



ANNUAL REPORT

32nd ANNUAL GENERAL MEMBERSHIP ASSEMBLY
BIPSU GYMNASIUM | OCTOBER 19, 2019
THEME: *"Sustaining the Strategic Partnership of the NEA-ECs-MCOs
Towards Rural Development and Nation Building"*

Vision

***An electric distribution utility
recognized as a hallmark of
excellence by providing premium
customer satisfaction by 2030***

Mission

***To provide reliable, safe, quality
and efficient electric service for a
developed and progressive Biliran
Province***

Core Values

***Godliness
Discipline
Honesty
Excellence
Accountability
Respect
Teamwork***





2018
ANNUAL REPORT

The logo is circular with a red border. Inside, there are silhouettes of two people on a utility tower against a blue sky. A yellow circle is overlaid on the scene, containing the text "BRIAR ELECTRIC COOPERATIVE, INC." around the top and "1973" at the bottom. In the center of the yellow circle is a stylized map of Wisconsin with the word "Briarco" written below it.

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32ND AGMA WORKING COMMITTEES

Programme

32nd Annual General Membership Assembly

PART I REGISTRATION 9:00 AM - 1:00 PM

PART II OPENING PROGRAM 1:00 PM

Invocation	BiPSU Chorale
Parade of Colors	
Philippine National Anthem	BiPSU Chorale
Biliran Hymn	BiPSU Chorale
NEA Corporate Credo	BiPSU Chorale
Welcome Message	HON. GERARD ROGER M. ESPINA <i>Municipal Mayor of Naval</i>
Opening Remarks	DIR. ALBERTO R. ESPREGANTE <i>Board President</i>
Presentation of the Newly Elected BOD in Kawayan	ANN-MARIE B. MERACAP <i>Member Development Officer</i>
Oath-taking of the Newly Elected BOD	HON. EDGARDO RAMA MASONGSONG <i>NEA Administrator</i>
Intermission Number	BILECO Employees
Message	ENGR. GERARDO N. OLEDAN <i>General Manager</i>
Message	ALLAN L. LANIBA <i>NAGMEC President</i>
Intermission Number	BiPSU Cultural Dance
Oath-taking of the Barangay, District and Provincial MCO Organizations	HON. EDGARDO RAMA MASONGSONG <i>NEA Administrator</i>
Introduction to the Guest Speaker	ALLAN JOSEPH S. BORRINAGA <i>ISD Manager</i>
Message from the Guest Speaker	HON. EDGARDO RAMA MASONGSONG <i>NEA Administrator</i>
Presentation of Plaques and Citations	
Closing Remarks	MR. DINO S. PEÑAFLO <i>NEA Representative to the Board</i>

PART III ORDER OF BUSINESS

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Calling to Order 2. Determination of Quorum 3. Reading of the Minutes of the Previous Meeting 4. Approval of the Minutes 5. Presentation of the 2018 Annual Report | <ol style="list-style-type: none"> 6. Plenary Agenda <ol style="list-style-type: none"> a. Approval to the Amendments of BILECO Constitution & Bylaws b. Approval of the Collective Bargaining Agreement (CBA) for 2019-2024 c. Endorsement to Congress the Increase of Senior Citizen Discount for Electricity Consumers d. NCECCO Membership e. Approval for the Establishment of ECCO Bank for Member-Consumer-Owners f. 2020 Priority Projects to Improve BILECO's Distribution System 7. Open Forum |
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PART IV ELECTRONIC ATTENDANCE RAFFLE

PART V ADJOURNMENT

Message

My warmest greetings to the **Biliran Electric Cooperative, Inc. (BILECO)** as it holds its **32nd Annual General Membership Assembly**.

BILECO's steadfast commitment in ensuring that our people are given affordable and accessible electricity is truly commendable. May you continue to pursue programs and projects that will advance rural electrification towards sustainability and propel the countryside towards greater development.

May this gathering strengthen your relationship with your member-consumers so that you can effect positive and meaningful changes in your local communities. Let the spirit of excellence and bayanihan inspire you towards becoming passionate and dedicated leaders of your organization. Together, let us build a brighter and better future for all Filipinos.

I wish you a successful event.

A handwritten signature in black ink, which appears to read 'Rodrigo Duterte', is placed above the printed name.

RODRIGO ROA DUTERTE
President
Republic of the Philippines

Message

My warmest greetings to the Biliran Electric Cooperative, Inc. (BILECO) on your 32nd Annual General Membership Assembly (AGMA).

Membership is at the heart of cooperation. Cooperative membership is the driving force for an alternative economic system predicated upon user ownership and benefit. It's part and parcel of the big picture of cooperation. But what's also true is how little many members themselves actually understand it. This is due to two basic factors: how well we communicate the co-op message and how people actually synthesize it.

Our country forges ahead with positive momentum. We anticipate an expansion of horizons for our people, especially for those willing to maximize the opportunities made possible by our integration with the local economies. Let our fellowmen gear up for the rapid pace of our era, as we enable them to harvest the yields of reform.

Congratulations and I wish you an invigorating activity.

A handwritten signature in black ink, appearing to read 'G. Espina'.

HON. GERARDO J. ESPINA, JR.
Representative
Lone District of Biliran



Message


Let me take this wonderful opportunity to extend my sincerest felicitations and warmest congratulations to the Directors, management team, and of course, to the member-consumer-owners (MCOs) of Biliran Electric Cooperative (BILECO) for your 32nd Annual General Membership Assembly.

Indeed, time moves fast and so does the power industry. Challenges and threats come and go, but we know that with our genuine commitment to our advocacy and mission, we will survive all of these. We shall emerge triumphant and jubilant!

Events like this AGMA allow us to reach out to our MCOs and update them of the cooperative's undertakings, challenges, and success. This is also a great venue for the management and Directors of BILECO to renew commitments to provide an efficient and reliable service to the community. Despite the challenges of a large cooperative, BILECO has maintained an Overall Performance Rating of Triple A (AAA), the highest rating that a coop can receive. I laud BILECO for having a collection efficiency of 100% and for ensuring all current financial obligations attended to. Without a doubt, the synergy amongst all players in BILECO, most importantly the support of the MCOs, has been instrumental in the accomplishments of the cooperative.

May this occasion be an opportune time to discern and be reminded that every adversity oftentimes brings new experience and new insights.

Thank you for your unwavering support to the One EC-MCO Movement!



HON. PRESLEY C. DE JESUS
Representative
PHILRECA Party-list

Message

Warmest congratulations on your 32nd Annual General Membership Assembly! I am very pleased to be one with you in celebrating another year in the service to our people and to our cause.

First, let me send out a praise of recognition to the General Manager, Engr. Gerardo N. Oledan for an exemplary performance. Also, to the Board President, Mr. Alberto R. Espregante, thank you for being one of the leaders who made the success of BILECO possible. Your invaluable assistance is duly noted. Let me acknowledge as well the Department Heads, Employees, and Warriors of Light, for the admirable achievements. Your selfless commitment is what keeps the path of Rural Electrification expanding.

Congratulations for garnering an Overall Performance Rating of AAA from the National Electrification Administration. With 8.41% System Loss, it is a huge achievement that BILECO continues to be one of the 51 Electric Cooperatives recognized with having an impressive single-digit system loss. Moreover, having a Collection Efficiency of 99.27% is a remarkable feat. Furthermore, you have been classified as a Green Cooperative consecutively for four quarters of 2018.

Again, my warmest congratulations to everyone. As a Representative of the Association of Philippine Electric Cooperatives to the 18th Congress, I pledge my support to the 121 Electric Cooperatives and to the National Electrification Administration, to be your partner in future endeavors and to work for our cause – which is to empower our member-consumer-owners and pave the way for sustainable rural development through accessible, reliable, and efficient electricity throughout the country.

God bless everyone!



HON. SERGIO C. DAGOOC
Representative
APEC Party-list



Message

My warmest congratulations to our Board of Directors, our General Manager, the management and especially, our Member Consumer Owners for the celebration of the 32nd Annual General Membership Assembly of the Biliran Electric Cooperative (BILECO).

In the last 46 years since BILECO's creation, we have posted a total of 94% or equivalent to 36,543 households from the total potential connections of 38,756 bringing us much closer to our objective of bringing light to areas where it is most needed.

This serves as a reminder that there is, however, a long way to go. Our efforts to ensure the expansion of power services and accessibility in rural areas will surely pass all kinds of pleasures and pain but we have to protect the movement that we have especially the EC-MCO partnership which serves as a foundation of our advocacy.

The attacks on electric cooperatives are so evident at this point but be that as it may, we, the members of this movement shall make few steps forward with the ideologies of this organization in our hearts. In times like this when people whose objective is to sustain their vested interests that we have to be more united like ever.

As your Representative in Congress, I will always be a force to be reckoned with should our advocacies be taken for granted. I will work closely with my colleagues to reach out and let them understand the significance of what we are fighting for.

At the end of each battle, it will always be a two-way process where we all have to sacrifice a little of our efforts to make a strong and collective one. Because after all, this is a movement between ECs and MCOs. Basically, it takes two to make it work and so should we.

Let us all keep going and Mabuhay!



HON. GODOFREDO N. GUYA
Representative
RECOBODA Party-list

Message

To General Manager, all the Board of Directors, management, and staff of Biliran Electric Cooperative, Inc. (BILECO), and Member-Consumer-Owners (MCOs), I thank you for your undying and sincerest support.

As we all know and have gathered from our experience in this industry, we can all attest that the National Electrification Administration (NEA), the MCOs, and the Electric Cooperatives (ECs) and its leaders, through the continuous and harmonious partnerships in the development of total electrification and the energy sector as a whole, greatly contribute to rural development and nation building. In fact, BILECO, as a rated Triple-A cooperative and an evidently capable instrument of the government's goal of total electrification, has already served 36,219 connections in their coverage area. Needless to say, as we all have witnessed in the past years of partnership, genuine camaraderie, and effective leadership, that working together enables us to actualize our commitment to the Filipino people: to enrich their lives by providing reliable, sustainable, and affordable electricity.

It is therefore with great passion that we, as public servants and Warriors of Light, and in partnership with you, BILECO, the NEA, our MCOs, and other agencies and instrumentalities vital to our success, never cease to find strategies that will help us attain this shared mission of ours. I would like to take this golden opportunity to thank you for your sincerest and active participation. I am optimistic that with your commitment, we will yet again be able to do our part in achieving our vision of total rural electrification.

Again, congratulations, BILECO and Representatives and Delegates for the member-consumer-owners, for another successful and fruitful year of leadership and camaraderie. I hope that we maintain good relationships with each other as we continue to make great strides towards our shared goal: to provide reliable, sustainable, and most importantly, affordable electricity to the Filipino people.

Mabuhay, BILECO!

(SGD)
HON. ADRIANO A. EBCAS
Representative
AKO PADAYON PILIPINO Party-list



Message

Earnest greetings and congratulations to the Biliran Electric Cooperative (BILECO) on the occasion of your 32nd Annual General Membership Assembly.

Almost four decades since the ceremonial lighting of the first bulb in the island, BILECO has constantly been on the forefront as a partner of the Provincial Government of Biliran in providing the necessary services and sustainable programs and projects for the improvement of the quality of life and a brighter future for the province and its rural communities.

This year's unified theme, "**Sustaining the Strategic Partnership of the NEA-EC-MCOs Towards Rural Development and Nation-Building**" is an undertaking that we must altogether play a part so as to accomplish and realize our collective resolve thru collaboration and cooperation between every stakeholders, for we are all accountable in bringing forth social growth and economic development that our constituents deserve.

Hence, let this occasion be a reminder for BILECO to improve even further your operations and enhance the services and facilities you provide to the Biliranon Member-Consumers. Certainly, the Provincial Government will always be committed in strengthening our relationship by harmoniously working together to better serve the well-being of the people of our beloved Province of Biliran

Similarly, I would like to express gratitude and commend every personnel of BILECO for their tireless effort and diligent work as you greatly contributed in the success and achievements of your institution.

Once again, congratulations!

May you have a rewarding and fruitful AGMA celebration.

More power! All glory and blessings to the Most Holy Father!



HON. ROGELIO J. ESPINA, MD., FPOA

Governor
Biliran Province

Message

My warmest greetings to the Member-Consumer-Owners (MCO), Board Members, Officials and Employees of the Biliran Electric Cooperative, Inc. (BILECO) as you hold your 32nd Annual General Membership Assembly.

Electric Cooperatives (ECs) play an integral role in nation building, as they light the homes of many Filipinos, energize industries, and empower people.

Today, as we face the many challenges in the power industry, BILECO must look for ways to advance its electricity service and secure reliable, affordable, and safe energy to sufficiently meet the demands of the Member-Consumer-Owners (MCOs).

With the directive to electrify the remaining unserved and underserved sitios by 2020, the MCOs expect too much from BILECO. I encourage BILECO to keep innovating and building up its capabilities more, particularly the legal, institutional, financial and technical aspects of its operations to ensure the connections of the remaining five percent of the potential households.

Furthermore, the continually changing times with the fast-paced technological advancement necessitate BILECO to upgrade its craft by looking at alternatives that will help accomplish its target and complete the Rural Electrification Program (REP).

On the other hand, I congratulate BILECO for maintaining its Triple A categorization as manifested in its achievements such as high collection efficiency at 100% and good payment status with its power providers. These showed BILECO's solid commitment and determined position to fulfill the shared goal of genuine and lasting progress through (REP). But you must not be complacent. Its needs to enhance more its technical capabilities by reducing its system loss to acceptable cap to 12%.

May this gathering with the unity theme "Sustaining the Strategic Partnership of the NEA-EC-MCOs Towards Rural Development and Nation Building" be the platform for tackling and creating relevant, innovative measures that can make your electric services more efficient and responsive to the needs of your member-consumers that will help fuel our nation's drive towards equitable progress.

All the best for BILECO and !



EDGARDO RAMA MASONGSONG
Administrator
National Electrification Administration



Message

The Energy Regulatory Commission (ERC) warmly greets the officials and member-consumer-owners (MCOs) of Biliran Electric Cooperative, Inc. (BILECO) as you hold the 32nd Annual General Membership Assembly (AGMA).

Let the theme, “Sustaining the Strategic Partnership of the NEA-EC-MCOs Towards Rural Development and Nation-Building” be the beacon of BILECO’s continuing strive to provide quality electric service across the Province of Biliran. Continue to strengthen ties with entities envisioning progress through rural electrification.

