

**[ CDA MEMORANDUM CIRCULAR NO. 2004-02,  
February 10, 2004 ]**

**GUIDELINES ON THE REGISTRATION OF ELECTRIC  
COOPERATIVES WITH THE COOPERATIVE DEVELOPMENT  
AUTHORITY (CDA) UNDER REPUBLIC ACT NO. 6938**

Pursuant to the provisions of Chapter XII of Republic Act No. 6938, otherwise known as the Cooperative Code of the Philippines, and Section 75 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act, the Cooperative Development Authority (CDA) hereby promulgates and adopts the following guidelines to govern the registration of electric cooperatives (ECs) previously registered under Presidential Decree No. 269, as amended, with this Authority.

**SECTION 1. COVERAGE OF THESE GUIDELINES.** - Due to the expiry of the Omnibus Rules and Regulations on the Registration of Electric Cooperatives (ORREC) on 04 May 1997, electric cooperatives who shall opt to register under RA No. 6938 in accordance with RA No. 9136 (The Electric Power Industry Reform Act) shall be covered by the following guidelines and procedures.

**SECTION 2. REGISTRATION DOCUMENTS.** - The ECs shall submit the following documents to the nearest Extension Office of the CDA for initial evaluation and review. Once these documents are found to be in order, the Extension Office shall endorse the same to the CDA Central Office for registration.

- a. Four (4) copies of the General Assembly resolution approving the conversion of the electric cooperative under RA No. 9136, as certified by the Board of Directors;
- b. Four (4) copies of the Economic Survey, describing the following:
  1. Organization structure;
  2. Purposes;
  3. Certified copies of the Annual Report and Audited Financial Statements for the past two (2) years;
  4. Area of Operation specifying the area coverage of the EC, outlining therein the present districts of the EC, if any;
  5. Number of members of the EC as of the last fiscal year, and the number of potential members; and

6. List of the present member-consumers.

- c. Four (4) copies of the Articles of Cooperation in accordance with the provisions of the Cooperative Code, and certified by the Board of Directors of the EC;
- d. Four (4) copies of the By-Laws in accordance with the provisions of the Cooperative Code, and certified by the Board of Directors;
- e. Four (4) copies of the Treasurer's Affidavit stating therein:
  - 1. At least twenty-five percent (25%) of the authorized share capital has been subscribed by the members;
  - 2. At least twenty-five percent (25%) of the subscribed share capital has been paid-up by the members; and
  - 3. The amount of the paid-up share capital that has been received by the Treasurer.
- f. Four (4) copies of the bonds of the accountable officers of the EC;
- g. The registration fee, payable to the CDA in cash or in Postal Money Order; and
- h. Four (4) copies of the Franchise Certificate issued by the National Electrification Commission.

**SECTION 3. NATURE OF REGISTRATION OF ECs.** - The registration of ECs under R.A. No. 6938 in accordance with R.A. No. 9136 shall not be considered as a change in the nature of the ECs, nor any change in the ownership of the assets of the EC.

**SECTION 4. CAPITALIZATION REQUIREMENTS.** - As a distinguishing feature of cooperatives registered under R.A. 6938, electric cooperatives are also required to raise the necessary capitalization called the Authorized Share Capital. The paid-up share capital of the cooperative shall be at least 5% of the net worth of the electric cooperative as of December 31 of the last fiscal year of the cooperative. The net worth of the electric cooperative is herein defined to be the total assets less the total liabilities of the EC.

**SECTION 5. MEMBERSHIP IN THE ELECTRIC COOPERATIVES.** - Membership in the ECs shall be open to all subscribers/users of the services offered by the EC to the general public. There shall be two kinds of membership in an EC, as follows: