



ISABELA I ELECTRIC COOPERATIVE, INC.
APEC Multi-Purpose Building, Victoria, Alicia, Isabela
September 23, 2017

2016

Annual Report

*Pursuing Collective Development
Through a Visionary Electric Cooperative
and Empowered Member-Consumer-Owners (MCOs)*

PART I - REGISTRATION OF MEMBERS

10:00 AM – 1:00 PM @ Silaw Eco Park

PART II - GENERAL MEMBERSHIP MEETING

1. Doxology
2. Philippine National Anthem

Singing of Isabela Hymn and ISELCO-1 Jingle
3. Acknowledgement of Delegates
4. Presentation of Board of Directors Management, Staff & Employees
5. Welcome Address
6. Intermission Number
7. Message
8. Intermission Number
9. Introduction of the Guests of Honor and Speaker
10. Speech of the Guest of Honor and Speaker

SELECTED ISELCO-I EMPLOYEES

MS. ETHELVIDA A. FERNANDEZ
Conducting

BOARD OF DIRECTORS, DEPARTMENT HEADS, SUPERVISORS AND OTHER EMPLOYEES

DIR. EDUARDO S. BAYANI
BOD Secretary, Echague District

MS. PRESCIOUS ANN S. ORIA
ISD Staff

DIR. PRESLEY C. DE JESUS
BOD President, Santiago City District

ISELCO-I G2 DANCERS

SEC. ALFONSO G. CUSI
Department of Energy (DOE)

PNU DANCERS

DIR. CONCHITA M. PALENCIA
BOD Treasurer, Cauayan City District

MR. EDGARDO R. MASONGSONG
Administrator, National Electrification Administration

11. Presentation of Plaque of Appreciation/Recognition:
Guest Speakers
Prompt Payor Municipalities

SAN GUILLERMO, SAN MATEO, SAN ISIDRO, CABATUAN, ALICIA

12. Intermission Number

ISELCO-I TRANSFORMER BAND W/ MS. ANGELICA DOMINGO

13. Oath-taking of Elected Members of the Board of Directors to be administered by:

ATTY. NICASIO B. BAUTISTA III
Legal Counsel

Elected Members:

- Dir. Nelson P. Mañalac
- Dir. Rodolfo M. Cristobal, Jr.
- Dir. Presley C. De Jesus
- Dir. Brendon R. Lazaro
- Dir. Conchita M. Palencia
- Dir. Jaime V. Cadelina

- Angadanan/San Guillermo District
- Ramon District
- Santiago City District
- Jones/San Agustin District
- Cauayan City District
- Cabatuan/Luna District

14. Mass Oath-taking of Organized MCOs to be administered by:

MR. EDGARDO R. MASONGSONG
Administrator, National Electrification Administration

PART III - BUSINESS PROPER

1. Call to Order
2. Determination of Quorum and Reading of Notice of Annual Report
3. Submission of Annual Report
4. President's Report
5. Agenda:
 - a) Mortuary Assistance of P3,000.00
 - b) Implementation of SEP and NIHE Project
6. Open Forum
7. Raffle Draw

DIR. PRESLEY C. DE JESUS
BOD President, Santiago City District

DIR. EDUARDO S. BAYANI
Board Secretary, Echague District

ENGR. VIRGILIO L. MONTANO
General Manager & Chief Executive Officer

DIR. PRESLEY C. DE JESUS
Board President, Santiago City District

DIR. CONCHITA M. PALENCIA & MS. PRESCIOUS ANN S. ORIA
Masters of Ceremonies



MALACAÑAN PALACE
MANILA



MESSAGE

My warmest greetings to the Isabela I Electric Cooperative, Inc. (ISELCO-I) as it holds 41st Annual General Membership Assembly.

The government recognizes the importance of electric cooperatives in supplying power to local neighborhoods. These organizations play a vital role in ushering development to our rural communities. They power up industries, facilitate business and deliver crucial services to the public.

Thus, I commend ISELCO-I for remaining steadfast in its mission to provide a reliable and affordable source of electricity to the areas that it covers. I likewise laud you for maintaining an excellent performance in accordance with the standards set by the National Electrification Administration.

May your dedication to uplift the lives of the people of Isabela inspire others to do the same. Together, let us work towards achieving change and progress in the country.

I wish you a successful event and all the best in your future endeavors.

RODRIGO ROA DUTERTE

MANILA
23 September 2017



Republic of the Philippines
DEPARTMENT OF ENERGY
 Energy Center, Rizal Drive cor. 34th Street, Bonifacio Global City, Taguig



MESSAGE

May I express my sincerest greetings to the Board of Directors, Officers and Member-Consumers of the Isabela I Electric Cooperative, Inc. (ISELCO-I) as you gather for your 41st Annual General Membership Assembly (AGMA).

The Department of Energy (DOE) is proud to have ISELCO-I as a significant partner in power distribution that delivers affordable and sufficient electricity service to the communities that you serve.

Given that Isabela is the second largest province in the country, your efforts in keeping up with the energy demand of your stakeholders and consumers for more than four decades is remarkably laudable.

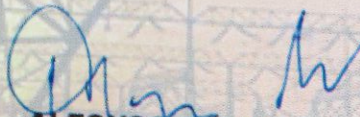
We commend ISELCO-I for energizing all barangays under your wing. This successful example of rural electrification is a testament to President Rodrigo Duterte's vision of nation-building and socio-economic progress.

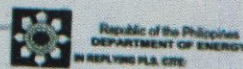
We also note ISELCO-I's commitment toward achieving your goals as proven by the Mega Large and Triple A rating from the National Electrification Administration (NEA).

Always aim to continue to improve your operations, maximize progressively collection efficiency and most importantly, minimize your systems loss which stood at 12.15% as of December 2016.

Rest assured that the DOE will always be a reliable partner in implementing programs that will move ISELCO-I forward towards a more dynamic future.

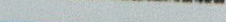
Thank you and Mabuhay!


ALFONSO G. CUSI
 Secretary



Republic of the Philippines
 DEPARTMENT OF ENERGY
 IN REPLYING P.L.A. USE

DOE-AGC-17863430



NATIONAL ELECTRIFICATION ADMINISTRATION
 "The 1st Performance Governance System-Institutionalized National Government Agency"
 57 NIA Road, Government Center, Diliman, Quezon City 1100



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 ID 91002030



MESSAGE


I would like to extend my warmest greetings to the Isabela I Electric Cooperative, Inc. (ISELCO I) as you hold your 41st Annual General Membership Assembly.

Rural Electrification (RE) remains to be one of the most significant programs of President Rodrigo R. Duterte's administration. Through the years, RE has substantially improved the lives of many Filipinos in the countryside, and as NEA's partner, ISELCO I has proven itself to be an important contributor in its successful implementation of the program by providing reliable and customer-oriented electric service to 13 towns, 2 cities, and 484 (100% energized) barangays and 350 sitios.

As you continue to build around all of your successes, I would like to congratulate ISELCO-I for continuously raising its standard as a major contributor in the RE Program. Kudos for garnering an overall performance rating of AAA in the latest performance assessment of NEA. The challenge; however, rests on ISELCO-I as the government continuously strives for innovative and better solutions to the needs of the Filipinos such as Rural Electrification

As you celebrate the fruits of your hardwork, I wish that you will continue to thrive in exceeding expectations as you devise new approaches vis-a vis, NEA's new vision, strategic initiatives, and directions, as well as the 9-point Energy Agenda of Secretary Alfredo G. Cusi that will redound to better service delivery to your member-consumer-owners (MCOs).

All the best to ISELCO I. Mabuhay!


EDGARDO R. MASONGSONG
 Administrator



Republic of the Philippines
Province of Isabela

Office of the Governor

My warmest greetings to all the officials and members of the Isabela I Electric Cooperative, Inc. (ISELCO I) on your 41st Annual General Membership Assembly.

Through labor and persistence the solid purpose of gaining achievement is defined. Through capable hands a vision can be steered to the realms of realization. ISELCO I is among the few who had perfectly mastered these traits. Your commitment and determination to provide impressive service to all your members and customers had made you stand out among the rest bestowing you as the most ideal organization in the province.

As we walk in the road of progress your cooperative never fails to light our path. Even in the midst of adversaries we continue to shine as you maintain your efforts to maintain excellence. Congratulations for a job well done and let our gladness inspire you to keep on doing notable deed and performance.

Let these gathering cement your achievements in the hall of excellent consumerism and gear you towards continued development as we find every possible way to make our beloved province the bastion of agricultural might.



HON. FAUSTINO G. DY III
Governor
Province of Isabela



Republic of the Philippines
House of Representatives

The 41st Annual General Membership Assembly (AGMA) of ISELCO-1 is an inspiration to the journey you have taken in the success of the electrification program.

The appreciation deepens on how Isabela-1 Electric Cooperative, Inc. fulfilled its goals throughout the years to deliver quality and professional services to all the 13 Municipalities, 2 Cities, and 502 Barangays. It had energized 100% of its service area. So far, there are 207,795 members and 198,877 potential consumers. ISELCO-1 has grown into a big and reliable cooperative. Hard work, perseverance and dedication paid off.

May you continue to work as one to become a more competitive and empowered electric cooperative.

MARAMING SALAMAT AT MABUHAY PO KAYO!

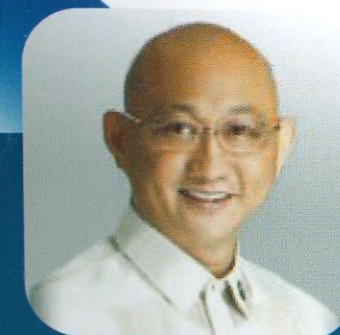
It is my distinct privilege that I greet the hardworking, dedicated and competent men and women behind the continued success that the Isabela I Electric Cooperative, Inc. (ISELCO-I) has become.

As you hold your 41st Annual General Membership Assembly (AGMA), I am confident that ISELCO I will continue to be a strong pillar in the community development and growth.

ISELCO-I has not only provided us the comfort and convenience of living, but has also inspired us to be creative. It has empowered us to pursue higher goals which we know are attainable because of our easy access to local power.

Together, we can aim and achieve sustainable economic growth with our efficient ISELCO-I as our dependable key force and partner. We can do so much, be more productive, competitive, and empowered with ISELCO I behind us.

My best wishes! More Power to ISELCO-I!



HON. NAPOLEON S. DY
Representative
3rd District, Isabela



HON. MA. LOURDES R. AGGABAO
Representative
4th District, Isabela



Republic of the Philippines
Province of Isabela
Municipality of Alicia

Office of the Municipal Mayor

It is pleasure once again to extend my sincerest congratulations to the entire ISELCO-I family on the occasion of its 41st Annual General Membership Assembly (AGMA).

With the past years, ISELCO-I proves the noble standing in efficiency and productivity of administration. The cooperative remains in a firm and strong foundation with unity and cooperation despite of adversities and challenges on rural electrification. Rest assure that the Local Government Unit of Alicia supports the cooperative in the programs and innovations as your partner in development.

In behalf of the officialdom of Alicia under my humbly leadership I would like to extend once again my heartfelt commendation to the Board of Trustees, Management and Employees of ISELCO-I for your collaborative efforts in making the cooperative a fruitful one.

Thank you and the God almighty may bless us all.



HON. IAN PAUL L. DY
Mayor
Alicia, Isabela



Republic of the Philippines
Province of Isabela
Municipality of Cordon

Office of the Municipal Mayor

I convey my warmest felicitations to Isabela I Electric Cooperative, Inc. (ISELCO I) on the occasion of its 41st Annual General Membership Assembly (AGMA) on September 23, 2017.

As the service provider of electricity in Southern Isabela, ISELCO I is soaring high and nearing its golden anniversary. This goes to show that ISELCO I is getting stronger and bigger as time goes by and it is due to the skillful management and faithful service being rendered by its men and women. As shown in your profile, the collection efficiency is 97.90% and the overall performance rating is AAA.

As you go on with your mission of lighting Southern Isabela, I wish you all the luck with the hope and prayer that may you continue serving our people with efficiency and may your growth be sustained so that we, the people will continue reaping the conveniences that electricity brings.

More power to you!



HON. LYNN M. ZUNIEGA
Mayor
Cordon, Isabela



Republic of the Philippines
Province of Isabela
Municipality of Echague

Office of the Municipal Mayor

It gives me great pleasure to extend my congratulations to the ISABELA I ELECTRIC COOPERATIVE, INC. (ISELCO-I) for having completed once again another year of successful labor in the area of Rural Electrification.

It is in this light that I am also extending my warmest felicitations to ISELCO-I on the occasion of your 41st Annual General Membership Assembly (AGMA) on September 23, 2017.

With a very able leadership, I expect the successful gathering of professional employers and workers, whose common goal is to move our economy forward.

Let us work together to sustain and build a better future of our people.

Keep up the good work.

Mabuhay tayong lahat!



HON. FRANCIS FAUSTINO A. DY
Mayor
Echague, Isabela



Republic of the Philippines
Province of Isabela
Municipality of Jones

Office of the Municipal Mayor

It is a true pleasure to acclaim the MEN and WOMEN of this institution who are dedicated and who continually strive to achieve the goals of ISABELA-1 ELECTRIC COOPERATIVE, INC.

ISELCO-1 continues to rank as one of the top electric cooperatives; to retain excellent rating in customer satisfaction; to provide electricity at the lowest possible cost; and to always serve according to the cooperative values: integrity, accountability, innovation and community commitment.

We know for sure that ISELCO-1 will continue to invest time and resources in the communities through strong economic development leadership and other initiatives; will continue to grow with the communities; and will continue to implement innovative solutions to operate the cooperative as efficiently as possible.

We are proud of your past achievements and of all the employees who worked hard to attain them. Those achievements add strength to the foundation from which future achievements will rise.

But no matter how many "achievements" ISELCO-1 will accrue, one thing remains paramount: Your constituents in the Municipality of Jones and other municipalities - your members, you treat them as the most important part of the Cooperative. The cooperative is strong because of your OVERALL PERFORMANCE RATING OF AAA.

In behalf of the People of Jones, Congratulations and GOD Bless us all!



HON. LETICIA T. SEBASTIAN
Mayor
Jones, Isabela



Republic of the Philippines
Province of Isabela
Municipality of Reina Mercedes

Office of the Municipal Mayor

My warmest greetings to ISELCO-I under the able leadership of Engr. Virgilio L. Montano on the occasion of their 41st Annual General Membership Assembly on September 23, 2017.

The event is pursuant to RA No. 9520 which provides, among others, the holding of Annual General Membership Assembly of all cooperatives operating in the country including electric cooperatives.

Relatively, the event is an opportunity for the general membership to be informed on the operation of the cooperative and how far have their BODs and Officers working together to advance the vision and mission and founding principle of its creation.

