

# ISELCO-I 2020 Annual Report



ISELCO-I and MCOs:

*Transcending Challenges and Upholding Resilience  
in the midst of Pandemic*



# ISELCO-I

ISABELA-I ELECTRIC COOPERATIVE, INC.  
VICTORIA, ALICIA, ISABELA


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## MESSAGE

I wish to extend my warmest greetings to the Member-Consumer-Owners (MCOs), Board of Directors, Officials and Employees of Isabela-I Electric Cooperative (ISELCO-I) as it celebrates another year of successful labor in the field of Rural Electrification.

As we all know, the Coronavirus Virus disease (COVID-19) continues to spread not just in our country, but around the world, with no end yet in sight. But in the midst of this global situation, where we are tested in so many ways. It is heartening to note that Electric Cooperatives (ECs), such as ISELCO-I, keep on persevering and steadfastly fulfilling the mandate of bringing progress in the countryside through the Rural Electrification Program (REP).

NEA is cognizant of ISELCO-I's crucial role in enriching the lives of the rural populace. For 49 years, it has contributed to the country's development initiatives through the energization of 484 barangays, serving 226,097 connections and 15 municipalities in the Province of Isabela. The attainment of AAA rating in the latest EC Overall Performance Assessment is indeed a testament to your valuable participation and sheer dedication to realize the vision of creating a better, more comfortable life in the rural areas. Certainly, ISELCO-I has unfailingly kept its commitment of being a dependable and consumer-oriented power provider that the MCOs can rely on.

May this achievement inspires everyone to keep moving forward to an increased and higher service excellence in order to pursue the goal of creating a better life for the people of Isabela. NEA is one with you in celebrating the fruits of your labor of upgrading the quality of life in your coverage area.

I would also like to take this opportunity to give my sincere appreciation and gratitude to ISELCO-I's Management for sharing and letting their Board of Directors President, our PHILRECA Party List Representative, the Honorable Congressman Presley C. De Jesus to lead the One EC MCO Movement. His immense passion and strong leadership greatly contributed to the advancement and furtherance of our shared advocacies and aspirations.

Let this occasion which carries the unified theme: "Arise As One: Championing National Development and Building Sustainable Communities through Rural Electrification" be the proper forum to reaffirm our pledge of service to the Filipino people and remain united and faithful to our noble goals. I enjoin all of you to put forth ideas and continue to craft programs designed not only to meet the needs of your MCOs, but to exceed their growing expectations.

On behalf of NEA, I wish you a fruitful and engaging assembly, and may you be inspired to pursue the vision of the government under President Rodrigo Roa Duterte for all Filipinos to live a life that is Matatag, Maginhawa at Panatag.

All the best to ISELCO-!! Mabuhay!

  
EDGARDO R. MASONGSONG  
Administrator





Republic of the Philippines  
**PROVINCE OF ISABELA**  
City of Ilagan

*Office of the Governor*

## MESSAGE




Congratulations to your continued success in providing sustainable energy access for all as reflected in your Rural Electrification Cooperative Report 2020, with an overall performance rating of AAA given by the National Electrification Administration, energizing 100% of the 502 barangays, thus serving even better as engine of economic growth and development in the countryside.

The Provincial Government of Isabela remains steadfast in our commitment to fully energize the entire province down to the smallest barangay, so that in our relentless pursuit of progress, nobody is left behind even in the current crisis.

We can't fight COVID-19 pandemic without reliable electric power. When basic energy services are unavailable, essential components of emergency responses become compromised. Diagnostic tests for active COVID-19 infection require electricity. Patients who need further diagnosis or treatment with ventilators or oxygen masks have to be placed in hospitals with reliable power; outages for even a few minutes can be life threatening.

Amid the pandemic, ISELCO-I continues to power up the rural communities and hospitals, kudos to the quick response mechanisms of our warriors of light – THE MEN AND WOMEN OF ISELCO-I who remain in their respective assignments even on skeletal force or alternative working schedule just to ensure the continuous flow of power.

I am counting on your usual support and close coordination to continue keeping the lights on, radiating hope and optimism amidst the evolving wave of challenges in the new normal.

  
**RODOLFO T. ALBANO III**  
Governor

*Nagkaisa para sa Isabela*





Republic of the Philippines  
House of Representatives  
Quezon City, Metro Manila

## MESSAGE

*Presley C. De Jesus*

Representative, PHILRECA Party-List

### **ISABELA I ELECTRIC COOPERATIVE, INC. (ISELCO-I)**

Victoria, Alicia, 3306, Isabela

Brightest greetings to the Warriors of Light of ISELCO-I!

Congratulations on our 49th year of unflinching resolve in making the lives of our member-consumer-owners brighter and better. Now, more than ever, the spirit of cooperativism has become invaluable as the Filipino people go the extra-mile to help each other amid the pandemic.

I am very proud to be the Board President of ISELCO-I family with the help of the passionate leadership of our very own General Manager Engr. Virgilio L. Montano. ISELCO-I has manifested the values of integrity, commitment, excellence and solidarity in providing service for almost half a century. Through the effort of each employee, ISELCO-I continues to strive for quality and efficient service, having been conferred a AAA rating for more than three consecutive years.

This success will not be possible without the trust of our member-consumer-owners. With the guidance of the NEA, ECs and MCOs have soared to greater heights in rural development.

PHILRECA, together with the NEA and the One EC-MCO Movement is always ready to provide support and assistance to ISELCO-I as we continue to face the challenges this 2021. We will meet these obstacles together and Arise As One. Rest assured that we will always be looking after the interest of both Electric Cooperatives, and Member-Consumer-Owners as we Champion National Development and Build Sustainable Communities through Rural Electrification

I believe that ISELCO-I will play a great part in the development of their community and the whole country. Once again, congratulations on our 49th anniversary.

To my ISELCO-I family and our MCOs, may we always hold to heart that: UNITED WE STAND, WE STAND UNITED.

Very truly yours,

HON. PRESLEY C. DE JESUS  
Representative, PHILRECA Party-List



# 2020

## Departmental Accomplishment Reports



*The Office of the General Manager*







ISELCO-I live through determination and persistent throughout the tough year 2020. The Cooperative once again sustained the pillar of success by delivering high quality electric service to the member-consumer-owners (MCOs). The unending dedication of the Board of Directors, the great influence within by the General Manager & CEO, Engr. Virgilio L. Montano and the loyalty to work efficiently of the employees, gives unity to the MCOs which the Cooperative achieved another milestone of its success.

This year 2020, made everyone to be much dedicated and persuasive in terms of strengthening the solidarity between the ISELCO-I and its coverage and bringing harmonious relationship to the MCOs. With this great collaboration and exemplary performance, ISELCO-I managed to bring extraordinary achievements despite of the huge pandemic occurred during this year. The Cooperative showed unrelenting willpower to serve in its scope and continue to achieve excellent awards given by the PHILRECA during the celebration of 41st PHILRECA Convention and Annual General Membership Meeting last on December 4, 2020.

#### MODEL MEMBER-EC AWARD

Award given to Isabela I Electric Cooperative, Inc., for being an outstanding member-EC of PHILRECA notwithstanding all difficulties confronting the rural electrification movement. With determination, perseverance, and diligence, ISELCO-I was able to clear all obligations to the Association.

#### STRONG COMMITMENT TO BROTHERHOOD AWARD

Award given to Isabela I Electric Cooperative, Inc., for unwavering support and upholding the true spirit of bayanihan in helping the affected Electric Cooperatives and member-consumer-owners during typhoons Tisoy, Quinta, Rolly and Ulysses through the Power Restoration Rapid Deployment-Task Force Kapatid (PRRD-TFK).

#### PARAMOUNT ACHIEVEMENT AWARD

Award given to Isabela-I Electric Cooperative, Inc., for an exemplary performance as a triple-A (AAA) category EC in the pursuit of total electrification and sustainable rural development notwithstanding all difficulties confronting the rural electrification movement. With the determination, perseverance, and diligence, ISELCO-I was able to surpass challenges and excellently attained their goals for the member-consumer-owners (MCOs).

#### LEGENDS OF THE MOVEMENT AWARD

Given to Mr. Roel Galiza of ISELCO-I for being a committed Warrior of Light whose passion for service has continuously provided inspiration for PHILRECA and for the whole One EC-

MCO Movement.

#### EC BROTHER'S KEEPER AWARD

Given to Engr. Virgilio L. Montano for sharing his gift of leadership and for being an inspiration and instrument to PHILRECA and the One EC-MCO Movement by efficiently handling ISELCO-I and NUVELCO at the same time since the year 2019.

#### EXTRA MILE AWARD

Award given to Isabela I Electric Cooperative, Inc., for implementing the Pantawid Liwanag Program, as well as other initiatives that are aimed to uplift the lives of the MCOs in the pursuit of the total electrification and sustainable rural development notwithstanding all difficulties confronting the rural electrification movement. With the determination, perseverance, and diligence, ISELCO-I was able to surpass challenges and excellently attained their goals for the member-consumer-owners (MCOs).

#### LIMELIGHT AWARD

Award given to Isabela I Electric Cooperative, Inc., for being the front runner in the pursuit of total electrification and sustainable rural development notwithstanding all challenges confronting the rural electrification movement. With the determination, perseverance, and diligence, ISELCO-I was able to surpass challenges and excellently attained their goals for the member-consumer-owners (MCOs).



