSTEM WITHOUT PRIOR APPROVAL OF THE NEA  
10 BOARD OF ADMINISTRATORS.

11 NO COOPERATIVE SHALL BORROW MONEY SECURED BY  
12 PROPERTY MORTGAGED TO THE NEA WITHOUT THE BOARD OF  
13 ADMINISTRATOR'S PRIOR APPROVAL.

14 THE NEA BOARD OF ADMINISTRATORS MAY TAKE ANY  
15 OTHER REMEDIAL MEASURES AS THE LAW MAY AUTHORIZE."

16 SEC. 6. Section 15 of PD No. 269, as amended, is hereby amended to  
17 read, as follows:

18 "SEC. 15. *Organizations, [and] Purposes AND CAPITALIZATION.* –  
19 **SUBJECT TO THE REGISTRATION REQUIREMENTS HEREINAFTER**  
20 **SET FORTH, [C]** cooperative non-stock, non-profit membership  
21 corporations [may be organized,] and electric cooperative corporations  
22 heretofore formed or registered under **REPUBLIC ACT NO. 2023,**  
23 **OTHERWISE KNOWN AS** the "Philippine Non-Agricultural Cooperative  
24 Act" **AND/OR UNDER PRESIDENTIAL DECREE NO. 269, OTHERWISE**  
25 **KNOWN AS THE "NATIONAL ELECTRIFICATION ADMINISTRATION**  
26 **DECREE", AS AMENDED, ARE HEREBY COVERED BY REPUBLIC**  
27 **ACT NO. 6938, OTHERWISE KNOWN AS THE "COOPERATIVE CODE**  
28 **OF THE PHILIPPINES" AND** may, as hereinafter provided, be converted  
29 **INTO STOCK COOPERATIVES** [under this Decree] for the purpose of

1 supplying, and of promoting and encouraging the fullest use of **ELECTRIC**  
2 service on area coverage basis at the lowest cost consistent with sound  
3 economy and the prudent management of the business of such  
4 corporations.

5 **(B) AS A STOCK COOPERATIVE, THE INITIAL PAID-UP**  
6 **CAPITALIZATION OF EACH ELECTRIC COOPERATIVE SHALL BE**  
7 **THE TOTAL SUM OF –**

8 1. THE MEMBERSHIP FEES PREVIOUSLY PAID BY THE  
9 SUBSCRIBER-MEMBERS AGREEING TO JOIN AS MEMBERS OF THE  
10 STOCK ELECTRIC COOPERATIVE, AND THE INTEREST EARNED BY  
11 SAID FEES;

12 2. SUCH OTHER AMOUNTS FIXED BY THE BOARD OF  
13 DIRECTORS OF THE ELECTRIC COOPERATIVE TO BE PAID BY THE  
14 SAID SUBSCRIBER-MEMBERS AS ADDITIONAL CONTRIBUTIONS  
15 TO THE PAID-UP CAPITAL; AND

16 3. THE MEMBERSHIP FEES AND ADDITIONAL CONTRIBUTIONS  
17 LIKEWISE FIXED BY THE BOARD OF DIRECTORS OF THE  
18 ELECTRIC COOPERATIVE TO BE PAID BY THE NEW SUBSCRIBER-  
19 MEMBERS THEREOF:

20 *PROVIDED*, THAT THE NET WORTH OF THE ELECTRIC  
21 COOPERATIVES AT THE TIME OF THEIR REGISTRATION UNDER  
22 THE COOPERATIVE CODE, CONSISTING OF ALL SUMS OWING TO  
23 IT AND ALL ITS PROPERTY AND ASSETS, MINUS ITS DEBTS,  
24 OBLIGATIONS AND LIABILITIES, SHALL FORM PART OF THEIR  
25 PAID UP CAPITAL AND CREDITED *PRO RATA* OR EQUITABLY, WITH  
26 THE APPROVAL OF THE GENERAL ASSEMBLY, TO ALL THEIR  
27 MEMBER-SUBSCRIBERS AS OF THE DATE OF THE EFFECTIVITY OF  
28 THIS ACT.

