

[MEMORANDUM ORDER NO. 187, September 02, 2005]

**DIRECTING THE NATIONAL ELECTRIFICATION
ADMINISTRATION TO STRICTLY COMPLY WITH SECTION 57 OF
REPUBLIC ACT NO. 9136 AND THE RULES AND REGULATIONS
REGARDING THE CONVERSION OF ELECTRIC COOPERATIVES TO
STOCK COOPERATIVES OR STOCK CORPORATIONS**

WHEREAS, Section 57 of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" ("EPIRA"), gave electric cooperatives the option to convert into either stock cooperatives under the Cooperatives Development Act or stock corporations under the Corporation Code;

WHEREAS, this administration is committed to strengthening rural electric cooperatives in order to achieve reliable, secure and cheaper electricity for all consumers, particularly in rural areas, in line with the declared policies in EPIRA;

Accordingly, I, EDUARDO R. ERMITA, Executive Secretary, by authority of the President, do hereby order:

SECTION 1. The NEA is hereby directed to facilitate the conversion of electric cooperatives to either stock cooperatives under the Cooperatives Development Act or stock corporations under the Corporation Code.

SECTION 2. In the conversion from electric cooperatives to stock cooperatives or stock corporations, the NEA is directed to ensure that electric cooperatives only need the simple majority of all members present constituting a quorum.

SECTION 3. Pursuant to Section 7 (c) (iii) of the Rules and Regulations Implementing the EPIRA, the conversion of electric cooperatives to stock cooperatives or stock corporations shall not in any way result in its dissolution, and electric cooperatives so converted shall retain their franchise rights.

SECTION 4. The NEA is hereby directed to issue the appropriate orders/guidelines to conform to this Memorandum Order.

Adopted: 02 Sept. 2005

By Authority of the President:

(SGD.) EDUARDO R. ERMITA
Executive Secretary