#### CONSTANT CONTRIBUTOR AWARD

Award given to Isabela I Electric Cooperative, Inc., for their continuous support to the goal of the One EC Network Foundation, Inc. (OECNF) in uplifting the lives of our dear brothers and sisters in the sector.

#### STRENGTH IN NUMBERS AWARD

Award given to Isabela I Electric Cooperative, Inc., for encouraging and supporting its officers and employees to partake in trainings, webinars and other activities of PHILRECA in pursuit of Rural Electrification and Development amidst all challenges confronting the rural electrification movement.

#### 5 YEARS OF POWERHOUSE EXCELLENCE AWARD

Award given to Isabela I Electric Cooperative, Inc., for consistently exhibiting an exemplary performance as triple-A (AAA) category EC in the last five years in the pursuit of total electrification and sustainable rural development notwithstanding all difficulties confronting the rural electrification movement. With the determination, perseverance, and diligence, ISELCO-I was able to surpass challenges and excellently attained their goals for the member-consumer-owners (MCOs).

These remarkable achievements proved that the unyielding purpose and firm service of the Cooperative was able to surpass all the difficulties and excellently reach the goals and objectives by uplifting lives, empowering and motivating the MCOs. The awards mirror the

continuous support also of the MCOs to the Cooperative and the strong commitment of the ISELCO-Is' family. Notwithstanding, the success of the Cooperative is not easy to sustain during this pandemic, many of business firm are affected, and the Cooperative is part of it. But, with the extreme tie up to the MCOs, the Cooperative attained its ladder of success by empowering the implementation of programs and activities.

This journey of success shows the tremendous headship of the General Manager & CEO, Engr. Virgilio L. Montano, for being a warrior and the line of the Cooperative to drive its subordinates through the right path of success. With his leadership, he was awarded as "EC Brother's Keeper Award" for sharing his gift of leadership and for being an inspiration and instrument to PHILRECA and the One EC-MCO Movement by efficiently handling ISELCO-I and NUVELCO at the same time since the year 2019. As the result of true service, with the help of Board of Directors, Management and employees, the race of success were already accomplished this year 2020.



Top L-R: Ms. Cecilia Valdez, Ms. Celerina De Villa, Ms. Manilyn Baldos, Ms. Agnes Ambrosio, Engr. Virgilio Montano, Engr. Teodorico Dumlaog, Atty. Catherine May Alberto, Dir. Presley De Jesus, and Ms. Norina Mangalindan.

Bottom L-R: Ms. Noemi Valdes, Dir. of NUVELCO, Engr. Abraham Balingue, Engr. Roger Jose, Engr. Bonifacio Bibat, Jr., and Ms. Leizza Niguidula

Top L-R: Mr. Librendo Vioria, Engr. Abraham Balingue, Engr. Roger Jose, Engr. Bonifacio Bibat, Jr., Engr. Virgilio Montano, Dir. Presley De Jesus, Dir. Eduardo Bayani, Dir. Nelson Mañalac, Dir. Nelson Agruda, Dir. Mark Lester Cadelina, Dir. Brendon Lazaro, and Dir Rodolfo Cristobal.

Bottom L-R: Ms. Manilyn Baldos, Ms. Leizza Niguidula, Atty. Catherine May Alberto, Dir. Analisa Lantican, Dir. Sharon Gervacio, Dir. Conchita Palencia, and Ms. Agnes Ambrosio.



The excellent service of the Cooperative doesn't last this year 2020, the succeeding years will be more assuring to give ebullient work and this serves as a promise to create unstoppable achievements and bring another corner of success.





*Institutional Services Department*



Year 2020 must have been the most life-changing year both in the local and global arena; the COVID-19 pandemic has created a profound change in the lives of every individual, of every family, and every community. Yet, it is during this trying time that ISELCO-I, being part of the power industry, played its significant role not only in delivering uninterrupted supply of electricity, but also in providing services beyond electricity to every household. Behind the Cooperative's achievements, the Institutional Services Department (ISD) has been a one solid support having accomplished its salient duties for the year.

## Comparison on Total Membership per Municipality/City Year 2019-2020

235,407 2020

220,630 2019

New membership of the Cooperative has amplified in 2020, with a total of 5,777 new member-consumer-owners having an increase of 2.45% as compared to 2019.



NORTH AREA							
YEAR	ALICIA	ANGADANAN	CAUAYAN CITY	CABATUAN	LUNA	REINA MERCEDES	SAN GUILLERMO
2019	21,762	9,471	36,768	10,575	5,014	5,961	4,215
2020	22,132	9,607	38,070	10,796	5,124	6,113	4,264

SOUTH AREA								
YEAR	CORDON	ECHAGUE	JONES	RAMON	SANTIAGO CITY	SAN AGUSTIN	SAN ISIDRO	SAN MATEO
2019	11,611	21,980	12,627	13,765	45,913	3,309	6,947	19,712
2020	11,898	22,847	12,940	14,107	47,047	3,350	7,091	20,021

This year also marks another milestone in the organization of Member-Consumer-Owners (MCOs) through the Member-Consumer-Owners Program for Empowerment (MCOPE) as ISELCO-I completed its organization phase in the remaining five (5) Districts under its coverage area namely: Cabatuan, Luna, Alicia, Cauayan City, and Echague. This indicates a 100% MCO organization in the Barangay and District levels.

Henceforth, the inception of the EC-Wide MCO Organization through online voting amongst District MCO Officers was made possible through the collaborative efforts of the Institutional Services Department and MCOs. The result of the election of the EC-Wide MCO Organization is as follows:

## EC-Wide MCO Organization Officers

 <b>LIBRENDO D. VILORIA</b> CHAIRMAN	 <b>ELMA SABINIANO</b> VICE CHAIRMAN	 <b>ANGELINA GUIAB</b> SECRETARY	 <b>MARK KRISTOFFER PALENCIA</b> TREASURER	 <b>PACITA E. ALOTA</b> AUDITOR
 <b>CORNELIO DAYAG</b> PUBLIC RELATIONS OFFICER	 <b>JOSEPHINE C. NAUI</b> MEMBER - CORDON	 <b>ROBERT PAMITTAN</b> MEMBER - REINA MERCEDES	 <b>JOSIE P. VALDEZ</b> MEMBER - SAN GUILLERMO	 <b>CAYETANA C. ROMERO</b> MEMBER - SANTIAGO CITY
 <b>FELOMINO U. GAGARIN</b> MEMBER - SAN MATEO	 <b>JUDY S. PARINAS</b> MEMBER - RAMON	 <b>AURORA R. ACOSTA</b> MEMBER - CABATUAN	 <b>ARSENIO L. RAMIRO</b> MEMBER - LUNA	 <b>JOSEPH N. SALVADOR</b> MEMBER - ECHAGUE



Online Information Education Campaign with the officers of the District Member-Consumer-Owners Organization (DMCOO) in order to inform them with the current programs and events of ISELCO-I was conducted with no less than the PHILRECA Party-List Representative and ISELCO-I BOD President Presley C. De Jesus, ISELCO-I GM & CEO Virgilio L. Montano, ISD Manager Agnes C. Ambrosio, and ISD personnel as the Speakers.

ISELCO-I successfully held the District Member-Consumer-Owners Organization (DMCOO) Officer s' Orientation / Information and Education Campaign on ISELCO-I Operations on November 6, 13, and 26, 2020. Said program was part of the Member-Consumer-Owner Program for Empowerment (MCOPE) promoted by electric cooperatives in the country which enables MCOs to have better understanding on the different programs and projects of ECs.





In response to the needs of the member-consumer-owners during the pandemic, the Cooperative joined the 120 Electric Cooperatives (ECs) in the country in implementing the Pantawid Liwanag Program 1 (PLP1), a flagship program of PHILRECA Party-List with an aim to extend aid to ISELCO-I lifeline member-consumer-owners, or those with a 29 kilowatt-hour and below consumption, by subsidizing their power bills. This program has benefitted a total of 41,082 MCOs in the Cooperative or Php 5,362,033.32 worth of power bills subsidy.



Another wave of assistance was executed through the Pantawid Liwanag Program 2 (PLP2) whereby financial assistance were given to 100 MCOs who were considered as poorest of the poor, from across the coverage area of ISELCO-I. A total fund allocation amounting to Php 300,000 was downloaded from PHILRECA Party-List.



Meanwhile, the benevolence of PHILRECA Party-List through the leadership of Rep. Presley C. De Jesus continued as Pantawid Liwanag Program 3 (PLP3) was implemented in the Cooperative. This program has granted 100 indigent MCOs with cash assistance in coordination with the Department of Social Welfare and Development (DSWD), having a total fund allocation of Php 260,000.



Cash assistance received by the beneficiaries both in PLP2 and PLP3 were divided into two wherein 50% served as their take home pay and 50% served as their electric bill payment.



The energization of Sitio Isla Verde, in Gen. Aguinaldo, Ramon, Isabela through the Sitio Electrification Program (SEP) on August 27, 2020, is one of the notable feats of the Cooperative in terms of service provision to its MCOs. The four-decade clamor of the residents for electricity has finally ended as the Philippine Rural Electric Cooperatives Association (PHILRECA), National Electrification Administration (NEA), ISELCO-I, and LGU Ramon contributed their fair shares towards the fulfillment of the project.