1 C) EACH ELECTRIC COOPERATIVE SHALL HAVE AS INITIAL  
2 SUBSCRIBERD CAPITAL THE AMOUNT EQUIVALENT TO NOT MORE  
3 THAN FOUR (4) TIMES THE TOTAL SUM OF PAID-UP CAPITAL  
4 DETERMINED IN ACCORDANCE WITH THE IMMEDIATELY  
5 PRECEDING SUBSECTION AND EACH OF THE SUBSCRIBER-  
6 MEMBER THEREOF SHALL ADDITIONALLY PAY THE AMOUNT  
7 EQUIVALENT TO THREE (3) TIMES HIS CONTRIBUTION TO THE  
8 PAID-UP CAPITAL, EXCLUDING HIS CREDITED SHARE IN THE NET  
9 WORTH THEREOF, WITHIN FIVE (5) YEARS FROM THE DATE OF  
10 EFFECTIVITY OF THIS ACT: *PROVIDED*, THAT EACH SUBSCRIBER-  
11 MEMBER SHALL HAVE THE PREEMPTIVE RIGHT TO SUBSCRIBE  
12 TO SHARES ISSUED BY THE COOPERATIVE FROM ALL UNISSUED  
13 SHARES THEREOF, INCLUDING THOSE ISSUED FROM INCREASES  
14 IN THE AUTHORIZED CAPITAL OF THE COOPERATIVE: *PROVIDED*,  
15 *FURTHER*, THAT THE TOTAL SUBSCRIBER-MEMBERS IN EACH  
16 STOCK ELECTRIC COOPERATIVE SHALL AT ALL TIMES BE NOT  
17 LESS THAN SIXTY PERCENT (60%) OF THE SUBSCRIBED CAPITAL  
18 OF THE SAID COOPERATIVE AND THE TOTAL SUBSCRIPTION OF  
19 THE ASSOCIATE OR OTHER SUBSCRIBER-MEMBERS OR NON-  
20 SUBSCRIBER-MEMBERS SHALL IN NO CASE EXCEED FORTY (40%)  
21 OF THE SAID SUBSCRIBED CAPITAL: *PROVIDED*, *FINALLY*, THAT,  
22 WITHIN ONE YEAR FROM THE DATE OF THE EFFECTIVITY OF THIS  
23 ACT, THE NATIONAL ELECTRIFICATION ADMINISTRATION SHALL  
24 HAVE THE OPTION TO CONVERT ITS LOANS TO THE ELECTRIC  
25 COOPERATIVES OR PORTIONS THEREOF INTO SHARE EQUITY IN  
26 SAID ELECTRIC COOPERATIVES TO THE EXTENT OF NOT MORE  
27 THAN TWENTY-FIVE PER CENT (25%) OF THE ISSUED AND  
28 SUBSCRIBED CAPITAL OF THE ELECTRIC COOPERATIVES.



1 D) THE ELECTRIC COOPERATIVE SHALL HAVE AS  
2 AUTHORIZED CAPITAL THE AMOUNT EQUIVALENT TO NOT MORE  
3 THAN FOUR (4) TIMES THE AFORESTATED SUBSCRIBED CAPITAL,  
4 WHICH MAY BE INCREASED OR DECREASED IN ACCORDANCE  
5 WITH THE PROVISIONS OF THE COOPERATIVE CODE.

6 E) THE ELECTRIC COOPERATIVE SHALL TAKE ALL  
7 NECESSARY STEPS TO INSURE THE ADJUSTMENT OF THE  
8 PROVISIONS OF THEIR ARTICLES OF INCORPORATION AND BY-  
9 LAWS TO CONFORM WITH THE PROVISIONS AND REQUIREMENTS  
10 OF THE COOPERATIVE CODE AND THIS ACT, WHICH PROVISIONS  
11 AND REQUIREMENTS SHALL BE DEEMED INCORPORATED IN SAID  
12 ARTICLES OF INCORPORATION AND BY-LAWS UPON THE  
13 EFFECTIVITY OF THIS ACT.