I would like to commend BILECO for investing in human capital and cultivating the skills of your personnel. Your efforts paid off at the recently Rural Electrification Talent Competitions, Dagitab: A Showcase of Culture and the Arts in the Rural Electrification. BILECO emerged as Champion for the song entry “Gintong Liwanag”. Ensuring that the men and women of BILECO feels valued inspires them to work harder for the people of Biliran.

As your regulator, the ERC supports your endeavors towards equitable promotion of both stakeholders and consumers’ interests to enable the delivery of long-term benefits. May this gathering reaffirm your commitment in contribution to the achievement of total rural electrification.

More power BILECO and may your gathering be blessed with success!



AGNES VST DAVANADERA
Chairperson and CEO
Energy Regulatory Commission

Message

NGCP congratulates the **Biliran Electric Cooperative, Inc. (BILECO)** on their **32nd Annual General Membership Assembly** on 19 October 2019.

With the theme “Sustaining the Strategic Partnership of the NEA-EC-MCOs toward Rural Development and Nation Building,” BILECO embodies the values of a distribution utility working together with their stakeholders in providing efficient services for the progress and development of Biliran province. The cooperative’s mission of providing premium customer satisfaction is aligned with NGCP’s goal of bridging power and progress for the Filipino people.

NGCP remains BILECO’s steadfast partner in providing quality, reliable, and sustainable power services for the country, and looks forward to the cooperative’s future achievements in maintaining premium customer satisfaction.

To BILECO’s Board of Directors, Management, employees, and member-consumers, congratulations and more power!



ANTHONY L. ALMEDA
President and CEO

National Grid Corporation of the Philippines



Message

My sincerest congratulations to all BILECO Board of Directors, Management, Staff, Employees, and Member-Consumers to its 32nd Annual General Membership Assembly (AGMA) on October 19, 2019 at the Biliran Province State University Gymnasium.

It is but fitting and appropriate that BILECO banners this year's NEA's unified theme for all ECs which is, "Sustaining the Strategic Partnership of the NEA-EC-MCOs Towards Rural Development and Nation-building."

It is with great pleasure and pride to know that BILECO is right on track and steadfast in promoting programs and projects for total rural electrification in all its serviced barangays and sitios. Rural Development entails the provision of basic services to its rural communities – rural electrification is one of them.

Towards this end, it is my fervent wish that whatever continuous gains BILECO has reaped in all its 46 years of existence and service to all Biliranons and Navaleños in particular, will be sustained through its fruitful collaboration with all its strategic members and partners.

Thank you very much and more power!



GERARD ROGER M. ESPINA
Mayor
Municipality of Naval

Message

My warmest greetings to Bileco as you hold your 32nd Annual Membership Assembly.

Bileco plays an integral role in building our province, as it brightens our respective homes, energizes our industries and empower our people.

As you are facing the challenge in the power industry today, may this gathering be a platform for tackling and creating relevant, innovative measures that can make your electric services more efficient and responsive to the needs of the member-consumers.

May you uphold our revived culture of integrity, transparency, and accountability in your operations and advance the welfare of our Kababayans here in the Province of Biliran, that it may help fuel our province growth and momentum towards equitable progress.

I wish you a happy and meaningful gathering!

(SGD)
RICHARD D. JAGUROS
Mayor
Municipality of Almeria



Message

With happiness and jubilation, I wish to extend my warmest greetings to the Administration, employees and member-consumer-owners of Biliran Electric Cooperative, Inc. (BILECO) on the occasion of your 32nd Annual General Membership Assembly (AGMA) on October 19, 2019 anchored on the theme “Sustaining the Strategic Partnership of the NEA-EC-MCOs Towards Rural Development and Nation-building”.

On the part of the Municipality of Biliran, almost 95% of the total households were catered by the services of BILECO. We truly appreciate your services to the consumer considering that most of the constituents rely on the electric facilities.

As you embark this year’s AGMA, electric cooperatives play a very vital role in nation-building and a valuable partner for a sustainable development particularly to us in the rural areas, thus, we wish that your cooperative will strive further and stronger to accommodate the increasing needs of the member-consumer and provide a modern technology to foster better and enhanced electric services to the entire Biliranons.

Again, congratulations and Godspeed!



GRACE J. CASIL
Mayor
Municipality of Biliran

Message

The Municipality of Cabucgayan, Biliran is committed to sustain and strengthen our partnership with the Biliran Electric Cooperative, Inc. (BILECO) to help promote all programs and projects of the National Electrification Administration for total rural electrification and in achieving success towards building a brighter future of the nation, for the sake of our member- consumer- owners in the locality.

We, the public officials and employees of Local Government Unit of the Municipality of Cabucgayan are further extending our commitment of the NEA's mandated missions to:

- Promote the sustainable development in the rural areas through rural electrification;
- Empower and strengthen NEA to pursue the electrification program and bring electricity through the electric cooperatives as its implementing arm, to countryside even in missionary or economically unviable areas to empower and enable electric cooperatives to cope with the changes brought about by the restructuring of the electric power industry.

On the 32nd Annual General Membership Assembly this 19th day of October 2019 on behalf of the Cabucgayanon, we would like to express our gratitude to the present Government, the National Electrification Administration and the Biliran Electric Cooperative, Inc. for being a dynamic and responsive government office for rural development in partnership with globally-competitive electric cooperatives and helped empower the electricity consumers.


MARISOL A. MASBANG
Mayor
Municipality of Cabucgayan



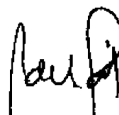
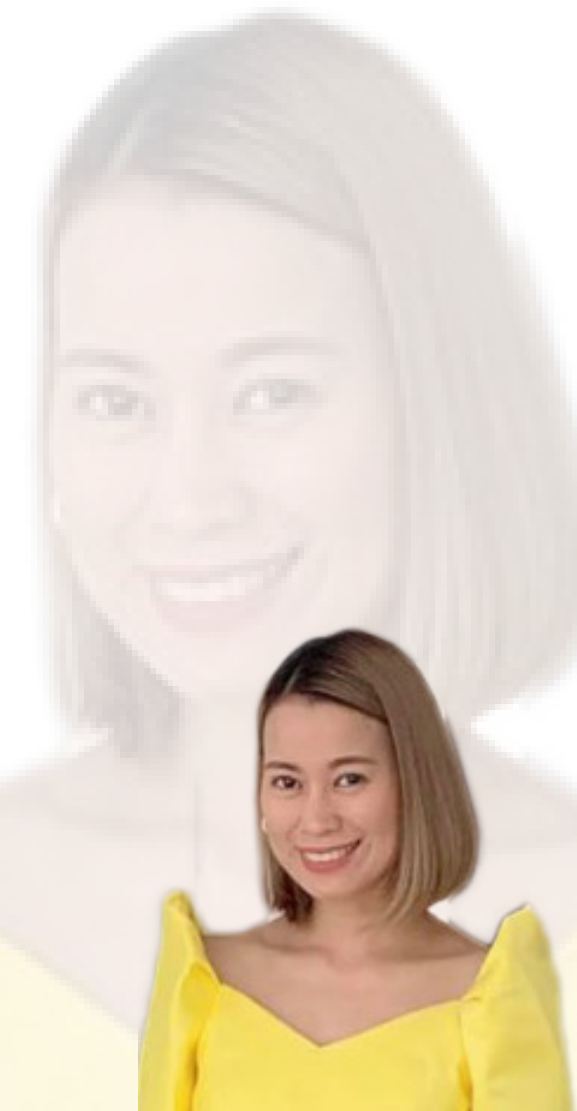
Message

My warmest greetings and felicitations to Biliran Electric Cooperative, Inc. (BILECO) as it holds its 32nd Annual General Membership Assembly (AGMA).

With the theme: “Sustaining the Strategic Partnership of the NEA-EC-MCOs Towards Rural Development and Nation-building”, I trust that BILECO will continue its commitment in its efforts towards standard distribution facilities and structures by building a reinforced strategy in attaining the shared goal for an improved quality of life of the Biliranons.

Let this assembly contrive BILECO’s direction in bringing forth innovative strategies to raise the quality of power distribution. May you strive to uphold your cooperative’s core values and promote energy-resilient rural communities by strengthening energy systems and helping to provide more reliable and affordable energy.

Thank you and I wish you all a productively beautiful assembly.

A handwritten signature in black ink, appearing to read 'Rhodessa'.

RHODESSA DELANTE-REVITA
Mayor
Municipality of Caibiran

Message

My warmes COOPERATIVE (BILECO) as you hold your 32nd ANNUAL GENERAL MEMBERSHIP ASSEMBLY (AGMA) on October 19, 2019.

The Province of Biliran is emerging as a progressive center of trade and tourism and this era of reform holds vital opportunities to bolster our efforts to achieve comprehensive electrification. Your organization contributes to this endeavor by enabling our fellow Biliranons to utilize modern conveniences and technologies in pursuit of their aspirations.

As to the present administration, this assembly is an appropriate venue for the exchange of positive ideas in facing challenges especially in providing electricity in every corner and cranny of this state. With full power and authority we continue our journey through this highlight in our history with your support and the solidarity of MCOs. Let us help each other fuel our efforts in realizing equitable progress and allow our citizens to enjoy the benefits of an inclusive, vibrant society with full awareness in the conservation of power as a responsibility.

May this Assembly bring forth inspiration and success to this momentous event.

Thank you and God bless!

HUMPHREY B. OLIMBA
Mayor
Municipality of Culaba



Message

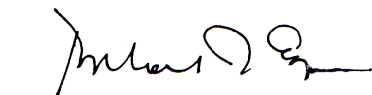
My warmest greetings to the Biliran Electric Cooperative, Inc. as you hold your 32nd Annual General Membership Assembly (AGMA) with the theme “Sustaining the Strategic Partnership of the NEA-EC-MCOs Towards Rural Development and Nation-building.”

To fully cascade the gains of positive change across our province, it is crucial to build and develop public infrastructure and utility services. Electric cooperatives, like the BILECO, play a vital role in the continuity of this collective endeavor and help us carry out government programs even to the most remote areas in the province.

May your 32nd AGMA be a venue to discuss issues confronting your cooperative today, that you may improve more productive operations. May you also create measures that will lead the entire BILIRAN PROVINCE to green pathways towards sustainable, equitable progress and engage more of the members to conserve energy, meet the projected demand for electricity, and maintain the upward trajectory of our economy.

I wish you a happy and meaningful assembly.




RODOLFO J. ESPINA, SR.
Mayor
Municipality of Kawayan

Message

To our beloved Member-Consumer-Owners, gone were the days when our voices were never fully heard and entertained. Gone were the days when we felt that we matter only of little value. Thru one of the 7-point agenda of the National Electrification Administration, we are now given more importance, authority and power in the electric industry.

With the progress that we have been experiencing in our Biliran Province, your District Representatives are now doubling their efforts to sustain the high and quality performance of Biliran Electric Cooperative, Inc. Through this, we have now attained, once again, the Triple A categorization for 2018. Maintaining this level is intimidating yet through full efforts and cooperation by the BILECO Board, Management and Member-Consumer-Owners, the result is a priceless feeling of satisfaction and pride.

Through this excellent level of performance, we are now focusing on a much larger scale of progress and development. We have empowered the performance of the Cooperative. It is time to empower the people of this Cooperative. MCOs shall be the highlight in our next goals and missions. MCOs shall be given more opportunity to stand out in this industry. In the very beginning, no one can deny the fact that the MCOs have been the most significant stakeholders of the Cooperative and will always be. Thus, it is high time to give back and to let our MCOs have the power that they have always deserved.

BILECO will be asking for support and participation throughout its endeavor for the common good of the MCOs. What the Cooperative shall give in return is empowerment through education/information campaigns and livelihood assistance. Small community programs shall also be conducted and facilitated as a starter to major programs in the future. Surely, more is yet to come!

Let us focus on reaching and achieving goals for a highly performing Cooperative with empowered MCOs. Let us focus on building a stronger and healthier relationship for the betterment of all.

Thank you and now, let our voices be heard!

Empower MCOs!



ALBERTO R. ESPREGANTE
President
BILECO Board of Directors



Message

As the steward of this Cooperative, it is my proudest pleasure to highlight that, once again, BILECO is an accomplished Cooperative. 2018 is certainly a landmark achievement for BILECO after going through tough times in the past years. Since typhoon Yolanda in 2013 we have steadily soared and regained our stature.

This year's theme "**Sustaining the Strategic Partnership of the NEA-EC-MCOs towards Rural Development and Nation Building**" is a representation of a greater vision and challenge ahead. As one of NEA's 7-point agenda, it is but imperative, to strategize how we could create an environment where the MCOs become a robust partner in rural development. This goal is not far-fetched as more and more MCO organizations are now gradually taking shape in our effort to organize MCOs in all barangays, districts and EC coverage. At its premature stage, we have witnessed how our MCOs positively respond if right tool and approach are only taken.

In these times where electric power industry is often shaken by threats from the oligarchs, it is wiser to invest on fortifying consumer organizations in order to show them that we are a force to reckon with. We have shown this force in the recent national elections where ECs and MCOs have successfully put warm bodies in Congress. However, in order to maintain and sustain this, MCOs must be continually educated, informed, empowered and involved in EC affairs.

Imperfections are inevitable, there will always be obstacles and difficulties along the road to our visions of success. Yet, with our sense of duty and responsibility, we are thriving to aim for perfection in our services. It will surely be a long run, which is why the understanding and support from our MCOs is what I will only ask for in return. Slowly and gradually, our cooperation will bear the fruit that we have always longed for.

To fruitful beginnings and to greater successes in the future!

Thank you and, together, let us thrive!

A stylized black ink signature of Engr. Gerardo N. Oledan.

ENGR. GERARDO N. OLEDAN
BILECO General Manager





31st Annual General Membership Assembly Meeting

BILECO successfully held its 31st Annual General Membership Assembly after hitting 10.13% attendance mark last May 26, 2018 at Naval State University (NSU) now Biliran Province State University (BIPSU) Gymnasium.

Anchored on the theme, “Empowering MCOs, Improving Lives”, the 2018 AGMA highlighted the importance of empowering its members through

education, involvement and livelihood programs.

The National Electrification Administration (NEA) Deputy Administrator for Technical Services Artis Nikki L. Tortola served as the keynote speaker in behalf of the NEA Administrator Edgardo Rama Masongsong.

In his keynote speech, he said that BILECO as an institution has evolved into a more service-oriented and a well performing electric cooperative as evidenced by its Triple A category for its 2017 operations.

The deputy administrator also urged the member-consumers to remain

cognizant of its responsibilities and obligations, be agents of change and exercise strong support to the cooperative.