The pandemic did not halt the Cooperative's release of information as a way of transparency and empowering the MCOs. The regular ISELCO-I Hour Radio Program continued to be aired at Bombo Radyo DZNC 801 KHZ, every first Saturday of the month, from 11:45 PM to 12:00 NN; DWDY AM 1107 KHZ, every second Friday of the month, from 4:00 PM to 4:30 PM; and DWSI 864 KHZ Sunshine Radio, every third Friday of the month, from 3:30 PM to 4:00 PM.



The regular release of the Cooperative's Publication "Silaw Ti Isabela", so as the regular posting of up-to-date information in ISELCO-I Facebook Page have been ensured in order to reach member-consumer-owners even to the farthest areas.



Relentless commitment of ISELCO-I to its sister Cooperatives in times of calamity has been proven once more as 12 Warriors of Light from the Cooperative were directed to join the Power Restoration Rapid Deployment (PRRD) Task Force in Marinduque Electric Cooperative, Inc. (MARELCO) and First Catanduanes Electric Cooperative, Inc. (FICELCO) in November to December 2020. Indeed, the Bayanihan spirit among electric cooperatives continued to ablaze even in the midst of pandemic.







The Corporate Social Responsibility (CSR) projects of ISELCO-I undeniably spark hope to member-consumer-owners even more. Providing resources that aim to empower MCOs were executed such as the continuous provision of materials to Isabela Green Ladies Organization (MCO Special Sector) for their production of face masks, eco-bags, and rags. Also, distribution of monobloc chairs, LED TVs, along with flash drives that contain materials for Information Education Campaign for the 484 Barangays has started during the year, and is expected to be completed in 2021.



In addition to this, several barangays in the different cities and municipalities of the Cooperative were fortunate to receive free kWh meters and service drop wires through SEP. The table below shows the accomplished SEP energization of ISELCO-I for the year.

## SITIOS ENERGIZED IN THE YEAR 2020

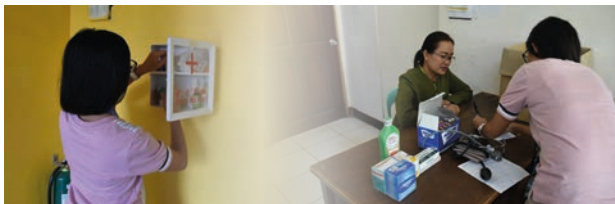
BARANGAY/SITIO	NUMBER OF BENEFICIARIES	DATE OF ENERGIZATION
<b>Nagrumbuan, Cauayan City</b>	40	August 8, 2020
<b>Villa Gonzaga, Santiago City</b>	10	September 3, 2020
<b>La Paz, Cabatuan</b>	41	September 16, 2020
<b>Bannawag Norte, Santiago City</b>	20	September 23, 2020
<b>Dadap, Luna</b>	22	April 17, 2020
<b>Burgos, Alicia</b>	25	March 14, 2020
<b>Mabini, Alicia</b>	29	January 24, 2020
<b>Turod Sur, Cordon</b>	19	January 12, 2020
<b>Sitio Sagnib, Nabbuan, Santiago City</b>	42	February 12, 2020
<b>Gomez, San Isidro</b>	23	February 20, 2020

To further fortify its services for employees and member-consumer-owners, ISELCO-I also invested on new equipment such as motorcycles for meter readers, dental chair, 10-wheeler (Hino Tadano) truck, generator sets for Alicia Branch Office, Reina Mercedes Sub-Office & Cordon Substation, as well as purchase of lot for Angadanan Branch Office. On January 28, 2020, Dr. Joan Mae De Jesus, Dental Consultant, conducted a free dental consultation for MCOs at Santiago Branch Office.

A series of seminars were conducted by Dr. Rhea Cez Javier-Miguel, Medical Consultant, in order to increase the awareness of employees on matters surrounding COVID-19.

In line with the Cooperative's thrust to ensure the health and safety of its manpower, apart from the Annual Medical Checkup conducted on 27-29 October 2020, ISELCO-I also provided flu vaccines for its employees.

First aid cabinets have been installed in every building of the Cooperative in order to ensure immediate treatment if any accident occurs.



Despite the Luzon-wide lockdown during the onset of the pandemic, the Department through the Human Resource Management and Development Division continued to attend to employees' concern, specifically those belonging in the skeleton work force.

The Cooperative appreciates the commitment of different institutions whose efforts are of paramount importance in uplifting the lives of the Isabeleños during these trying times; hence, as part of its Corporate Social Responsibility, ISELCO-I in partnership with PHILRECA donated a total of fifty (50) lightbulbs to different municipality and city checkpoints in its coverage area to assist front liners at night.



Pediatric medicines were also donated to the Municipal Health Units of San Isidro and San Guillermo, Isabela on July 1 and 2, respectively.

Medical isolation suits from SMC Global Power Holdings Corporation were given to facilities who are in most need of the said items – Echague District Hospital, Echague, Isabela on July 7, and Southern Isabela Medical Center, Santiago City on July 9, 2020.

Distribution of three (3)-kilogram rice packs to MCOs with a total monthly consumption amounting to Php1,000.00 and below was also done in partnership with PHILRECA and One EC Network Foundation, Inc. Said activity benefitted approximately 29,000 MCOs of the Cooperative.



A bloodletting activity was held on December 15, 2020 in partnership with Southern Isabela Medical Center's Blood Bank.





Sharing the same leader in the person of Engr. Virgilio L. Montano, ISELCO-I warmly accommodated personnel from NUVELCO in their series of benchmarking activities in the Cooperative.

After more than 20 years, an updated version of the ISELCO-I Employees' Handbook has been reviewed. The amendment was done in order to keep the provisions on the said book updated and in line with today's laws. The review was done by the Committee on the Review of Employees' Handbook.



The Cooperative continued to provide financial assistance to electrocuted MCOs and/or the bereaved family, if any.

As part of ISELCO-I's effort to attain a roster of highly capable and globally competitive employees, the Human Resource Management and Development Division scheduled several qualifying examinations for new entrants.

ISELCO-I actively participated in the National Lineman's Day initiated by the Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA). On the same day, recognition of line warriors who have died in the service of rural electrification was also done.



As a compliance to NEA and PHILRECA on the proposed Kadiwa ni Ani at Kita Program of the Department of Agriculture, ISELCO-I participated on virtual meetings set by the aforementioned agencies. On 17 December 2020, the Cooperative started the construction of the building intended for the implementation of the said program.



*Internal Audit Department*



Public health measures taken to mitigate the spread of the coronavirus (COVID-19) pandemic have affected the Cooperative's operations and processes. Auditing is no exception; traditional methods of collecting audit evidence that rely in an in-person procedures are made impossible or impractical now and for the near future. Operational changes, remote procedures, and new risks associated with the coronavirus pandemic have made the audit environment much different than it was in the days before COVID-19. As the Internal Audit Department continued to work throughout this pandemic, the Internal Auditors focused more on strengthening its monitoring and post audit practices due to work from home arrangements during the Enhanced Community Quarantine (ECQ) period.



The **Financial Audit Division** continued to assess the compliance with the existing financial regulations and controls. Amidst the pandemic, the Financial Auditors conducted occasional random cash count and spot audits to different branches and collection offices in the coverage area. They also focused on auditing the reports submitted by the branches for bank reconciliation purposes and addressed the transactions that need to be adjusted by communicating the same with the concerned units. These activities are vital factors in ensuring that the coop has strong internal controls build around the cash process.

The division performed audit of financial transactions to ensure that disbursements are properly authorized, its supporting documents are valid and that all financial transactions are properly recorded. Inventory of power bills were also conducted for proper transfer of accountabilities from outgoing to incoming bill custodians.

Several financial audit reports were prepared with corresponding audit recommendations in order to achieve accurate, reliable and timely financial information and data.





The **Operation Audit Division** during the FY 2020 completed several activities that have the potential to make the cooperative operations more effective and efficient. Through our combined efforts, the division were able to issue significant audit reports to the concerned departments starting from the procurement, disconnection, reconnection, closing out of completed projects up to the warehousing side in order to ensure compliance and adherence with policies, best practices and industry standards.

To ensure responsible use and proper accountability of coop resources and properties, regular inventory and inspection of all issued tools, office furniture and even transportation and communication equipment were conducted.

With the implementation of the Utility, Billing and Management System (UBMS), our system auditor persistently reviewed business processes particularly on the Disconnection and Reconnection Procedures with the aim of integrating the new system's features while still maintaining an effective internal control.

The division was also instrumental in achieving the coop's goal of reducing systems loss as our technical auditor unceasingly conducts inspection of line maintenance and construction and as well as validation of clearing operations. This is part of the audit's commitment to contribute in ensuring that our member consumer owners receive quality, reliable, secured and affordable power supply.

Rest assured that the Internal Audit Department will continue to perform value adding activities that will strengthen the coop's internal controls.







*Energy Trading Services Department*

On January 30, 2020, the World Health Organization (WHO) declared the 2019 Coronavirus disease (COVID-19) to be a public health emergency of international concern. Consequently, President Rodrigo R. Duterte, placed the entire Luzon under “enhanced community quarantine” on March 16, 2020 until April 13, 2020. The Isabela-I Electric Cooperative, Inc. (ISELCO-I) responded quickly and effectively to the challenges posed by the pandemic.