Your profile ending December 2016 reflects good performance. To specifically buttress this view;

The ISELCO-I is mega large in size with a total membership of 207,795 which resulted in low percentage of non-energized potential energy consumers and is 100% barangay energized. As to its classification and stand for credit from government financing institutions as well as in the banking industry it's a GO-GREEN thereby ensuring delivery of basic services to its valuable consumers. It is also worthy to note that its overall performance rating is Triple A which is the highest in the rural electrification program particularly in the Province of Isabela and perhaps even in the entire Region 02.

With this achievement, I am proud and happy to congratulate ISELCO-I on the occasion of their 41st Annual General Membership Assembly to be held on September 23, 2017 and wishing more intensified services to help not only in the economic growth and development of the province but to the entire country in general.

Again, thank you and MABUHAY!



HON. ANTHONY P. RESPIC
Mayor
Reina Mercedes, Isabela



Republic of the Philippines
Province of Isabela
Municipality of San Mateo

Office of the Municipal Mayor

My heartfelt salutations to the Administration and Staff of Isabela 1 Electric Cooperative, Inc. (ISELCO-1) as you celebrate your 41st Annual General Membership Assembly (AGMA).

In today's world, electrification could be considered a basic need for without this, all our activities come to cease. If there are no generator sets available, we fail to accomplish our lined up tasks for the day and so we become unproductive.

This celebration of the 41st year of your AGMA is the best time to let you know how greatly you have affected your clients' lives making us live life more conveniently and expediently. You have made us, your members, aware of the significance of your existence in our subsistence.

Your determination and efforts to deliver the best services for us is indeed commendable; may you not tire doing the same for the benefit of all consumers.

Full of trust and confidence, I believe ISELCO-1 will sustain its best in Rural Electrification amidst the many challenges that may emanate.

Once more, my warmest greetings to the Cooperative.



HON. CRISPINA R. AGCAOILI, MD
Mayor
San Mateo, Isabela



Republic of the Philippines
Province of Isabela
Municipality of Ramon

Office of the Municipal Mayor

In behalf of the people of Ramon, I would like to extend my profound congratulations to the men and women of Isabela I Electric Cooperative, Inc. (ISELCO I) for another year of quality and humane service to its consumers.

The 41st Annual General Membership Assembly (AGMA) reflects the sincere commitment of the institution to its member-consumers. This echoes the valued efforts of its people in the continuous quest of development in Rural Electrification and their willingness to work with the unending demands and challenges of the industry and their ability to provide efficient and effective services.

The people of Ramon appreciate your works and labors and we pledge our firm support to your programs and advocacies in pursuing excellence in your services.

May our faithful partnership will thrive incessantly as part of our shared efforts in nation building.



HON. JESUS D. LADDARAN
Mayor
Ramon, Isabela



Republic of the Philippines
Province of Isabela
Municipality of Angadanan

Office of the Municipal Mayor

It is a pleasure for me to extend my message on the occasion of the 41st Annual General Membership Assembly (AGMA) of Isabela I Electric Cooperative, Inc. (ISELCO-I) on September 23, 2017.

Electrification is one of the pillars of economic development, the provision of electric service will yield opportunities for improved quality of life, greater access to basic services and better infrastructure for rural development.

With more than 40 years of operation, ISELCO-I managed to endure and outlast the challenges that the province and the people of the 3rd and 4th district of Isabela faced, you never stopped improving, innovating and keeping your pace in terms of energy development.

On behalf of the people of Angadanan, Isabela I urge you to continue with your sincere commitment in rural development.

I wish you a productive and meaningful assembly!



HON. LOURDES S. PANGANIBAN
Mayor
Angadanan, Isabela



Republic of the Philippines
Province of Isabela
Municipality of Luna

Office of the Municipal Mayor

Mabuhay!

To the member-consumers, Board of Director officials and employees of ISABELA-1 ELECTRIC COOPERATIVE, INC. (ISELCO-1) it is with fervent desire to convey my deepest gratitude.

From your humble beginning in 1972, you have transformed into becoming a prominent electric service provider along the countryside. You truly put your heart and countless efforts in battling with the Rural Electrification Program you have started. Your dignity and integrity in serving the general welfare of member-consumers sustained in terms of electric services.

This day forth, we recognize the significant gains, achievements and accomplishments for the last forty-five years of sustainable growth and development. This is a manifestation that your vision and mission toward a productive cooperative were properly implemented to make ISELCO-1 transcend in its field.

In behalf of the people of Luna, Isabela, may this General Assembly bring cooperation and prosperity to all the stakeholders.

Support will always be within your reach. Thank you very much and God bless us all.



HON. JAIME N. ATAYDE
Mayor
Luna, Isabela



Republic of the Philippines
Province of Isabela
City of Cauayan

Office of the City Mayor

Greetings!

On behalf of the Local Government Unit of Cauayan City, Isabela, I would like to extend our greetings to the officers and members of the Isabela-1 Electric Cooperative, Inc. (ISELCO-1) on their 41st Annual General Membership Assembly (AGMA). The City Government of Cauayan, Isabela highly commends the cooperative's unending support being our implementing arm in extending our social responsibilities to the public, particularly with regard to the distribution of power and in providing local electrification.

Rest assured that we will fully support your future endeavors and projects that aim for a continuous, more reliable and efficient delivery of power supply to meet the needs and demands of our electric consumers, and together we will work to be of best service to our people.

Thank you and more power!



HON. BERNARD FAUSTINO M. DY
Mayor
Cauayan City, Isabela



Republic of the Philippines
Province of Isabela
Municipality of San Agustin

Office of the Municipal Mayor

It is a great pride and honor to be included again in your very momentous event, the 41st Annual General Membership Assembly of your prestigious and non-stoppable leveling-up cooperative.

This is a sign of good continuous services and an indication that the cooperative is working so hard to extend its best to the consumers through the collective efforts of officers and members thru the Leadership of the General Manager and Chief Executive Officer, Engr. Virgilio Montano. I salute you for a job well done.

In behalf of the officialdom and the populace of our humble town, I congratulate you for having another healthy year of existence.

MABUHAY AND GOD BLESS!



HON. CESAR A. MONDALA
Mayor
San Agustin, Isabela



Republic of the Philippines
Province of Isabela
Municipality of San Guillermo
Office of the Municipal Mayor

My warmest greeting to Isabela I Electric Cooperative, Inc. (ISELCO I) as they celebrate their **41st Annual General Membership Assembly**.

As you celebrate a new leaf to your corporate existence, may you continue to provide exemplary leadership and unbridled service to our community. May you serve society first and take on new challenges fearlessly for the future as we continue to adapt to a rapidly changing environment. Gearing up for the years ahead, I believe your organization possess the key factors necessary to withstand the winds of change. We solidify our partnership with you as we continue on building trust and relationship that we have through the years.

Looking forward for more fruitful and innovative years ahead and know that we are one with you in celebrating this event.



HON. MARILOU N. SANCHEZ
Mayor
San Guillermo, Isabela



Republic of the Philippines
Province of Isabela
Municipality of San Isidro
Office of the Municipal Mayor

My warmest greetings to ISELCO-1 and management and staff, for another year of remarkable and undeniable achievements in Rural Electrification marked by your **41st Annual General Membership Assembly**

Truly, your service in the municipality of San Isidro and in your other areas of coverage is very much indispensable for it brings not just prosperity to our constituents but also a very vital player in the contribution of our town's progress and development well.

Rest assured of my continued support to the realization of your goals as you battle another round of challenges and struggles ahead as an organization. Together let us work to achieve greater heights fulfilling our mission of giving what is best to our Isabelinos.

May you continue to be of committed service to our people and usher us towards a brighter life and future.

Congratulations and more power!



HON. RAY SOCRATES L. VELASCO
Mayor
San Isidro, Isabela



Republic of the Philippines
Province of Isabela
Municipality of Cabatuan
Office of the Municipal Mayor

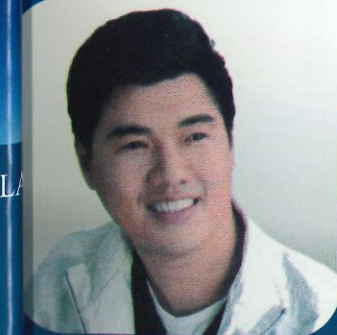
My warmest greetings to the Isabela I Electric Cooperative, Inc. (ISELCO-I) as you hold your **41st Annual General Membership Assembly** on September 23, 2017.

On this occasion, may your identity be further enlivened, and may you be more inspired by your milieu, as you aim to provide efficient, reliable and affordable electric service through a God-centered and competent human resources. Thus, contributing to the improvement of the socio-economic condition of the countryside. Let this assembly help you attain your objective by renewing your strength and perseverance to broaden your service, with creativity and expertise.

The electrification of different areas is a crucial step in our nation's development. It fosters an optimistic and competitive economy and leads to more opportunities for the people. Let us remain committed to this agenda, as we exert our full efforts to secure a more empowered Philippines.

As we demonstrate our commitment to revitalization for every Filipino. It is incumbent upon our partners in energization to sustain this mission with perseverance, and to translate our vision of an illuminated Philippines into a lasting reality for our citizens. Let this assembly be a platform of evaluation and transformation for your enterprise and extend honest and excellent service throughout the region.

May you have a productive, inspiring and successful assembly.



HON. CHARLTON L. UY
Mayor
Cabatuan, Isabela



Republic of the Philippines
City of Santiago
Office of the City Mayor

The City Government and the people of Santiago, extends its warm felicitations to the officers and members of the Isabela 1 Electric Cooperative, Inc. (ISELCO-1) as you hold your **41st Annual General Membership Assembly** on September 23, 2017.

It is promising to know that your organizations take time to evaluate your performance through the assembly to improve the quality service of the electric cooperative. This occasion is a perfect opportunity for you to deepen your commitment to the community by solidifying your goals and incorporating modern scientific tools to empower the public.

As you are confronted with different types of challenges, I encourage you to strengthen your relationship in working as a unified body. Discover innovative measures that will give better prospects to the public. With you, we will be able to secure a better future for our people.

Have a productive and joyful assembly!



HON. ENGR. JOSEPH S. TAN
Mayor
Santiago City, Philippines



ISABELA I ELECTRIC COOPERATIVE, INC.
Victoria, Alicia, Isabela

President's Message

I wish to extend my sincerest congratulations to the member-consumers and to the entire family of Isabela I Electric Cooperative, Inc. (ISELCO-I) on the occasion of its 41st Annual General Membership Assembly (AGMA).

This year marked the 3rd year of the enactment of Republic Act No. 10531 which aimed to strengthen the National Electrification Administration (NEA) as an instrument of improving the rural electrification program. In a year or two, ISELCO-I, like any other cooperative, has gone through difficult time warming-up with the stringent provisions of the law, with the voluminous compliances, rules and regulations that have to be complied but as they say "the strongest steel goes through the hottest fire". ISELCO-I became tougher, it became better and now the best electric cooperative in Region 2 as it is leading in terms of load capacity, innovations of facilities and equipment and on its general operation and maintaining its category as Triple A Cooperative.

As another year has come, ISELCO-I Board of Directors, management and staff would like to extend our deepest gratitude to all the member-consumers for without your cooperation and support, ISELCO I would have never been this far. Rest assured that ISELCO-I Family will continuously provide affordable power and serve with humility towards realization of rural electrification.

Thank you and mabuhay!



DIR. PRESLEY C. DE JESUS
 Board President
 ISELCO-I

THE BOARD OF DIRECTORS



DIR. PRESLEY C. DE JESUS
 President
 District VIII, Santiago City



DIR. BRENDON R. LAZARO
 Vice President
 District IX, Jones/San Agustin



DIR. EDUARDO S. BAYANI
 Secretary
 District VI, Echague



DIR. CONCHITA M. PALENCIA
 Treasurer
 District XI, Cauayan City



DIR. SHARON S. GERVACIO
 Member
 District IV, San Isidro



DIR. RODOLFO M. CRISTOBAL, JR.
 Member
 District II, Ramon



DIR. NELSON P. MAÑALAC
 Member
 District I, Angadanan/San Guillermo



DIR. NELSON V. AGRUDA
 Member
 District III, San Mateo



ENGR. VIRGILIO L. MONTANO, REE, MBA
 General Manager & CEO/
 Ex-Officio Member

THE MANAGEMENT



ENGR. VIRGILIO L. MONTANO, REE, MBA
General Manager & CEO



MS. AGNES C. AMBROSIO, DPA
Manager, Institutional Services
Department



ENGR. ABRAHAM C. BALINGUE, REE, MBA
Manager, Technical Services
Department



MS. ELENITA V. MEDRANO, MBA
Manager, Energy Trading
Services Department



MS. LEIZZA M. NIGUIDULA, CPA
Manager, Finance Services
Department



MS. EVARISTA T. ZUNIEGA
Manager, Area Operation
Management Department – North



MS. ARLENE B. BOY
Officer-in-Charge, Internal Audit
Department



MR. VICENTE B. DEL ROSARIO, JR., CPA
Manager, Area Operation
Management Department – S

BRANCH OFFICE SUPERVISORS

SOUTH AREA



BRAHAM B. AMBROSIO, MBA
Santiago Branch/
Cordon Collection Office



ELENA B. GADDUANG
Echague Branch/
San Isidro Collection Office



CAROLINE E. RAMOS
Jones Branch/
San Agustin Collection Office



ADELAIDA P. PASTOR
San Mateo Branch Office



JOSIE D. TOMAS
Ramon Branch Office

NORTH AREA



LINA T. ABAD, MBA
Cabatuan Branch/
una Collection Office



ELIZABETH R. BALINGUE, MBA
Cauayan Branch/ Reina
Mercedes Collection Office



RITA A. DULAY, MBA
Angadanan Branch/
San Guillermo Collection Office



LUNA B. BUMATAY
Alicia Branch Office

RETAINERS



RHEA CEZ B. JAVIER, M.D.
Medical Consultant



GLENNICEL M. LORENZO, D.D.M.
Dental Consultant



ATTY. NICASIO B. BAUTISTA III
Legal Counsel

INSIGNIA OF A PROGRESSIVE INSTITUTION

Forty-four (44) years of far-reaching journey in the realm of Rural Electrification, thus far, Isabela I Electric Cooperative, Inc. (ISELCO-I) inexorably demonstrates its colossal passion in raising its standards of service delivery for Member-Consumer-Owners (MCOs).

Year 2016 is indeed significant to the cooperative because of its major accomplishments which gained affirmation from across institutions and ISELCO-I takes great delight for receiving such. Beneath awards reflect a great partnership amongst Board of Directors, Management, employees and MCOs of the cooperative.



Model Headquarters Facilities Award – award given by the National Electrification Administration Board of Administrators to ISELCO-I in its effort to enhance the EC corporate image by providing state-of-the-art headquarters facilities with well-maintained workplace and surroundings, thereby promoting high level of productivity towards service excellence.

AAA Electric Cooperative – for garnering the highest rating given by NEA on the recently concluded **2016 EC Overall Performance Assessment and Size Classification**.