On one hand, BILECO showcased its resiliency during the onslaught of typhoon Urduja last December 2017 through a video presentation.

Likewise, new resolutions were approved during the assembly such as additional requirements in the BOD qualification, the collection of 10 pesos MCO membership fee, allocation of fund for possible MCO livelihood programs and the economic provisions of the CBA.



District Elections in Caibiran, Culaba and Cabucgayan

Aldrich Earl Maderazo and the late Mr. Erik Castulo P. Castillo III as winning candidates.

Dir. Cordeta, the incumbent Director of Cabucgayan District, expressed his willingness for re-election and ultimately appeared as a lone candidate for the post. He garnered a

total of 125 votes, more than the required number of votes for a lone candidate, thus resulting in his second term as BOD for Cabucgayan.

Meanwhile, the District election in

Caibiran obtained 49% of the total turned-out voters where in the aspiring candidate for the post Mr. Jasper Aldrich Earl Maderazo garnered a total votes of 1,610 against 438 votes obtained by the incumbent Mr. Juan Avila Jr. thereby proclaiming Maderazo as the winning candidate.

The late Dir. Erik Castulo P. Castillo III was proclaimed as BOD-elect in Culaba for the second term until 2021. Unfortunately, due to his untimely passing, he was not sworn into office during AGMA leaving the said post vacant until present.

BILECO separately held the regular district elections for board of director in Cabucgayan, Caibiran and Culaba last March 10, 17 and 24, respectively.

The District Election Committee (DECOM) successfully proclaimed Mr. Arnulfo C. Cordeta, Mr. Jasper



Region 8 is Most Improved Region anew

Region 8 was once again hailed as the most improved region reflected on the Key Performance Assessment conducted by the National Electrification Administration (NEA) for the year 2018. Such recognition was presented during the Golden Dagitab Awarding Ceremony held in connection with the 50th Golden Anniversary of NEA at the Reception Hall of the Philippine International Convention Center (PICC), Manila last August 8, 2019.

NEA cited that only two regions: Region I (Ilocos) and Region 8 (Eastern Visayas) reaped the said award after all its member ECs in the region earned the AAA categorization. The AAA categorization is the highest rating given by NEA to an EC which indicates an EC's full compliance with NEA's key performance standards on four parameters, namely, institutional, financial, technical and reportorial requirements.

The Golden Dagitab Awards led by the NEA Administrator Edgardo Rama Masongsong was an opportunity to recognize

individuals and institutions that have played instrumental roles in the development and successful implementation of the rural electrification program (REP) in the country. NEA also paid tribute to those who have made outstanding contributions to the successful implementation of the REP over the past five decades.

Further, the 11 electric cooperatives in the region were also given the Performance Excellence Award, Golden Dagitab Award and the Paramount Achievement Award from the PHILRECA's Awards from the Wires for resolutely showing exemplary performance in all aspects of the ECs operations in the 2018 EC overall assessment and for its invaluable contribution in the successful implementation of the REP.

Awarded with the 5 Years of Powerhouse Excellence Award were Leyte Electric Cooperative IV (LEYECO IV), Southern Leyte Electric Cooperative (SOLECO), and Samar Electric Cooperative II (SAMELCO II) for maintaining the AAA rating for the last 5 years.

In addition, BILECO also garnered

a "Special Citation Award" for its quality production value of the NEA-EC-MCO Solidarity Dance Video which signified promotion of the Rural Electrification Program. The solidarity video showcased the different tourist attractions in the province with special participation of all BILECO employees and the Naval School of Fisheries Drum and Lyre Corps and a local rapper.

In his message, Admin Masongsong reiterated the need for the non-profit distribution utilities to continue sightseeing innovative strategies to further improve the delivery of services to its Member Consumer Owners. He also challenged all the electric cooperatives of the country to ensure that these awards received be translated into improvement in their services for the MCOs to keep upgrading their services and to remain responsive to the needs of their MCOs.

Admin Masongsong, agreed for the need to address the challenges of electrification believing "that the actions of one cannot stand without the support of the greater group". "Together, we must continue to seek ways to strengthen the sustainability of the electric cooperative family", he added. The NEA Administrator, however congratulated all the recipients of the NEA Golden Dagitab Awards and PHILRECA's Awards from the Wires.

The event was also attended by Senator Sherwin Gatchalian, Department of Energy (DOE) Secretary Alfonso Cusi, Energy Regulatory Commission (ERC) Chairperson Agnes Devanadera, European Union (EU) Ambassador Franz Jessen, PHILRECA General Manager Janeen Colingan, Partylist Representatives' Presley de Jesus (PHILRECA), Sergio Dagooc (APEC), Adriano Ebcas (AKO PADAYON) and Godofredo Guya (RECOBODA) and other NEA Department Heads and Deputy Administrators.

The Higatangan Microgrid Project

BILECO successfully installed and energized the microgrid hybrid system at Higatangan island, Naval, Biliran on March 8, 2019.

NEA Administrator Edgardo Rama Masongsong spearheaded the ceremony at the site in Brgy. Mabini which was attended by LGU representatives, FRECOR 8 general managers and officers and member-consumers of the island.

The new equipment was donated by the Korean government and the ELT Korea to Biliran Electric Cooperative (BILECO), the second beneficiary of this kind of project. Once stabilized, it is expected to provide a 24-hour power service in the island of Higatangan and shall cater to around 400 households in two barangays in the island - the Brgy. Mabini and Libertad.

The Microgrid project is composed of photovoltaic panels (10kw) and 50kw power conditioning system. It also has a 50kw diesel generator and



another 36 kwh energy storage system. It is expected to boost tourism in the island and to open more job opportunities for the locals once operation will start. For the meantime, the project was delayed due to technical problems but Koreans are expected to be back to replace the defective apparatus.

According to Administrator Masongsong, this new development will provide better socio-economic opportunity to the island and its people.

In their acceptance speeches, Barangay Captains Rosalie Arevalo of Barangay Mabini and Mr. Milluh Roble of Barangay Libertad, were grateful to BILECO and ELT Korea in providing the project to their island. They committed to care for the project and endeavor to explore economic activities that would bring about progress in their respective barangays, especially by optimizing the use of electricity.



BILECO accredits barangay electricians

BILECO approved the Policy No. 18-33 or the Policy on Barangay Electricians' Accreditation and House Wiring Installation through Board Resolution No. 37, Series of 2018 last November 23, 2018.

One of the major objectives of the accreditation process was to equip the electricians in their craft and to strengthen the relations and partnership between the electricians, member-consumers and BILECO. Apart from this, the management would like to establish a uniform tariff for house wiring installation in all districts.

Upon its approval, all barangay electricians desiring to undergo accreditation were required to submit the following: Personal Data Sheet, 2x2 ID, NC II Certification

for electrical installation and maintenance, barangay and police clearance and medical certificate. They were also obliged to attend an orientation seminar and hands on training to be conducted by BILECO followed by the theoretical and practical assessment.

It is also stipulated on the policy that electricians must pass the assessment to be awarded with a Certificate of Accreditation and must ensure that their NC II certificates are up to date so as

not to be constrained from doing house wiring installation and/or processing the documents.

Institutional services chief, Mr. Allan Joseph Borrinaga, in his message during the orientation said that the policy could strengthen more the relationships

between the electricians, the member-consumers and the cooperative through a more defined responsibilities and direction.

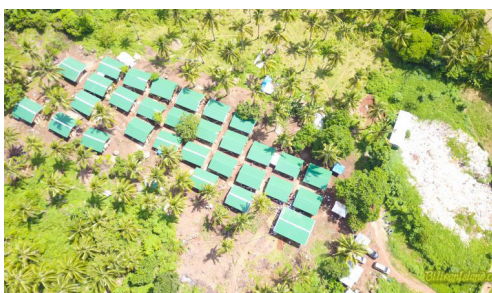
Meanwhile, GM Oledan encouraged all electricians to undergo accreditation or else be barred from transacting with BILECO.

BILECO considered electricians as dependable partner in the pursuit of rural electrification program. In line to this, the management, in recognition to their contribution, opened the possibility of tapping them as partner in the implementation of routine Coop activities such as line clearing, meter reconnection and disconnection as additional livelihood opportunity.



Rotary villages in Biliran, Almeria energized

BILECO has energized the transitional housing project initiated by the Rotary Club of Biliran Island located in Brgy. Sanggalang, Biliran and Sitio Ilijan, Poblacion, Almeria in which a total of fifty (50) families



benefited the project. These recipients were displaced by typhoon Urduja in 2017.

The Coop assisted in the processing of required LGU documents and waived all the fees associated with the application of power connection.

BILECO also held a pre-membership orientation seminar and a short program acknowledging the contributions and counterpart of all those involved in the project.



BILECO assists streetlight installation in the municipality of Naval

Through the initiative of the Local Government Unit of Naval thru its Municipal Mayor, Gerard Roger Espina, and in partnership



with BILECO, brighter streetlights are sights to behold along the national highway of Naval today. The streetlight project was implemented not only to light the streets

but more importantly to keep Naval safe. It stretches from Brgy. Agpangi to Brgy. Catmon attached to existing electric poles of BILECO.

New collection office in Caibiran inaugurated

The Board of Directors and GM Gerardo N. Oledan spearheaded in the ceremonial ribbon cutting and blessing of the new BILECO collection office located in Brgy. Palanay, Caibiran.

The office has started to accept bills payment and application of new connection last June 13.

Pre-membership Orientation Seminar or PMOS is held every Tuesday for new applicants.

500 indigent households receive electrification under NIHE project

A total of 500 households in the district of Cabucgayan have benefitted the electrification program of the Department of Energy known as the Nationwide Intensification of Household Electrification (NIHE).

NIHE is intended for poor households with no access to power, whose homes are near electric lines but



do not have money to spend for installation of house wires in order to connect to the main line.

Under the program, each beneficiary was allocated P3,750 that would cover costs for house wiring materials, labor, kilowatt hour meter, and service drop wire.

The Local Government Unit of Cabucgayan has waived some fees to NIHE beneficiaries associated with the application for electric connection such as electrical permit and other documents.



CSN, CNSAT champ 2018 ‘Clash of Juniors’ tilt



The Cathedral School of La Naval (CSN) and the Cabucgayan School of Arts and Trades (CNSAT) emerged champions in the 2018 division-wide skills and academic competition dubbed as the “Clash of Juniors” hosted by BILECO last July 3 at the Main Office, Brgy. Caraycaray, Naval, Biliran.

The 5-year old game, comprised of spelling bee, quiz bowl, poster

making contest and documentary film competition was initiated and designed by BILECO to give opportunity and provide additional avenue for junior high school students in the province to showcase their abilities, skills and wit in the field of various academic competitions.

CSN won the coveted first place in spelling bee and poster-making contest while CNSAT bagged the top place in Quiz Bowl.

The Tucdao National High School (TNHS) clinched second place in both spelling bee and poster-making contest while Lucsoon

National High School (LNHS) secured the second spot in quiz bowl, the LNHS’ first top award in the last five years.

The Naval State University-Laboratory High School (NSU-LHS) and Naval School of Fisheries (NSF) settled third in spelling bee and quiz bowl, respectively. The Kawayan National High School (KNHS), however managed to secure the third spot in poster-making.

Dr. Allan Paul U. Tubis, the former Administrative Officer V of DepEd-Division of Biliran, said that the activity was an added help to DepEd in providing an avenue for the students to explore their potentials. Tubis also suggested to give emphasis on values formation on future contests or activities BILECO will be undertaking as it is something lost or forgotten by this generation.

A total of 16 junior high schools participated in this year’s contest.

BILECO joins nationwide tree planting, line clearing day

BILECO joined in the nationwide tree planting activity on August 31, 2018. The activity was held in Brgy. Villa Consuelo, Naval which was actively participated by the Board of Directors and MSEAC members.

Around 300 coffee seedlings were planted in coordination with PENRO-Biliran.

Likewise, the BILECO line workers conducted line clearing along the areas with vegetation close to or attaching the power lines. The concerned member-consumers in the area were informed of the importance of keeping the line clear from any obstruction so as



to avoid unscheduled power interruptions and other problems.

These two activities were the highlights to the culmination of the National Electrification Awareness Month (NEAM) celebrated annually in the month of August.





BILECO feeds schoolchildren

BILECO proved that it does not only light homes but also served children through conducting feeding activities particularly in Loooc Elementary School in Caibiran and Pili Elementary School in Almeria last July 25 and July 30, 2018, respectively with all schoolchildren aged three and above as beneficiaries.

Said program was part of BILECO's corporate social responsibility activities aimed to provide the beneficiaries with nutritious food that will give them energy to excel and participate in school.

The school principal of Pili Elementary School, Mr. Ludy Sale extended his appreciation to BILECO management for selecting their school as one of the beneficiaries for year the 2018

feeding activity considering that there is a relatively high rate of malnutrition in the said area. Mr. Sale, however urged the parents to be cautious in the food intake of their children and to assure that balance diet is practiced so as not to affect the school performance of their children.

With the assistance of the teachers, parents and the barangay officials in two schools from the different barangays, the feeding activities were successfully concluded.

Dental care, complimentary services offered to employees, MCOs

In line with the celebration of Coop-Union Day, BILECO conducted Dental Care activity and offered complimentary services to employees and member-consumer-owners last July 5 and 6, 2018 with the theme "Pahalipay sa Kooperatiba, Paggalam sa Konsumedor."



The Biliran Dental Chapter headed by Dr. Herchell Luna provided awareness on the importance of dental hygiene as oral health reflects the over-all health of a person. Employees and member-consumers alike availed of the free services such as tooth extraction, cleaning and temporary filling.

Included in the free services provided by TESDA were haircut for men, manicure and pedicure, half and whole body massage, and blood pressure testing.

BILECO conducts estero cleanup in Sambulawan Creek

In observance to the Philippine Environment Month and in line with the celebration of BILECO's Coo-Union Day and Anniversary last July 6, BILECO personnel joined together for an Estero Cleanup at Sambulawan Creek in Brgy. Caraycaray, Naval, Biliran last June 29.

The activity which aimed to raise awareness on the proper disposal of wastes to avoid clogging of waterways and preserve the area as habitat of local species, was

likewise in compliance with the memorandum of agreement entered into by the Environment Management Bureau (EMB) and BILECO.

BILECO workforce, the personnel from the Provincial Environment and Natural Resources Office (PENRO) Biliran, the officials of Brgy. Caraycaray and BILECO's MSEAC president all joined together which made the activity successful.



