

51st
FOUNDATION
ANNIVERSARY

46th
ANNUAL GENERAL
MEMBERSHIP ASSEMBLY



LANECO
ANNUAL REPORT
2022

*Marking the Legacy
of Rural
Electrification:
Elevating EC
Contribution in
National Sustainable
Development*



*Marking the Legacy
of Rural
Electrification:
Elevating EC
Contribution in
National Sustainable
Development*

VISION STATEMENT

Through the guidance of the Divine Providence, LANECO will be a first-class electric distribution utility ready to serve all types of consumers.

MISSION STATEMENT

A distribution utility committed to deliver quality electric service at reasonable rates to the member-consumers towards social progress and countryside development.

7 Corporate Values

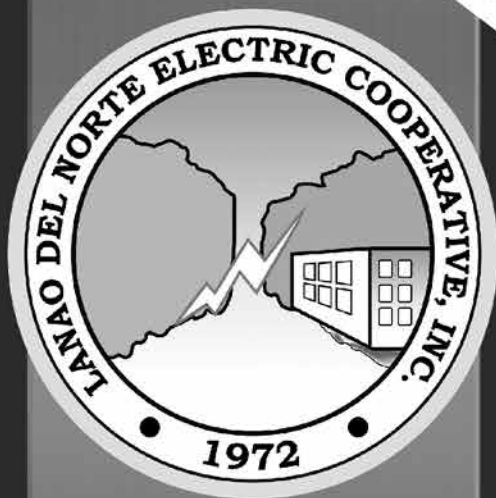
- God-fearing
- Teamwork
- Commitment
- Honesty and Integrity
- Hard work
- Excellence
- Discipline

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THE ANNUAL REPORT

**to the 106,638 Member-Consumer-Owners
on the PERFORMANCE / ACHIEVEMENTS of
LANAO DEL NORTE ELECTRIC COOPERATIVE, INC.**



**May 28, 2023
Mindanao Civic Center Gymnasium
Sagadan, Poblacion
Tubod, Lanao del Norte**

PROGRAMME

PART I 6:30 – 11:30 A.M.

PRE-ASSEMBLY ACTIVITIES

**Registration of Attending Members
Distribution of Raffle Tickets & Annual Report**

Open House (LANECO Energy Center)

PART II 10:30 – 12:00 noon

OPENING PROGRAM

I. Processional March

**Guests, Board of Directors, Former Officials
Management Staff, Employees, Associates
Federated District Member Consumer Owners
Organization (DMCOO) Officers
Lanao del Norte Electricians Association, Inc. (LANEA)
Maranding Electricians Association
Kapatagan Electricians Association
LANECO Retirees**

II. Invocation

Rev. Fr. Enrique Lacostales
Parish Priest, San Isidro Labrador Parish
Tubod, Lanao del Norte

III. National Anthem

IV. LANECO Hymn

V. Lanao del Norte Hymn

VI. Welcome Address

LANECO Power Voices

Khalid M. Dimaporo

Board President

VII. Welcome Message

Hon. Dionisio Y. Cabahug, Jr.
Municipal Mayor, Municipality of Tubod
Host Mayor

**VIII. Acknowledgment of Guests &
Visitors & Presentation of
Coop Officials**

Sherwin C. Mañada, CPA, MBA

General Manager

IX. Messages

Hon. Mohamad Khalid Q. Dimaporo

Congressional Representative

1st District, Lanao del Norte

Hon. Sittie Aminah Q. Dimaporo

Congressional Representative

2nd District, Lanao del Norte

Hon. Imelda Q. Dimaporo

Provincial Governor, Lanao del Norte

X. Intermission Number

LANECO B5

XI. Introduction of the Guest Speaker

Sherwin C. Mañada, CPA, MBA

General Manager

XII. Address

Guest Speaker: Antonio Mariano C. Almeda

Administrator

National Electrification Administration

**XIII. Awarding of Certificates/ Plaques of
Appreciation to the Guest of Honor,
Former Board Directors &
Other Recipients**

