



Republic of the Philippines  
**OFFICE OF THE PRESIDENT**  
Department of Finance

**COOPERATIVE DEVELOPMENT AUTHORITY**

327 Aurora Blvd. Service Road, Brgy. Immaculate Conception, Quezon City  
Telephone Nos. 725-2107 • 725-3764 • 373-6905 • Fax No. 371-2677

MEMORANDUM CIRCULAR NO. 2010-10  
Series of 2010

TO : ALL CONCERNED

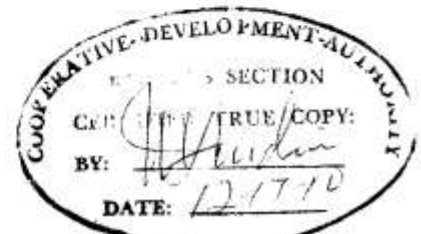
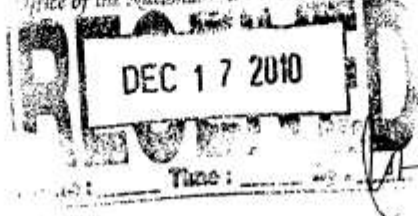
SUBJECT : PROCEDURAL GUIDELINES IN THE CONDUCT OF REFERENDUM OF ELECTRIC COOPERATIVES (EC's) REGISTERED WITH THE NATIONAL ELECTRIFICATION ADMINISTRATION (NEA) UNDER P.D. 269, AS AMENDED, WHICH OPT TO REGISTER WITH THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA) AS PROVIDED IN ARTICLE 127, 128 AND 134 (2) OF REPUBLIC ACT 9520

**Section 1. Legal Basis.** Pursuant to Articles 127, 128, and 134 (2) Chapter XVII of Republic Act No. 9520, otherwise known as the Philippine Cooperative Code of 2008, the following are the "Procedural Guidelines in the Conduct of Referendum for Electric Cooperatives (ECs) Registered with the National Electrification Administration (NEA) under P.D. 269, as amended, which Opt to Register with the Cooperative Development Authority (CDA).

**Section 2. Title.** This guidelines shall be known as the "Procedural Guidelines in the Conduct of Referendum for Electric Cooperatives (ECs) Registered with the National Electrification Administration (NEA) under Presidential Decree 269, as amended which Opt to Register with the Cooperative Development Authority as provided in Articles 127, 128 and 134 (2) of Republic Act No. 9520".

**Section 3. Definition of Terms.** The following terms shall be defined as follows in order to govern and have a uniform interpretation as mentioned in these guidelines;

- a. **Ad-Hoc Election Committee** - refers to a body created by the member-consumers petitioners for the purpose of conducting a Member-Initiated Referendum composed of not less than 3 but not more than 5 designated member-consumers in good standing in every district, whose functions shall be limited to the distribution of survey forms, conduct of referendum, canvass and reporting the result of the referendum to the General Assembly or to the Board of Directors, whichever is applicable.
- b. **Certificate of Registration** - refers to the documents issued by the Authority under its official seal evidencing the registration of granting juridical personality to an Electric Cooperative and entitlement to the rights and privileges under the Code.
- c. **Code** - refers to Republic Act No. 9520 otherwise known as the Philippine Cooperative Code of 2008.
- d. **Cooperative Development Authority (CDA) or Authority** - refers to government agency created under Republic Act No. 6939, mandated to undertake development, registration, regulation and supervision of all cooperatives under the Code.

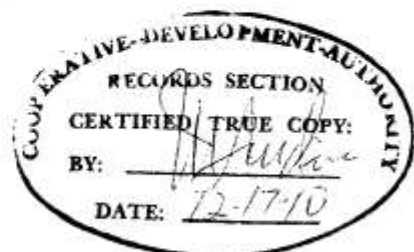
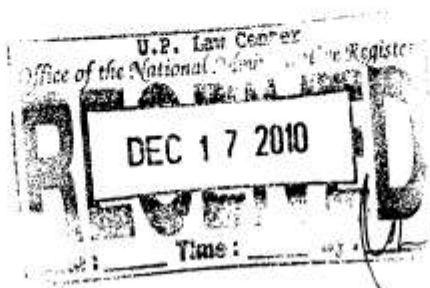


- e. **Electric Cooperative or "EC"**- refers to one organized for the primary purpose of undertaking power generation, utilizing renewable energy sources, including hybrid systems, acquisition and operation of sub- transmission or distribution to its household members.
- f. **Member- Consumer**- refers to a person either natural or juridical, adhering to the principles set forth in the Code and in the Articles of Cooperation and By- laws of the Electric Cooperative of which he/ she is entitled to all the rights and privileges thereof.
- g. **Member-Consumer in Good Standing**- refers to a regular member who is updated in the payment of monthly bills, has complied with all the requisites for membership, possesses all the qualifications and none of the disqualifications provided in the Cooperative by- laws as ascertained by the Board of Directors.
- h. **National Electrification Administration or NEA**- refers to a government agency created under Presidential Decree No. 269 as amended, which was mandated to coordinate and implement the Rural Electrification Program of the government.
- i. **Referendum**- refers to a mechanism of securing and the approval of the general membership of an Electric Cooperative on issues affecting its registration, operation and management.
- j. **Registration**- refers to the operative act of the Authority granting juridical personality to an Electric Cooperative and is evidenced by a Certificate of Registration issued by the Authority.

**Section 4. Purpose.** The primary purpose of the Guidelines is to facilitate the proper conduct of referendum among Electric Cooperatives registered with the National Electrification Administration (NEA), as amended, which opt to register with CDA as provided in Article 127,128 and 134 (2) of the Code.

