



Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
(Kagawaran ng Enerhiya)

DEPARTMENT ORDER NO. DO2019-12-0021

**CREATION OF A RECONCILIATION TEAM FOR THE IMPLEMENTATION OF  
DEPARTMENT ORDER NO. DO2019-01-001**

**WHEREAS**, on 26 July 2018, the Department of Energy (DOE) has issued Department Circular No. DC2018-08-0021 entitled "*Providing for the Amendments to Rule 29 Part (A) of the Implementing Rules and Regulations of Republic Act No. 9136*";

**WHEREAS**, Section 12 of the said Circular provides that the DOE shall issue the necessary guidelines and procedures for the transfer of the existing funds to the Designated Beneficiaries including the concerned Distribution Utilities, Host Local Government Units (LGUs) and LGU-beneficiaries for the Regional share;

**WHEREAS**, on 28 December 2018, the DOE has issued Department Order No. DO2019-01-0001 entitled "*Providing the Internal Guidelines and Procedure for the Transfer of Existing Funds in Relation to the Financial Benefits Under ER 1-94*";

**WHEREAS**, on 25 April 2019, during the DOE Audit Exit Conference relative to the Commission on Audit (COA) Observation Memorandum No. 2019-003-184, one of the recommendations by the Resident COA is for the DOE to issue a Special Order creating a Reconciliation Team in order to expedite the reconciliation of the accrued financial benefits under the ER 1-94 Program;

**NOW THEREFORE**, in consideration of the above premises and to expedite the transfer of existing funds administered by the DOE under the ER 1-94 Program, the ER 1-94 Reconciliation Team is hereby created.

**Section 1. Composition of ER 1-94 Reconciliation Team (ER1-94 RT).**

The ER1-94 RT shall be composed of the following:

Chairman: Director, Financial Service (FS)  
Co-Chair: Director, Electric Power Industry Management Bureau (EPIMB)  
Members: Division Chief, Power Compliance Division (PCD)  
Division Chief, Treasury Division (TD)  
Division Chief, Accounting Division (AD)  
Division Chief, Rural Electrification Administration and Management  
Division (REAMD)  
Secretariat: REAMD

## **Section 2. Functions and Responsibilities of the ER 1-94 RT.**

- 2.1 Review all records pertaining to the collection and utilization of the ER 1-94 funds to ascertain the actual cash balances due for transfer to the accounts of the DUs and the Designated Beneficiaries;
- 2.2 Ensure that the following amounts pertaining to distribution of the financial benefits under Electrification Fund (EF), Development and Livelihood Fund (DLF), and Reforestation, Watershed Management, Health, Environment Enhancement Fund (RWMHEEF) are reconciled:
  - 2.2.1 Validated Electricity Sales;
  - 2.2.2 Collected Accrued Financial Benefits;
  - 2.2.3 Reported/Recorded Interest as well as Charges from all account; and
  - 2.2.4 Validated Projects Fund Disbursement and Refund.

In cases where the reconciled fund per account/generation company is equivalent to or less than Thirty Thousand Pesos (Php30,000.00), the ER 1-94 RT shall transfer said amounts temporarily to the DOE ER 1-94 Interest Account, to avoid bank charges which is usually applied for accounts below the maintaining balance.

Transfer to the DOE ER 1-94 Interest Account shall also be made for account balances below Php30,000.00 as a result of the initial fund transfer to the concerned DUs and the Designated Beneficiaries.

For this purpose, a subsidiary ledger shall be maintained to facilitate the monitoring of these accounts;

- 2.3 Notify the concerned DU and designated beneficiaries, through the assistance of the REAMD, of the reconciled available fund. For those DU and designated beneficiaries that already complied with the requirement provided in Section 7 of DO2019-01-0001, the transfer of funds will commence following the procedures prescribed in Section 8 of the said DO. Otherwise, except for the Regional shares, DU and designated beneficiaries will be given a non-extendible period of thirty (30) days from receipt of the notice to submit their Authorized Government Depository Bank Certificate. Failure to comply with this directive will be the basis for the DOE to remit the said unclaimed fund to the National Treasury not later than 30 June 2020;

For the Regional shares, the Regional Development Council will be given a maximum of thirty (30) days to endorse its designated beneficiaries to the DOE so that transfer will be conducted accordingly.

- 2.4 Recommend to the Secretary or his authorized representative/s any solutions on issues or dispute arising from the conduct or as a result of the reconciliation;
- 2.5 Coordinate with the Land Bank of the Philippines and Development Bank of the Philippines from where the funds will be drawn for appropriate closure of the bank accounts established by the DOE for the concerned GenCos;
- 2.6 Submit to the Secretary on a monthly basis a status report on the progress of the transfer of ER 1-94 funds; and
- 2.7 Perform such other functions and duties that are necessary for the accomplishment of this task.

### **Section 3. Separability Clause.**

If for any reason, any provision or section of this DO is declared unconstitutional, or invalid, such part not affected shall remain in full force and effect.

### **Section 4. Effectivity**

This DO shall take effect immediately and remain in effect unless revoked or modified accordingly by the undersigned or other competent authority.

Signed at the DOE Building, Energy Center, Rizal Drive, Fort Bonifacio Global City, Taguig City, this \_\_\_\_\_ day of 2019.

  
**ALFONSO G. CUSI**  
Secretary



**NOV 14 2019**