The Muti-Sectoral Electrification Advisory Council

With continuing effort to educate and forge stronger partnership with the Multi-sectoral Electrification Advisory Council (MSEAC), BILECO has called MSEAC meetings once every quarter to discuss with them pressing issues affecting the electric cooperatives and how BILECO has fared in terms of improving its services.

The participants were also reminded on the thrust of NEA with regards to MCO empowerment. During the previous meeting in 2017, the MSEAC were briefed on the need and the importance to organize member-consumer-owners organizations in every barangay and district. With the presence of the Board, proposals on livelihood program were considered.

MSEAC not only maintains to be a channel between the MCOs and the cooperative, they also immerse themselves to causes that spell a big difference in the lives of the MCOs like feeding program, tree planting and clean-up activities, attendance to CBA negotiations and public bidding.



BILECO has also presented to the body the Enhanced EC Overall Performance Assessment Criteria under NEA Memorandum No. 2018-005, wherein new criteria were added. This will determine the categorization or rating of the Coop through its performance for the year. The MSEAC were made to realize that the performance of the Coop will also depend on the members' active involvement to



EC affairs and programs and also adherence to Coop policies.

Newly appointed members of MSEAC were welcomed and took their oath of office.

Handog Pamasko in Caibiran

BILECO brought smiles and joy to its member-consumer-owners during its annual handog pamasko in Brgy. Villa Vicenta and Brgy. Cabibihan, Caibiran on December 18. The BILECO carolers have given away grocery packs to the recipients as an early christmas gift for the successful year of BILECO.



Member Consumer Empowerment Program (MCEP)

As one of NEA's 7-point electrification agenda, BILECO intensified its campaign on member-consumer empowerment thru the member-consumer empowerment program or MCEP.

It all started on August 2017 when all organized barangay power associations (BAPAs) were organized as the MCO organizations following NEA's guidelines.



On October 2017, NEA conducted an orientation-seminar with the Frecor 8 ECs for the implementation of MCEP.

On February 27, 2018, the elected federation officers and members coming from the organized BAPA took their oath.

On March 19, 2019 the Baranggayan kicked-off with the goal of organizing Barangay Member Consumer Electrification Committee (BMCEC). The organization of 117 barangays into BMCEC was overwhelmingly supported by the MCOs which concluded on July 31 in Barangay Ungale, Kawayan. These organizations have elected their

officers including a chairman, vice chairman, secretary and treasurer coming from various sectors.

Following the conclusion of barangayan, the election of district and provincial officers followed on September 2019. Gegorio Pineda, Jr. of Cabucgayan was elected chairman, William Cuizon as vice-chairman, Amando Napalit, Jr. as Secretary and Jose Potazo of Biliran as Treasurer. Also elected were Board members Marcelino Oppus of Almeria, Nicanor Pilapil of Kawayan and Alberto Sulayao, Jr of Caibiran. The federation has appointed Edgar Misagal as the information officer.



Region 8 is most improved region in ‘Lumens’; BILECO bags 5 awards

BILECO bagged 5 awards in the Regional Lumens Awarding Ceremony held at Ciriaco Pavilion Hotel, Calbayog City on July 13, 2018 based on its 2017 overall performance.

Aside from BILECO, the remaining 10 electric coops in Region 8 also received five awards each from the National Electrification Administration for its exemplary performance.

NEA Administrator Edgardo Rama Masongsong who graced the event as the guest speaker hailed Region 8 as the most improved region. NEA cited the region’s achievement wherein 10 out of its 11 ECs earned the AAA categorization. The AAA categorization is the highest rating given by NEA to an EC which indicates an EC’s full compliance with NEA’s key performance standards on four parameters, namely, institutional, financial, technical and reportorial requirements.

“Region 8 is the Most Improved Region kasi, talagang nag-improve silang lahat,” NEA chief said during the press conference held in Ciriaco Hotel, Calbayog City.

“We are happy to conduct a Regional Lumens Awards for the ECs in Region 8 because this is the first time that all ECs here are categorized as AAA except NORSAMELCO but it has improved tremendously from an ailing EC to a Category A. So we would like to honor these ECs,” Masongsong added.

Electric coops who got the AAA categorization, or the highest score, given by NEA were LEYECO I/DORELCO,

LEYECO II, LEYECO III, LEYECO IV, LEYECO V, BILECO, ESAMELCO, SAMELCO I, SAMELCO II, and SOLECO. Northern Samar Electric Cooperative (NORSAMELCO) was also recognized for soaring from Category B in the year 2016 to a Category A electric cooperative in 2017.

Further, the 11 electric cooperatives were also given the EC Resiliency Award for resolutely standing against all odds by posting exceptional improvement in all aspects of operation despite of the many calamities, tragedies and catastrophes that haunt the Region every now and then.

NEA Administrator Edgardo R. Masongsong challenged the 11 electric cooperatives of the region to ensure that these awards received be translated into improvement in their services for the member-consumer-owners (MCOs), to keep upgrading their services and to remain responsive

to the needs of their MCOs.

Administrator Masongsong together with top officials of the state-run NEA graced the momentous regional event. The event was attended by the former DILG Secretary, Hon. Mel Senen S. Sarmiento and the Mayor of Calbayog City, Ronaldo P. Aquino.

In summary, the following are the awards received by BILECO:

- Best in Collection Efficiency
- Most Improved EC
- EC Resiliency Award
- Top Performing Electric Cooperative (Category AAA)
- Most Improved Region of the Year



BILECO joins with PIA, DOE for E-Power Mo Campaign

BILECO in partnership with the Philippine Information Agency (PIA) Biliran and the Department of Energy (DOE) conducted E-Power Mo Forum at selected high schools in Naval on October 16, 2018.

The students from Naval National High School, Naval School of Fisheries, Lucsoon National High School and Naval State University Laboratory High School actively participated in the half-day forum.

Students learned on ways to conserve energy, electrical safety and the proper, wise and safe use of LPG.

On December 10, the PIA hosted the recycled energy saving



device contest for junior high school students held at Naval Gymnasium.



E-Power Mo is one of the four tenets that summarizes the policy agenda of President Duterte. The other three are E-Safety Mo, E-Secure Mo and E-Diskarte Mo.

Six BILECO employees pass ALS exam

Six BILECO undergrad employees have successfully passed and graduated the Alternative Learning System of the Department of Education last April 2018.

GM Gerardo Oledan was invited as guest speaker during the ceremony. He said it is the goal of the Cooperative to ensure that all undergrad employees have the opportunity to complete the basic education curriculum.



2018 Employees' Attendance to Seminars and Trainings

Attendance to seminars and trainings offers an opportunity to employees for development and acquire hands-on information straight from the experts that can be significant to the Cooperative. As it is a good investment to both the individual and the company, new approaches and ideas make an employee more effective and efficient at work.

To continually equip employees with the knowledge and skills to sustain a fully functioning, healthy cooperative, BILECO positively responds to relevant invitations for trainings, seminars and workshops from different agencies/companies/institutions.

The following is the list of some of the seminars and trainings attended by its employees for the year 2018:

1. December 3-4, 2018 - Tech4ED Center Manager Training
2. October 1-2, 2018 - Basic Life Support Training
3. September 20, 2018 - Premium Line Cabling 1.) Seminar and Training Program and 2.) GPON FTTX Cabling Tutorial
4. September 18-21, 2018 - Workshop on Linear Programming and Optimizing Statistical Analysis and Understanding Computer
5. September 11-14, 2018 - Region VIII Workshop on Biennial e-ICPM for CY 2019-2020
6. August 20, 2018 - Intensive Training of Eaton Cooper AVR & Control w/ AVR Technical Engineer for EATON AVR Factory
7. July 18-22, 2018 - Seminar on Distribution Network System for Reliability Improvement
8. July 2-6, 2018 - Regional Sub-transmission Acquisition and Substation Development Plan Workshop
9. May 21-22, 2018 - Seminar Workshop on ACAM
10. May 17-18, 2018 - Technical Product Training on Relay Tester
11. May 10-11, 2018 - Finalization and Consolidation of the Master Plan on Total Electrification Workshop
12. April 4-6, 2018 - Seminar-Workshop on EC's Cooperative's Area Managers and Consumer's Welfare Desk Officers
13. March 6, 2018 - Training for Substation Equipment
14. January 31 – February 1, 2018 - Train Law Seminar

Key Accomplishments of the BOARD

In line with their duties and responsibilities to the Cooperative, the BILECO Board of Directors first-handedly joined and facilitated the massive information, education and communication (IEC) campaigns with the management strengthening connections with the member-consumer-owners (MCOs) through annual district meetings and quarterly MSEAC meetings.

For innovation, the Board welcomed technological advancements with open arms through accepting the



Cooperative's operations, the Board never fails to give back its blessings to its MCOs through



Hybridization of Higtangan Island's Power Plant which is the PV/Diesel Hybrid System Donation Proposal from ELT Korea as per Board Resolution No. 05 s. 2018. With their initiative in helping lessen power interruptions in the coverage area, the Board pushed for the implementation of the right of way line clearing per district.

Aside from supporting development strategies for the

the Handog Pamasko Program, offering free haircut, manicure, pedicure, Medical & Dental Mission Services, Feeding Programs and, as well as, in helping the environment through the Estero/Creek Clean-Up Program by the EMB-DENR and other corporate social responsibility programs.

In support education, particularly in the secondary schools, the Board approved the adoption for the "Clash of Juniors,"

an academic competition among Junior High School Students in the Province of Biliran which included Quiz Bowl, Spelling Bee and Poster-Making Contest.

With all the numerous responsibilities of the Board to the MCOs, never have they forgotten to provide attention and care for the Cooperative's employees which was shown through the pursuit of engaging with a reputable retirement

fund manager for the Internal Fund Management Policy.

After all the selfless service of the Board to its MCOs and employees, the August Body had adopted their Internal Rules in 2018 after series of discourses.

As the policy-making body of the Cooperative, the major policies that was adopted by the Board included the policies on the provision of separate electric service and transformer for big load consumers, right-of-way distribution line clearing policy, barangay electricians' accreditation and house wiring installation and distribution



transformer rental, pilferage of electricity, theft of Coop property and similar acts, rental of vehicles and addendum to BOD qualifications stipulated under NEA Memorandum No. 2014-019 series of 2014.

And, to be equipped with the best knowledge and skills as the MCOs' representative, the Board has attended conferences, fora, seminar-workshops and trainings so as to hone their knowledge as the decision-makers of the

Cooperative. These were Electric Power Industry Reform Act (EPIRA) 201: Electricity Market: Power Supply Contracting, WESM and Retail Competition, Cooperative Management Courses (CMC) I & III and Good Governance, Member-Consumer-Owner (MCO) Orientation Seminar, Philippine Mini-Grid Forum of the Department of Energy (DOE) and the Alliance for Rural Electrification (ARE) with the support of the European Union through its Access to

Sustainable Energy Programme (ASEP).