During these unprecedented times, ISELCO-I implemented on its collection system the Pantawid Liwanag Program, which was spearheaded by the Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA), in cooperation with the National Association of General Managers of Electric Cooperatives (NAGMEC), and as approved by the EC Board of Directors under the Philippine Association of Board of Directors of Rural Electric Cooperatives (PHABDREC), to provide electricity subsidy to its lifeline member-consumer-owners. Through the ISELCO-I’s Utility Billing Management System, the said financial aid was automatically applied to the qualified member-consumer-owner’s account. Aside from the Pantawid Liwanag Program, ISELCO-I also developed its own financial aid through its Labor and Management Committee and provided Gift Certificates that were readily integrated on the computer system.

The Management Information Services Division also played an important role in the timely and full compliance with the Energy Regulatory Commission (ERC) and Department of Energy (DOE) Advisories issued in view of the COVID-19 pandemic, more specifically on the implementation of installment payments and grace period on payments of electric bills, suspension of disconnection activities, and suspension on the implementation of the service fee.

To provide a better and improved system performance on its IT infrastructure, additional System Servers for Cauayan, Angadanan, and Luna Office were installed, and supplementary Meter Reading Gadgets and Bluetooth Printers were provided, to ensure efficiency in the meter reading system. In addition, there was constant upgrading of ISELCO-I fiber optic network, to provide seamless connectivity on ISELCO-I offices and substations.

Also, in June 2020, the Management Information Services Division introduced a breakthrough at the Cooperative’s website, [www.iselcouno.com](http://www.iselcouno.com). As of this writing, the Cooperative’s website offers necessary and useful information relative to the Cooperative profile, policies, consumer lists, energy status, billing rates, frequently asked questions on electric service, schedule of power interruptions, annual reports, and latest news.

Despite the pandemic, the energy demand still increased as forecasted. Through direct trading of Energy Trading Services Division of Cooperative’s energy requirements in the Wholesale Electricity Stock Market (WESM), our member-consumer-owners benefitted with lesser cost of electricity. Moreover, to promote the use of cleaner energy and in compliance with Renewable Portfolio Standard, ISELCO-I was able to procure a 5-MW Solar Energy contract with AAESUN, a renewable energy company. Meanwhile, due to health protocol restrictions, remote metering facility is introduced to cater the operation and ensure the proper monitoring of our Retail Competition and Open Access (RCOA) customers as their Metering Service Provider (MSP).



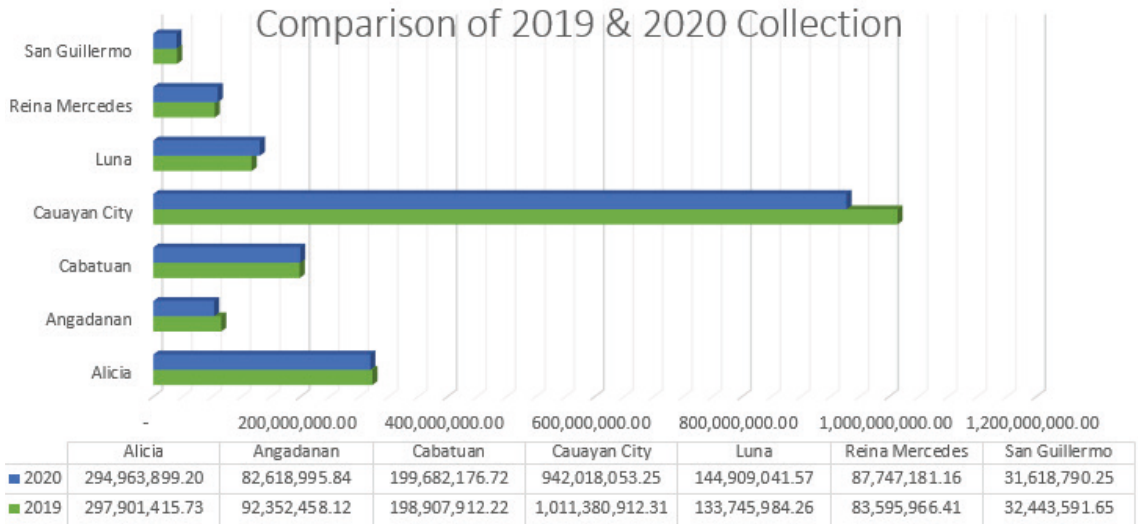


*North Area Operation Management Department*



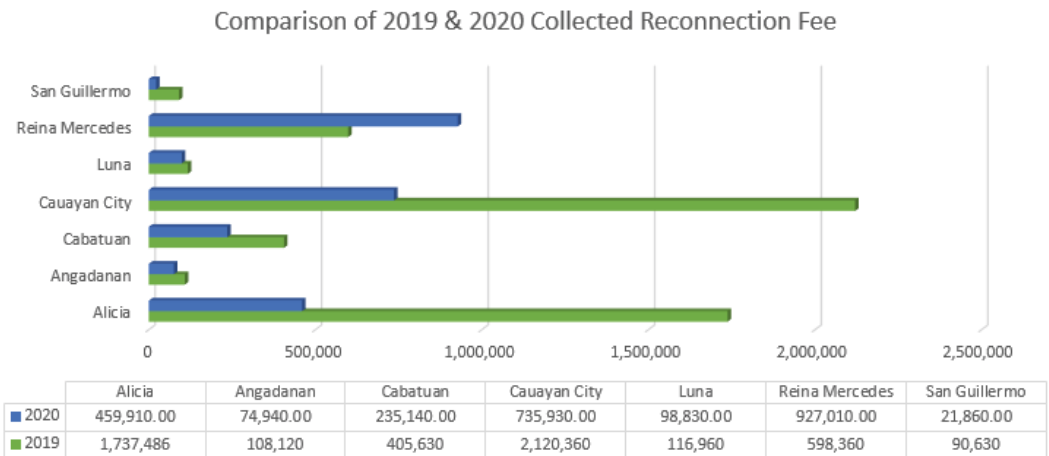
The figures graphs and figures below reflect the accomplishments of the North Area Operation Management Department on different aspects of the Cooperative's business operations:

A. Financial Aspect



**2020 Total Collection: 1,783,558,137.99**

Collection in North area management department have decreased during the period of COVID-19 Pandemic in the province.



In year 2020, collected reconnection fee decreased as the ERC and Cooperative implemented suspension of additional penalties and extension of electric bill payments during COVID-19 Pandemic.

**2020 Total Collected Reconnection Fee: 2,553,620.00**



## B. Technical Aspect

Replacement of defective kWh meter	1,977 kWh meters
Clearing of line	269.35 km
Pole metering/clustering	4,511 kWh meters
Transformer load management	493 distribution transformer
Apprehended consumer	22 consumers
Feeder load balancing	187 feeders
Pole grounding installation	327 grounding rods
Upgrading of line	86 secondary lines
Monitoring of disconnected/pulled out kWh meter	25 kWh meters
Inventory of street lights/CCTV/amplifier	22,925 units
Replacement of rotten pole	403 poles
Replacement of rotten crossarm	178 crossarms
Installation of distribution transformer fuse cut-out	33 fuse cut-outs
Installation of lateral line fuse cut-out	30 fuse cut-outs
Installation of compression connectors	1,772 connectors
Pole insertion	201 poles
Pole inspection	4,274 poles
KWh meter inspection	14,934 kWh meters
New consumer connection	2,983 consumers
Replacement of defective distribution transformer	61 distribution transformers
Installation of additional distribution transformer	35 distribution transformer
Installation of private/separate transformer	66 private transformer
Relocation of pole	80 poles
Reconnection of disconnected/pulled out kWh meter	2,891 kWh meters
Transformer maintenance	819 distribution and private transformers

## C. Institutional Aspect

Complaints/requests received and acted	6,132 complaints and requests
Application processed	2,995 applications
Housewiring inspected	3,300 installations
Papremyo sa resibo winners	184 winners





*South Area Operation Management Department*



The aftermath of the COVID-19 pandemic had impacts to the operations and collections of the Area South Operations and Management Department for Year 2020. Technical operations were conducted conforming with proper protocols of both the national and local government units. Collections in all branch/sub-offices were affected because of the economic and financial crises brought by the same, causing the member-consumer-owners to lie-low from paying their electric bills and focus on spending for their necessities during the pandemic.

Anyhow, it did not hinder the objectives and goals of the department aligned with the mission and vision of the Cooperative to deliver high quality electric service to its member-consumer-owners and to be an excellent power service distributor focusing on bringing delight to its clientele.

