

[NEA MEMORANDUM NO. 2008-011, May 12, 2008]

REVISED SALARY SCALE FOR ELECTRIC COOPERATIVE GENERAL MANAGERS

I. PURPOSE

The EPIRA demands a high level of competence and market-driven performance. It is therefore necessary to upgrade the Salary Scale of General Managers (GMs) of Electric Cooperatives (ECs) in order to provide them with a competitive package for their services, comparable with the prevailing compensation level in the industry.

II. POLICY

It shall be the policy of this Office to establish a Salary Scale for General Managers of Electric Cooperatives that is attractive to competent and achievement-directed professionals, Electric Cooperatives that is attractive to competent and achievement-directed professionals be responsive as well to present economic conditions, and to maintain a roster of adequately compensated, highly-motivated and performance-oriented General Managers.

III. SALARY UPGRADING

The point system indicated below shall be used for purposes of upgrading the salaries of General Managers who have been permanent for at least two (2) years; but may be considered for salary upgrading in situations where a GM exceeded/surpassed targets.

PARAMETERS	POINTS
SYSTEM & CUSTOMER EFFICIENCY	
STANDARDS SYSTEM LOSS	
As approved by ERC	15
POWER FACTOR (at least 85%)	5
HOUSE CONNECTIONS	
81% and above of potential	10
61%-80 of potential	8
41%-60% of potential	6
21%-40% of potential	4
20% and below of potential	2
BARANGAY ENERGIZATION	
Above 10 barangays	10
8-9 barangays	8
6-7	6
4-5	4
3 and below	2

CUSTOMER PER EMPLOYEE	
1:350 and above	10
1:300 and above	4
1:250 and below	3
Below 1:200	0
FINANCIAL OBLIGATIONS	
NEAAMORTIZATION PAYMENT	
Current	15
Overdue	0
Restructured-Current	10
Bonus point for advance payment (1 point for every quarter or 1M whichever is higher not to exceed 5 points)	
TRANSCO	
Current	5
Overdue	0
GENCO	
Current	5
Overdue	0
FINANCIAL STANDARDS	
LIQUIDITY(CurrentRatio)(1:1)	5
EFFICIENCY RATIO/AVERAGE COLLECTION PERIOD	
30 days & below	5
31-35 days	4
35 - 40 days	3
41-45 days	2
More than 45 days	1
COMPLIANCE TO AUDIT FINDINGS	5
TOTAL POINTS	100

The above are the criteria-based evaluation. An executive narrative assessment shall done by the Institutional Development Department considering the inputs from the various line departments which are dealing with the EC GMs. Any milestone or benchmarking performance or any issue or concern shall be disclosed to guide the Deputy Administrator/s and Administrator in rendering their decision. Relationship with stakeholders should be likewise assessed to help GMs in their most effective response to leadership and management situations.

IV. STEP INCREMENTS

A. OUTSTANDING PERFORMANCE

In addition to these criteria, a GM who maintains his coop's A+ category for a number of consecutive years is entitled to step increases reckoned from the base salary of the rank corresponding to the total number of points garnered, as provided below:

NO. OF CONSECUTIVE YEARS	STEP INCREASE
3	1
4 to 6	2
7 to 10	3
11 to 13	4