The BOARD of DIRECTORS



ALBERTO R. ESPREGANTE
President

REYNALDO B. ROSTATA
Vice-President

SALVACION C. JORNALES
Secretary

ARNULFO C. CORDETA
Member



JASPER ALDRICH EARL D. MADERAZO
Member

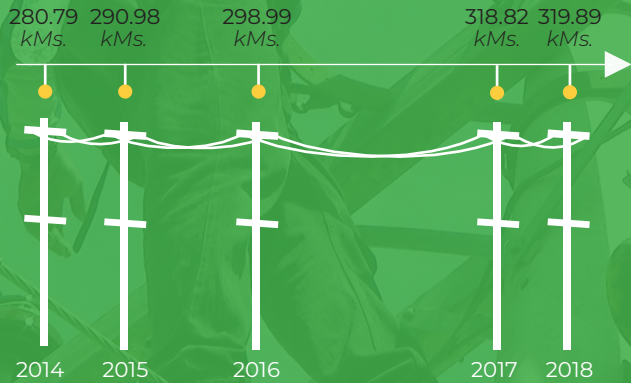
DINO S. PEÑAFLORES

ENGR. GERARDO N. OLEDAN
Ex-Officio Member

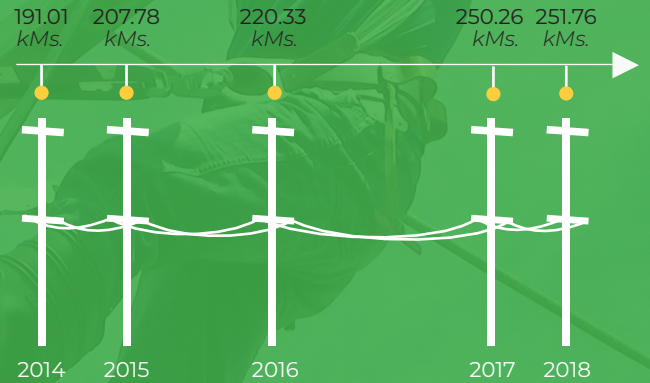


DISTRIBUTION SYSTEM

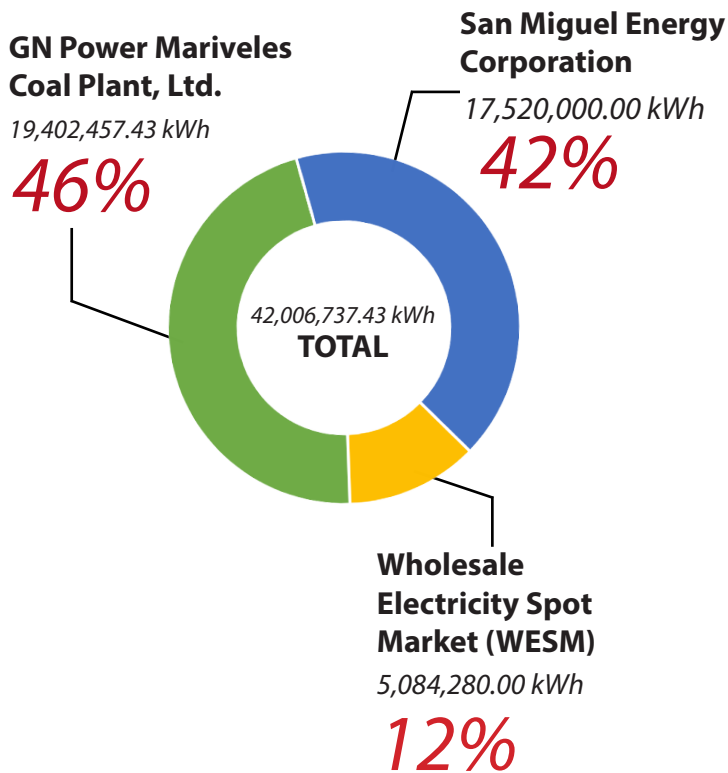
Primary Line Energized



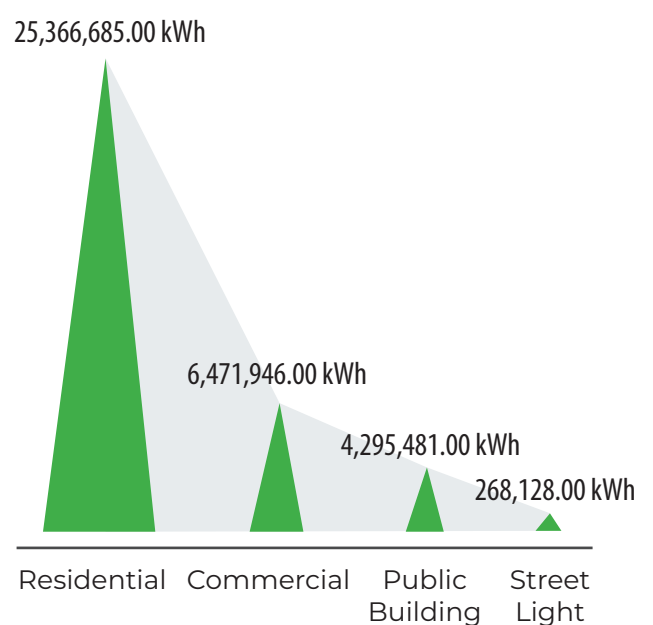
Secondary Line Energized



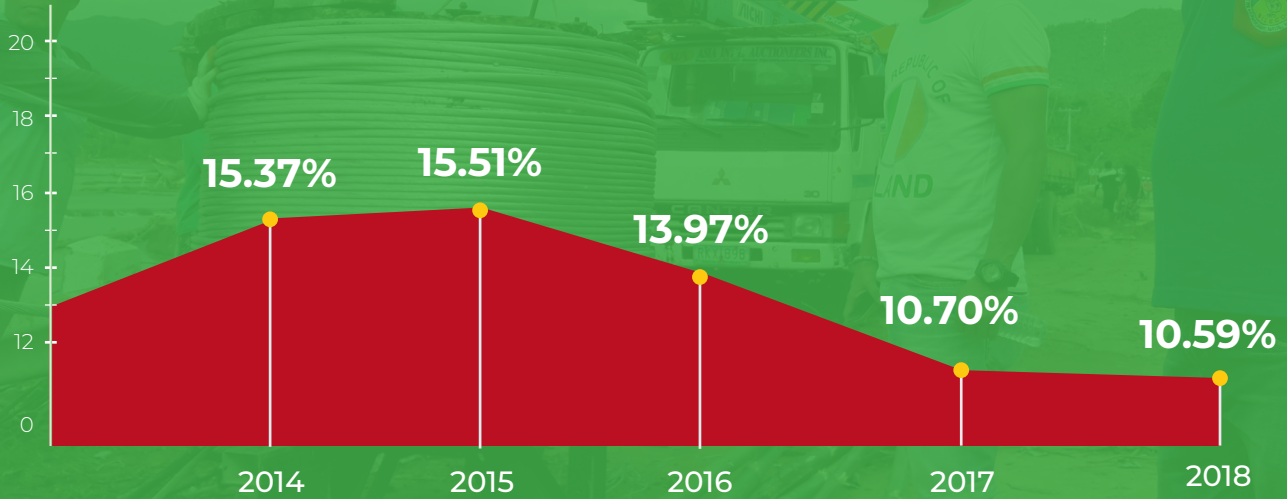
SOURCES OF POWER



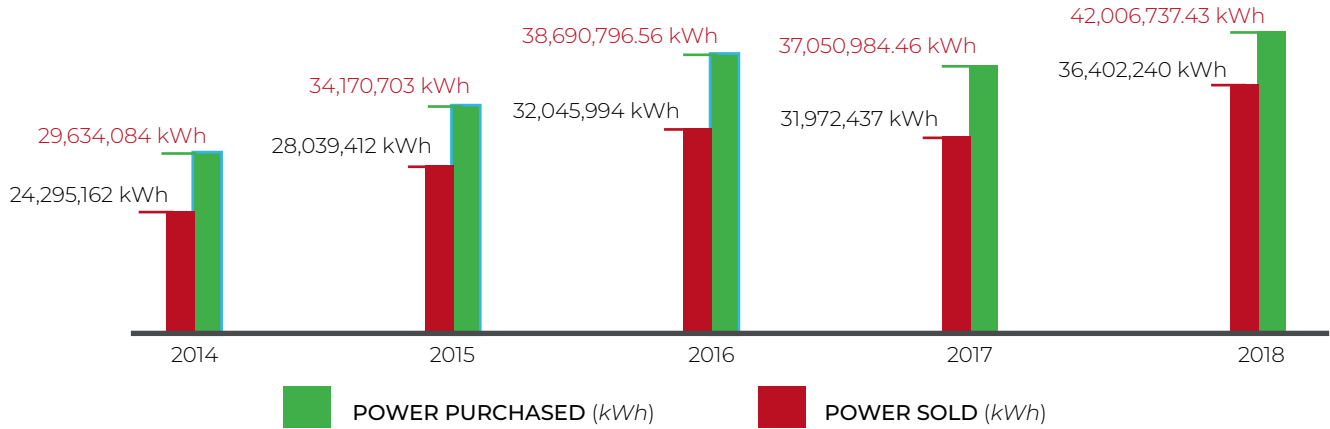
POWER SOLD PER CLASS



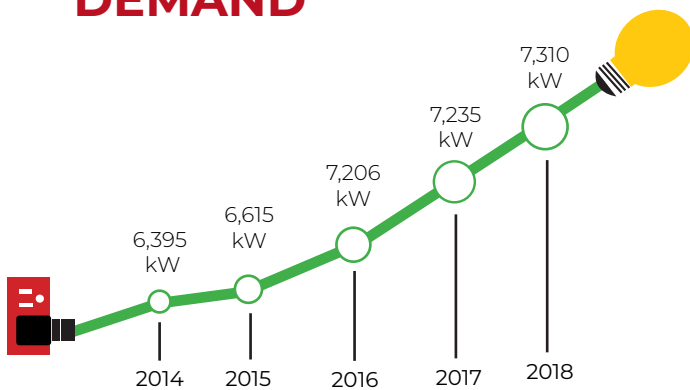
SYSTEM LOSS



POWER PURCHASED AND SOLD



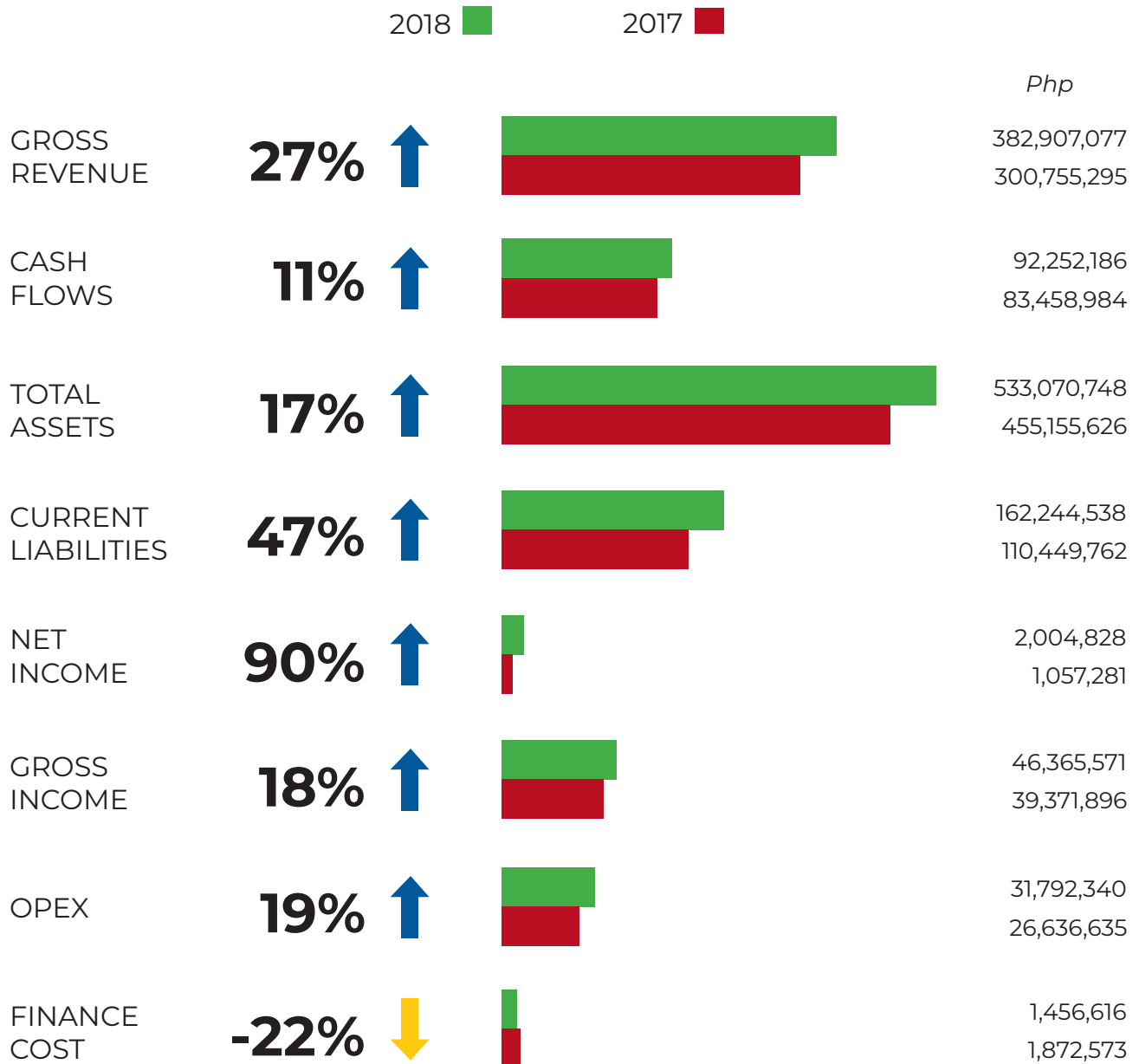
PEAK LOAD/PEAK DEMAND



FREQUENCY OF INTERRUPTION PER CONSUMERS

SYSTEM RELIABILITY	BILECO	STANDARD
SAIFI	24.56	25 Interruptions
SAIDI	21.54	45 Hours
CAIDI	0.88	4 Hours

FINANCIAL HIGHLIGHTS



Gross Revenue Net Energy Sales from Commercial, Residential, Public Building & Street Lights

Cash Flow Cash Balance at the End of Year

Total Assets Includes Current & Non Current Assets

Current Liabilities Payables to power suppliers, accounts payables, accrued liabilities & others

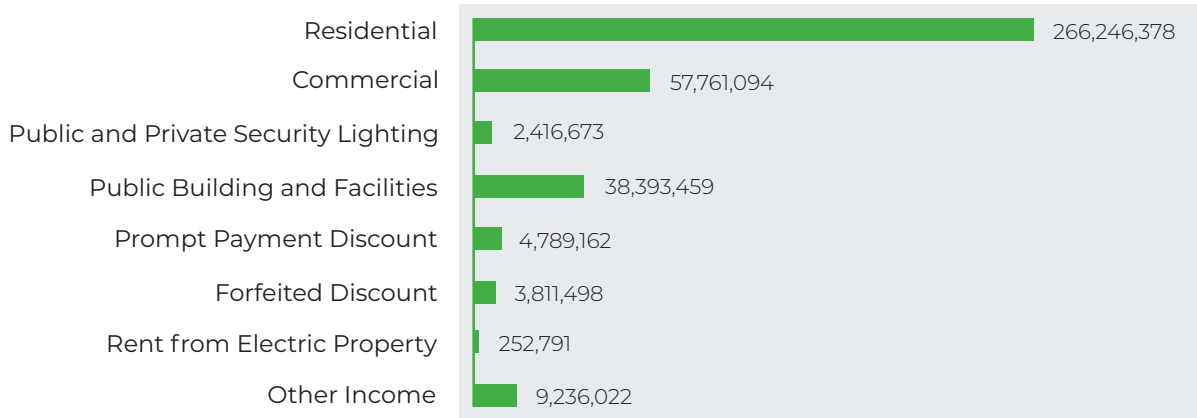
Net Income Gross Revenue less Direct Cost, other Operating Expenses, Refunds to Consumers due to Over Recovery

Gross Income Total Revenue less Direct Cost (includes Cost of Power, Distribution, Consumer Accounts, Depreciation and other Direct Costs)

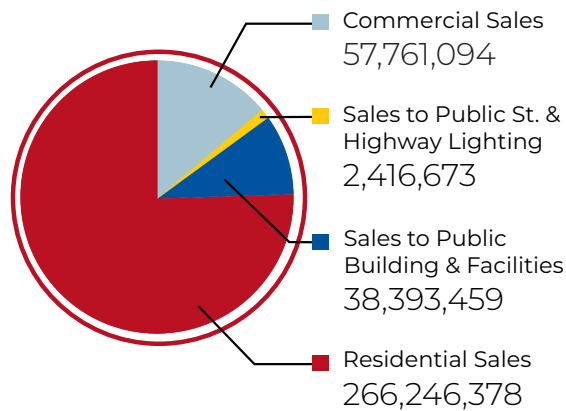
Opex Operating Expenses includes General and Administrative expenses

