

[**ADMINISTRATIVE ORDER NO. 112, December 07, 2004**]

DIRECTING THE NATIONAL ELECTRIFICATION ADMINISTRATION TO TAKE FULL AND SOLE AUTHORITY AND RESPONSIBILITY IN THE CONVERSION OF ELECTRIC COOPERATIVES INTO STOCK COOPERATIVE

WHEREAS, Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (hereinafter "EPIRA Law"), passed on 08 June 2001, provides for the promotion of rural electrification;

WHEREAS, Section 57 of the EPIRA Law provides for the conversion of electric cooperatives into either stock cooperatives under the Cooperatives Development Act or stock corporations under the Corporation Code;

WHEREAS, in order to achieve the aforementioned purpose, the National Electrification Administration ("NEA") was given additional mandates to develop and implement specific programs that shall prepare electric cooperatives in operating and competing under the deregulated electricity market within five (5) years from the effectivity of EPIRA Law, strengthen the technical capability and financial viability of rural electric cooperatives, and enhance the viability of rural electric cooperatives as electric utilities;

WHEREAS, to enable the NEA to perform its additional mandates, the Implementing Rules and Regulations of the EPIRA Law, specifically Section 7, paragraph c (i) of Rule 7 thereof, mandates the NEA to promulgate the Guidelines in the Conduct of Referendum of the members of electric cooperatives who intend to convert the same into either stock cooperatives or stock corporations.

NOW, THEREFORE, I, GLORIA MACAPAGAL - ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. The National Electrification Administration shall have full and sole authority and responsibility in the conversion of electric cooperatives into stock cooperatives.

SECTION 2. All issuances, rules and regulations, or parts thereof that are inconsistent with this Administration Order are hereby repealed, amended or modified accordingly.

SECTION 3. This Administrative Order shall take effect immediately, amended, or modified accordingly.

SECTION 6. Effectivity - This Administrative Order shall take effect immediately.