Certificates of Appreciation – for its commitment to promote the spirit of volunteerism through its participation in the *Task Force Kapatid Typhoon Lawin, Task Force Kapatid Typhoon Nina & Task Force Kapatid Typhoon Ferdie* thereby facilitating restoration of power in typhoon-affected areas.

Prompt Payor 2016 – under the Distribution Utility Category in recognition to its consistent payment of financial obligations to San Miguel Energy Corporation (SMEC).



Most Improved Distribution Utility – special award in recognition for the cooperative's exceptional achievement for its operations and financial position.

The awards at hand tangibly speak of the cooperative's resolute goal of pursuing collective development, and by having visionary electric cooperative and empowered member-consumer-owners, ISELCO-I's goal will always be a reality throughout the years.





ISABELA I ELECTRIC COOPERATIVE, INC.
Victoria, Alicia, Isabela

THE MEMBERS OF THE BOARD OF DIRECTORS
 Isabela I Electric Cooperative, Inc.
 Victoria, Alicia, Isabela

Ladies and Gentlemen:

I have the honor to present and submit the Annual Report of the Isabela I Electric Cooperative, Inc. (ISELCO-I) for the year ending December 2016.

The report covers the cooperative's operations with some comparative figures from 2015. The following statistics are hereby presented for your information and guidance.



ENGR. VIRGILIO L. MONTANO
 General Manager & CEO
 ISELCO-I

OFFICE OF THE GENERAL MANAGER

As the year 2016 has ended, ISELCO-I have once again reached a milestone in terms of electricity distribution. Through the management and the board of directors together with the help of competent and driven employees, ISELCO-I have continuously committed itself to the mission of providing affordable and dependable electricity service.



The hard work and dedication of each and everyone manifested through the awards and recognition ISELCO-I has received.

ISELCO-I have consistently met the prompt payment deadline set by San Miguel Energy Corporation. The cooperative saved as much as Php41,272,203.87 and Php59,955,536.56 respectively in avilment of the Prompt Payment Discount (PPD) and Collection Efficiency

Discount. Half of this has been flowed back in the form of power rate reduction to our member consumer-owners to recompense for their prompt payment of electricity bills. Hence, the Prompt Payor Award was given.

Most improved distribution utility is a special award given to ISELCO-I by San Miguel Energy Corporation for the exceptional achievement of its operations and financial position. Until now, ISELCO-I has been scouting for ways to improve the cooperative. One of which is the first in the nation Drive-thru collection offices in the area.

The beauty outside is a reflection of the beauty inside. Model Headquarters Facilities was awarded by the National Electrification Administration for the exceptional design and arrangement of ISELCO-I's Headquarters constructed to provide conducive working environment for employees, and comfortable service center for member-consumer-owners.

ISELCO-I remains Green. What else best describes life and energy if not the color green? Green Categorization is awarded by the National Electrification Administration in assessment of the cooperative's Cash General Fund, Collection Efficiency, Payment to GENCO/NGCP, Profitability, Net Worth and System Loss for the purpose of evaluating the suitable assistance

and intervention to be given by NEA.

ISELCO-I raised from Category C to Triple A Category for two consecutive years counting. Triple A rating is the highest rating given to Electric Cooperatives by NEA being compliant to the four parameters: Financial, Technical, Institutional and Reporting Requirements.

If achieving the Triple A rating for two consecutive years is difficult, maintaining that rating would be of a bigger challenge. Even so, nothing is impossible with everyone's wholehearted devotion and participation in achieving one goal. That is to provide members with world class quality service.

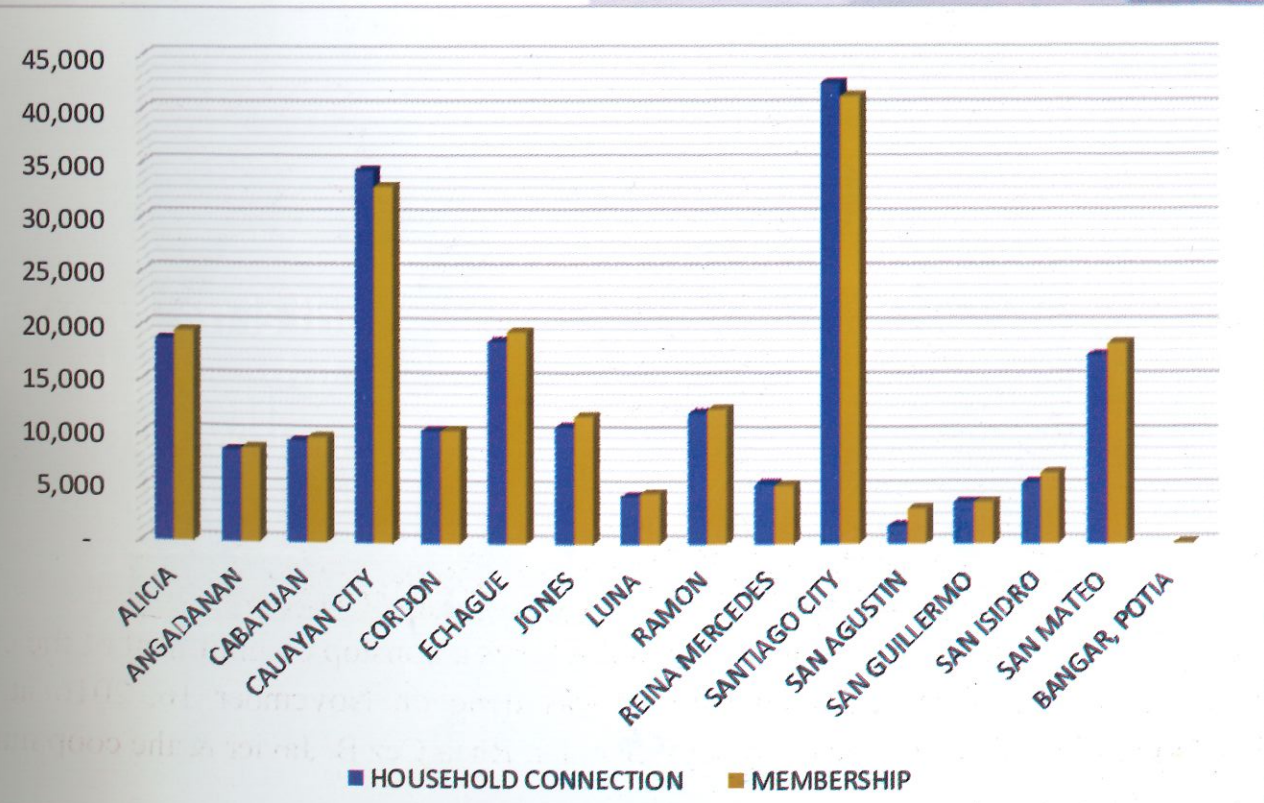
With all the battles the cooperative has withstood, ISELCO-I's history and story shows that success is the result of good intention, hard work, persistence and dedication. Through the management of Engr. Virgilio L. Montano, ISELCO-I has learned from failure, overcome challenges, and use these past predicament as a stepping stone to success. After all, at the end of the day Leadership is not just a position or title, it is action and example.

Hence, the Office of the General Manager led by GM Engr. Virgilio L. Montano would like to express our heartfelt gratitude and appreciation to each and everyone who contributed and supported to the success of the cooperative. And though the cooperative have achieved much, we ask for everybody's cooperation and collective effort in further pursuing the possibilities of achieving our vision and mission.

INSTITUTIONAL SERVICES DEPARTMENT

STATUS OF ELECTRIFICATION AND MEMBERSHIP AS OF DECEMBER 2016

	TOWNS/CITY	BARANGAYS ENERGIZED	HOUSEHOLD CONNECTION	MEMBERSHIP
1	ALICIA	34	18,733	19,496
2	ANGADANAN	59	8,516	8,687
3	CABATUAN	22	9,400	9,713
4	CAUAYAN CITY	65	34,362	32,852
5	CORDON	26	10,413	10,403
6	ECHAGUE	64	18,644	19,509
7	JONES	42	10,787	11,726
8	LUNA	19	4,362	4,615
9	RAMON	19	12,044	12,381
10	REINA MERCEDES	20	5,547	5,370
11	SANTIAGO CITY	37	42,333	41,101
12	SAN AGUSTIN	23	1,651	3,199
13	SAN GUILLERMO	26	3,825	3,819
14	SAN ISIDRO	13	5,618	6,476
15	SAN MATEO	33	17,304	18,405
	BANGAR, POTIA			43
	TOTAL	502	203,539	207,795



PROGRAMS AND BEST PRACTICES

For another year again, in spite of the hectic work schedule and tons of activities undertaken by the cooperative, the Institutional Services Department (ISD) had firmly and successfully accomplished its part in the realization of set goals encapsulating the entire year of 2016. It is of great privilege to be presenting the various episodes of the previous year taking from the lens of the ISD.



ISELCO - I employees as they get their flu shots

activity – the Flu Vaccination for employees which benefitted a total of one hundred thirty (130) employees.



ISD Manager, Dr. Agnes C. Ambrosio, during the free bone screening

The course towards healthy programs for employees is a nonstop commitment of the cooperative that is why a free bone screening activity was done on November 16, 2016 at the ISELCO-I clinic assisted by the coop physician, Dr. Rhea Cez B. Javier & the coop nurse Ms. Ofelia G. Lucas.

Upholding the precept that the workforce of the cooperative is its greatest asset, the cooperative has provided its employees with benefits that seek to protect and cultivate their physiological being. On July 15, 2016, the cooperative in collaboration with the Labor Management Committee (LMC) had embarked on a health

To equip employees with advanced knowledge in their respective areas of specialization, the cooperative in partnership with the University of La Salette, Inc. (ULS) Santiago City had maintained the Expanded Tertiary Education Enhancement Accreditation Program or ETEEAP.

For the year, sixty one (61) employees benefitted from this program having the courses Bachelor of Science in Operations Management, Bachelor of Science in Public Administration and Bachelor of Science in Information Technology.

“Education is the most powerful weapon which you can use to change the world.”
-Nelson Mandela



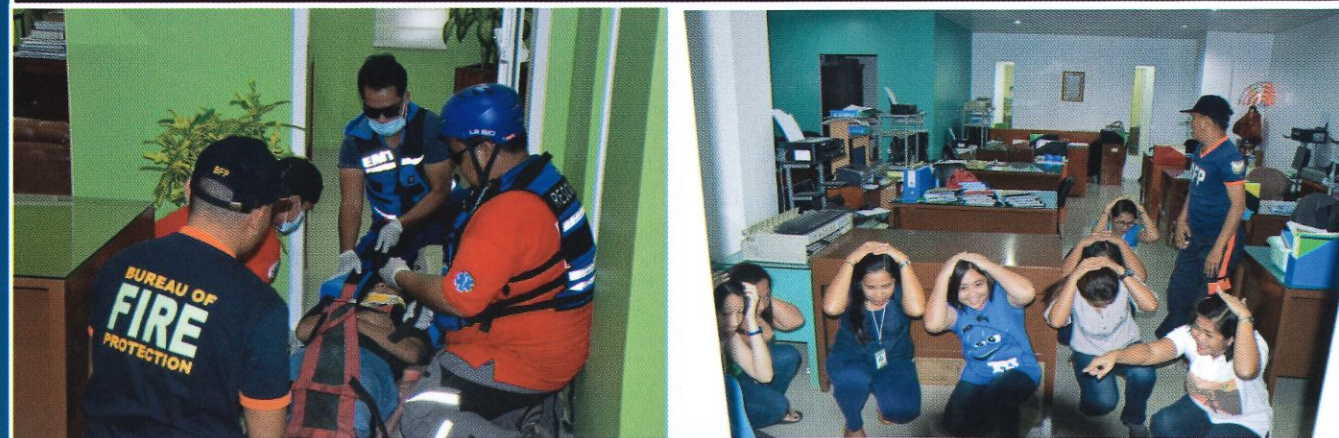
ETEEAP graduates with the ISD Manager Dr. Agnes C. Ambrosio



Another essential activity that transpired for the benefit of the employees of the coop was the conduct of Simultaneous National Earthquake Drill in compliance with the directive of the Provincial Disaster Risk Reduction & Management Council (PDRPMC) Isabela. Hence, on June 24, 2016, the Institutional Services Department (ISD) in coordination with the Bureau of Fire Protection (BFP) & Rescue 531 of Local Government Unit (LGU) Alicia collaborated in the conduct of ISELCO-I Earthquake Drill.



BOD President Presley C. De Jesus joins in with the ISELCO - I employees for the Nationwide Simultaneous Earthquake Drill



Preparedness is the only way we can combat a natural disaster

-John Quinlan



The General Manager and CEO Engr. Virgilio L. Montano while having his opening remarks.

Equipping the employees with an up-to-date awareness concerning the changes, challenges and development of the coop's system is an indispensable responsibility of the cooperative that is why various seminars and workshops were held on a regular basis. With this, the coop conducted a seminar about the Conversion Options of Electric Coops and Information Education Campaign to its office employees on April 14, 15, 21 & 22, 2016 and another wave mainly for electricians, outsourcing and collecting agents on May 12 & 13 of the same year.



The ISD Manager during the seminar proper (left) and open forum (right)

The ISD also assisted in the Philippine Army Affiliated Reserve Unit (PAARU) Refresher Training during its Opening Ceremony on June 28, 2016 as well as its Closing Ceremony on September 8, 2016 at ISELCO-I Multi-Purpose Hall. The 1st Isabela Engineer Combat Company based in Camp Melchor, Upi, Gamu, Isabela spearheaded the events.



Moreover, a Strategic Planning Seminar had taken place on February 2 & 3, 2016 which was facilitated by Ms. Gloria M. Pangilinan, former National Electrification Administration (NEA) employee and currently a consultant of Electric Coops with Ms. Nida Tonggol under the Management Assistance Group (MAG) of NEA. The aim of the seminar was to create deliberate plans on the course of action of each department for the whole year. It was mainly attended by department heads, supervisors and officers of the cooperative.

The same speakers conducted a Succession Planning to coop's selected employees on November 16-18, 2016. The said seminar was created as an advanced move on the possible scenario of unbalanced workforce in the future as caused by the retirement and resignation of employees.



The ISELCO - I workforce with the Board of Directors, General Manager and DENR Supervisor



Dir. Brendon A. Lazaro (above) and Dr. Agnes C. Ambrosio (below) with DENR Supervisor Nelson B. Acob



Creating activities that awaken the Coop's spirit towards Corporate Social Responsibility (CSR) is one of the core duties religiously espoused by the ISELCO-I family. As part of paying back to mother Earth, the Board of Directors, management and employees of the cooperative purposely planted one hundred eighty three (183) seedlings of trees at the ISELCO-I compound on August 24, 2016 in collaboration with the Department of Environment and Natural Resources (DENR), Sillawit, Cauayan City. The Supervising Ecosystem Management Specialist of DENR, Mr. Nelson B. Acob, also joined the activity highlighting the theme "Plant a Tree, Shade the Planet, mulTREEply".