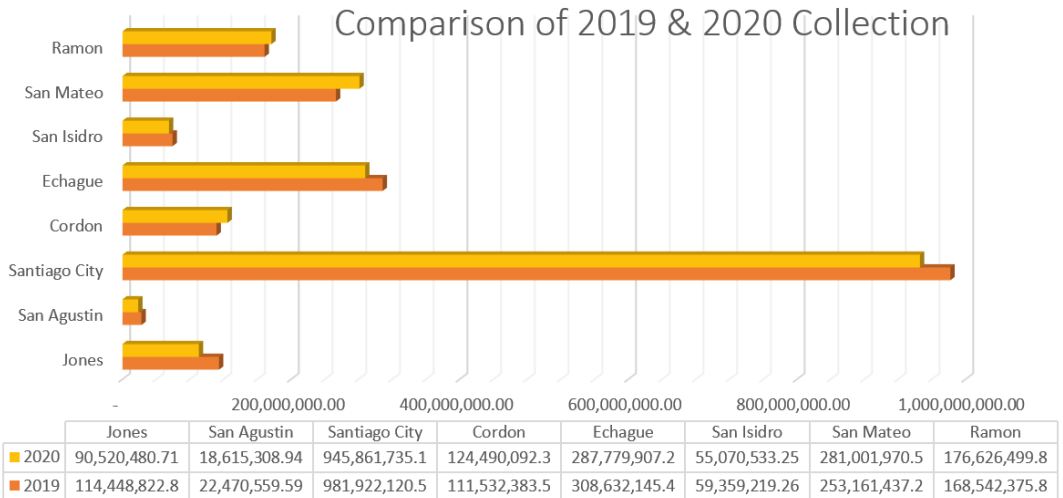
Despite the crisis, the existing programs of the department were continuously implemented to provide reliability, consistency, and consumers' satisfaction, such as:

- The adoption of flexi-time during lunch break and overtime works during Saturdays and holidays to all branch/sub-offices to cater member-consumer-owners (MCOs) who cannot pay during regular office hours;
- The continuous operations of Drive-thru Collection Offices and other Bayad Centers designated to every town/municipality within the coverage area of the department to serve member-consumer-owners (MCOs) who cannot directly proceed to branch offices for their payments;
- The conduct of “Papremyo Sa Resibo” every month as an incentive to the Cooperative’s prompt payors, despite government policies to accept installment/staggered basis payment during the pandemic; and
- The conduct and implementation of the “Pantawid Liwanag Program” bestowed to the indigent consumers as another avenue of them to endure the pandemic.



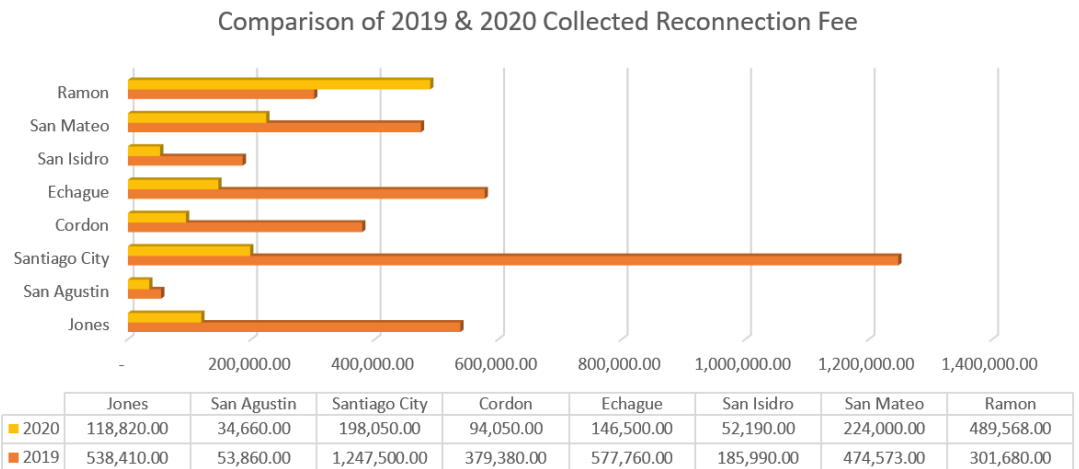
The collective manpower with great strengths, skills, abilities, and characters of the department was the main factor of its accomplishments. Here are the accomplishments of the Area South Operations Management Department for the Year 2020:

### A. Financial Aspect



**2020 Total Collection: 1,979,966,527.99**

There is a decrease in South area collection for the year 2020 compared to the total collection last year.



**2020 Total Collected Reconnection Fee: 1,357,838.00**

During the COVID-19 Pandemic, ERC and the Cooperative initiated the implementation of the suspension of penalties and extension for MCOs electric bills payment.



## B. Technical Aspect

No. of KWHM Inspected	7,361 kWh meters
No. of Apprehended consumer	15 consumers
Transformer Load Management	4,052 units
No. of Lines cleared (km)	768.70 km
No. of KWHM clustered(old and new)	5,102 kWh meters
No. of defective KWHM replaced	2,572 kWh meters
No. of pole grounding installed	275 grounding rods
No. of distribution transformer fuse cut-out installed	114 units
No. of streetlight inventoried	40,570 street lights
No. of poles replaced(S/C/W)	467 poles
No. of broken insulator replaced	1,373 insulators
No. of streetlight repaired	782 street lights
No. of reconnected consumers	2,764 consumers
No. of replaced blown out fuse link	2,448 fuse links
No. relocation poles inserted	422 poles
No.of poles w/out grounding inspected	1,014 poles
No.of cross arm replaced	192 pieces
No. of cut-out arrester installed	70 units
No. of poles Inspected	4,066 poles
No. of KWHM installed(new)	2,333 kilowatt hours
No. of transformer replaced/installed	133 units
No. of Excavation and Guying	234
No. of Upgrading of Lines/sitios or purok	158 sitios/purok
No. of pulled out KWHM(illegal recon.)	152 kilowatt hour meters
Feeder Load Balancing	99 feeders
Monitoring of Disconnected KWHM	801 consumers

## C. Institutional Aspect

No. of disconnected houses	25,068 consumers
No. of Complaints received	11,053 complaints
No. of complaints acted	15,253 complaints
No. of Inspected HW Installation	4,643 houses
No. of Consumers Load inspected	1,587 houses
No. of pole inventoried (cable TV/Telecom)	8,434 poles
No. of Turn on order released	4,801 consumers
No. of applicants attended (PMES)	3,628 applicants
Papremyo sa Resibo	309 prizes



*Financial Services Department*



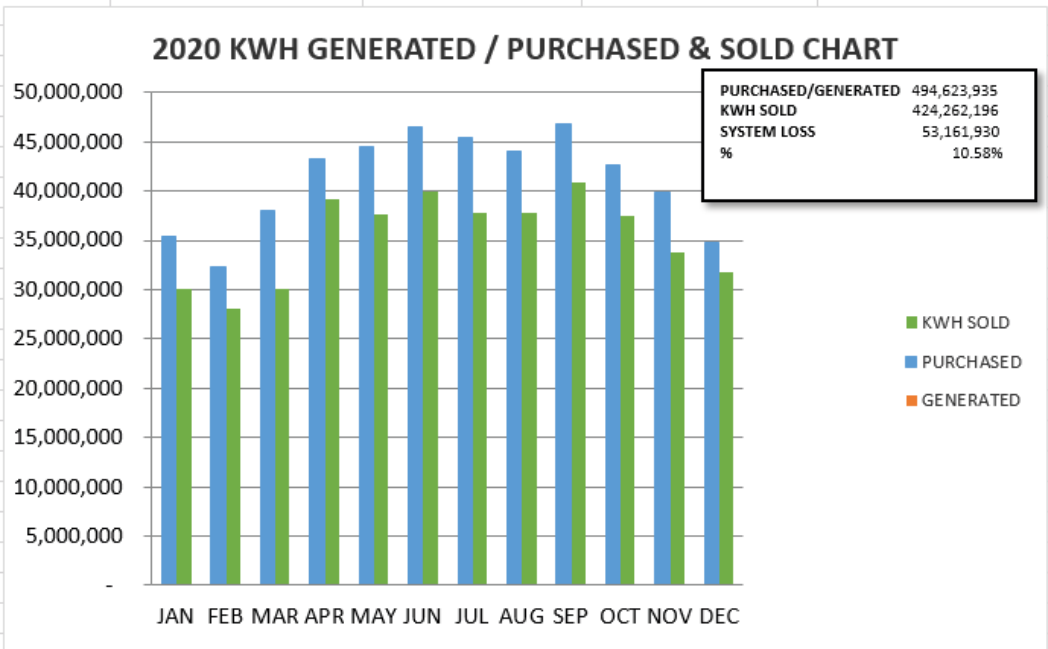
On the financial aspect of the cooperative's operation, the concerns are the power Payables with San Miguel Energy Corporation (SMEC) and National Grid Corporation of the Philippines (NGCP). We were able to avail the Prompt Payment Discount (PPD) and Collection Efficiency Discount (CED) upon full payment of power bills on the 10th of the month.

Billing Period	Prompt Payment Discount	Collection Efficiency Discount
Dec.26 to Jan. 25, 2020	4,622,626.15	6,259,042.84
Jan. 26 to Feb. 25, 2020	4,091,187.86	6,026,922.35
Feb. 26 to Mar. 25, 2020	3,946,064.52	7,016,355.20
Mar. 26 to Apr. 25, 2020	4,598,374.52	8,172,117.12
Apr. 26 to May 25, 2020	4,829,739.66	6,055,785.37
May 26 to June 25, 2020	5,013,784.71	7,698,496.17
June 26 to July 25, 2020	5,207,946.21	8,149,894.29
July 26 to Aug. 25, 2020	4,885,946.90	8,974,314.85
Aug. 26 to Sept. 25, 2020	4,785,317.95	8,428,555.75
Sept. 26 to Oct. 25, 2020	5,219,815.24	6,620,716.26
Oct. 26 to Nov. 25, 2020	4,504,719.05	7,113,890.94
Nov. 26 to Dec. 25, 2020	4,185,824.28	3,562,471.28
<b>TOTALS</b>	<b>55,891,347.05</b>	<b>84,078,562.42</b>