14 F) THE ELECTRIC COOPERATIVE SHALL BE REGISTERED WITH  
15 THE COOPERATIVES DEVELOPMENT AUTHORITY UPON THE  
16 SUBMISSION TO THE AUTHORITY OF THE FOLLOWING  
17 DOCUMENTS:

18 (1) A CERTIFIED COPY OF THE ARTICLES OF INCORPORATION  
19 AND BY-LAWS OR OTHER REGISTRATION PAPERS FILED WITH  
20 THE NEA OR OTHER REGISTERING AGENCY OF THE  
21 GOVERNMENT;

22 (2) A COPY OF ITS CERTIFICATE OF REGISTRATION;

23 (3) A SWORN STATEMENT OF THE TREASURER STATING THE  
24 NAMES OF THE OFFICERS AND DIRECTORS OF THE ELECTRIC  
25 COOPERATIVE, THE AMOUNT OF ITS AUTHORIZED SHARE  
26 CAPITAL, SUBSCRIBED SHARE CAPITAL AND PAID-UP CAPITAL;  
27 AND

1 (4) SUCH OTHER DOCUMENTS, PAPERS OR REQUIREMENTS  
2 THE AUTHORITY MAY IMPOSE UNDER THE APPROPRIATE RULES  
3 AND REGULATIONS ADOPTED FOR THE PURPOSE.

4 G) THE ELECTRIC COOPERATIVES SHALL, UPON THE  
5 EFFECTIVITY OF THIS ACT, BE DEEMED COOPERATIVES  
6 ORGANIZED AND EXISTING UNDER AND BY VIRTUE OF THE  
7 PROVISIONS OF THE COOPERATIVE CODE, AND ALL THE  
8 PROVISIONS OF LAWS, RULES AND REGULATIONS AND  
9 ADMINISTRATIVE GUIDELINES INCONSISTENT HERewith SHALL  
10 BE DEEMED AMENDED, REPEALED AND SUPERSEDED:  
11 *PROVIDED*, THAT –

12 1) THE NEA SHALL CONTINUE TO EXERCISE ITS REGULATORY  
13 AND SUPERVISORY POWERS OVER THE ELECTRIC  
14 COOPERATIVES WITH RESPECT TO MATTERS RELATING TO THEIR  
15 PUBLIC SERVICE OPERATIONS, INCLUDING THE ACQUISITION,  
16 OPERATION AND MAINTENANCE OF THEIR EQUIPMENT AND  
17 FACILITIES;

18 2) THE ELECTRIC COOPERATIVES WHICH SHALL BE  
19 REGISTERED IN ACCORDANCE WITH THIS ACT SHALL  
20 ADDITIONALLY ENJOY THE TAX AND OTHER  
21 EXEMPTION/PRIVILEGES UNDER THE COOPERATIVE CODE WITHIN  
22 A TEN (10) YEAR PERIOD TO BE RECKONED FROM THE DATE OF  
23 THEIR REGISTRATION WITH THE AUTHORITY;

24 *PROVIDED, FURTHER*, THAT ELECTRIC COOPERATIVES NOT  
25 OPTING TO REGISTER AS STOCK COOPERATIVES UNDER THE  
26 PROVISIONS OF THIS ACT WITHIN TWO (2) YEARS FROM THE DATE  
27 OF EFFECTIVITY HEREOF SHALL NEVERTHELESS BE GOVERNED  
28 BY THE COOPERATIVE CODE AS A NON-STOCK, NON-PROFIT  
29 COOPERATIVE; *PROVIDED, FINALLY*, THAT UNTIL OTHERWISE