On July 6, 2016, some ISELCO-I employees marched on the road in support to Walk for a Cause activity of the coop which aimed to amass financial support for hospitalization of one of our contractual linemen, Mr. Joselito Mariano. Having the slogan **“Your walk will bring a thousand miles for our brother LITO MARIANO”** the altruistic walk started at the ISELCO-I Headquarters and ended at the Our Lady of Atocha Church, Alicia, Isabela.



*We can't help everyone,
but everyone can help someone*
-Ronald Reagan

ISELCO - I employees in front of Our Lady of Atocha Church



ISELCO - I employees happily walk towards the endpoint during the Walk for a Cause dedicated for a fellow employee in need

Various Outreach programs were done throughout the year such as giving of free school bags and other materials to pupils at San Guillermo Central School, San Guillermo, Isabela on June 13, 2016 thru the Labor Management Committee (LMC). This act of generosity was swiftly paid off upon seeing the sweet smiles of the kids who received their gifts.





ISELCO-I Management and some employees with Dir. Conchita M. Palencia, Board of Director - District XI



The Coop believes that its member-consumer-owners deserve quality service both in good and bad season and even through calamities, ISELCO-I has always been prepared to extend its arms to people. On October of 2016, Typhoon Lawin hit Northern Luzon including Isabela leaving devastated properties of Isabelinos. It was for this reason that ISELCO-I in cooperation with San Miguel Energy Corporation (SMEC) did a distribution of relief goods to typhoon-affected areas which include Reina Mercedes, Barangay San Luis and Barangay Villa Linao, Cauayan City.

"The smallest deed is better than the greatest intention"

-John Burrows



Elementary pupils benefitted with the gadgets

Another partnership spurred between ISELCO-I and National Grid Corporation of the Philippines (NGCP) for a CSR Project that aimed to provide technical tools such as printer, LCD projector, WinTab 7 Tablets, & Wi-Fi router to Victoria Elementary School, Victoria, Alicia, Isabela. The Turn-Over ceremony transpired on September 20, 2016 which was attended by ISELCO-I & NGCP personnel, Municipal Administrator Rogelio T. Benitez of LGU Alicia, Barangay Officials, school teachers and staff headed by the School principal, Ma. Paz Taberna.

The Barangay Hall of Victoria, Alicia, Isabela was also a recipient of the group's CSR program by receiving a computer with printer. The ceremonial turn-over of gadgets was done in the presence of Engr. Virgilio L. Montano, ISELCO-I General Manager & CEO, and Ms. Agnes C. Ambrosio, Manager of the Institutional Services Department with the Brgy. Captain, Joseph G. Riola and some of the Brgy. Kagawad.



Dr. Agnes C. Ambrosio and Engr. Virgilio L. Montano during the turn-over of gadgets with barangay officials of Victoria, Alicia, Isabela

The helping hands of ISELCO-I aren't only confined to places within its area of coverage also benevolent in extending resources even to distant places. One of which is through *bayanihan* system or the so-called "Task Force Kapatid" providing necessary assistance disaster devastated electric cooperatives. For the year, ISELCO-I had sent teams to its six coops particularly to Batanes Electric Cooperative (BATANELCO), Cagayan I Electric Cooperative, Inc. (CAGELCO-I), Cagayan II Electric Cooperative, Inc. (CAGELCO-II), Isabela II Electric Cooperative, Inc. (ISELCO-II) and Camarines Sur IV Electric Cooperative, Inc. (CASURECO-IV).



A big chunk of the Department's work deals on consumers' management and development is why various programs were persistently executed by the ISD personnel. The coop was keen on delivering accurate information for public consumption, hence, information drives barangays of different municipalities were done. Also, issues and concerns of the public were being raised to the cooperative for clarification and discussion thru invitational meetings such as Barangay Assembly Meeting, Association of Barangay Captains (ABC) Meeting, & Sangguniang Panlalawigan Session.



Staff with Ms. Elena Gadduang, Santiago City Branch Office supervisor (middle).

Chairman on Committee on Information & Education Dir. Conchita M. Palencia (left) during one of the Radio Program

For broader and more effective service for the member consumers, the coop has retained its radio program called "ISELCO-1 Hour" aired through different radio stations with the following schedules: DWDY, Cauayan City every second Friday of the month; Bombo Radio ZNC, Cauayan City every first Saturday of the month; and DWMX, Santiago City every first Friday of the month. This program seeks to educate member-consumers regarding fundamental information on the coop's business procedures as well as updated programs and activities.



CAGELCO - I (above), TARELCO - I (upper right) and CAGELCO - II (lower right) BODs and Employees during their respective benchmarking visits



With the development taking place at ISELCO-I, its sister cooperatives from within and outside the region had their visit for benchmarking purposes on the third quarter of the year. Among the ECs that visited the coop were Cagayan II Electric Cooperative, Inc. (CAGELCO-II), Board of Directors of Cagayan I Electric Cooperative, Inc. (CAGELCO-I), Turlac I Electric Cooperative, Inc. (TARELCO-I) and Isabela II Electric Cooperative, Inc. (ISELCO-II). Various agenda of the four coops were realized through comprehensible discussions with the BOD President, Dir. Presley C. De Jesus together with the members of the Board, as well as General Manager Virgilio L. Montano, Department Heads and Supervisors regarding ISELCO-I's business processes and best practices.

A joint ceremony on the Nationwide Intensification of Household Electrification (NIHEP) Program had taken place on August 18, 2016 in commemoration of the National Electrification Awareness Month. The highlight of the event was the ceremonial power switch-off extended by the Board of Directors and Management of ISELCO-I and Barangay Captains recipient barangays. Furthermore, this flagship program under the Department of Energy partnership with the cooperative had successfully benefitted first 500 households for the year.



For the year, different infrastructure development projects were as well carried out for a more efficient and fruitful service to member-consumers, hence, the ground-breaking ceremony of the 20 MVA and Drive-Thru Collection Office at San Fermin, Cauayan City on July 13, 2016.



Worth mentioning for 2016 was the caravan of employees in support to the 1st Consumers Alliance for Rural Energy, Inc. or 1-CARE Party List as represented by Mr. Jericho "Icot" Petilla, former Secretary of the Department of Energy.

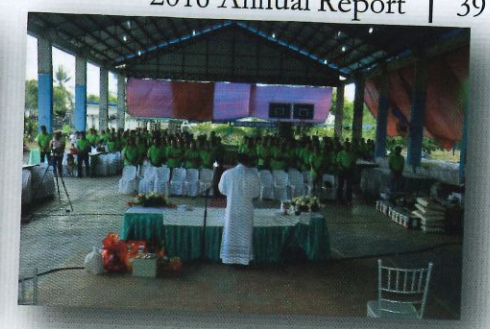


likewise, the coop inaugurated its new building at Cabatuan Branch Office (below, left) and upgraded Ramon Sub-Office to Branch Office (below, right) consecutively on December 10, 2016.





While ISELCO-I is a service-oriented organization, it also never forgets to bring in light its passion for celebration. The monthly birthday celebration remains to be one of the customary events that intensifies good camaraderie and friendship amongst employees thru celebration of Mass, dance and song presentations, greetings in the form of messages, handshakes, hugs, embraces and more.



The Foundation Day which is celebrated every 24th day of March commemorates the organization, incorporation and registration of the cooperative. On its 44th year of existence, an Inter-Department Competition on *"Your Face Looks Familiar"* was conducted giving the title to Finance Services Department. Plaques of Loyalty and special awards were generously given to the 2016 awardees in great honor to their dedication to the coop throughout the years. Having the theme *"ISELCO-I @ 44 as Beacon of Progress in the Countryside"*, the celebration took place on March 19, 2016 at APEC Multi-Purpose Building, Main Office, Victoria, Alicia, Isabela.

"Your Face Looks Familiar" was conducted giving the title to Finance Services Department. Plaques of Loyalty and special awards were generously given to the 2016 awardees in great honor to their dedication to the coop throughout the years. Having the theme *"ISELCO-I @ 44 as Beacon of Progress in the Countryside"*, the celebration took place on March 19, 2016 at APEC Multi-Purpose Building, Main Office, Victoria, Alicia, Isabela.



Mr. Pogay 2016 Contestants

The Board of Directors with General Manager Montano in their Departmental Presentation costume



The Finance Services Department's on-stage celebration & photo opportunity for their win on the Departmental Presentation

The coop ended the year's celebration through Christmas Program and Family Day having Mr. Pogay 2016 and Departmental Presentation as its highlights. For the second time around, Finance Services Department bagged champion on the Departmental presentation while Mr. Ryan Andrada, representative of the Technical Services Department, was crowned as Mr. Pogay 2016.

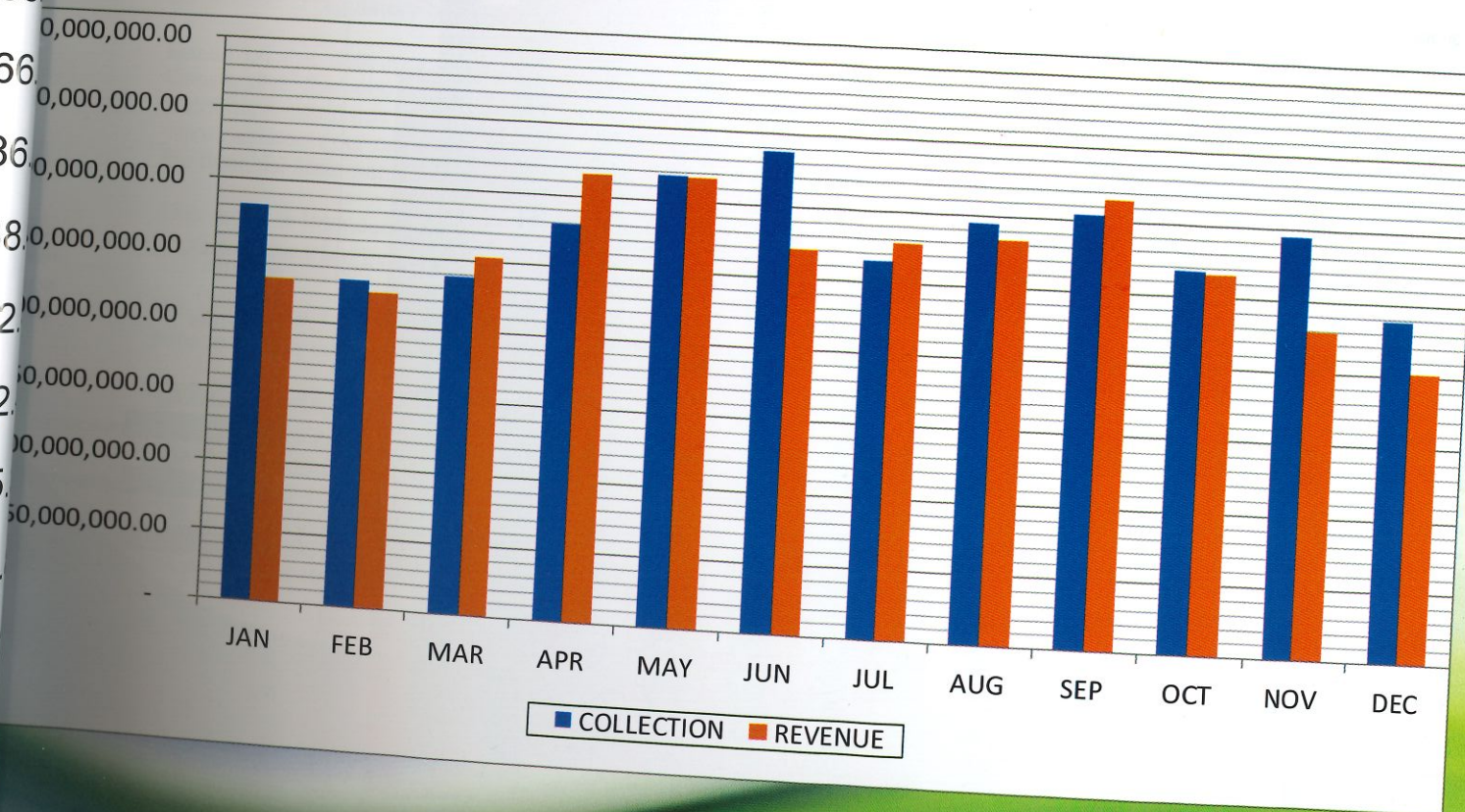
FINANCE SERVICES DEPARTMENT

On the financial aspect of our operations, our major concerns are Power Payables San Miguel Energy Corporation (SMEC), National Grid Corporation of the Philippines (NGCP) and Wholesale Electricity Spot Market (WESM). We availed the Prompt Payment Discount (PPD) and Collection Efficiency Discount (CED) upon full payment on the 10th 25th of the month respectively.

