



**ADDENDUM TO THE NEA MEMO NO. 2020-055 RE REVISED GUIDELINES FOR WRITING-OFF WORTHLESS CONSUMER ACCOUNTS RECEIVABLES AS AMENDED**

The NEA Memorandum No. 2020-055 on the Revised Guidelines for Writing-off Worthless Consumer Accounts Receivables, as Amended, dated October 27, 2020, was approved by the NEA Board of Administrators (BOA) on October 28, 2020 and took effect fifteen (15) days after its filing with the University of the Philippines Law Center (UPLC).

The Electric Cooperatives Audit Department (ECAD) received a letter from the Lanao Sur Electric Cooperative, Inc. (LASURECO) requesting for the write-off of power bills, the records of which have been lost or destroyed including electronic storage devices rendering retrieval of data impossible, as a consequence of the armed conflict which happened in Marawi City, Lanao Del Sur in May 2017.

The existing NEA Guidelines on the writing-off of receivables does not cover such conditions as a qualification for the writing off of said receivables.

Apart from natural calamities, the man-made disasters like theft, robbery, arson, and other crimes, acts of terrorism, civil disorder, war and the like also have destructive effects to the ECs, which include causing the damage, loss, or impossibility of retrieval/recovery of records. Thus, necessitating the issuance of this Addendum.

Therefore, a new item to be designated as Section III (B) (4) is inserted to read as follows:

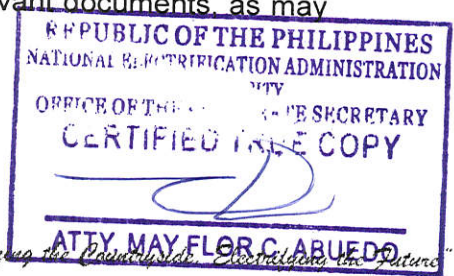
**"4. Lost or Destroyed Power Bills**

Consumer Accounts Receivables where a copy of the power bills, electronic or otherwise, and the actual file storage are lost, destroyed or damaged, and there is the impossibility of retrieval due to unforeseen/fortuitous events and other circumstances such as, but not limited to the following:

- Natural calamities (Typhoons/Storm Surge/ Tsunami causing flash floods, Volcanic Eruptions, Earthquakes, and the like);
- Man-made disasters like theft, robbery, arson, and other crimes involving destructions, acts of terrorism, civil disorder, war;

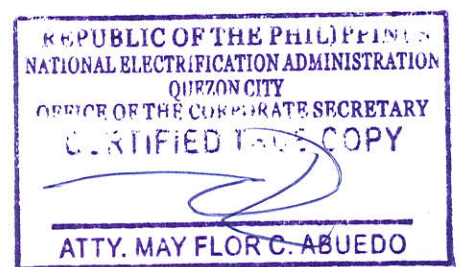
The request for approval to write-off shall be duly approved by the EC's Board thru a Board Resolution stating therein the amount to be written off as well as the circumstances of the loss, destruction or damage.

Said request shall be supported by the following relevant documents, as may be applicable:



- Certification from the Provincial/City Disaster Risk Reduction and Management Office (CDRRMO) that the accounting and billing records of the EC, such as, but not limited to, consumer accounts receivables, subsidiary ledgers, and power bills were totally damaged by a natural calamity;
- Certification from the Office of Sangguniang Panlalawigan that the Main Office of concerned EC has been severely/totally damaged due to incident/s caused either by natural calamity and/or man-made disaster duly stamped with an official dry seal;
- Certification of Fire Incident from the local Bureau of Fire Protection, supported by pictures, for fire-related events;
- Certification from the Provincial AFP/PNP Provincial Commander/Director attesting to the occurrence of any military operations within the franchise area of the EC concerned, stamped with an official dry seal;
- Certification from the Barangay Office signed by the Punong Barangay that the EC was affected by a natural calamity and/or man-made disaster as enumerated above;
- Affidavit by the responsible EC employee stating the circumstances of such loss, destruction, etc., the actions undertaken before, during or after the event which were intended to limit, prevent, or avoid such loss, the diligent efforts to retrieve the same, and finally, that there are no other records/documents available to proceed with the collection due to such event;
- Proof of exhaustion of all possible remedies to retrieve the data related to the consumer account receivables to be written-off. (e.g., report on the conducted ocular inspection and house to house visit by meter readers/collectors);
- Any other proof of such loss including but not limited to pictures of whatever remains of the document lost or excerpts from its book or ledgers, and/or post-event inspection.

The amount to be written-off, as proven by the required evidence presented, shall be limited and shall be applicable only to power bills that were lost on the date of declaration of the State of Calamity or the occurrence of the above-mentioned unforeseen/fortuitous events and other circumstances, as the case may be. Hence, the conditions as a qualification for the writing off of receivables enumerated in this Addendum finds retroactive effect to ECs requesting for write-off of power bills, electronic or otherwise, where the actual file storage are lost, destroyed or damaged due to natural calamities and man-made disasters.





This Addendum shall take effect fifteen (15) days after filing with the UPLC pursuant to Presidential Memorandum Circular No. 11 dated October 9, 1992 and shall remain in effect until otherwise further amended or revoked.

  
**EDGARDO R. MASONGSONG**  
Administrator

NATIONAL ELECTRIFICATION  
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