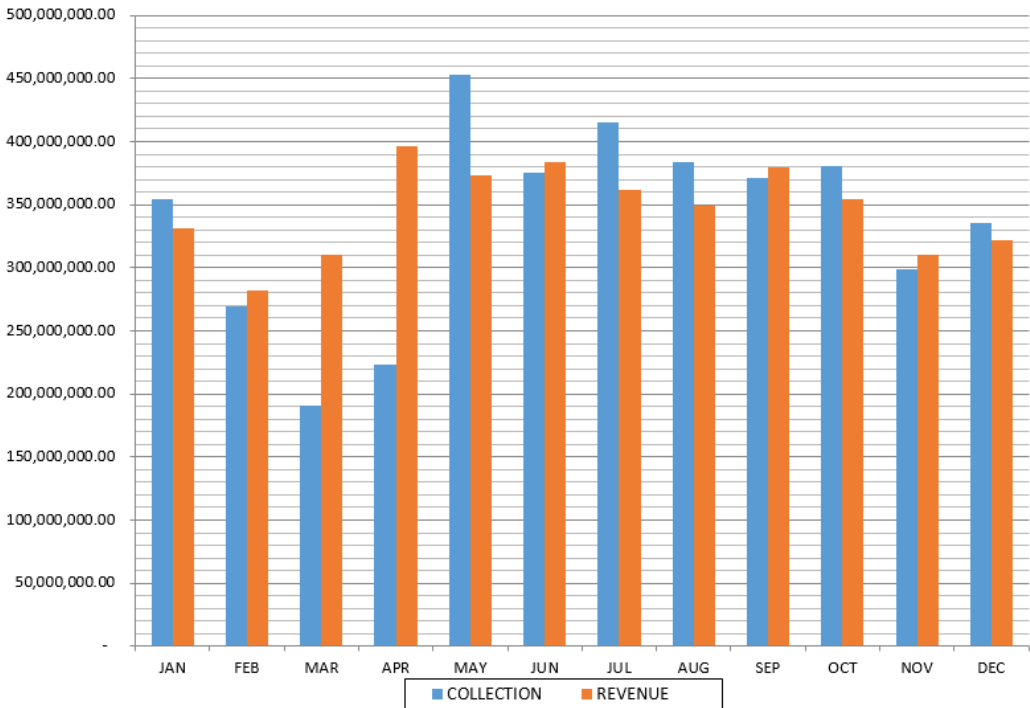




2020	PURCHASED	GENERATED	TOTAL	KWH SOLD
JAN	35,451,449	152,484	35,603,933	30,088,891
FEB	32,308,596	123,716	32,432,312	28,008,931
MAR	37,978,368	78,439	38,056,807	29,997,530
APR	43,308,401	-	43,308,401	39,195,002
MAY	44,445,485	-	44,445,485	37,652,133
JUN	46,473,635	75,017	46,548,652	39,919,803
JUL	45,433,836	135,261	45,569,097	37,729,483
AUG	44,097,970	109,278	44,207,248	37,787,687
SEP	46,837,633	113,426	46,951,059	40,885,900
OCT	42,717,961	47,435	42,765,396	37,443,756
NOV	39,897,072	40,153	39,937,225	33,773,739
DEC	34,698,891	99,431	34,798,322	31,779,341
<b>TOTAL</b>	<b>493,649,297</b>	<b>974,640</b>	<b>494,623,937</b>	<b>424,262,196</b>



## 2020 COLLECTION AND REVENUE CHART



2020	COLLECTION	REVENUE
JAN	354,025,073.64	331,224,639.86
FEB	269,294,386.31	281,657,736.39
MAR	191,136,146.86	310,321,413.23
APR	223,168,943.02	396,597,470.36
MAY	453,407,630.01	373,769,072.41
JUN	375,601,633.37	384,135,130.30
JUL	415,330,313.47	361,663,281.54
AUG	384,161,648.49	349,277,721.53
SEP	371,515,728.02	379,871,990.00
OCT	380,078,260.68	354,529,863.56
NOV	299,125,163.47	310,518,367.76
DEC	334,995,705.22	321,565,583.05
<b>TOTAL</b>	<b>4,051,840,632.56</b>	<b>4,155,132,269.99</b>

# DELIO I. SAMULDE AND ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

## REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Members of  
**ISABELA I ELECTRIC COOPERATIVE, INC**  
Victoria, Alicia, Isabela

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **ISABELA I ELECTRIC COOPERATIVE, INC** which comprise the statement of financial position as at December 31, 2020, and 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

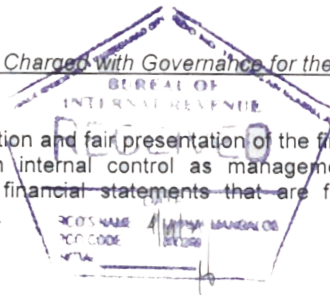
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **ISABELA I ELECTRIC COOPERATIVE, INC** as at December 31, 2020 and 2019 and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

#### Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Cooperative in accordance with the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.





In preparing the financial statements, management is responsible for assessing the Cooperative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Cooperative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cooperatives financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cooperative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Cooperative to cease to continue as a going concern.

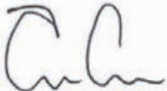
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 27 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

**DELIO I. SAMULDE & ASSOCIATES, CPAs**



**DELIO I. SAMULDE**

Managing Partner

CPA Cert. No. 107411

PTR No. 8554233MJ issued at Makati City on 1/19/2021

TIN 223-837-688 (*Individual*)

TIN 243-774-610 (*Partnership*)

BOA Accreditation No. 2446 valid until February 3, 2023

BIR Accreditation No. 07-000144-02-2019 valid until March 19, 2022

NEA Accreditation No. 2016-06-0035 valid until June 28, 2022

March 27, 2021

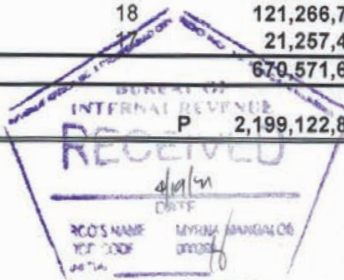
Makati City



**ISABELA I ELECTRIC COOPERATIVE, INC.**
**STATEMENT OF FINANCIAL POSITION**
**AS OF DECEMBER 31, 2020 AND 2019**

	Notes	2020	2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment-net	5 P	1,014,972,083 P	957,524,472
Construction works in progress	6	77,868,965	90,191,842
Restricted Funds	8	45,040,615	45,266,975
Other non-current assets	7	60,905,417	53,903,880
		<b>1,198,787,080</b>	<b>1,146,887,169</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	304,221,609	323,855,847
Trade and other receivables	10	578,439,429	483,453,514
Inventories	11	42,135,543	45,675,459
Other current assets	12	75,539,221	51,211,291
		<b>1,000,335,802</b>	<b>904,196,111</b>
<b>TOTAL ASSETS</b>	<b>P</b>	<b>2,199,122,882 P</b>	<b>2,051,083,280</b>
<b>MEMBERS' EQUITY AND LIABILITIES</b>			
<b>MEMBERS' EQUITY</b>			
Members' Contributions	13 P	5,269,700 P	4,842,220
Donated capital	14	1,024,097,317	1,028,676,189
Members' Contributed Capital	15	1,185,671,768	1,089,770,013
Revaluation increment		19,272,848	19,272,848
Cumulative earnings	16	(1,076,779,579)	(1,204,272,872)
		<b>1,157,532,053</b>	<b>938,288,398</b>
<b>NON-CURRENT LIABILITIES:</b>			
Long-term borrowings	17	176,219,116	196,438,499
Consumers deposit	19	52,699,592	60,889,468
Retirement & Gratuity Payable	26	142,100,434	144,871,436
		<b>371,019,143</b>	<b>402,199,403</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	528,047,519	566,385,986
Short-term Loans	18	121,266,740	114,163,600
Current portion on long-term borrowings	17	21,257,426	30,045,893
		<b>670,571,685</b>	<b>710,595,478</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>P</b>	<b>2,199,122,882 P</b>	<b>2,051,083,280</b>

See notes to the financial statements





ISABELA I ELECTRIC COOPERATIVE, INC.  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

		2020	2019
<b>REVENUE</b>			
<b>Pass Through Revenues</b>			
Generation Charges	21 P	2,502,440,458 P	2,463,865,330
Transmission Charges	21	475,708,217	457,398,032
System Loss Charges	21	352,215,750	365,758,617
<b>Total Pass through charges</b>		<b>3,330,364,425</b>	<b>3,287,021,978</b>
<b>Coop Revenues</b>			
Distribution	21	236,387,002	245,726,713
Supply	21	130,614,682	114,691,296
Metering	21	89,904,846	80,114,915
<b>Total Coop Revenues</b>		<b>456,906,530</b>	<b>440,532,924</b>
<b>NET ENERGY SALES</b>		<b>3,787,270,955</b>	<b>3,727,554,902</b>
<b>COST OF SERVICE</b>	22	<b>(3,250,328,975)</b>	<b>(3,297,084,128)</b>
<b>GROSS PROFIT</b>		<b>536,941,980</b>	<b>430,470,773</b>
<b>OTHER REVENUE</b>	23	<b>61,568,451</b>	<b>38,690,206</b>
<b>DISTRIBUTION COST</b>	24	<b>(164,524,164)</b>	<b>(167,305,951)</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	25	<b>(202,760,170)</b>	<b>(194,776,971)</b>
<b>OPERATING INCOME</b>		<b>231,226,096</b>	<b>107,078,057</b>
<b>NON-OPERATING INCOME</b>	23	<b>6,899,548</b>	<b>4,114,473</b>
<b>DEPRECIATION EXPENSES</b>		<b>(84,473,383)</b>	<b>(73,015,069)</b>
<b>FINANCE COST</b>		<b>(19,222,123)</b>	<b>(15,705,041)</b>
<b>NON OPERATING EXPENSES</b>		<b>-</b>	<b>-</b>
		<b>134,430,138</b>	<b>22,472,420</b>
Income Tax Expense - Current		<b>(15,913,429)</b>	<b>(9,643,924)</b>
Income Tax Expense - Deferred			
<b>NET INCOME FOR THE YEAR</b>		<b>118,516,709 P</b>	<b>12,828,496</b>

See notes to the financial statements



**ISABELA I ELECTRIC COOPERATIVE, INC.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Notes	2020	2019
<b>MEMBERS CONTRIBUTION</b>			
Balance, beginning	P	4,842,220	P 4,336,212
Additional contribution during the year		427,480	506,008
Balance, end		5,269,700	4,842,220
<b>DONATED CAPITAL</b>			
Balance beginning of the year		1,028,676,189	1,035,759,970
Donations received during the year		-	-
Deduction during the year		(4,578,873)	(7,083,780)
Balance end of the year		1,024,097,317	1,028,676,189
<b>MEMBERS' CONTRIBUTED CAPITAL</b>			
Balance, beginning	P	1,089,770,013	P 995,653,703
Additional contribution during the year		95,901,755	94,116,309
Balance, end		1,185,671,768	1,089,770,013
<b>REVALUATION INCREMENT</b>			
Balance, beginning		19,272,848	19,272,848
Reclassification		-	-
Balance, end		19,272,848	19,272,848
<b>CUMULATIVE EARNINGS (LOSS)</b>			
Balance beginning of the years		(1,204,272,872)	(1,141,599,772)
Correction of prior years errors	16	8,976,583	(75,501,596)
Net income for the year		118,516,709	12,828,496
Balance end of the year		(1,076,779,579)	(1,204,272,872)
<b>TOTAL EQUITY</b>	<b>P</b>	<b>1,157,532,053</b>	<b>P 938,288,398</b>

See notes to the financial statements



**ISABELA I ELECTRIC COOPERATIVE, INC.**

**STATEMENT OF CASH FLOW**

**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020		2019
<b>OPERATING ACTIVITIES</b>			
Net income (loss)	P 118,516,709	P	12,828,496
<i>Adjustments to reconcile net income to net cash provided by operations</i>			
Depreciation	84,473,383		73,015,069
Uncollectible Accounts	5,024,036		-
Income from Government Grant	(4,504,661)		(4,533,970)
Correction of errors	8,976,583		(75,501,596)
Operating cash flows before working capital changes	212,486,050		5,807,999
<b>Decrease (Increase) In:</b>			
Trade and other receivables	(100,009,951)		38,942,957
Inventories	3,539,916		(3,064,720)
Other current assets	(24,327,930)		(13,013,885)
<b>Increase (Decrease) In:</b>			
Trade and other payables	(38,338,467)		62,835,537
Short Term Loans	7,103,140		19,535,104
Current portion on long-term debts	(8,788,467)		153,971
Net cash provided by operating activities	51,664,292		111,196,963
<b>INVESTING ACTIVITIES</b>			
<b>Decrease (Increase) In:</b>			
Property, plant and equipment	(141,920,994)		(165,977,241)
Construction work in progress	12,322,877		23,311,324
Restricted Fund	226,360		(12,253,429)
Other non-current assets	(7,001,537)		(10,543,521)
Net cash provided by investing activities	(136,373,293)		(165,462,867)
<b>FINANCING ACTIVITIES</b>			
<b>Increase (Decrease) In:</b>			
Membership contributions	427,480		506,008
Donated capital	(74,211)		(2,549,810)
Provision for reinvestment	95,901,755		94,116,309
Long-term borrowings	(20,219,383)		12,048,960
Consumers deposit	(8,189,876)		22,394,051
Retirement & Gratuity Payable	(2,771,002)		37,944,245
Net cash provided by financing activities	65,074,764		164,459,762
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(19,634,237)</b>		<b>(110,193,858)</b>
<b>CASH BALANCE BEGINNING OF THE YEAR</b>	<b>323,855,847</b>		<b>213,661,988</b>
<b>CASH BALANCE END OF THE YEAR</b>	<b>P 304,221,609</b>	<b>P</b>	<b>323,855,847</b>

See notes to the financial statements





*Technical Services Department*



Year 2020 was a tough year to everyone because of the pandemic that the world faced, but this does not stop our department to continue in delivering a good service to our Member-consumer-owners (MCO's). The Technical Services Department continuously improved its projects in accordance with the Distribution Development Plan (DDP) created annually. This DDP serves as a guidance to the Cooperative to determine the required projects in order to sustain the load growth of the coverage area.

The Asset Management Division is assigned to strategized the system models as well as the update of the technical reports which are necessary to fulfill the current and future situation of the distribution system. This division also conducts load forecasts, simulations and studies to attain the best projects that certainly improve the efficiency and reliability of the distribution system. These projects were executed and done by the Network Management Division, in order to accomplished and formally implement the strategy.

The projects such as reconductoring, line conversion and upgrading, installation of equipment (reclosers, cut-out, transformers, sectionalizers and fault-indicators) and constructions of new lines and substations were continuously implemented by the Technical Services Department to improve the distribution system's reliability. In highlight of 2020, the newly uprated 20MVA power transformer of our Reina Mercedes Substation was energized to compensate the increasing load of the existing 5MVA power transformer. Today, the substation delivers electricity to every MCO's in the franchise area.



The department promoted innovation with the help of the Network Division, the Supervisory Control and Data Acquisition (SCADA) System made it easier and faster to supervise substations in a centralized area. This provides a more efficient, safe and reliable distribution of power. With the 9 substations under ISELCO-1, all of which are now integrated to the SCADA system and now can be monitored through computers. This made possible with the installation of Fiber Optic Cable within the coverage area which are now installed connecting all the branch offices and substations, making it easier to transmit data from one location to the other.



Moreover, the Department focused on catering the increasing demand of ISELCO-1 as the forecasted load growth increases yearly. Thus, construction and uprating of substations are on process and one of these is the new 20MVA substation in Paddad, Alicia which was expected to deliver sufficient power in the whole municipality of Alicia and to nearby municipalities. This will not only improve the reliability of the distribution system but will also lessen the system loss of our distribution network.



These accomplishments and plans will ensure that ISELCO-1 will constantly provide a more efficient and reliable distribution of electricity to our MCO's.



Upgrading and Conversion of Distribution Lines



Installation of Distribution Transformers and Reclosers



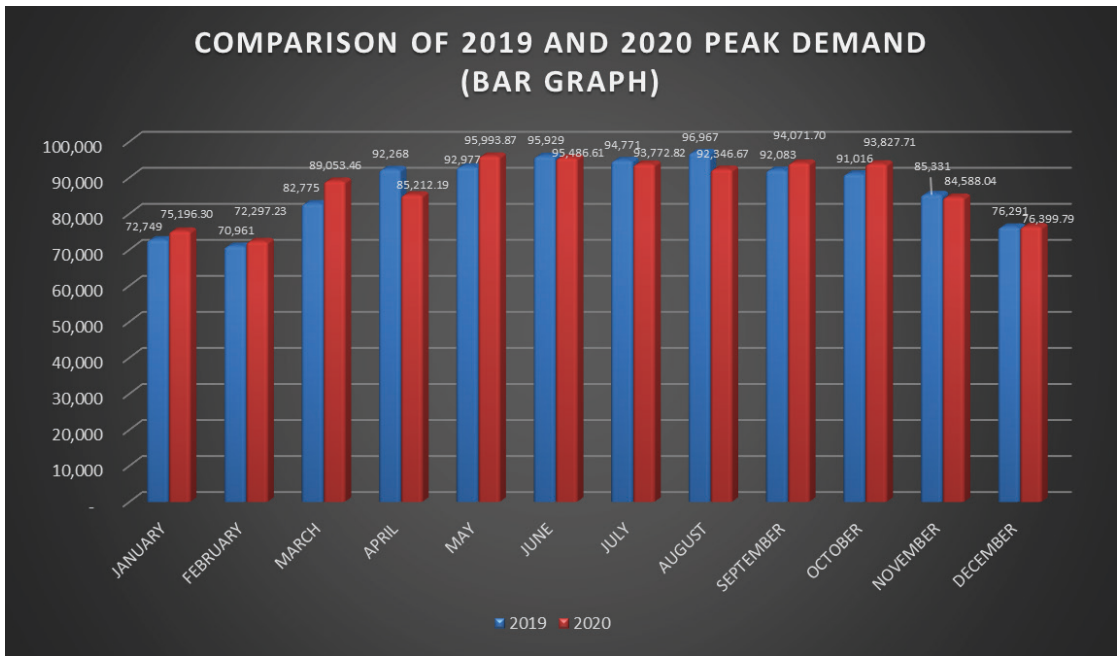
**20MVA REINA MERCEDES SUBSTATION**  
Date of Energization: May 9, 2020



On-going Construction of the new 20MVA PADDAD SUBSTATION



## COMPARISON OF 2019 AND 2020 PEAK DEMAND AND ENERGY PURCHASED



MONTH	2019		2020	
	SAIDI	MAIFI	SAIDI	MAIFI
<b>JANUARY</b>	8.17	0.78	34.73	0.67
<b>FEBRUARY</b>	6.34	0.53	13.81	1.11
<b>MARCH</b>	9.86	1.23	17.88	1.81
<b>APRIL</b>	22.50	1.32	11.39	1.55
<b>MAY</b>	53.02	3.10	65.40	2.83
<b>JUNE</b>	29.32	1.69	3.00	0.19