Billing Period	2016 Prompt Payment Discount	Collection Efficiency Discount
Dec. 26 to Jan. 25, 2016	646,787.57	5,717,464
Jan. 26 to Feb. 25, 2016	4,458,504.57	5,488,492
Feb. 26 to Mar. 25, 2016	4,295,116.64	5,952,186
Mar. 26 to Apr. 25, 2016	5,042,268.06	5,200,166
Apr. 26 to May 25, 2016	4,352,590.84	5,186,286
May 26 to Jun. 25, 2016	2,597,562.54	6,154,738
Jun. 26 to Jul. 25, 2016	4,552,412.12	5,075,962
Jul. 26 to Aug. 25, 2016	3,413,238.76	4,695,562
Aug. 26 to Sept. 25, 2016	3,095,896.86	4,131,615
Sept. 26 to Oct. 25, 2016	3,477,293.22	4,068,905
Oct. 26 to Nov. 25, 2016	2,643,104.22	4,281,289
Nov. 26 to Dec. 25, 2016	2,697,428.47	4,002,866
TOTALS	41,272,203.87	59,955,536

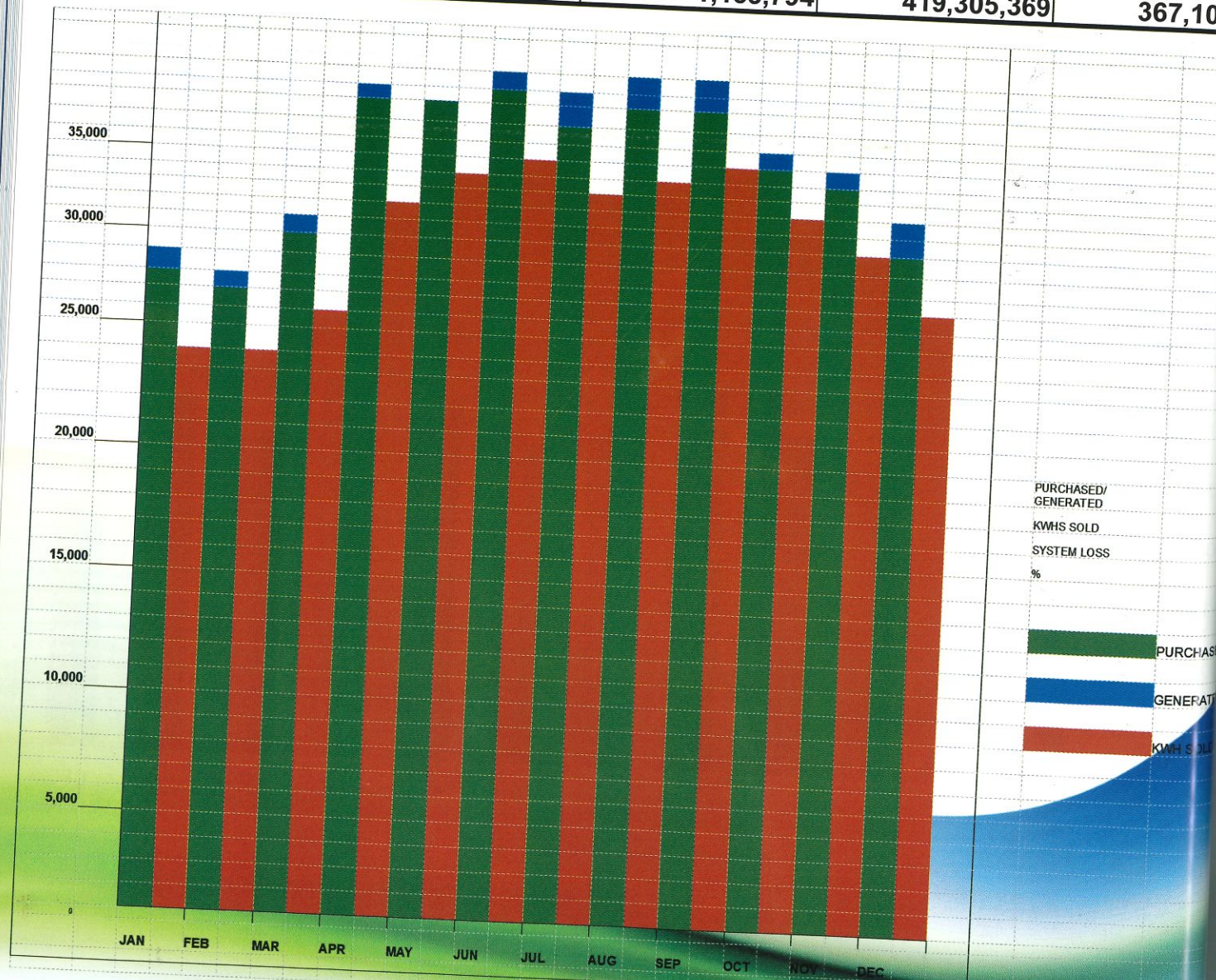
2016 COLLECTION AND REVENUE CHART

COLLECTION	REVENUE
282,181,787.00	230,102,338.00
231,975,542.00	223,714,818.00
238,240,393.00	252,923,777.00
279,454,891.00	315,465,711.00
317,335,793.00	316,646,248.00
337,939,526.00	270,339,818.00
264,763,874.00	278,358,408.00
294,426,998.00	283,335,638.00
304,144,665.00	314,892,455.00
267,557,090.00	265,707,214.00
294,560,078.00	229,340,915.00
238,091,442.00	202,485,461.00
3,350,672,079.00	3,183,312,801.00



2016 KWH GENERATED/PURCHASED & SOLD CHART KWH (x1,000)

2016	PURCHASED	GENERATED	TOTAL	KWH SOLD
JAN	28,945,909	70,353	29,016,262	24,078
FEB	27,469,353	64,809	27,534,162	24,019
MAR	30,021,420	63,741	30,085,161	26,723
APR	38,241,695	16,529	38,258,224	32,347
MAY	38,911,500	-	38,911,500	34,095
JUN	39,729,693	54,849	39,784,542	34,850
JUL	37,773,714	162,998	37,936,712	33,105
AUG	38,672,739	153,855	38,826,594	33,903
SEP	38,332,260	152,215	38,484,475	34,124
OCT	35,291,711	90,794	35,382,505	32,099
NOV	34,638,157	96,198	34,734,355	30,379
DEC	30,123,424	227,453	30,350,877	27,372
TOTAL	418,151,575	1,153,794	419,305,369	367,106



Alas Oplas & Co., CPAs

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 Email: aocavitebranch@alaspascpas.com

April 3, 2017

Engr. Virgilio L. Montano
 General Manager
 Isabela I Electric Cooperative, Inc.
 Victoria, Alicia, Isabela

Independent Member of
BKR International

Dear Engr. Montano,

We have performed financial statements audit of ISABELA I ELECTRIC COOPERATIVE, INC. (ISELCO I) for the year ended December 31, 2016. Our audit involves performing procedures to obtain audit evidence while considering the Cooperative's internal control relevant to the preparation and fair presentation of the financial statements; evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management; and Cooperative's adherence to regulatory bodies.

Based on the data made available to us, we have noted some weakness on the control of the Cooperative that should be addressed to produce more reliable financial data and defiance from accounting standards required by NEA to ECs. Please find attached summary of management letter points although our opinion was not modified since the management made an adjustments to restate the financial statements to reflect fair presentation.

This report is intended solely for the information and use of management. It is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the cooperation extended to us during the engagement and are pleased to be of service to your company.

Alas Oplas & Co., CPAs
ALAS, OPLAS & CO., CPAs
 BOA Registration No. 0190, valid from January 1, 2017 to December 31, 2019
 NEA A.N.2015-10-00026, issued on May 24, 2016; effective until May 23, 2019
 CDA CEA No. 074-AF (Renewal), issued on August 11, 2014; effective until August 10, 2017
 TIN 002-013-406-000
 BIR A.N. 08-001026-0-2015, issued on February 18, 2015; effective until February 17, 2018

April 3, 2017
 Makati City, Philippines

ISABELA I ELECTRIC COOPERATIVE, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2016
(with comparative figures as of December 31, 2015)
 In Philippine Peso

	Note	2016	2015 (as restated)
ASSETS			
Non-current Assets			
Property, plant and equipment – net	7	687,065,449	633,274,135
Construction works in progress	8	47,487,048	15,260,893
Restricted fund	9	24,317,959	15,529,992
Deferred tax asset	29	15,672,179	–
Other non-current assets	10	20,636,710	1,000,000
Total Non-current Assets		795,179,345	665,065,020
Current Assets			
Cash and cash equivalents	11	188,239,891	173,627,306
Trade and other receivables	12	307,511,519	388,801,205
Inventories	13	68,819,399	41,544,273
Other current assets	14	40,880,173	31,416,399
Total Current Assets		605,450,982	635,389,183
TOTAL ASSETS		1,400,630,327	1,300,454,203
MEMBERS' EQUITY AND LIABILITIES			
Members' Equity			
Members' contributions	15	3,527,732	3,093,142
Donated capital	16	1,049,867,483	1,051,413,329
Reinvestment fund for sustainable capital	17	821,903,767	741,947,830
Cumulative loss		(1,288,386,540)	(1,390,371,243)
Total Members' Equity		586,912,442	406,083,058
Non-current Liabilities			
Consumers deposit	19	30,153,191	29,350,017
Consumer advances for construction		1,631,020	2,023,102
Loans payable – net of current portion	18	125,178,984	133,675,250
Retirement benefit obligation	27	212,643,869	242,969,235
Total Non-current Liabilities		369,607,064	408,017,604
Current Liabilities			
Trade and other payables	21	349,339,883	340,550,392
Loans payable – current portion	18	94,770,938	145,803,149
Total Current Liabilities		444,110,821	486,353,541
Total Liabilities		813,717,885	894,371,145
TOTAL MEMBERS' EQUITY AND LIABILITIES		1,400,630,327	1,300,454,203

ISABELA I ELECTRIC COOPERATIVE, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative figures as of and for the year ended December 31, 2015)
 In Philippine Peso

	Note	2016	2015 (as restated)
Revenues			
Sales of electricity	22	2,749,738,816	2,666,990,031
Cost of service			
Generation cost	23	(1,854,119,492)	(1,962,920,937)
Transmission cost	23	(430,673,732)	(398,467,639)
Distribution cost	24	(164,151,766)	(119,966,255)
Gross profit		300,793,826	185,635,200
General and administrative expense	25	(188,860,016)	(117,254,443)
Depreciation expense	7	(32,319,566)	(48,174,050)
Interest charges	18	(11,128,726)	(16,371,054)
Other income	26	24,681,522	21,182,665
Net income before tax		93,167,040	25,018,318
Income tax expense – current	28	(6,854,516)	(5,886,853)
Income tax expense – deferred	28	15,672,179	–
Net income for the year		101,984,703	19,131,465

	Member contribution - Note 15	Donated capital - Note 16	Reinvestment capital - Note 17	Revaluation increment	Cumulative loss	Total
Balance at December 31, 2014	2,643,574	263,468,012	671,935,388	11,207,739	(688,751,750)	260,502,963
Effect of prior period adjustments	-	672,260,168	-	(11,207,739)	(720,750,958)	(59,698,529)
Balance at January 1, 2015, as adjusted	2,643,574	935,728,180	671,935,388	-	(1,409,502,708)	200,804,434
Contribution from members during the year	449,568	-	70,012,442	-	-	70,462,010
Donation / grant received - Note 16	-	116,900,920	-	-	-	116,900,920
Subsidy realized as income - Note 16	-	(1,215,771)	-	-	-	(1,215,771)
Net income for the year	-	-	-	-	-	19,131,465
Balance at December 31, 2015	3,093,142	1,051,413,329	741,947,830	-	(1,390,371,243)	406,083,058
Contribution from members during the year	434,590	-	79,955,937	-	-	80,390,527
Subsidy realized as income - Note 16	-	(1,545,846)	-	-	-	(1,545,846)
Net income for the year	-	-	-	-	-	101,984,703
Balance at December 31, 2016	3,527,732	1,049,867,483	821,903,767	-	(1,288,386,540)	586,912,442

ISABELA I ELECTRIC COOPERATIVE, INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative figures as of and for the year ended December 31, 2015)
In Philippine Peso

ISABELA I ELECTRIC COOPERATIVE, INC.
STATEMENT OF CASH FLOWS
DECEMBER 31, 2016
(With comparative figures as of and for the year ended December 31, 2015)
In Philippine Peso

	Note	2016	2015 (as restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before tax		93,167,040	25,018,318
Adjustments for:			
Depreciation	7	32,319,566	48,174,050
Uncollectible accounts	12	29,918,383	8,722,500
Retirement expense	27	25,684,138	15,110,416
Income from government grant	26	(1,545,846)	(1,215,772)
Interest and dividend income	26	(287,290)	(278,051)
Interest charges	18	11,128,726	16,371,054
Operating cash flows before working capital changes		190,384,717	111,902,515
Decrease (increase) in operating assets:			
Restricted fund	9	(8,787,967)	(8,504,701)
Trade and other receivables	12	51,371,302	160,579,063
Inventories	13	(27,275,125)	(5,871,858)
Other current assets	14	(16,318,290)	(1,997,243)
Increase (decrease) in operating liabilities:			
Consumers' deposit	19	803,175	1,544,163
Consumers' advances for construction	20	(392,082)	(5,926,981)
Trade and other payables	21	8,789,491	(285,908,759)
Cash generated from (used in) operations		198,575,221	(34,183,801)
Interest and dividend received	26	287,290	278,051
Interest paid	18	(11,128,726)	(16,371,054)
Net cash generated from (used in) operating activities		187,733,785	(50,276,804)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	7	(74,795,926)	(205,794,355)
Payment made for construction work in progress	8	(32,226,155)	30,174,956
Payment for additional investments	10	(75,646,214)	(46,926,427)
Net cash used in investing activities		(182,668,295)	(222,545,826)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from membership contributions	15	434,590	449,568
Subsidy received		-	116,900,920
Collections for reinvestment fund for sustainable capital	17	79,955,937	70,012,442
Proceeds from loans	18	12,860,011	69,789,971
Payment of long-term debts	18	(83,703,443)	-
Net cash provided by financing activities		9,547,095	257,152,901
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		14,612,585	(15,669,729)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		173,627,306	189,297,035
CASH AND CASH EQUIVALENTS AT END OF YEAR		188,239,891	173,627,306

ENERGY TRADING SERVICES DEPARTMENT

The Energy Trading Services Department is responsible for the business planning, research project development, corporate goal, performance assessment and financial sourcing, power trading and accurate management information system.

For the year 2016, considerable amount in the power cost reduction has been attributed to the power trading with the Wholesale Electricity Spot Market (WESM). In April 2016 when direct participation in the trading with the WESM was resumed. In December 2016, a total amount of Php206,280,233.00 has been reduced. From then on, the member-consumers have been enjoying the power cost reduction every month which also reduced the budgeted power cost on the part of the cooperative.

Also, the cooperative acquired modern equipment and facilities like the Supervisor Control Acquisition Data (SCADA) for the Substations in Cauayan and Santiago City. This allows the Technical Services Department to acquire data, monitor and control the substations remotely.

Several *Bayad Centers* have been utilized to facilitate payments of the cooperative member-consumers which is being controlled by the team. Collection data were taken daily for posting to ledgers of the concerned consumers who paid their power bills to these Bayad Centers.

The enhancement of system development and procedures such as Meter Reading and Collection System of the cooperative has been continuously undertaken by the department. The membership and complaint management has been automated. Data acquisition from new members has been systematic.

Accomplishments of every department were monitored to assess the compliance to the Key Performance Standard of the National Electrification Administration.

TECHNICAL SERVICES DEPARTMENT

Delivering safe, reliable and continuous electric service to our member-consumers is the primary function of the Technical Services Department. In 2015 the recorded Peak Demand of the whole system is 74,892.99 KW and 80,616.02 KW in 2016, with a load growth of 723.03 for only one year. With this increase in demand, a collective effort in finding ways to increase the substation capacity and to improve the distribution lines and electrical facilities in our coverage area is very important which includes planning, design and implementation of the projects to cope up with the fast growing demand of electricity in the entire coverage area of ISELCO-I.



Ground breaking Ceremony of the 20MVA San Fermin Substation and Collection Center

In 2016, the Technical Services Department have planned to construct a 20MVA substation at San Fermin, Cauayan City and in April of 2017 the said substation was formally commissioned and energized with the presence of NEA Administrator Eduardo R. Masongsong. This substation was planned and constructed to improve the reliability of electric service to our member consumer and to make sure that there is sufficient substation capacity to cater the unpredictable load growth to that area.