Finance Cost Debt service cost NEA and other institution

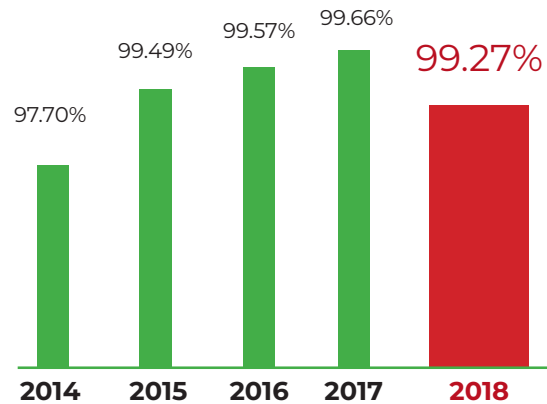
SOURCES OF REVENUE



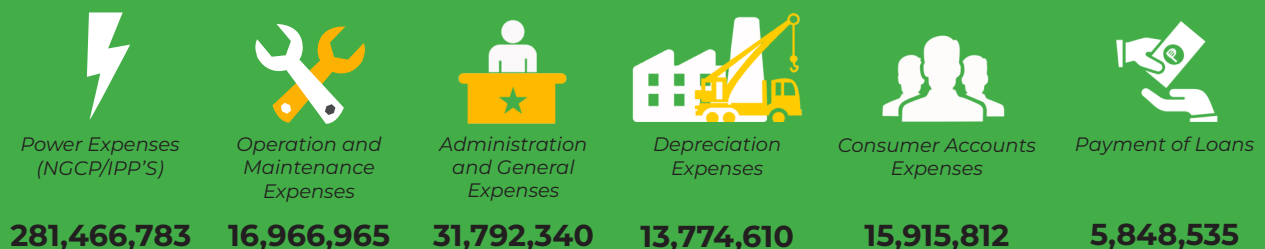
SALES BY TYPE OF CONSUMERS



COLLECTION EFFICIENCY

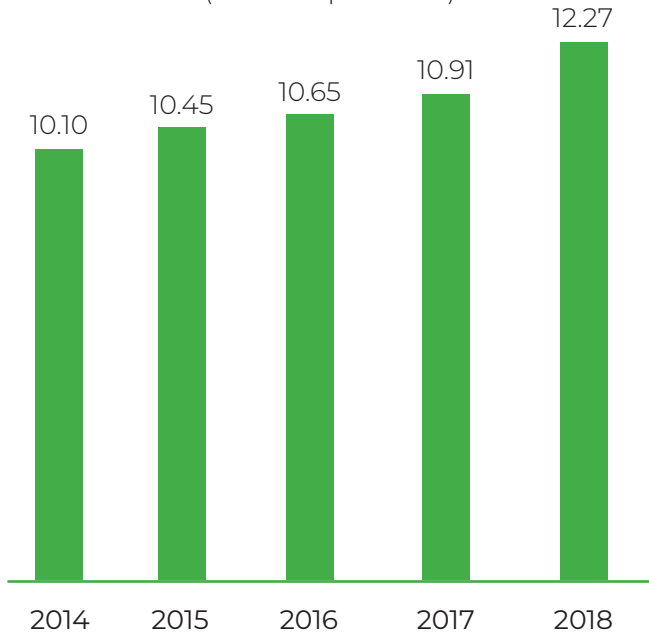


WHERE OUR REVENUE GOES?

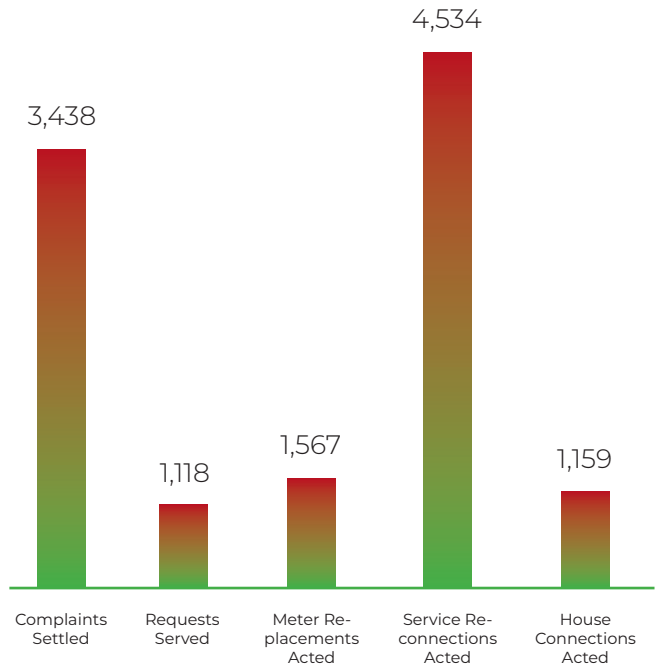


FIVE-YEAR AVERAGE POWER RATE FOR RESIDENTIAL

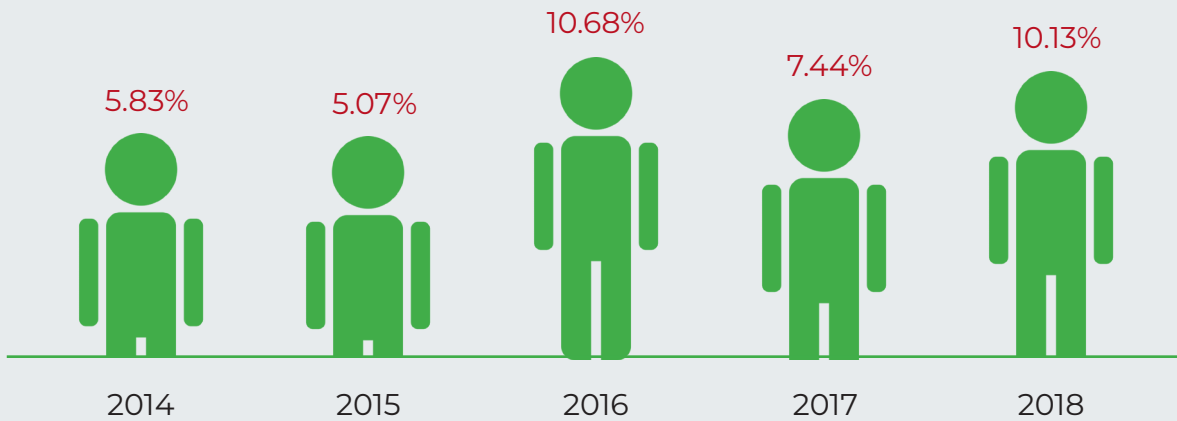
(in Pesos per KWH)



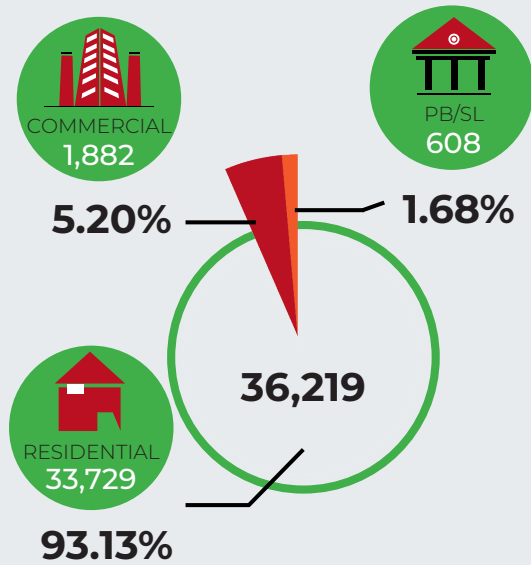
SERVICE EFFICIENCY REPORT



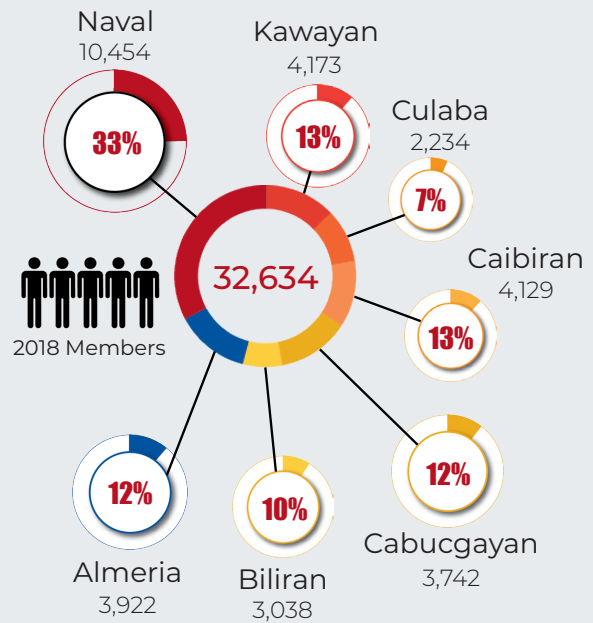
FIVE-YEAR AGMA ATTENDANCE



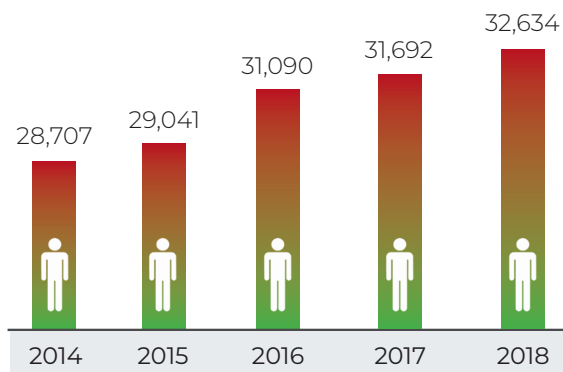
HOUSE CONNECTION



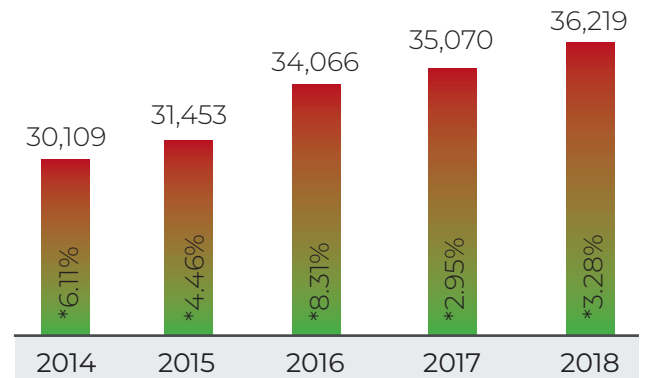
MEMBERSHIP



FIVE-YEAR MEMBERSHIP GROWTH

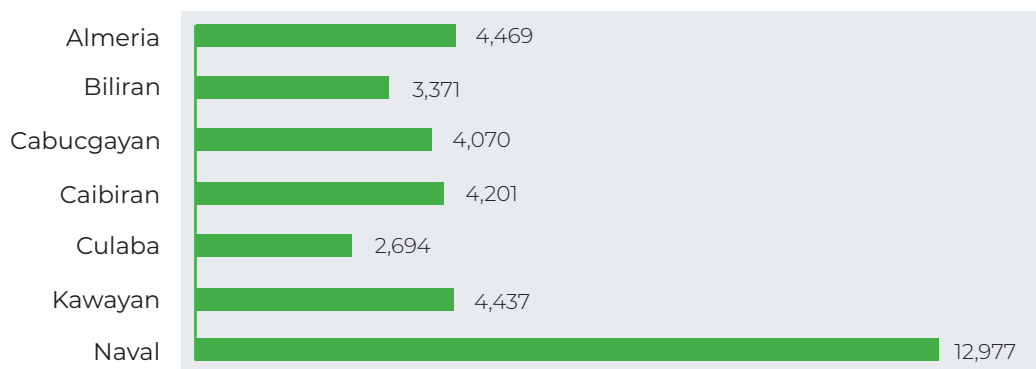


FIVE-YEAR CONNECTION GROWTH



* Percent of Growth from the preceding year

HOUSE CONNECTION PER DISTRICT



MINUTES SA IKA-31 NGA TUIG NGA PANAGTIGOM SA MGA MIYEMBRO-KONSUMEDOR SA BILIRAN ELECTRIC COOPERATIVE, INC. (BILECO) NGA GIPAHIGAYON NIADTONG MAY 26, 2018 DIDTO SA NAVAL STATE UNIVERSITY GYMNASIUM, NAVAL, BILIRAN

Pormal nga gisugdan ang maong okasyon sa ala una (1:00) ang takna sa hapon, diin kini giatenderan ug 3,195 ka mga miyembro-konsumedor gikan sa nagkalain-laing distrito sa tibuok probinsya sa Biliran. Ang han-ay sa maong programa mao kining mosunod:

OPENING PROGRAM

Parade of Colors	-	BILECO Linemen
Pambansang Awit	-	Sound System
Biliran Hymn	-	Sound System
Welcome Message	-	Hon. Vicente V. Curso, Jr. Vice-Mayor of the Municipality of Naval
Opening Remarks	-	Dir. Alberto R. Espregante BOD President
Presentation of the Newly Elected BODs in Cabucgayan, Caibiran & Culaba	-	Allan Joseph S. Borrinaga ISD Manager
Oath-taking of the Newly Elected BODs	-	Engr. Artis Nikki L. Tortola NEA Deputy Admin for Technical Services
Song Number	-	Froilan D. Carmen BILECO Staff
Message	-	Engr. Gerardo N. Oledan General Manager
Introduction to the Guest Speaker	-	Michael M. Gabing HRA Supervisor
Message from the Guest Speaker	-	Engr. Artis Nikki L. Tortola NEA Deputy Admin for Technical Services
Presentation of Plaques and Citations		
	1.	Plaque of Appreciation to MLGU-Naval
	2.	Plaque of Appreciation to Engr. Artis Nikki L. Tortola
	3.	Posthumous Award to the late Dir. Erik Castulo Pazon Castillo III
Video Presentation	-	2017 Performance Highlights
Closing Remarks	-	Mr. Dino S. Peñaflor NEA Representative to the Board

ORDER OF BUSINESS

Time Started : 3:38 PM
Time Ended : 5:08 PM

Call to Order and Determination of Quorum

Human masiguro nga adunay korum, si Dir. Alberto Espregante, nga mao ang pangulo sa BILECO Board of Directors, medeklara sa opisyal nga pagsugod sa tigom mga alas 3:13 ang takna sa hapon. Si Board Secretary Salvacion Jornales mi-report nga adunay 3,195 nga katumbas sa 10 porsiyente sa katibuk-ang

miyembro-konsumante ang mitambong sa panagtigom.

Reading of the 30th AGMA Minutes

Gisugdan ni Board Secretary Jornales ang pagbasa sa minutes sa mando ni Chairman Espregante apan si Ms. Agustina Caliao ning mosyon sa paghurar sa pagbasa sa maong minutes tungod sa limitadong oras ug tungod kay kini naimprinta na sa annual report diin may kopya ang tagsa-tagsang miyembro-konsumedor nga ning atender. Ang maong mosyon gisegundaan

ni Ms. Rebecca Salloman. Tungod kay walay mibabag, ang mosyon naaprobahan.

Approval of the Minutes

Si Chairman Espregante nangutana sa mga miyembro-konsumante kung aduna'y modipikasyon o koreksyon nga gusto nilang ipadangat mahitungod sa minutes. Tungod kay wala, si Mr. Crisanto Calvez ning mosyon nga aprubahan ang minutes. Sa pagsegunda ni Mr. Jose Baliber, ang maong minutes naaprubahan nga walay koreksyon o modipikasyon.

Presentation of the 2017 Annual Report

Human maaprubahi ang minutes, nagmando si Chairman Espregante nga ipresenta ang mga nabuhat sa BILECO sa milabay nga tuig 2017 pinaagi sa usa ka video presentation.

(Presentasyon sa video)

Human sa video presentation, si GM Gerardo N. Oledan nagkanayon nga ang nakita sa video mao ang mga highlights sa nabuhat sa BILECO sa Technical, Institutional ug Financial nga operation. Human niini, nangutana si Chairman Espregante kung aduna ba'y komentaryo o reaksyon mahitungod sa report ang mga MCOs. Tungod kay wala, nagpadayon ang plenary sa pagpresenta sa mga agenda.

Plenary Agenda

Gi-presenter ni Chairman Espregante ang tulo ka-agenda nga mao ang mga mosunod:
(1) Approval and Ratification of the Addendum to BOD Qualifications
(2) Approval on the Collection of Membership Fee of ₱20.00 for BILECO Organized MCOs & Approving the Allocation of a ₱200,000.00 Budget for MCO Livelihood Program
(3) Approval of BILECO's Collective Bargaining Agreement (CBA)

Gitawag sa Chairman ang Vice-Chair nga si Dir. Reynaldo Rostata aron maghisgot sa unang agenda.

Si Dir. Rostata mi-presenter sa dugang nga kwalipikasyon alang sa pagdagan pagka-Board of Director nga mao ang

pagpartisipar niini sa mga district election. Ani Dir. Rostata wala kini nahilakip sa RA 10531 mao nga gimanduan ang BILECO sa NEA nga kinahanglan maaprobahan kini sa General Assembly.

Gihimay-himay ni Dir. Rostata ang kasamtangan nga mga kwalipikasyon nga anaa sa RA 10531 hilabi na ang Section 14. Human sa paghisgot sa mga kasamtangang kwalipikasyon, gipresenta niya ang dugang nga kwalipikasyon nga gusto sa Board nga madugang. Kini mao ang "He/she must have participated/ voted in an election for the last five (5) years at least once prior to the preceding election."

Si Dir. Rostata nagkanayon nga basta nibutos ang miyembro kausa sa lima katuig nga miagi, qualified siya nga mudagan pagka-direktor. Gidugang niya nga kini gihimo aron masiguro nga ang interesado magpapili pagka-Board adunay hustong kaalam ug partisipasyon sa mga kalihukan sa kooperatiba.

Human sa presentasyon, si Chairman Espregante nangutana kung adunay mosyon nga aprubahan ang unang agenda. Si Ms. Agustina Caliao nangutana mahitungod sa kwalipikasyon pag-atender sa asembleya kung mamahimo ba bisan dili magsunod ang tuig basta sud gihapon sa milabay nga lima katuig; ikaduha ang mahitungod sa residence kung diin may balay ang usa ka miyembro apan dili sya permanenteng nagpuyo didto kay nagtrabaho sa laing dapit; ug ikatulo ang mahitungod sa age limit kung mamahimo ba nga adunay rekonsiderasyon hilabi na sa mga kwalipikado nga senior citizens.

Mitubag si Dir. Rostata nga ang mahitungod sa pag-atender sa asembleya, bisan dili magsunod ang tuig, pwede na. Ang mahitungod sa residence, gitataw ni Dir. Rostata nga importante mo-certify ang barangay captain nga residente ang usa ka miyembro sa maong barangay aron mo-qualify. Ang mahitungod sa age limit, wala nay mahimo sa kasamtangan ang mga Board kay balaod naman ang RA 10531, pwera kung amyendahan kini ug usbon ang probisyon mahitungod sa edad.

Nangutana na usab si Chairman Espregante kung naklaro na ba ug aduna bay mo mosyon nga aprubahan ang agenda.

Si Ms. Edna Rojas nagkomento bahin sa residence nga unang gipangutana ni Ms. Caliao. Ani Ms. Rojas mamahimong matawag nga residente ang usa ka miyembro bisan pa man tagsa ra sya muduaw dinhi sa distrito nga iya gipuy-an kay lagi tua nagpuyo sa Manila, apan dugang niya, kung wala nakapangalan sa usa ka-residente ang resibo o koneksyon sa BILECO o wala sya makabayad kada bulan sa billing, dili sya pwede mudagan pagka-Board.

Si Ms. Felicisima Amador nanguta usab bahin sa good standing nga kwalipikasyon. Gusto niyang maklaro kung matawag ba nga member of good standing kung mubayad ang usa ka miyembro human sa due date unya pirmi mubayad ug surcharge.

Si Chairman Espregante mitubag nga base sa RA 10531, ang kadtong in good standing, nag-ingon nga dapat wala'y outstanding balance sa iyang pagdagan pagka-Board.

Si Ms. Lolita Darantinao nangutana kung kwalipikado ba gihapon ang tag-iya sa balay nga tua sa Manila unya giparentahan lamang ang iyang balay dinhi sa Biliran.

Si Chairman Espregante mitubag nga kung siya ang nakapangalan sa koneksyon, mamahimong mo-qualify, pero kung wala nakapangalan, dili kwalipikado.

Si Mr. Edward Jornales nag-mosyon nga aprubahan ang unang agenda mahitungod sa dugang nga kwalipikasyon. Sa pagsegunda ni Ms. Nimfa Viacrusis, naaprubahan ang mosunod nga resolusyon:

**GENERAL ASSEMBLY
RESOLUTION NO. 2018-01**

**A RESOLUTION APPROVING
AND RATIFYING POLICY NO. 18-
29, ADDENDUM TO BOARD OF
DIRECTORS' QUALIFICATIONS
STIPULATED UNDER SECTION 7
AND 8 OF NEA MEMORANDUM
NO. 2014-019 SERIES OF 2014
OR THE GUIDELINES ON
THE CONDUCT OF DISTRICT
ELECTIONS FOR ELECTRIC
COOPERATIVES**

Gipresenta ni Chariman Espregante ang ikaduhang agenda mahitungod sa approval on the collection of membership fee of ₱20.00 for BILECO organized MCOs. Si Mr. Allan Joseph Borrinaga, ISD Manager, ang gitagaan ug higayon nga i-eksplekar ang maong agenda.

Gisugdan ni ISDM Borrinaga paghisgot ang mahitungod sa pag-organisa sa mga MCOs pinaagi sa mga Barangay Power Associations (BAPA) ug Sitio Power Associations (SIPA) kabahin sa 7-point agenda sa National

Electrification Administration on consumer empowerment. Ang pag-organisa gikan sa barangay ngadto sa district ug provincial level wala pa masugdi tungod sa ubay-ubay nga mga aktibidades sa coop. Apan kini gipaningkamutan sa BILECO nga mahitabo tungod sa pagtuman sa mando nga i-empower ang mga miyembro niini. Gihisgutan sab ni ISDM Borrinaga ang mahitungod sa NCECCO nga maoy national center sa tanang na-organisa nga mga MCOs sa tibuok nasud. Pinaagi sa nasudnong kapunungan maipakita ang pwersa ug mapabati ang tingog sa mga miyembro konsumedor hilabi na ang pagsulong sa interes sa mga ECs ug MCOs.

Gi-eksplekar ni ISDM Borrinaga nga sa pag-organisa sa mga barangay MCO organizations, lakip niini ang pagrehistro ngadto sa NCECCO, busa kinahanglan nga ang tanan miyembro sa mga barangay associations kinahanglan magbayad ug NCECCO membership fee nga P20.00. Ang pagbayad niining bente pesos boluntaryo lamang.

Human sa presentasyon, nangutana si Chairman Espregante ug aduna bay mo-mosyon sa pag-aprubar sa among agenda.

Si Ms. Lucila Curso nagmosyon nga aprubahan ang pagpangolekta ug P20.00 nga membership fee alang sa NCECCO. Sa pagsegunda ni Mr. Crisanto Calvez, naaprubahan ang mosunod nga resolusyon:

**GENERAL ASSEMBLY
RESOLUTION NO. 2018-02**

**A RESOLUTION APPROVING THE
COLLECTION OF TWENTY PESOS**

**(₱20.00) AS MEMBERSHIP FEE
FOR THE BILECO ELECTRIC
CONSUMER MOVEMENT
ORGANIZATION**

Sunod nga gipresenta ni Chairman Espregante ang mahitungod sa budget nga ₱200,000.00 nga igahin alang sa livelihood program. Apan mato pa niya kinahanglan kining studyohan aron masiguro nga malampuson ang programa. Aron masiguro ang kalampusan, mas maayo nga mag-andam ang BILECO ug training. Gisiguro ni Chairman Espregante nga kung mamaayo ang resulta sa programa, dugangan sa BILECO ang budget sa mga mosunod nga tuig aron matagaan usab ang laing kwalipikado nga asosasyon.

Si Ms. Felicisima Amador nangutana kung ang ₱200,000.00, grant ba o kinahanglan baydan sa mga MCO.

Si GM Oledan nagkanayon nga ang maong kantidad isulod sa 2019 budget. Mamahimo usab ang BILECO mo-partner sa opisina sa congressman, governor ug mga mayors aron makahatag sila ug counterpart. Ihatag sa usa ka-kwalipikado nga asosasyon ang kantidad nga gi-propose niini isip starting capital, unya iuli sa BILECO nga wala'y interes.

Dugang pa ni Chairman Espregante nga ang maong programa tabang sa mga miyembro-konsumedor sa padayon nga pagsuporta sa mga kalihukan sa BILECO, ug isip tag-iya sa koopetratiba.

Si Ms. Edna Rojas misugyot ug nanghinaot nga ang pagahimuon nga livelihood program mapadangat ngadto sa tinuoray nga nanginahanglan niini ug

dili sa pipila lamang nga mga personalidad.

Si Chairman Espregante miuyon sa suhestyon ni Ms Rojas ug nagpasalig nga pagahimuan kini ug polisiya aron maklaro ug kinsa lamang ang kwalipikado nga mudawat niani.

Nag-mosyon si Ms. Rebecca Salloman nga aprobahan ang pag-gahin ug P200,000.00 budget alang sa livelihood program, ug kini gisegundahan ni Ms. Guadalupe Sacare. Naaprobahan ang mosunod nga resolusyon:

**GENERAL ASSEMBLY
RESOLUTION NO. 2018-03**

**A RESOLUTION APPROVING
THE ALLOCATION OF TWO
HUNDRED THOUSAND PESOS
(P200,000.00) BUDGET FOR
MCO LIVELIHOOD PROGRAM**

Ang sunod nga agenda nga gihisgutan ang mahitungod sa "Approval of BILECO's Collective Bargaining Agreement (CBA)".

Si Mr. Eulalio Maderazo miingon nga ang CBA sa BILECO existing na apan tungod sa mga gastuonon karon nga nagtikamahal na, mao nga kinahanglan sab i-adjust ang anaa sa CBA. Human sa iyang pag-eksplekar, gi-mosyon ni Mr. Maderazo ang pag-aprubar sa CBA nga gisegundahan ni Mr. Vicente Curso.

**GENERAL ASSEMBLY
RESOLUTION NO. 2018-04**

**A RESOLUTION APPROVING
AND RATIFYING BILECO's
SUPPLEMENTAL COLLECTIVE
BARGAINING AGREEMENT (CBA)
COVERING THE PERIOD FROM**

**SEPTEMBER 01, 2017 TO AUGUST
31, 2019**

Open Forum

Human maaprubahi ang mga agenda, misunod ang open forum. Gihangyo sa Chairman ang mga MCOs nga may mga pangutana sa pagduol sa mikropono ug magpaila.

Si Mr. Eulalio Maderazo nagpadangat ug impormasyon sa mga MCOs mahitungod sa panginahanglan nga mangita ug laing source sa kuryente ang BILECO hilabi na mga renewable sources susama sa solar, geothermal ug hydro aron moubos-ubos ang presyo sa kuryente, nga dili kinahanglan magsalig sa source gikan sa Luzon. Giawhag usab niya ang mga miyembro sa Board nga i-konsidera ang mao nga mga opsyon aron dili kayo maapektaran ang mga konsumedor sa impact sa TRAIN law. Gawas niani dugang income pa kani alang sa probinsya sa Biliran.

Giuyonan sa Chairman ang sugyot ni Mr. Maderazo ug kini paga-istoryahan sa Board.

Sa laing bahin, si Mr. Lorenzo dela Cruz nangutana mahitungod sa 25-year power sales agreement sa usa ka power provider sa Bataan kung kini na-aprobahan ba sa ERC.

Si GM Oledan mitubag nga ang maong application na-file na sa ERC ug miagi na sa gi-require nga series of expository presentation. Ang gihulat na lang sa BILECO mao ang approval alang sa long-term power supply agreement.

Sa laing pangutana, si Mr. dela Cruz nagkanayon kung open ba ang BILECO alang sa laing power supplier.

Mitubag si GM Oledan nga open ang BILECO sa mosud nga mga bag-ong supplier, ang importante mosunod sa ipahigayon nga competitive selection process.

Si Mr. dela Cruz nagpadayon sa pagpangutana. Mato pa niya ang offer nga presyo sa Bataan is P3.80 ug sa BGI is P5.65, daku ang deperensya kung ikompara sa singko. Gitandi niya kini sa pagpalit ug ballpen nga kung ang supplier gikan sa Manila, mas mahal kini tungod sa shipment fees; kung kini paliton diri sa Biliran mas barato.

Si GM Oledan mitubag nga ang offer sa BGI migawas human na ang long-term nga PSA. Mato pa niya nga ang unang proposal sa BGI mao ang pag-konekta sa BILECO pinaagi sa embedded connection. Giklaro ni GM Oledan nga wala mubabag ang BILECO sa proposal ni BGI apan tungod kay na-file na ang PSA sa Bataan, mamahimo hinoon nga muapil si BGI sa sunod niini nga power contracting.

Si Chairman Espregante midugang nga bisan pa ang supplier tua sa Bataan, ang kuhaan nga supply mao ang naa sa pinakaduol nga power source, nga mao ang Tongonan. Gihatagan niya ug katin-awan ang tanan nga ug unsay pinakaduol mao kadto ang kuhaan nga source sa usa ka electric cooperative bisan pa man tua sa pinakalayo ang kakontrata niini.