Pres. Khalid M. Dimaporo

GM Sherwin C. Mañada, CPA, MBA

Board of Directors

XIV. Oath Taking of Directors Elect

- Cocoy A. Acampong - Salvador
- Alex C. Abamonga - Baroy
- Marie Rholyn Charina L. Amesola – Linamon-Matungao

by Antonio Mariano C. Almeda

Administrator

National Electrification Administration

OF ACTIVITIES

XV. Closing Remarks

Director Lilia P. Tongol
Tubod-Magsaysay District

XVI. RAFFLE DRAW OF DOOR PRIZES (To be facilitated by The Prizes Committee)

Emcee: **Mr. Patrick Julius G. Labunog & Ms. July Ann Grazia L. Caunda**

PART III

1:00 P.M.

BUSINESS MEETING

Presiding Officer: **President Khalid M. Dimaporo**

I. Determination of Quorum & Reading of Proof of Due Publication of Notice of the 46th Annual General Membership Assembly

Director Jimmy O. Pormento
Board Secretary

II. Reading of Minutes of the 45th Annual General Membership Assembly Held Last May 29, 2022

Arriane Gizelle O. Escobar
Acting Executive Secretary/Board Recorder

III. Taking of Necessary Action on the Minutes

IV. Presentation of Reports

Technical Accomplishments
by **Engr. Marlon L. Capol, REE, MBA**
Technical Services Manager

Financial Performance
by **Angelina G. Estrologo, MBA**
Finance Services Manager

Institutional Achievements
by **Zenaida M. Fabunan, MBA**
Institutional Services Manager

V. Consideration of Reports

VI. New Business

Agenda:

1. Status of Power Supply and Updates on IPPs contracted by LANECO by **CORPLAN Division**
2. DOE – ERC – DSWD Joint Resolution No. 1 S. 2022 A Joint Resolution for Implementing Republic Act No. 11552, Entitled “An Act Extending and Enhancing the Implementation of the Lifeline Rate, Amending for the Purpose, Section 73 of Republic Act No. 9136, Otherwise known as the ‘Electric Power Industry Reform Act of 2001,’ as Amended by Republic Act No. 10150 by **Institutional Services Department**
3. Electric Billing Rates Updates by **CORPLAN Division**
4. Status of EC Application of Franchise Renewal by **CORPLAN Division**

Moderator: **Atty. Leo M. Zaragoza**
Legal Counsel

VII. Open Forum

VIII. Adjournment of the Meeting

PART IV

4:00 P.M.

RAFFLE DRAW OF DOOR PRIZES
(To be facilitated by The Prizes Committee)

LANECO Prayer

Intro. Oh Lord we pray

Oh Lord we pray

I. Oh Lord we come to you
To ask your guidance for our lives
For us to be a good light bearer
Of hope to those around us

Cho: You have made LANECO
The channel of your love
That thru her service, blessings
Flow from above
Then the people will learn to
Love you more
By the blessings they receive
Thru LANECO, and everything
She can give

II. We are asking for your help
To obtain absolute honesty
To work in total solidarity
And thru your help we'll gain
Maximum efficiency

III. So please Lord bless LANECO
Oh we pray
That she can reflect your love
To the people whom she serves
Obviously you have blessed
her in the past
Bless her today and
Forever we pray

IV. You have made LANECO the
Channel of your love
That thru her service,
Blessings flow from above
Then the people will learn to love
You more by the blessings
They receive
Thru LANECO, and
Everything she can give

Bless LANECO
(Oh lord we pray)
Bless LANECO
(Oh lord we pray)
Amen...

LANECO Hymn

Sa matahum probinsya
sa Lanao del Norte
Sa amihanang Mindanao
May kahayag nga midan-ag
Nga nagdala ug paglaum
Paglaum alang sa kalambuan
Kalambuan alang sa tanan
Sa kinasingkasing nga serbisyo
Sa buhatan sa LANECO

(Chorus)

LANECO mosagubang sa hagit
Sa kalibutanong tigi
Pinaagi sa dekalidad nga pagpangalagad
Buligan ikaw sa kahitas-an
Tungod sa Diyosnon mong katuyoan
Ipasigarbo ko ang ngalan mo
Mahal namo nga LANECO