MONTH	2019		2020	
	SAIDI	MAIFI	SAIDI	MAIFI
<b>JULY</b>	22.05	0.96	43.44	1.77
<b>AUGUST</b>	18.94	1.82	15.94	1.95
<b>SEPTEMBER</b>	10.50	2.54	35.02	2.54
<b>OCTOBER</b>	27.06	1.54	25.51	2.49
<b>NOVEMBER</b>	21.64	1.35	27.80	1.04
<b>DECEMBER</b>	6.19	0.78	19.61	0.62



SUBSTATION MONTHLY ENERGY (KWH) 2019												
SUBSTATION NAME	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
BATAL	4,045,901	4,037,616	4,190,821	5,258,759	5,211,906	5,645,994	5,341,880	5,563,410	5,152,288	4,831,456	4,562,628	4,117,582
DISTRICT 1	3,514,340	3,544,848	3,779,749	4,730,823	4,718,966	5,114,227	4,795,954	4,463,698	4,155,509	3,839,863	3,621,635	3,158,529
MAALAPAT	3,729,545	3,693,738	3,918,371	5,120,886	5,085,326	5,695,468	5,194,028	5,501,899	4,997,199	4,741,287	4,337,810	3,855,083
NAPACCU	1,304,914	1,366,988	1,429,363	1,882,904	1,786,904	1,889,788	2,032,057	1,842,892	1,738,098	1,738,098	1,560,512	1,296,865
PRENZA	2,728,926	2,698,663	3,105,033	3,944,279	3,357,516	3,201,212	3,359,886	3,445,671	3,423,117	3,805,628	3,412,214	2,651,942
RIZAL	3,275,406	3,275,474	3,727,811	5,052,564	4,945,573	5,100,502	4,892,445	5,105,109	4,723,888	4,659,283	4,062,511	3,469,979
SAN ANTONIO	3,331,138	3,186,055	3,717,019	3,891,276	3,675,691	4,109,269	3,882,363	3,952,507	3,909,526	4,044,027	3,582,490	3,156,047
AUCIA MAIN	4,998,195	5,189,214	5,506,340	7,349,176	7,074,844	7,498,634	7,012,086	6,444,104	6,025,647	6,259,148	5,663,629	5,492,539
SAN FERMIN	2,920,855	2,945,527	3,446,222	5,244,723	5,151,310	5,265,312	5,242,900	5,025,647	6,014,199	5,999,432	5,470,080	4,379,988
GARIT	1,850,373	1,781,071	1,840,405	2,337,504	2,368,072	2,565,879	2,593,606	3,560,811	3,346,740	3,076,286	2,927,032	1,827,530

SUBSTATION MONTHLY ENERGY (KWH) 2020												
SUBSTATION NAME	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
BATAL	4,373,939	4,134,381	4,401,071	4,174,564	4,899,713	5,370,170	5,254,293	4,990,319	5,533,635	4,701,972	4,372,006	4,147,067
DISTRICT 1	3,372,698	3,135,084	3,296,090	3,126,270	3,755,456	4,185,501	3,732,220	3,648,565	3,651,423	3,278,337	2,980,041	2,850,925
MAALAPAT	4,072,403	3,743,212	4,320,350	4,640,418	5,322,183	5,576,911	5,355,781	5,166,558	5,412,036	4,656,464	4,319,672	3,896,526
NAPACCU	1,498,951	1,233,684	1,505,620	1,915,737	1,954,770	2,746,578	3,034,091	2,989,635	3,587,891	3,020,590	2,402,773	2,043,606
PRENZA	2,676,964	2,353,056	3,048,814	3,970,458	3,258,622	3,402,428	3,617,989	3,592,144	4,087,407	3,909,403	3,667,830	3,061,428
RIZAL	3,669,309	3,385,882	3,978,543	4,441,344	4,938,788	5,202,879	4,880,896	4,696,030	4,964,091	4,643,536	4,130,349	3,558,668
SAN ANTONIO	3,216,212	2,763,767	3,776,919	4,692,810	4,196,148	4,149,057	4,054,241	3,920,498	4,061,079	4,112,765	3,864,160	3,259,769
AUCIA MAIN	5,798,970	5,327,063	6,273,783	7,676,561	7,037,391	6,771,842	6,631,515	6,335,448	6,613,188	5,944,730	5,440,171	4,734,093
SAN FERMIN	4,532,217	4,265,218	5,197,689	6,208,338	5,541,711	5,178,799	5,047,232	5,169,773	5,346,723	5,290,352	5,042,795	4,231,263
GARIT	1,984,476	1,877,820	2,087,776	2,340,802	2,329,425	3,762,245	3,685,461	3,455,582	3,747,439	3,168,033	2,996,173	2,830,055

**TOTAL OF LINE UPGRADING AND EXPANSION 2020**

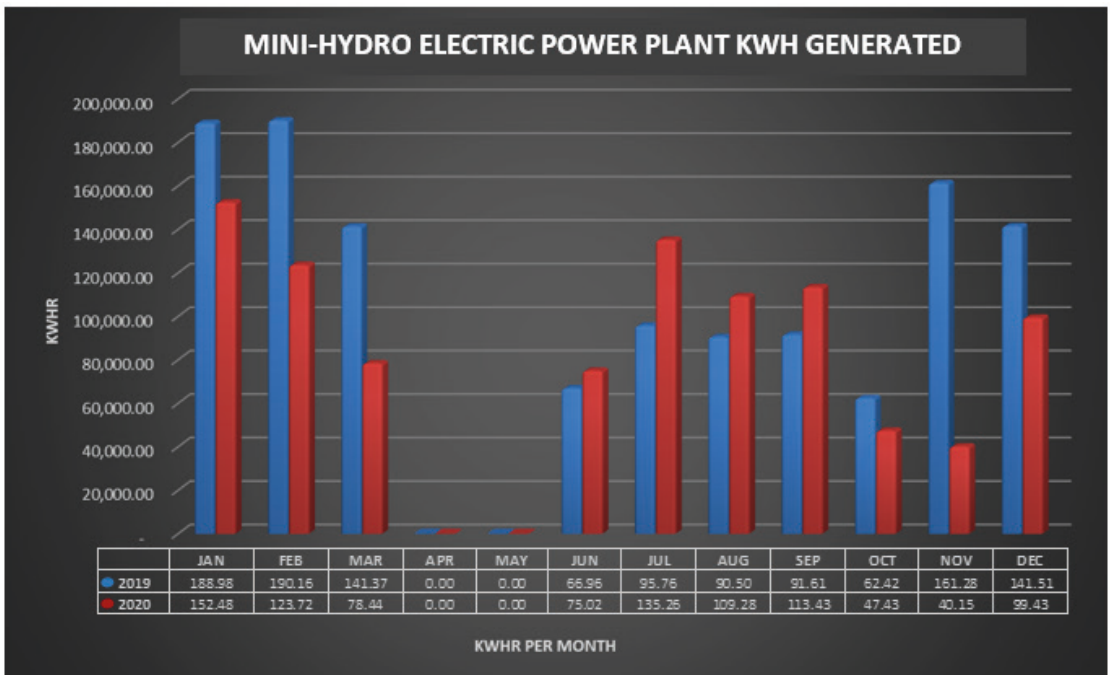
PROJECT	LENGTH OF DISTRIBUTIN LINES (KMS)						
	69KV	DC	3-PH	2-PH	1-PH	OS	UB
UPGRADING	0	0	2.96	0	2.686	13.004	0.716
EXPANSION	0	0	3.176	3.202	2.218	6.926	0.834
CONVERSION	2.279	0	4.325	0	0.143	0	0

MONTH	NCP (KW)		ENERGY (KWH)		ENERGY (KWH)	ENERGY
	2019	2020	2019	2020	% INCREASE	% INCREASE
					% DECREASE	% DECREASE
JANUARY	72,748.84	75,196.30	30,870,934	35,196,139.00	3.25%	12.29%
FEBRUARY	70,961.01	72,297.23	30,595,769	32,269,777.00	1.85%	5.19%
MARCH	82,774.64	89,053.46	33,910,576	37,886,655.00	7.05%	10.49%
APRIL	92,267.67	85,212.19	40,866,894	43,187,302.00	-8.28%	5.37%
MAY	92,977.13	95,993.87	43,489,812	44,200,207.00	3.14%	1.61%
JUNE	95,929.36	95,486.61	45,758,352	46,326,410.00	-0.46%	1.23%
JULY	94,771.41	93,772.82	41,345,458	45,293,719.00	-1.06%	8.72%
AUGUST	96,967.05	92,346.67	42,864,620	43,964,552.00	-5.00%	2.50%
SEPTEMBER	92,083.20	94,071.70	38,906,890	47,004,914.00	2.11%	17.23%
OCTOBER	91,015.70	93,827.71	42,002,038	42,686,182.00	3.00%	1.60%
NOVEMBER	85,331.46	84,588.04	31,090,996	39,275,970.00	-0.88%	20.84%
DECEMBER	76,290.65	76,399.79	34,105,874	34,613,402.00	0.14%	1.47%

Maximum Demand 2019: 96,967.05

Maximum Demand 2020: 95,993.87

Average Growth Rate: -1.01%



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