



COOPERATIVE DEVELOPMENT AUTHORITY

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MEMORANDUM

TO : ALL CDA REGISTERED ELECTRIC COOPERATIVES

SUBJECT : Cooperative Development Authority (CDA) recognition to the power of supervision and regulation of the National Electrification Administration (NEA) over CDA Registered Electric Cooperatives

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The Board of Directors of the Cooperative Development Authority (CDA) recognizes the power of supervision and regulation of the **National Electrification Administration** over CDA-registered Electric Cooperatives by virtue of Presidential Decree No. 269 as amended by Republic Act No. 10531 (RA 10531) also known as the *National Electrification Administration Reform Act of 2013*.

The CDA's recognition to the NEA is anchored both in law and jurisprudence. Section 18¹ of RA 10531 expressly repealed Article 132(3) of Republic Act No. 9520 or the Philippine Cooperative Code of 2008 which states that NEA has no longer regulatory and supervisory powers over CDA registered cooperatives. Such express repeal means that such power of the NEA is reinstated. In as much as Republic Act No. 10531, already took effect and forming part of the law of the land, the CDA shall continue to adhere to the Rule of Law and shall continue to support NEA in the exercise of its power over all electric cooperatives. Moreover, the Supreme Court in the case of - *Seares v. NEAB*² declared that the *NEAB is vested with supervisory and disciplinary powers over officers and members of the Board of Directors of electric cooperatives*. The Supreme Court further quoted therein the case of *Zambales II Electric Cooperative, Inc., Board of Directors v. Castillejos Consumers Association, Inc.*,³ whereby the Court ordained that the creation of the CDA did not divest NEA of its regulatory jurisdiction over electric cooperatives nor its disciplinary jurisdiction over the members of the board of directors and officers of these electric cooperatives.

This recognition of supervisory powers of NEA remains until there is a new legislation that would harmonize or align the seemingly conflicting provisions between RA No. 9520 and RA No. 11364 or the CDA Charter of 2019 and RA No. 10531, in the supervision and regulation of electric cooperatives.

¹ Section 18. Repealing Clause. – Article 132(3) of Republic Act No. 9520 and Section 30 of Republic Act No. 9136 (EPIRA) on NEA's authorized capital stock are hereby repealed. Any other provision of law, presidential decree, executive order, or rules and regulations inconsistent with the provisions of this Act or with the rules and regulations issued pursuant thereto are hereby repealed or modified accordingly.

² G.R. No. 254336, November 18, 2021.

³ G.R. Nos. 176935-36, March 13, 2009.



Given the above, inter-agency courtesy dictates that other agencies should not cross over the field to which another agency has exclusive cognizance of matters within its jurisdiction.

All concerned are hereby enjoined to be guided accordingly.

Issued this 22nd day of February 2023.

For the Board of Directors:


USEC. JOSEPH B. ENCABO
Chairperson

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