(Repeat Chorus)

Buligan ka sa kahitas-an
Mahal namo
Mahal namo nga LANECO

Panunumpa

Nangangako ako, bilang tagapagpalaganap
ng programang elektripikasyon na
pagsisilbihan ko ang aking inang bayan;

Gagampanan ko ang tungkuling ito upang
maitaas ang antas ng kabuhayan sa
pagbibigay ng liwanag;

Isusulong ko ang kaunlaran ng aking
bayan; at taos puso akong nangangako
na tatahakin ko ang landas na tama at
matuwid at laging isasaisip ang kapakanan
ng kapwa ko Pilipino.

Kasiyahan nawa ako ng Diyos.



MESSAGES
FROM THE
PILLARS
OF THE

RURAL ELECTRIFICATION PROGRAM

Successfully implemented in Lanao del Norte through the Lanao del Norte Electric Cooperative, Inc. (LANECO) under the supervision of the

National Electrification Administration (NEA)



Republic of the Philippines
Office of the Vice President



Assalamualaikum.

I express my warmest greetings to the board of directors, officers, and members of **Lanao Del Norte Electric Cooperative, Inc. (LANECO)** on your 46th Annual General Assembly (AGMA) with the theme, **"Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development."**

Your commitment to bringing electricity to rural areas contributes significantly to the country's overall progress and inclusive development.

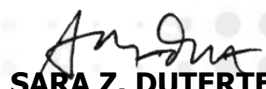
In the next five years, the Marcos administration is committed to making an affordable, sustainable, secure, and sufficient power supply by building new power plants and using renewable energy.

May the government's Electric Cooperatives Emergency and Resiliency Fund allow you to repair or rehabilitate damaged facilities and strengthen your disaster preparedness and mitigation program.

As you gather to reflect on the previous year and make plans for the future, may this occasion serve as a reminder of the crucial role that LANECO plays in ensuring that every household in Lanao del Norte has access to dependable and reasonably priced power through the Barangay/Sitio Electrification Project.

Let us work together to bring down the price of electricity to consumers, improve the quality of life of Filipinos in remote areas, and build a resilient power sector in the Philippines.

Lahat- para sa Diyos, bayan, at pamilyang Pilipino.


SARA Z. DUTERTE
Vice President of the Philippines



Republic of the Philippines
DEPARTMENT OF ENERGY

The Department of Energy (DOE congratulates the Lanao Del Norte Electric Cooperative, Inc. (LANECO) and your Member-Consumer-Owners (MCOs) on the conduct of its 46th Annual General Membership Assembly with the theme: **"Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development."**

The unwavering support of your MCOs with the commitment of LANECO to the success of rural electrification is vital in this era of social transformation. Your task of securing the energy supply is essential to ensure that every household and sitio in your community has access to this necessity.

The strong alliance of the MCOs with LANECO resulted to a 92% household energization level based on the 2015 Census of the Philippine Statistics Authority. LANECO garnered a classification of being a Yellow-1 EC based on the 2022 3rd Quarter Compliance Report of the National Electrification Administration.

The DOE believes that the joint efforts of LANECO and its MCOs will be the instrument towards achieving its sustainable goals to improve its compliances relating to its financial, operational, and governance standards.

The DOE likewise enjoins LANECO to render its adherence and compliance to the DOE's new policies and programs such as the Competitive Selection Process, the Renewable Portfolio Standard, and the recently signed Republic Act No. 11646 or the "Micro grid Systems Act" including LANECO's submission of reportorial requirements through DOE Electric Power Database Management System web portal as mandated under DOE Circular No. DC2022-02-0001.

To the MCOs, the DOE expects you to empower and to continue supporting the cooperative in its endeavors particularly on their efforts to provide better services to the consumers.

Again, Congratulations, and best wishes for a successful and productive assembly.

Salamat at Mabuhay!



RAPHAEL PERPETUO M. LOTILLA

*Secretary
Department of Energy*



NATIONAL ELECTRIFICATION ADMINISTRATION

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



Greetings to the Member-Consumer-Owners, Board of Directors, Management and Staff of Lanao del Norte Electric Cooperative, Inc. (LANECO) as you conduct your 46th Annual General Membership Assembly (AGMA) with the theme, **"Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development"**.

As you look back on LANECO's recent accomplishments and prepare your Electric Cooperative for greater feat, I wish to commend LANECO for being a reliable partner of the National Electrification Administration in the continuing commitment to bring power to far-flung areas of the country.

For five decades, you have steadily moved towards greater sustainability, enabling more people in your coverage area to gain access to various socio-economic and livelihood opportunities. Through our common aspiration to empower our rural citizens, we have been able to achieve growth and development that spur economic activities in the rural communities.

However, the present complexities confronting the electricity industry require better and sturdier pillars to protect and uphold the government's thrust of poverty alleviation. LANECO, as a major player, need to ensure high operational efficiency to support this end. The challenge is to remain competitive and innovative by developing programs that would maximize the use of the latest technology to generate greater efficiencies in our distribution systems.

You are a vital link to the realization of the present administration's economic agenda and I encourage you to be unwavering in our electrification initiatives that center on the interest of the people. Take every single day as an opportunity to surpass your previous accomplishments and serve the best way that you can.

The National Electrification Administration is one with you as you keep moving forward to an increased exceptional service and will always rally behind your programs and initiatives in our unyielding efforts to energize the countryside.

I wish LANECO all the best! *Mabuhay!*

ANTONIO MARIANO C. ALMEDA
Administrator
National Electrification Administration (NEA)



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

Brightest Greetings to the Warriors of Light and Member-Consumer-Owners from the Lanao del Norte Electric Cooperative!

It is with great joy that I extend my greetings of solidarity and congratulations to the LANECO Family headed by General Manager Sherwin C. Mañada, Board President, Khalid M. Dimaporo, Board of Directors, Management and Staff. Congratulations on your 46th Annual General Membership Assembly!

Electricity is an essential service, one that we often take for granted. It powers our homes, schools, hospitals, and businesses, allowing us to work, learn, and live in comfort and safety. But providing this service is not easy, and it requires a great deal of hard work, dedication, and expertise. That is why cooperatives like LANECO are of great importance for building efficient, strong and resilient communities.

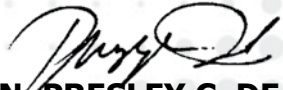
Over the years, electric cooperatives have faced many challenges, from natural disasters to the pandemic and political interference but we have also had many successes, from being categorized as a Triple A rated power distributor to achieving 100 percent electrification and the unceasing support of our member-consumer-owners. These achievements are a testament to the commitment of electric cooperatives to become a partner of the government in achieving total rural electrification.

As your PHILRECA Partylist Representative in Congress, together with our Power Bloc Partner, APEC Partylist Representative Sergio Dagooc, we continue to advocate for our sector by filing several bills seeking to lower power rates, address key issues faced by electric cooperatives, and provide mechanisms to protect our member-consumer-owners.

Only by standing together can we be triumphant in the face of adversity and continue to bring light to the communities we serve. To LANECO, *maraming salamat sa inyong patuloy na suporta sa ating mga layunin*. May we continue to be passionate and committed in our movement and always hold to heart that UNITED WE STAND, WE STAND UNITED.

Power On, LANECO!




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



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



Warmest greetings to the men and women of Lanao del Norte Electric Cooperative (LANECO) on your 46th Annual General Membership Assembly!

Mula po sa inyong APEC Party-List family, binabati namin ang mga masisipag na lider ng inyong kooperatiba, magmula sa inyong masipag na General Manager, Mr. Sherwin Mañada, at ang inyong magaling na Board President, Mr. Khalid Dimaporo, mga Board of Directors, Department Managers, Area Supervisors, Branch Officer Supervisors, Technical Staff, at ang lahat ng empleyado ng LANEKO, ang aming minamahal na mga Sundalo ng Pailaw. Kami rin po sa APEC Party-List ay lubos na nagpapasalamat sa kontribusyon ng bawat isa sa inyo.