Blessing and Inauguration Ceremony



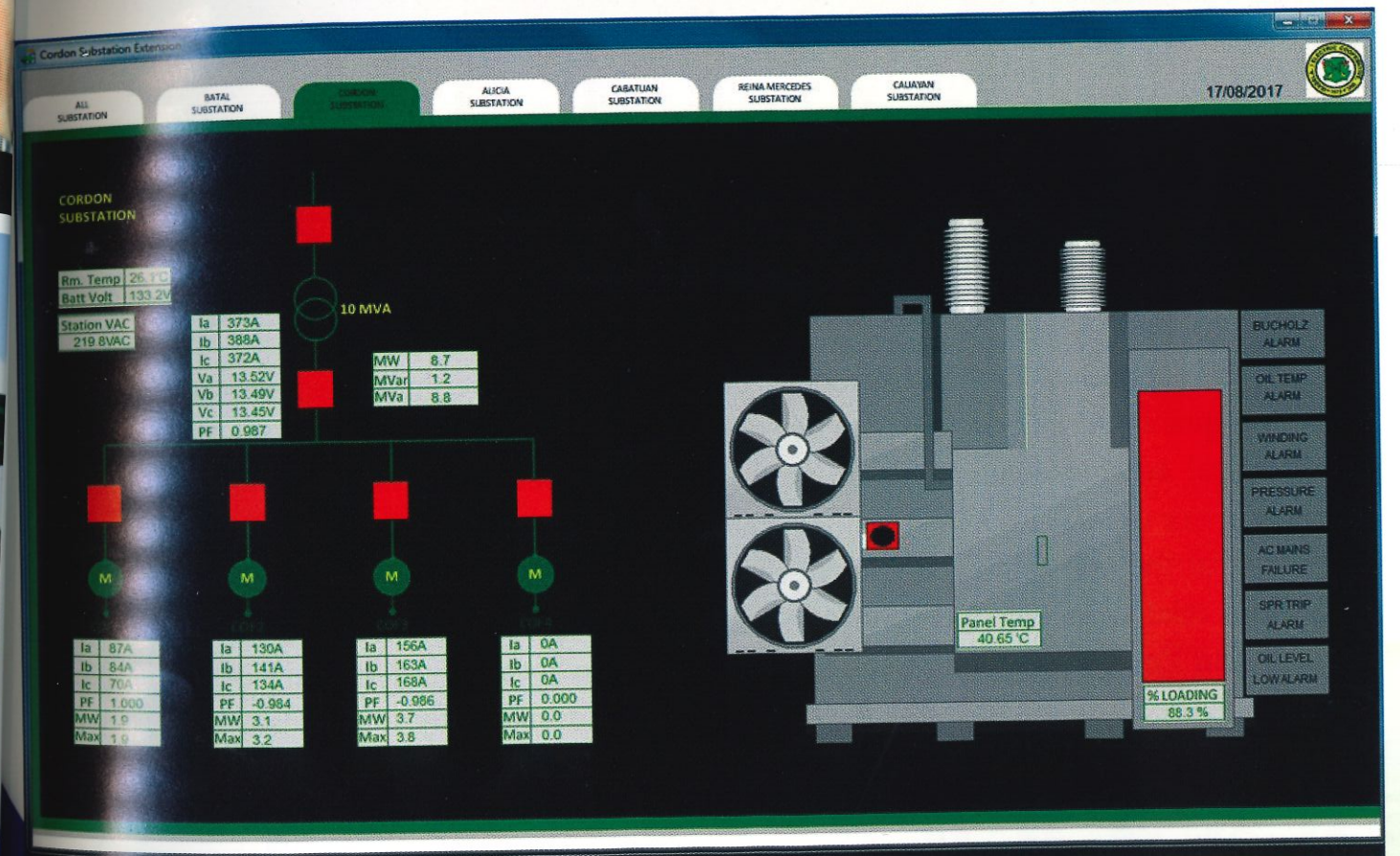
20 MVA San Fermin Substation and Collection Office

Furthermore, this year we have already conceptualized the construction of 10 MVA substation at Garit Sur, Echague and the uprating of 10 MVA to 20 MVA at Malapat, Cordon Substation resulting to an additional of 20MVA capacity to our system. The said project also includes an additional of 7.5 km of 69 KV line along Batal Santiago and Ipil to Garit Sur Echague.

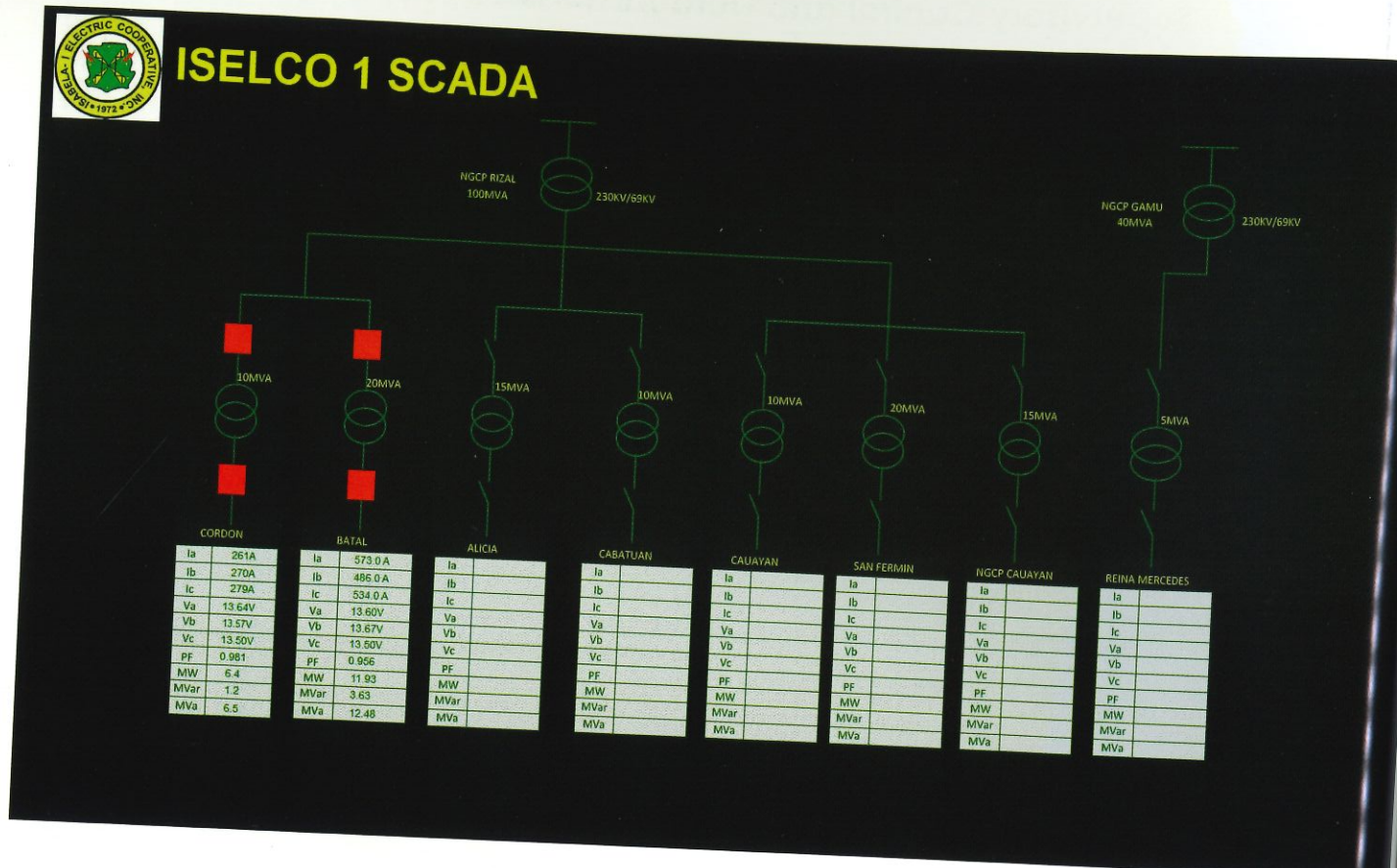
Supervisory Control and Data Acquisition (SCADA)

SCADA system is an industrial process automation system which is used to collect data from instruments and sensors located at remote sites and to transmit data at a central site for either monitoring or controlling purpose. The collected data from sensors and instruments is usually viewed on one or more SCADA host computers that are located at the central site. Based on the information received from the remote stations, automated or operator-driven supervisory commands can be pushed to remote station control devices and equipment.

Moreover, we are also planning to upgrade our present communication system from Radio Frequency Signal (RFs) to installation of Fiber Optic Cables to our entire coverage area.



SCADA's Human Machine Interface



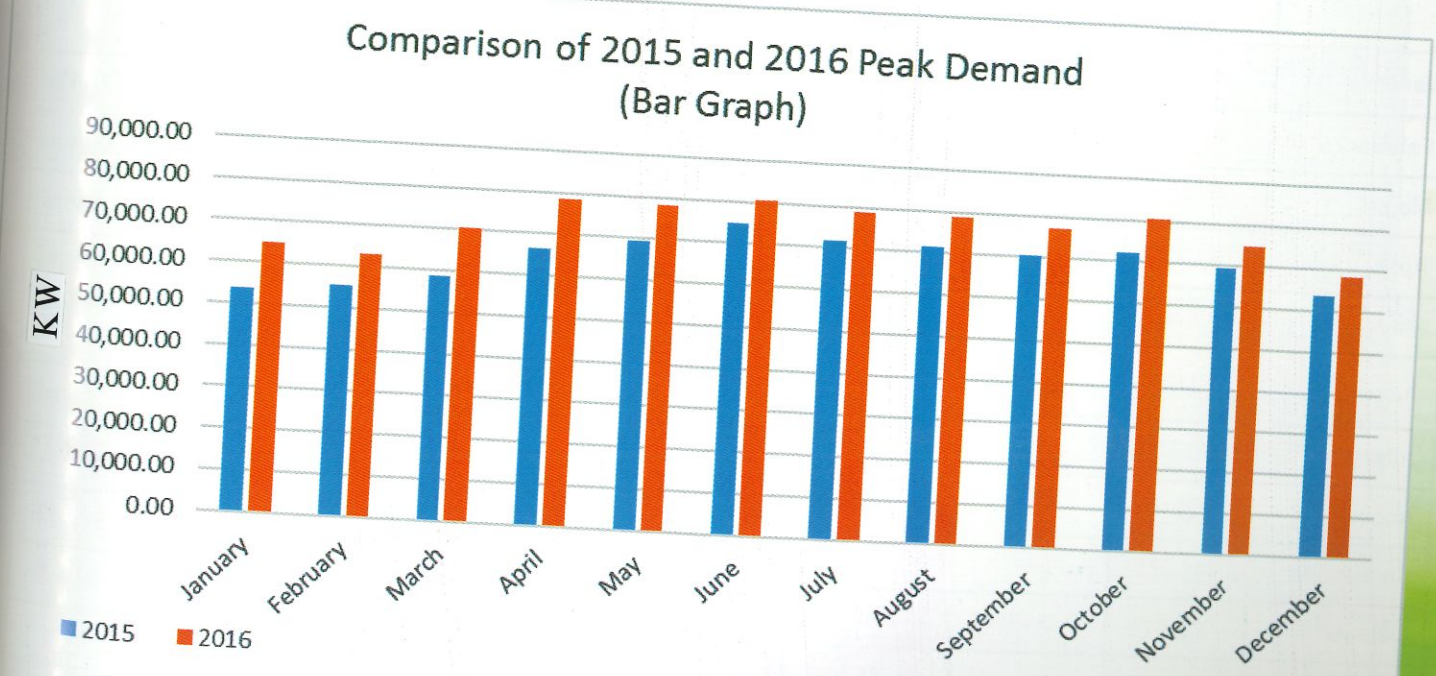
In our aspiration to be the model electric cooperative in the region not only by delivering quality service to our member-consumers but also by providing the most modern technological advancement available in the industry. Because of that, we already started developing our own SCADA system for Batal and Cordon Substation. This SCADA enables us to control the substation equipment and achieve real time monitoring of all important parameters related to the operation of substation such as Current, Voltage, Power Factor, Demand and Energy from our Central Control Station located at our main office at Alicia Isabela. Data recording and event logs are recorded automatically in our data base which is readily available when needed. And with the installation of CCTV's, we can view and monitor substation equipment and its surroundings regularly which is more advantageous rather than inspecting only when we do site inspection to those substations. In general SCADA reduces operational costs and improves the efficiency of the operation.

And eventually with the benefits and advantages brought by this technology, we are again planning to develop SCADA system for the other substations until such time that all our substations will be on full SCADA.

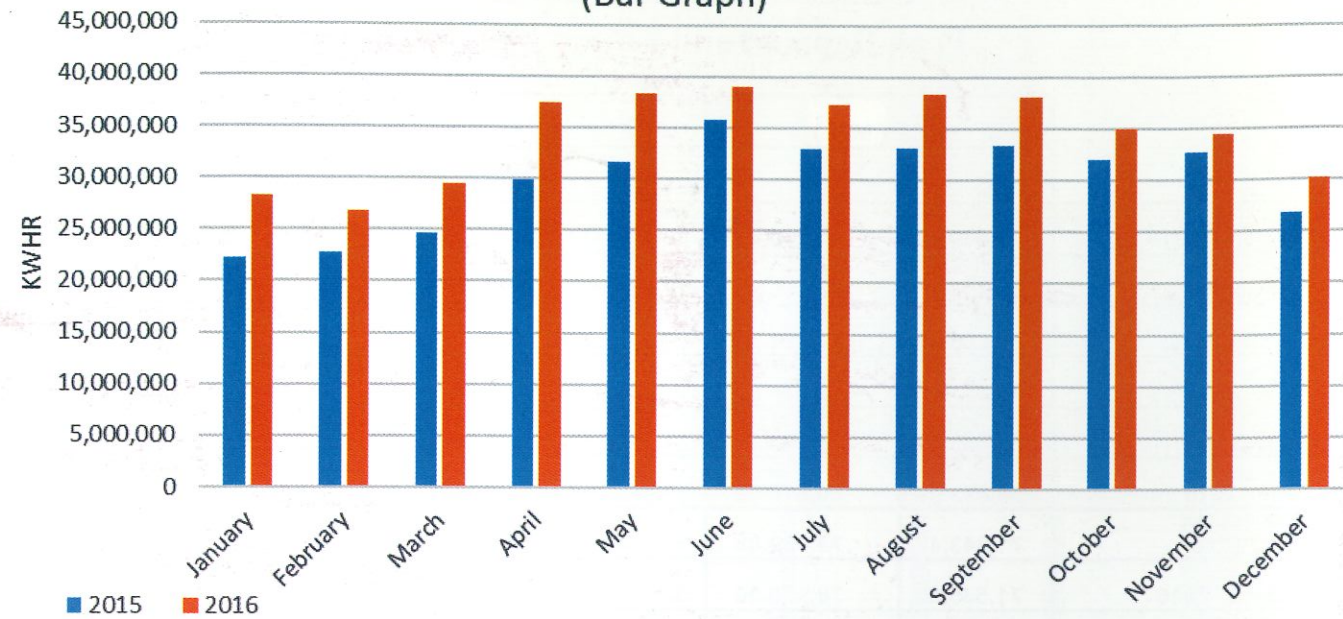
Network Management Division
Comparison of 2015 and 2016
Peak Demand and Energy Purchase