**Section 5. Procedures.** The following are the procedures in the conduct of Referendum:

- A. **Referendum initiated by the Board of Directors.** The BOD shall undertake the following steps:
  - 1. Issue Notice of Referendum thirty (30) days before the conduct of the referendum indicating the following:
    - a. Date of Referendum
    - b. Mode of the Conduct of Referendum which may either be:
      - (a) Survey Form;



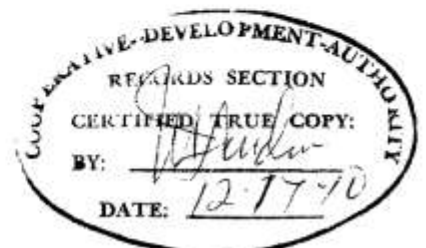
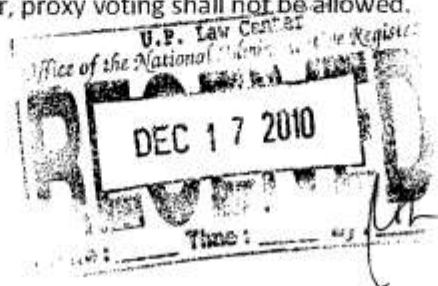
(b) Assembly Meetings in the respective districts which maybe simultaneous or sequential

2. Posting/ Publication of Notice of Referendum shall be done not later than thirty (30) days prior to the scheduled conduct of referendum.
3. Identification of Members in Good Standing based on the qualification and disqualification as provided in the By-laws.
4. Provision of Referendum Questionnaire Forms to qualified Members to vote whether to register or not to register with the Authority within fifteen (15) days prior to the date of referendum.
5. Submission of the Accomplished Questionnaire Forms shall be on the day of the referendum but shall not be later than 5 o'clock in the afternoon, and Canvassing of Votes by the Cooperative Election Committee shall immediately follow thereafter.
6. Reporting of the results of canvassing, (i.e. favor or not in favor), by the Election Committee to the General Assembly immediately after the conduct of the referendum during said assembly, or in the event of referendum through survey, the posting of the result thereof in the office of the cooperative and two (2) conspicuous places in every district within 5 days after the conduct of said referendum. In both cases, the Election Committee is required to submit the results to the Board of Directors.
7. Certification by the Election Committee as to the result of the referendum duly noted by the majority of the Board of Directors.

B. **Referendum initiated by the Member-Consumers.** In case the Board of Directors refused to conduct a referendum, the Member-Consumers may initiate it through a petition duly signed by at least Three Hundred (300) Member-Consumers of each District of the Cooperative who are entitled to vote by filing the same to the Board of Directors. The Board of Directors shall act on it within thirty (30) days from receipt thereof, whether to grant or deny the petition.

If the Board of Directors fails to act within the given period or denied the petition, the petitioners shall conduct *motu proprio* the referendum through the procedures prescribed above. The petitioners shall designate an Ad-hoc Election Committee for the conduct of the referendum and supervise the same. The Committee shall be the one to submit the official result to the Board of Directors.

**Section 6. Voting System.** Each member-consumer shall have only one (1) vote. The voting shall be done through secret balloting. However, proxy voting shall not be allowed.



**Section 7. Percentage (%) of Votes Required.** The required number of votes for the registration with the Authority shall be Twenty Percent (20%) of all the Member- Consumers in Good Standing.

**Section 8. Post Referendum Activities.** In the event of a favorable result of a referendum to register with the Authority, the following activities are necessary to be undertaken:

- a. **Submission of the Requirements for Registration.** In compliance with Article 129 of the Code, all requirements for the registration and supporting documents including the result of the referendum shall be submitted in four (4) copies to the nearest CDA Extension Office for preliminary evaluation and issuance of the Certificate of Registration.
- b. **Amendments of Articles of Cooperation and By- Laws.** Newly registered Electric Cooperatives are required to amend their Articles of Cooperation and By-laws within one (1) year from date of registration in order to conform and adopt with the Code.

**Section 9. Separability Clause.** If for any reason, any section, sentence, word or term of these Guidelines is held to be illegal, invalid, such part not affected by such declaration shall remain in full force and effect.

**Section 10. Effectivity.** These guidelines shall take effect fifteen (15) days from publication and submission to the Office of National Administrative Registry (ONAR).

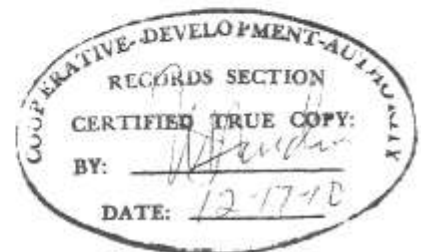
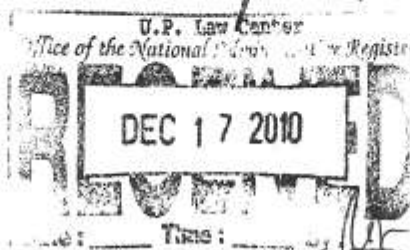
Approved by the Board of Administrators during its Regular Meeting held at Quezon City, Philippines, this 26th day of Oct. 2010.

  
SALAMAN D. MANGCA  
Administrator

  
MANUEL C. LAPENA  
Administrator

  
ATTY. FULGENCIO A. VIGARE, JR.  
Administrator

  
LECIRA V. JUAREZ  
Chairperson



**REFERENDUM QUESTIONNAIRE FORM**

- \_\_\_\_\_. I vote **YES** for the registration of our Electric Cooperative with the Cooperative Development Authority (CDA) as provided in R. A. No. 9520.
- \_\_\_\_\_. **NO**, I do not want to register our cooperative with CDA.