LANECO, through its delivery of electric service to the households of Lanao del Norte, lit the path for the cultural diversity and economic promise of the entire region. Decades ago, this electric cooperative took on the challenge of energizing Lanao del Norte up to the farthest barangays and sitios. I salute all of you for your service! I am confident that each of you will continue to extend the highest quality of service to our member-consumer-owners. Nawa'y patuloy kayong magsilbing tapat at may malasakit sa ating mga miyembro-konsumante-may ari.

With the honor and privilege of representing the country's electric cooperatives in Congress, I would like to express my full support to LANEKO and the programs and initiatives it spearheads.

As a member of the Power Bloc together with PHILRECA Party-List, we aim to pursue legislative measures that empower our sectors, remain just and fair to all our stakeholders, and be beneficial to our electric consumers.

In the 19th Congress, we are proud to report that we pushed for the speedy passage on Third and Final Reading of House Bill 7426 or the Line Workers Appreciation Day Act, House Bill 6295 or the Leyte II Electric Cooperative (LEYECO II) Legislative Franchise, and House Bill 7561 or the Mandatory Insurance Coverage and Benefits for Line Workers Act. Currently, we have Priority Bills pending in the House of Representatives namely the Legislative Franchises of First Laguna (House Bill 6484) and Romblon (House Bill 2154) Electric Cooperatives (FLECO and ROMELCO respectively), House Bill 2159 or Establishing the Lineman Training Academy, and House Bill 3431 or institutionalizing the Rules on the Distribution System Loss Cap. The Power Bloc also pushes for measures that will benefit all electric consumers such as House Bill 2151 or the Electricity VAT Exemption, House Bill 2152 or Creating the Energy Advocacy Office, House Bill 2153 or Mandating for Additional Government Generation Capacity, House Bill 2155 or Regulating Sub-Meters, House Bill 3430 and House Bill 3432, both amending the Cross-Ownership and RCOA Provisions of the Electric Power Industry Reform Act of 2001 (EPIRA), and House Bill 5699 which grants 10% percent discount on the electric bills of Persons With Disabilities (PWD).

These measures, along with the other House Bills we filed, are our way of preserving the gains of the rural electrification sector and protecting the welfare of our electricity consumers. Ang mga batas na ito ay alay namin sa inyong lahat.

Maayong pagsaulog sa inyong tinuig nga panagtigum! Patuloy naming hatid ang Serbisyong Abtik, Serbisyong APEC para sa inyo.

HON. SERGIO C. DAGOOC
Representative, APEC Party-list
Assistant Minority Leader



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION

Greetings of Peace and Happiness!

For more than three decades of relentless service, Lanao del Norte Electric Cooperative, Inc (LANECO) strived to bring where the cooperative is today. From energization of its towns and barangays, LANECO has done its best to deliver the light and hope to each and every home in its coverage area.

As LANECO celebrates its 46th Annual General Membership Assembly, I would like to commend and thank everyone behind LANECO, the employees under the management of General Manager, Mr. Sherwin C. Mañada, CPA, the Board of Directors led by Board President Mr. Khalid M. Dimaporo, and the LANECO member-consumer-owners for continuing to support your coop.

I hope that LANECO will continue in pursuing our advocacy towards Rural Electrification for the benefit of your MCOs. May this celebration not only inspire you in serving your MCOs but also challenge and strengthen your resolve to bring your coop to greater heights and ensure that it remains a globally competitive electric cooperative. As your Association, PHILRECA will fully support you on your endeavors and fight in solidarity with you.

Mabuhay and Power On!




JOSELITO P. YAP
President



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION

Greetings of Peace and Happiness!

I would like to extend my warmest congratulations to Lanao del Norte Electric Cooperative, Inc (LANECO) under the leadership of your General Manager, Mr. Sherwin C. Mañada, CPA and Board of Directors headed by Board President Mr. Khalid M. Dimaporo for celebrating your 46th Annual General Membership Assembly.