Si Vice Chair Rostata nagkanayon nga paninguhaon sa BILECO nga

makakuha ug renewable source aron makatabang pagpaubos sa bayranan.

Sa laing bahin, si Jeanette Bagallon nagpadangat sa iyang reklamo mahitungod sa gabuk nga poste sa Brgy. Matanggo, Almeria. Si GM Oledan nagmando sa Technical nga susihon ug panginanuon ang maong reklamo.

Human masiguro nga wala nay laing pangutana, ang Chairman naghuwat ug mosyon alang sa adjournment.

Si Mr. Jose Estrada nagmosyon sa pag-adjourn sa meeting nga gisegundahan ni Ms. Anita Demate.

Natapos ang panagtigom sa alas 5:08 ang takna sa hapon.

Attendance Raffle

CERTIFIED TRUE AND CORRECT:


SALVACION C. JORNALES
Secretary

Attested by:



ALBERTO R. ESPREGANTE
President



REYNALDO B. ROSTATA
Vice-President



ARNULFO C. CORDETA
Member



JASPER ALDRICH EARL D. MADERAZO
Member



DINO S. PEÑAFLOR
NEA Representative



INDEPENDENT AUDITORS' REPORT

The Members and the Board of Directors
BILIRAN ELECTRIC COOPERATIVE, INC.
Brgy. Caraycaray, Naval, Biliran

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statement of **Biliran Electric Cooperative, Inc. (BILECO)**, which comprise the statements of financial position as **December 31, 2018** and 2017, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Biliran Electric Cooperative, Inc. (BILECO)** as of **December 31, 2018** and 2017, and its financial performance and its cash flows for the years ended in accordance with the Philippine Financial Reporting Standards and financial reporting requirements of the National Electrification Administration.

Emphasis of a Matter

We draw attention to *Note 17* of the Notes to Financial Statements which describes the current accounting treatment adopted by **Biliran Electric Cooperative, Inc.** with respect to the automatic cost adjustment and true-up mechanisms that governs the recovery of pass-through cost, including over-or-under recoveries on the following bill components: generation charge, transmission charge, system loss charge, lifeline rate subsidies, inter class cross subsidy, local franchise and business taxes.

On December 2, 2013, the Energy Regulation Commission (ERC) in its decision for the Case No. 2012-006 CF, had ordered the Cooperative to refund to its end-consumers the computed net recovery of P22,671,120. The amount is recognized as liability and is reduced whenever refunds are made. As of December 31, 2018, the balance of liability is P1,431,159.

We conducted our audit in accordance with the Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the financial statements in the Philippines, and we have fulfilled our ethical responsibilities in accordance with those requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with the Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines its necessary to enable the preparation of financial statement that are free from financial misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Cooperative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the concern basis of accounting unless management either intends to liquidate the Cooperative or to ease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cooperative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of materials misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis our opinion.

The risk of not detecting a material of misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing of an opinion on the effectiveness of the Cooperative's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cooperative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on

the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Cooperative to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with the governance regarding, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Report on Other Legal and Regulatory Requirements

The Bureau of Internal Revenue (BIR) issued on November 25, 2010 Revenue Regulation (RR) 15-2010 requiring companies to provide in the notes to financial statements information on taxes, duties and license fees paid or accrued during the taxable years. However, the Cooperative opted to present such information in a separate schedule to be attached to the financial statements for filing with the BIR. The supplementary information is not a required part of the basic financial statements under PFRSs; it is neither a required disclosure under the rules of NEA. Our opinion on the basic financial statements is not affected by presenting such supplementary information in a separate schedule.

MACHICA TAN-CRUZ & CO., CPAs

BOA Registration No. 4643, issued 10/20/2017 valid through 9/20/2020
SEC Accreditation No. 033-F, issued on 03/15/2017 valid through 03/14/2020
NEA Accreditation No. 2016-06-00034, valid from 07/19/2016 through 07/18/2019
BIR Accreditation No. 14-004886-0 valid from 09/17/2018 through 09/06/2021
TIN 007-078-301

Signing for the Firm:



MICHAEL A. MACHICA

Managing Partner

CPA License No. 87640, issued 10/07/1992 valid through 08/06/2021
SEC Accreditation No. 0296-AR-2 valid from 05/16/2018 through 09/06/2021
PTR No. 7846819, January 09, 2019, City of Tacloban
TIN 129-434-818

Tacloban Office, Tacloban City, Philippines
April 09, 2019

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2018 (with comparative figures as of December 31, 2017)
Amount expressed in Philippine Pesos

	2018		2017	
ASSETS				
<i>(As restated see Note 2)</i>				
Non-Current Assets				
Utility plant, property and equipment, net (Notes 2, 3 and 4)	PHP	302,949,641	PHP	273,392,059
Financial assets at fair value through OCI (Notes 2 and 3)		2,983,500		2,983,500
Restricted funds (Notes 2, 3 and 5)		39,290,111		32,518,882
Other non-current assets, net (Notes 2, 3 and 6)		8,410,161		8,410,161
Total Non-Current Assets		353,633,413		317,304,602
Current Assets				
Cash and cash equivalents (Notes 2, 3 and 7)		92,252,186		83,468,982
Accounts and other receivables, net (Notes 2, 3 and 8)		45,765,092		31,231,806
Materials and supplies inventory (Notes 2, 3 and 9)		33,646,879		13,265,942
Deferred tax asset (Notes 2 and 22)		-		456,633
Other current assets (Notes 2 and 10)		7,773,178		9,427,661
Total Current Assets		179,437,335		137,851,024
TOTAL ASSETS	PHP	533,070,748	PHP	455,155,626
LIABILITIES AND MEMBERS' EQUITY				
Member's Equity				
Members' contribution (Notes 2 and 11)	PHP	185,885	PHP	180,205
Donated capital (Notes 2 and 12)		203,155,730		195,110,623
Reinvestment fund for sustainable CAPEX (Notes 2 and 13)		191,771,128		172,390,607
Contribution in aid of construction (Notes 2 and 13)		145,399		145,399
Refundable to consumers due to over recovery (Notes 2 and 17)		(1,431,159)		(7,843,971)
Accumulated losses (Notes 2 and 14)		(73,268,714)		(74,964,149)
Total Members' Equity		320,518,269		285,018,714
Non-Current Liabilities				
Term loans, net of current portion (Notes 2 and 15)		13,053,554		17,996,292
Retirement benefit obligations (Notes 2, 3 and 16)		35,823,228		33,846,887
Refundable to consumers due to over recovery (Notes 2 and 17)		1,431,159		7,843,971
Total Non-Current Liabilities		50,307,941		59,687,150
Current Liabilities				
Current portion of term loans (Notes 2 and 15)		5,177,687		6,083,484
Consumers' deposits (Notes 2 and 18)		10,357,748		9,133,103
Unliquidated subsidies and grants from NEA (Notes 2 and 19)		38,566,577		17,603,819
Due to power suppliers (Notes 2 and 20)		25,067,558		17,587,087
Due to PSALM (Notes 2 and 21)		2,406,371		1,987,162
Current tax liability (Notes 2 and 22)		254,149		675,417
Other current liabilities (Notes 2 and 23)		80,414,448		57,379,690
Total Current Liabilities		162,244,538		110,449,762
Total Liabilities		212,552,479		170,136,912
TOTAL LIABILITIES AND MEMBERS' EQUITY	PHP	533,070,748	PHP	455,155,626

STATEMENTS OF PROFIT OR LOSS

For the year ended December 31, 2018 (with comparative figures for the year ended December 31, 2017)
Amount expressed in Philippine Pesos

	2018		2017	
			<i>(As restated see Note 2)</i>	
Revenues				
Sale of energy (Notes 2 and 3)				
Residential sales	PHP	266,246,378	PHP	214,012,136
Commercial sales		57,761,094		40,724,945
Sales to public streets and highways		2,416,673		2,049,555
Sales to public highways		38,393,459		28,999,887
Other revenues (Note 2)		18,089,473		14,968,772
Total Revenues		382,907,077		300,755,295
Direct Costs				
Cost of power (Notes 2, 3 and 20)		281,466,783		210,978,286
Distribution (Notes 2, 3 and 25)		16,996,983		14,830,618
Consumers' accounts (Notes 2, 3 and 26)		15,915,812		13,473,133
Depreciation (Notes 2, 3 and 4)		9,964,915		10,623,872
Other direct costs (Notes 2, 3 and 27)		12,197,030		11,477,490
Total Direct Costs		336,541,506		261,383,399
Gross Profit		46,365,571		39,371,896
Other Operating Expenses				
Administrative and general (Notes 2, 3 and 24)		31,792,340		26,636,637
Depreciation (Notes 2, 3 and 4)		3,809,695		4,065,986
Finance charges (Notes 2 and 15)		1,456,616		1,872,573
Total Other Operating Expenses		37,058,651		32,575,196
Refunds to consumer due to over recovery (Note 17)		(6,412,812)		(5,277,991)
Net profit before tax		2,894,109		1,518,709
Income tax expense (Notes 2, 3 and 22)		(889,281)		(461,428)
Net profit for the year	PHP	2,004,828	PHP	1,057,281

STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the years ended December 31, 2018 (with comparative figures for the year ended December 31, 2017)
Amount expressed in Philippine Pesos

	Members' Contribution (Note 11)	Donated Capital (Note 12)	Capital Contribution for Reinvestment (Note 13)	Refundable to Consumers Due to Over Recovery (Note 17)	Accumulated Losses (Note 14)	Total
Balances, January 1, 2017	PHP 173,590	PHP 98,112,232	PHP 155,513,921	PHP (14,972,838)	PHP (68,575,481)	PHP 170,251,424
Increase in members' contribution	6,615	-	-	-	-	6,615
Increase in donated capital	-	109,091,820	-	-	-	109,091,820
Increase in capital contribution for reinvestment	-	-	17,022,085	-	-	17,022,085
Decrease in refundable to consumers	-	-	-	7,128,867	-	7,128,867
Adjustments, net	-	(12,093,429)	-	-	(7,445,949)	(19,539,378)
Net income for the year	-	-	-	-	1,057,281	1,057,281
Balances, January 1, 2018	180,205	195,110,623	182,536,006	(7,843,971)	(74,964,149)	285,018,714
Increase in members' contribution	5,680	-	-	-	-	5,680
Increase in donated capital	-	8,005,107	-	-	-	8,005,107
Increase in capital contribution for reinvestment	-	-	19,380,521	-	-	19,380,521
Decrease in refundable to consumers	-	-	-	6,412,812	-	6,412,812
Adjustments, net	-	-	-	-	(309,393)	(309,393)
Net Income for the year	-	-	-	-	2,004,828	2,004,828
Balances, December 31, 2018	PHP 185,885	PHP 203,115,730	PHP 191,916,527	PHP (1,431,159)	PHP (73,268,714)	PHP 320,518,269

STATEMENT OF CASH FLOWS

For the year ended December 31, 2018 (with comparative figures for the year ended December 31, 2017)
Amount expressed in Philippine Pesos

	2018		2017 <i>(As restated see Note 2)</i>	
Cash Flows from Operating Activities				
Income for the year	PHP	2,894,109	PHP	1,518,709
Adjustments for:				
Depreciation (Note 4)		13,774,610		14,689,858
Provision for Retirement (Note 7)		4,763,866		-
Impairment Loss (Note 4)		3,442,834		-
Uncollectible accounts (Note 8)		145,889		83,113
Refund expense (Note 17)		-		5,277,991
Finance Charges (Note 15)		1,456,616		1,872,573
Adjustments, net		(81,571)		7,529,258
Operating profit (loss) before working capital changes		26,396,353		30,971,501
Decrease/ (Increase) in:				
Accounts and other receivables (Note 8)		(14,679,175)		(2,195,761)
Materials and supplies inventory (Note 9)		(20,380,937)		(7,992,415)
Other current assets (Note 10)		1,654,483		(1,443,564)
Increase/ (Decrease) in:				
Consumers' deposits (Note 18)		1,224,645		1,222,851
Unliquidated subsidies and grants from NEA (Note 19)		28,967,865		44,504,360
Due to power suppliers (Note 20)		7,480,471		(5,354,374)
Due to PSALM (Note 21)		419,209		86,091
Other current liabilities (Note 23)		23,034,759		14,151,118
Net cash (used) provided by operating activities		54,117,673		73,949,808
Income tax paid (Note 22)		(853,917)		(249,326)
Net cash provided by operating activities after tax		53,263,756		73,700,481
Cash Flows used in Investing Activities				
Additions to utility plant, property and equipment (Note 4)		(47,002,850)		(51,561,833)
Deductions to other non-current assets (Note 6)		-		(225,102)
Additions to restricted funds (Note 5)		(6,771,229)		6,049,474
Net cash used in investing activities		(53,774,079)		(45,737,461)
Cash Flows from Financing Activities				
Net payment of term loans		(5,848,535)		(6,682,284)
Finance Charges paid (Note 15)		(1,456,616)		(1,872,573)
Receipts from members' contribution (Note 11)		5,680		6,615
Receipts from contribution for reinvestment (Note 13)		19,380,521		17,022,085
Receipts from contribution in aid of construction (Note 13)		-		-
Payments of other non-current liabilities		-		-
Net payment of retirement benefits (Note 16)		(2,787,525)		1,429,448
Net cash provided by financing activities		9,293,525		9,903,292
Net increase (decrease) in cash and cash equivalents		8,783,202		37,866,312
Cash and Cash Equivalents, Beginning (Note 6)		83,468,984		45,602,672
Cash and Cash Equivalents, End (Note 6)	PHP	92,252,186	PHP	83,468,984

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**FOR ITS 2018 PERFORMANCE,
BILECO WAS AWARDED
WITH THE FOLLOWING
ACCOLADES FROM THE
NATIONAL ELECTRIFICATION
ADMINISTRATION AND
PHILRECA...**

- Golden Dagitab Award for being Triple A (AAA) Category EC**
- Golden Dagitab Award for being a Member of the Best Region (Region 8)**
- Golden Dagitab Award for Successful Implementation of the Rural Electrification Program**
- Paramount Achievement Award as Triple A (AAA) Category EC**
- Circle of Excellence Award (Region 8)**
- Special Citation for the production of its NEA-EC-MCO Solidarity Dance Video**

BILECO, together with other FRECOR 8 ECs, also received the following awards during the Dagitab Competitions:

- Champion** in Himig RE Songwriting Competition
- Second Place** in Kwentong Dagitab Documentary Film Competition

We would like to express our gratitude to everyone especially our Member-Consumer-Owners for your continued support and trust!!!