	NCP KW		ENERGY (KWHR)		NCP % IN-CREASE	ENERGY % IN-CREASE
	2015	2016	2015	2016		
January 2016	53,566.49	64,859.62	22,229,743	28,253,636	17.41%	21.32%
February 2016	55,492.21	62,956.34	22,753,061	26,836,090	11.86%	15.21%
March 2016	58,855.38	70,482.89	24,595,620	29,483,227	16.50%	16.58%
April 2016	66,351.09	78,578.03	29,885,340	37,489,395	15.56%	20.28%
May 2016	69,595.37	78,148.40	31,618,369	38,352,990	10.94%	17.56%
June 2016	74,892.99	80,616.02	35,872,270	39,085,109	7.10%	8.22%
July 2016	71,943.47	79,009.88	32,924,072	37,307,064	8.94%	11.75%
August 2016	71,535.00	78,950.30	33,097,212	38,311,194	9.39%	13.61%
September 2016	70,391.37	77,276.20	33,402,489	38,076,793	8.91%	12.28%
October 2016	72,136.29	80,430.03	31,989,174	35,055,545	10.31%	8.75%
November 2016	69,338.95	74,677.48	32,684,552	34,531,615	7.15%	5.35%
December 2016	63,620.00	68,498.39	26,798,728	30,120,285	7.12%	11.03%

Maximum Demand 2015: 74,892.99 KW
 Maximum Demand 2016: 80,616.02 KW
 Average Growth Rate: 10.93% / year



Comparison of 2015 and 2016 Energy Purchase
(Bar Graph)



Substation Percent Loading for the year 2016

	Alicia 15MVA	Batal 20MVA	Cabatuan 10 MVA	Cauayan 10 MVA	Cauayan NGCP 15 MVA	Cordon 10 MVA	Rizal NGCP 15 MVA	R.Mercedes 5 MVA
January	80.81%	19.33%	85.55%	70.00%	74.56%	72.45%	72.92%	79.04%
February	76.47%	19.50%	74.40%	67.48%	74.83%	75.81%	71.57%	77.11%
March	85.60%	40.88%	82.96%	78.12%	81.81%	82.87%	55.32%	90.05%
April	93.32%	45.92%	99.07%	83.72%	90.61%	90.51%	63.60%	98.66%
May	93.74%	44.80%	95.71%	84.28%	90.40%	91.56%	63.40%	98.03%
June	92.51%	49.00%	97.21%	85.40%	94.06%	95.38%	66.55%	100.97%
July	100.55%	46.48%	84.39%	83.44%	90.72%	95.26%	64.16%	101.81%
August	103.04%	45.92%	80.01%	88.20%	90.70%	96.94%	63.30%	93.91%
September	76.30%	64.12%	71.58%	87.92%	88.05%	94.75%	63.76%	96.22%
October	73.81%	61.88%	98.56%	89.60%	95.49%	90.68%	67.54%	92.90%
November	70.17%	61.60%	83.63%	82.04%	90.58%	87.65%	58.27%	83.44%
December	64.34%	56.28%	78.94%	81.20%	82.19%	81.23%	47.01%	81.48%

Comparison of 2015 and 2016 System Loss

Month	In kwhr		in %	
	2015	2016	2015	2016
January	3,197,191	4,900,567	13.90%	16.89%
February	3,214,907	3,447,468	13.57%	12.52%
March	2,611,859	2,820,484	10.26%	9.38%
April	4,245,599	5,846,075	13.85%	15.28%
May	4,497,292	4,738,077	13.94%	12.18%
June	5,324,757	4,859,548	14.58%	12.21%
July	4,158,997	4,759,816	12.30%	12.55%
August	4,074,405	4,888,215	11.97%	12.59%
September	4,566,127	4,287,030	13.30%	11.14%
October	3,195,681	3,231,776	9.75%	9.13%
November	4,347,505	4,268,855	12.99%	12.29%
December	1,772,800	2,907,349	6.41%	9.58%
Average			12.30%	12.15%



Line Upgrading and Line Construction Activities

Transformer Report for the year 2016

TYPE OF TRANSFORMER (KVA)	DISTRIBUTION		SOLE USER
	INSTALLED	REPLACED	INSTALLED
10			26
15	25	21	37
25	10	49	38
37.5	8	50	19
50		17	32
75		14	11
100			5
167			10
250			6
333			12

Interruption Report Indexes for the year 2016
(For all other category)

	SAIFI	SAIDI	MAIFI
January	0.72	43.09	1.85
February	0.72	82.81	1.99
March	0.70	124.60	2.00
April	1.26	62.21	2.63
May	1.74	69.06	4.10
June	1.83	72.43	4.84
July	1.49	37.33	3.85
August	0.79	39.51	3.37
September	1.23	22.88	3.88
October	1.00	25.14	4.29
November	0.76	30.75	1.71
December	1.02	53.44	1.52
TOTAL	13.24	663.25	36.03

SAIDI=System Average Interruption Duration Index

SAIFI=System Average Interruption Frequency Index

MAIFI=Momentary Average Interruption Frequency Index

Maximum allowed for SAIDI =2700 minutes/costumer per year

Maximum allowed for SAIFI = 20 interruptions/costumer per year

Asset Management Division

LINE UPGRADING OF PRIMARY AND SECONDARY LINES FOR 2016

MONTH	KILOMETERS OF LINES (Kms)						
	69kV	DC	3-ph	V-ph	1-ph	U.B.	O.S.
JANUARY	-	-	-	-	-	-	0.759
FEBRUARY	-	-	0.599	-	-	-	0.835
MARCH	-	-	-	-	1.432	0.240	0.860
APRIL	-	-	-	-	0.160	-	2.607
MAY	-	-	-	-	0.000	-	2.187
JUNE	-	-	-	-	1.344	0.568	1.135
JULY	-	-	-	-	0.652	0.183	0.687
AUGUST	-	-	-	-	1.770	0.240	4.338
SEPTEMBER	-	-	-	-	0.661	0.245	2.418
OCTOBER	-	-	0.326	-	1.084	0.540	1.373
NOVEMBER	-	-	2.337	-	0.261	0.125	0.248
DECEMBER	-	-	0.519	-	0.385	1.370	0.789
TOTAL	0.000	0.000	3.781	0.000	7.749	3.511	18.236

LINE EXPANSION OF PRIMARY AND SECONDARY LINES FOR 2016

MONTH	KILOMETERS OF LINES (Kms)						
	69kV	DC	3-ph	V-ph	1-ph	U.B.	O.S.
JANUARY	-	-	-	-	8.946	6.739	4.889
FEBRUARY	-	-	-	-	4.884	1.713	2.705
MARCH	-	-	-	-	0.408	-	0.765
APRIL	-	-	-	-	-	-	-
MAY	-	-	-	-	-	-	-
JUNE	-	-	-	-	-	-	-
JULY	-	-	-	-	-	-	-
AUGUST	-	-	-	-	-	-	-
SEPTEMBER	-	-	-	-	-	-	-
OCTOBER	-	-	-	-	0.283	0.945	0.135
NOVEMBER	-	-	0.531	-	0.166	-	-
DECEMBER	-	-	0.889	-	0.449	0.980	1.330
TOTAL	0.000	0.000	1.420	0.000	15.136	10.748	10.355

TOTAL OF LINE UPGRADING AND EXPANSION

SUMMARY	KILOMETERS OF LINES (Kms)						
	69kV	DC	3-ph	V-ph	1-ph	U.B.	O.S.
UPGRADING	0.000	0.000	3.781	0.000	7.749	3.511	18.236
EXPANSION	0.000	0.000	1.420	0.000	15.136	10.748	10.355
TOTAL	0.000	0.000	5.201	0.000	22.885	14.259	28.591

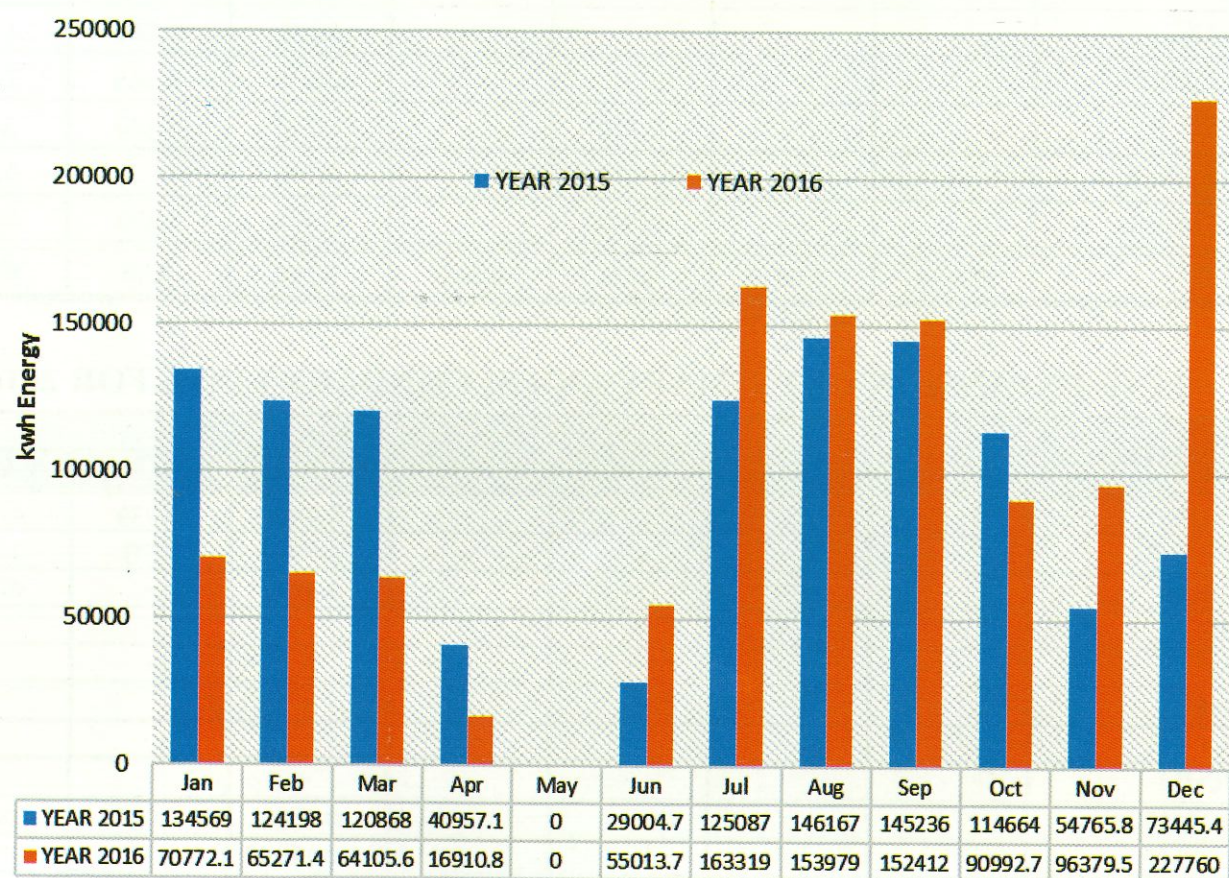
Power Generation Division

MAGAT A&B MINI HYDRO ELECTRIC POWER PLANTS

Villa Beltran, Ramon, Isabela

ISABELA 1 ELECTRIC COOPERATIVE INC. (ISELCO-1) is more than 31 years of operating the MAGAT-A & MAGAT-B MINI HYDRO ELECTRIC POWER PLANT since 1984 & 1985 respectively, and located at Barangay Villa Beltran, Ramon, Isabela.

**MINI HYDRO ELECTRIC POWER PLANT
Gross Generation in kWhr.**



The total energy generated for the year 2016 was 1,156,915.8 kWh increased by 4.32% compared the year 2015. The operation was affected by line faults, plant shut down due to mechanical defect of the equipment, low water level & dewatering period of main canal.

We conducted a preventive maintenance during dewatering period of main canal for the month April to May. And we energized turbine unit no.1 last June 13, 2016 to make it two units operational in Magat A.

INTERNAL AUDIT DEPARTMENT

The Internal Audit Department, being one of the cooperative's partner in carrying out its mission and vision consistently monitors the effectiveness of the internal control processes that have been established by the management. Also, the department promotes accountability and transparency by independently reviewing the Cooperative's internal control environment, and making effective control recommendation at reasonable cost to properly address risks.

As part of the risk management process, the department recommended additional controls to reduce the risks to acceptable level. Then, Internal Audit collaborated with other departments to implement those internal controls throughout the cooperative. Internal Audit performed as well follow up activities to ensure that the agreed-upon corrective action is implemented.

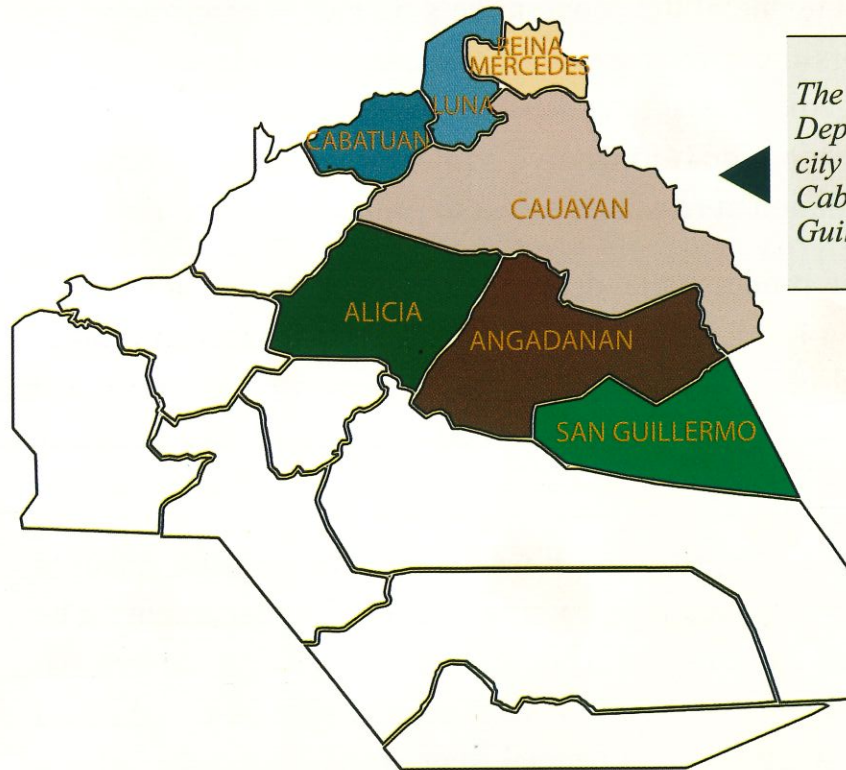
To increase financial reliability and integrity, the **Financial Audit Division** ensures that all daily reportorial requirements are complied with complete supporting documents. The division also formulates effective internal controls and recommends corrective measures. To ensure accuracy of cash balances, the financial auditors as well conduct spot cash count and prepares monthly bank reconciliation. Analysis on financial statements and other related accounts were also done. These activities would be a great help in safeguarding the cooperative's assets and reducing the possibility of fraud.