Isang karangalan ang mabigyan ng pagkakataong maglingkod sa iba, at mas lalong isang karangalang maging parte ng isang organisasyong naglalayong mapaunlad ang ating nasimulan. LANECO has been an instrument of rural electrification in its coverage areas in Lanao del Norte. It has propelled growth and development, and delivered quality service to its member-consumer-owners. The empowering partnerships that LANECO has built through its existence has allowed for greater realizations on how we should put inclusivity, equity, and community-building at the core of our objectives. Sapagkat naiintindihan natin na ang tunay na pag-unlad ay nasusukat sa kung paano natin ginagamit ang ating kakayanan upang mapaunlad ang iba.

I would also like to take this opportunity to emphasize that whatever LANECO has achieved over the years have only become possible because of the efforts of all its staff and personnel—the people who nurtured LANECO's relationship with its member-consumer-owners. In the same way, I would like to express my gratitude to the member-consumer-owners for supporting your electric cooperative. LANECO has become what it is today because of the support you have been providing.

We have faced numerous challenges in over four decades, and these challenges have made our objectives clearer. I am grateful that LANECO continues to be a staunch partner of PHILRECA in attaining the goals of rural electrification. LANECO's contributions to communities have served as an inspiration for PHILRECA to continue protecting the goals of electric cooperatives and MCOs.

I salute all of LANECO's leaders, department managers, staff and personnel, as well as its MCOs for a job well done! I hope that we all work hand in hand as we weather the challenges that will come our way.

Muli, ang PHILRECA ay mananatiling sandigan ninyo sa inyong mga layunin at nawa'y mas lalo pa natin mapagtibay ang ating mga layunin at hangarin sa mga darating na araw at taon.

United We Stand, We Stand United!

Mabuhay and Power On!


ATTY. JANEENE DEPAY-COLINGAN
Executive Director / General Manager



Republic of the Philippines
ENERGY REGULATORY COMMISSION

The Energy Regulatory Commission (ERC) extends its warmest congratulations to the officials, employees, and member-consumer-owners (MCOs) of Lanao Del Norte Cooperative, Inc. (LANECO) as you hold your 46th Annual General Membership Assembly (AGMA).

We join you in supporting your theme **“Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development”**. LANECO’s mission of becoming “a distribution utility committed to deliver quality electric services at reasonable rates to the member-consumers towards social progress and countryside development” coincides perfectly with the aforementioned theme. From humble beginnings, your cooperatives’ transformation and achievements in the last five (5) decades have been truly remarkable. Consistently practice integrity, productivity, respect and teamwork in all your interactions with your stakeholders.

The reliability and affordability of power supply are critical to furthering the economy of the province of Lanao Del Norte. These are vital to sustain and cultivate the farming and fishing industries, as well as the commercial and tourism sectors. Through the provision of access to quality and reasonably priced electricity to consumers, LANECO can become one of the proponents of the country’s socio-economic progress and sustainable development, creating a legacy that would encourage and inspire future generations.

We enjoin you to effectively implement your initiatives in providing an enhanced, effective and consistent delivery of service to your customers, development partners and the public. Take advantage of this AGMA to also explore opportunities to expand your reach in terms of rural electrification. Discuss emerging technologies, especially renewable energy (RE) sources, that may reinforce the resiliency of your current energy portfolio.

Rest assured that the ERC will continue to work in partnership with LANECO in creating an Enabling Regulatory environment that is Conducive to economic growth.

More power, LANECO!



Monalisa C. Dimalanta
MONALISA C. DIMALANTA
Chairperson and CEO



Republic of the Philippines
Region X

PROVINCE OF LANA DEL NORTE



It is my pleasure to extend my warmest greetings to all the esteemed members, officials, and clientele of Lanao del Norte Electric Cooperative, Inc. (LANECO) on the celebration of your 46th Annual General Membership Assembly and 51st Foundation Anniversary. This year's theme, **"Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development"** highlights the essential role that your cooperative plays in providing electricity to every community, especially the rural areas of Lanao del Norte and in contributing to the sustainable development of our nation.

I commend the management and staff of LANECO for their dedication and hard work in ensuring that electricity is available to every home. Your efforts have not only brought light to our houses but have also powered our industries and businesses, enabling them to grow and contribute to the development of our province.