1 PROVIDED BY LAW OR RULES AND REGULATIONS ADOPTED AND  
2 PROMULGATED PURSUANT TO THIS ACT, THE FOLLOWING RULES  
3 ON THE GENERAL ASSEMBLY AND MEMBERSHIP MEETINGS OF  
4 ELECTRIC COOPERATIVES, SHALL BE OBSERVED:

5 (1) THE GENERAL ASSEMBLY AND MEMBERSHIP MEETING OF  
6 ELECTRIC COOPERATIVES SHALL BE COMPOSED OF  
7 REPRESENTATIVES OF THE MEMBERSHIP, EACH ONE OF WHOM  
8 SHALL BE ELECTED TO REPRESENT ONE HUNDRED (100)  
9 SUBSCRIBER-MEMBERS IN THE GENERAL MEETINGS OF THE  
10 MEMBERS WITHIN EACH DISTRICT AS DEFINED BY THE GENERAL  
11 ASSEMBLY, WHERE EACH AND ALL MEMBERS OF THE ELECTRIC  
12 COOPERATIVE WITHIN THE DISTRICT SHALL HAVE NOTICE AND  
13 THE FULL RIGHT TO PARTICIPATE AND VOTE;

14 (2) THE GENERAL ASSEMBLY MEETING SHALL HAVE A  
15 QUORUM TO TRANSACT ANY AND ALL BUSINESS IF MORE THAN  
16 FIFTY PER CENT (50%) OF THE REPRESENTATIVES OF THE  
17 ELECTRIC COOPERATIVE ARE REPRESENTED;

18 (3) THE DISTRICT MEETING SHALL HAVE A QUORUM TO  
19 TRANSACT ANY AND ALL THE BUSINESS OF THE DISTRICT  
20 MEETING IF MORE THAN FIFTY PER CENT (50%) OF THE  
21 SUBSCRIBER-MEMBERS WITHIN THE DISTRICT ARE PRESENT OR  
22 REPRESENTED BY PROXY."

23 SEC. 7. Sec. 24 (a) of PD No. 269, as amended, is hereby amended to  
24 read as follows:

25 "SEC. 24. *Board of Directors.* – (A) The management of a  
26 Cooperative shall be vested in its Board [,] [subject to the supervision and  
27 control of NEA which shall have the right to be represented and to  
28 participate in all Board meetings and deliberations and to approve all  
29 policies and resolutions of the Board.]

1 The composition, qualifications, the manner of elections and filling of  
2 vacancies, the procedures for holding meetings and other similar  
3 provisions shall be defined by the by-laws of the Cooperative [subject to  
4 NEA policies, rules and regulations.]: **PROVIDED, THAT WITHIN A**  
5 **PERIOD OF THREE (3) YEARS FROM THE DATE OF THE**  
6 **EFFECTIVITY OF THIS ACT THE NEA SHALL INTERVIEW, SCREEN,**  
7 **RANK AND PRE-QUALIFY CANDIDATES FROM WHERE THE**  
8 **ELECTRIC COOPERATIVES SHALL APPOINT THEIR GENERAL**  
9 **MANAGER OR CHIEF EXECUTIVE OFFICER.**

10 No member of the Board shall receive any salary for his service as  
11 director nor for services rendered in any other capacity. However,  
12 reasonable for diems for every Board meeting actually attended and  
13 reimbursement of actual expenses incurred in the performance of the  
14 duties of a member of the Board may be allowed. [as specified in NEA  
15 policies, rules and regulations.]”

16 SEC. 8. If any portion, section or provisions of this Act is declared  
17 unconstitutional, invalid, such sections or parts not affected thereby shall remain  
18 in force and effect.

19 SEC. 9. All laws, decrees, executive orders, rules and regulations, or  
20 parts hereof inconsistent with the provision of this Act are hereby repealed,  
21 amended or modified accordingly.

22 SEC. 10. This Act shall take effect fifteen (15) days after its publication  
23 in the *Official Gazette* or in at least two (2) newspapers of general circulation  
24 whichever comes earlier.

Approved,