On the other hand, the **Operational Audit Division** is responsible for the efficient and effective Internal Control System. As part of this responsibility, the team unceasingly monitors the effective implementation of Coop's policies, procedures and guidelines. It also ensures adherence to NEA and Other regulatory Agencies policies to achieve consistency and standardization in day-to-day processes. To guarantee that all assets are safeguarded, the operations audit division team monitors the procurement transactions, ensure that all materials delivered are in accordance with the specification required and inventories all the properties, supplies and deliveries.

As part of the cooperative's mission to provide efficient and reliable electric service, the department also ceaselessly conducts inspection and monitoring of line maintenance and construction and validation of clearing operations.

Ultimately, the Internal Audit team would determinedly serve as an early warning system, enabling deficiencies to be identified and remediated on a timely basis in order to maintain and even surpass ISELCO-1's current triple A categorization.

AREA OPERATION MANAGEMENT DEPARTMENT - NORTH



The North Area Operation Management Department covers 6 municipalities and 1 city namely: Reina Mercedes, Luna, Cabatuan, Alicia, Angadanan, San Guillermo; and Cauayan City, respectively.

For the fiscal year 2016, the North Area Operations Management Department executed programs to advance the services in terms of system loss reduction, improvement of system reliability, collection efficiency and consumers' satisfaction.

The following figures reflect accomplishments on financial, technical and institutional aspects of operations:

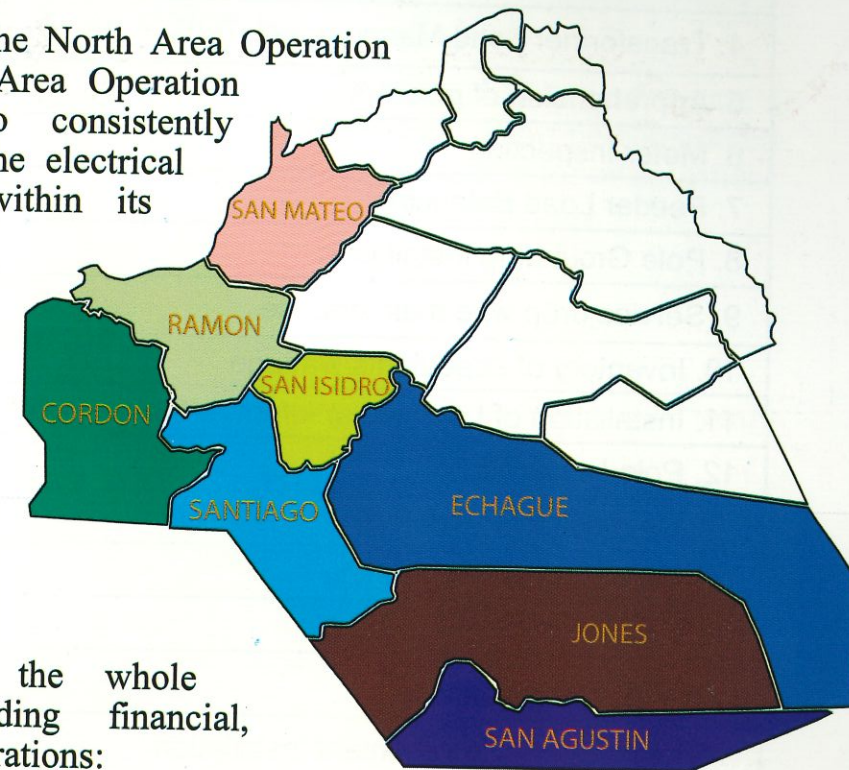
A. FINANCIAL ASPECT			
BRANCH OFFICE	STUBS	AMOUNT	RECONNECTION FEE
1. ALICIA	186,882	199,674,143.24	911,469.13
2. ANGADANAN	78,481	55,852,900.42	533,540.00
3. CABATUAN	103,438	167,154,284.45	213,720.00
4. CAUAYAN CITY	635,958	873,870,016.46	1,893,349.00
5. LUNA	43,770	63,311,221.01	48,810.00
6. REINA MERCEDES	57,674	49,587,059.60	435,068.00
7. SAN GUILLERMO	47,557	21,952,323.66	248,920.00
TOTAL	1,153,760	1,431,401,948.84	4,284,876.13

B. TECHNICAL ASPECT		
1. Replacement of defective/phase out meters	4150	Kwhmeter
2. Clearing of lines	718.55	kilometers
3. Pole metering/clustering	3819	Kwhmeter
4. Transformer load management	505	units
5. Apprehension of pilferers	77	Kwhmeter
6. Meter Inspection	24399	Kwhmeter
Disconnection of KWHmeter	79	Kwhmeter
7. Feeder load management	123	FEEDER
8. Pole grounding installation	369	Pcs.
9. Monitoring of pulled-out/disco. Meters	11252	Kwhmeter
10. Service drop connection (new consumers)	2342	Consumers
11. Inventory of streetlights/wattage	43545	units
12. Installation of lateral/dist.xformer fuse cut outs	115	units
Installation of private transformer	10	units
13. Pole inspection	10614	units
14. Insulator inspection	16752	Pcs.
15. Insulator Replacement	1897	Pcs.
16. Installation/Replacement of connectors	6973	Pcs.
17. Pole insertion	136	units
18. Pole Replacement	195	units
18. Cross arm inspection	3905	Pcs.
19. Cross arm replacement	689	Pcs.
20. Pole Replacement/rotten poles	165	units
21. Installation/replacement of distribution transformer	130	units
Pulled out private transformer	1	units
22. Upgrading of lines	2514	
23. Guys/Anchor rod inspection	2278	Pcs.
24. Relocation of poles	85	Pcs.
25. Conductor Clearance/sag inspection	1857	Pcs.
26. Relocation of lines	517.2	
27. Maintenance of lines	2907	
28. Maintenance of transformers	855	units
29. Thermal Scanning	347	
30. Others: re-erection of leaning pole	2	

AREA OPERATION MANAGEMENT DEPARTMENT - SOUTH

In coherence to the services of the North Area Operation Management Department, the South Area Operation Management Department has also consistently executed its functions in providing the electrical needs of the member-consumers within its coverage area.

The South Area Operation Management Department covers 7 municipalities and 1 city namely: San Mateo, Ramon, Cordon, San Isidro, Echague, Jones, San Agustin; and Santiago City, respectively.



Hence, figures below reflect the whole department's accomplishment regarding financial, technical and institutional aspects of operations:

A. FINANCIAL ASPECT

BRANCH OFFICE	STUBS	AMOUNT
1. JONES	107,630	58,182,424.71
2. SAN AGUSTIN	18,023	12,324,577.68
3. SANTIAGO CITY	401,273	754,562,740.46
4. CORDON	114,163	137,556,404.83
5. ECHAGUE	173,645	238,561,639.60
6. SAN ISIDRO	50,284	46,349,611.16
7. SAN MATEO	173,510	196,647,729.20
8. RAMON	139,569	126,984,167.37
TOTAL	1,178,097	1,571,169,295.01

C. INSTITUTIONAL ASPECT

a. Complaints received and acted	4561	COMPLAINTS
b. Processed applications	2358	APPLICATIONS
c. Housewiring Inspected	4162	consumers
d. Disconnection	115019	kwhmeters
e. Reconnection (by linemen/PUC)	6421	kwhmeters
f. Reconnected consumers/tag surrendered	41222	consumers
g. Demand letters issued	2651	letters
h. Papremyo sa Resibo Winners	118	pcs
i. Request received and acted	6714	REQUEST
j. Field findings attended (replaced meters)	745	



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ang Number 1!**

B. TECHNICAL ASPECT	
1. Replacement of defective KWHR Meters	5427
2. Clearing of lines	836.6
3. Pole Metering/Clustering	6195
4. Transformer Load Management	6604
5. Apprehension of pilferers	131
6. Meter Inspection	16048
7. Feeder Load Balancing	174
8. Pole Grounding Installation	794
9. Service drop wire maintenance	3520
10. Inventory of streetlights/wattage	46737
11. Installation of Lateral/dist.x-former fuse cut-outs	192
12. Pole Inspection	5228
13. Insulator Replacement	1244
14. Pole Insertion/Relocation	1570
15. Cross Arm Replacement	239
16. Pole Replacement	556
17. Transformer replacement/installation	106
18. Streetlight repaired	1238
19. Replacement of blown-out fuselink	2901
20. Excavation and Guying	194
21. Monitoring of Disconnected KWHM	2518

C. INSTITUTIONAL ASPECT	
a. Complaints/request received and acted	18,460
b. Processed Applications (Turn on order released)	4,586
c. Housewiring/Consumers Load Inspected	4,027
d. Disconnected Houses	170,628
e. Inspected HW Installation	7,115
f. Demand Letters	227
g. Disconnected Tags Used	170,628
h. Papremyo sa Resibo	128

ARTICLE II - ELIGIBILITY TO RUN AND CERTIFICATE OF CANDIDACY

Section 7. *Qualifications of a Director and an Officer.* –

Pursuant to Section 26-B PD 269, as amended by R.A. 10531, a candidate's integrity, experience, education, competence and probity shall be considered in determining whether he/she shall be fit and proper as a director or an officer of the EC. The following shall be the minimum qualifications, thus:

- 7.1. He or she is a Filipino citizen;
- 7.2. He or she is a graduate of a four (4) year course;
- 7.3. He or she should be between twenty-one (21) years old and seventy (70) years old on the date of election;
- 7.4. He or she is of good moral character, which may be established with the submission of a clearance or certificate from any of the following:
 - 7.4.1. Barangay where the candidate resides;
 - 7.4.2. National Bureau of Investigation;
 - 7.4.3. Philippine National Police; or
 - 7.4.4. Leader of the religious sect where the candidate is affiliated.
- 7.5. He or she is a member of the EC in good standing. A member of good standing shall mean that said member: has no unsettled or outstanding obligations to the EC whether personal or through commercial or industrial connections of which he or she is the owner/co-owner three (3) months prior to the time of filing of certificate of candidacy: Provided, that for the incumbent members of the EC Board who will seek re-election, unsettled or outstanding obligation shall be deemed to include power bills, cash advances, disallowances (including NEA audit findings) and materials and equipment issuances reckoned from the time of filing of certificate of candidacy as stated in the (DOE -Department Circular no. DC2014-09-0017).
- 7.6. Has not been apprehended for electric pilferage;

A mere apprehension of electric pilferage by the EC, even without conviction for such offense by any court, shall constitute a valid ground for disqualification. The word "apprehension" should be taken in the strict context as used in Republic Act No. 7832, otherwise known as "Anti-Electricity and Electric Transmission Lines or Materials Pilferages Act of 1994", which means that a person is caught in flagrante delicto for violating the provision of the said act.

7.7. Has not been removed for cause as director or an employee from any EC;

In general, removal or termination of service from the EC is caused by a grave offence or violation/s of policies, rules and regulations. A former director or employee with a record of termination/removal for cause from public office or for just cause as defined in Article 282 of the Labor Code as amended, shall not be qualified to be elected or appointed as director of an EC.

7.8. He or she is an actual resident and member-consumers in the district that he or she seeks to represent for at least two (2) years immediately preceding the election; and

7.9. He or she has attended of at least two (2) Annual General Membership Assemblies (AGMA) for the last five (5) years immediately preceding the election or appointment.

7.10. For a qualified government employee, he/she must present a written Certification from his/her Department Secretary/Regional Director/Local Chief Executive or his duly authorized representative allowing him/her to run and sit as director at the time of his/her filing of Certificate of Candidacy.

7.11. An EC Director or Officer, in order to remain as such must continue to possess all the qualifications and none of the disqualifications throughout his/her term or tenure of office. To this end, no EC Director shall be allowed to stay on a hold-over capacity if he/she fails to meet all the qualifications or is deemed disqualified.

Section 8. *Disqualification of a Director and Officer.* –

Pursuant to Section 26-B of PD 269, as amended by R. A. 10531, any person shall be ineligible to be elected or be appointed as member of the Board of Directors or Officers of an EC if:

- 8.1. Such person or his or her spouse holds any public office. For the purpose of disqualification, a person holding an elective position or an appointive position with a salary grade of sixteen (SG 16) or higher or its equivalent shall not be eligible to be elected as member of a Board of Directors or officers of an EC;
- 8.2. Such person or his or her spouse has been a Candidate in the last preceding local or national elections;
- 8.3. Such person has been convicted by final judgment of a crime involving moral turpitude;
- 8.4. Such person has been terminated from public office/ government employment or

private employment for just cause as defined in Article 282 of the Labor Code;

For this purpose; termination from public office shall mean removal;

8.5. Such person is related within the fourth civil degree of consanguinity or affinity to any member of the EC Board of Directors, General Manager, Department Manager, NEA-appointment Project Supervisor (PS) or Acting General Manager (AGM) and its equivalent or higher position;

8.6. Such person is employed by or has financial interest in a competing enterprise or a business selling electric energy or electrical hardware to the cooperative or doing business with the EC including, but not limited to, the use or rental of poles;

For this purpose, “*doing business*” shall refer to the transactions related not only to the core or main line of business of the EC, but also those which in any way affect the management and operation of the EC.

8.7. Incumbent GM and employees of electric cooperatives are not allowed to run as member of the board of another cooperative; and

8.8. The disqualification of one of the spouse shall mean the disqualification of the other.

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 CLEAN HEAT	 UN-PLUG	 DOUBLE DRY	 CLEAN FILTER	 SMART LIGHTS
Cleaning your home's furnace filter every two months can increase its efficiency by 50 percent.	Unplug home electronics when you're not using them. They waste energy and can cost you up to \$75 a year.	Dry two or more loads of laundry in a row to take advantage of an already warm dryer.	Clean out your lint filter before every load of laundry. A clogged filter can increase energy use up to 30 percent.	Replace your incandescent bulbs with CFL or LED bulbs. Incandescent bulbs give off 90 percent of energy as heat.

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you can now pay your electric bills to the following
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Primark Savemore, Echague
Rural Bank of Alicia
SM City Cauayan
Primark Savemore, Cauayan City
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ACKNOWLEDGEMENT

2016 marks another fruitful year in ISELCO-I's history, hence, we would like to convey our heartfelt gratitude and appreciation to all people and institutions who in one way or another have bestowed support to the cooperative. Your incessant contributions in the rural electrification have reached an extra mile!

God bless you mightily!

From: The Board of Directors, Management/Staff and Employees



VISION

A dynamic electric distribution utility

MISSION

To provide efficient, reliable electric service through a God-centered and competent human resources towards the socio-economic development of the countryside