As we celebrate your cooperative's legacy of rural electrification, let us look to the future and find ways to elevate your significant contribution to national sustainable development. You can play a vital part in promoting the use of renewable energy sources, reducing carbon emissions, and improving the efficiency of our power systems. With that, I urge all of you to continue supporting LANECO and to actively participate in its programs, and activities.

As your development partner, rest assured that we, in the Provincial Government of Lanao del Norte, will constantly support the cooperative's objective of promoting and protecting the interests of every consumer while delivering transparent and quality service. Together, let us work towards a brighter and more sustainable future for our province and our nation, as a whole.

Once again, congratulations on your 51st Foundation Anniversary. May you continue to be a beacon of light for our communities for many years to come.

Mabuhay ang LANECO!

Mabuhay ang Lanao del Norte!

Daghang salamat.

HON. IMELDA QUIBRANZA-DIMAPORO
Provincial Governor
Lanao del Norte



Republic of the Philippines
Region X
PROVINCE OF LANA DEL NORTE

I would like to extend my heartfelt congratulations to the Lanao del Norte Electric Cooperative, Inc. (LANECO) officials and members on the occasion of our 46th Annual General Membership Assembly (AGMA).

The objective to completely electrify the entire province of Lanao del Norte is encapsulated by this year's anniversary theme, **"Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development"**.

Throughout the years, Laneco has played a crucial role in bringing electricity to underserved communities, powering up farms, schools, and businesses. These efforts have not only made a significant impact on people's lives but the economy as a whole.

Today, in order for Laneco to elevate its contribution in national sustainable development, lowering the price and making power more accessible to all of our members is the most crucial and urgent demand for our cooperative.

We must remain at the forefront of innovation and change as we set out on the path to national sustainable development. Additionally, we must coordinate our efforts in order to commit to preserving a stable energy supply while embracing renewable energy sources for the good of our community.

Once again, congratulations on this momentous occasion. Let us celebrate this milestone and keep the vision alive and thriving. Thank you for your hard work, dedication, and commitment to rural electrification and national sustainable development.



HON. ALLAN J. LIM
*Provincial Vice Governor
Lanao del Norte*



Northern Mindanao Electric Cooperatives' Association

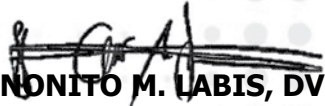


On behalf of the Northern Mindanao Electric Cooperatives Association (NORMECA), I would like to extend my Congratulatory Greetings to Lanao Del Norte Electric Cooperative, Inc. (LANECO) as you celebrate your 46th Annual General Membership Assembly for the year 2023.

With the theme, **"Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development"**, the NORMECA ECs are in confident and are in full support of the endeavors of LANECO for the improvement and sustainability of its operation catering to the service requirements of your member-consumer-owners.

While we still thrive to continue with our service delivery, I would also personally wish that you will hurdle the challenges that we are in no control of. It is also my hope that LANECO will also achieve your goals for the year and in the succeeding years with the support of your workforce and member-consumer-owners.

Once again, Congratulations and Mabuhay!


NONITO M. LABIS, DVM
President
NORMECA



Republic of the Philippines
Region X
PROVINCE OF LANAOG DEL NORTE
MUNICIPALITY OF TUBOD

It is with great pleasure and a sense of pride that I address you today at the Annual General Membership Assembly of our esteemed Electric Cooperative. This year, we gather under the inspiring theme, **"Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development."** This theme reflects the incredible journey we have embarked upon together and the significant role we play in shaping the sustainable future of our nation.

As we reflect on the legacy of rural electrification, we recognize the transformative power it has brought to our communities. The provision of reliable electricity to our rural areas has not only improved the quality of life for our fellow citizens but has also opened doors to opportunities that were once unimaginable. We have witnessed the positive impact electricity has had on education, healthcare, agriculture, and overall economic growth. Our collective efforts in bringing light to every corner of our region have left an indelible mark on the lives of our people.

Today, as we come together to celebrate our achievements on our **46th Annual General Membership Assembly (AGMA) and 51st Foundation Anniversary Celebration**, we must also look ahead and recognize the responsibility that lies upon us. Our Electric Cooperative's contribution to national sustainable development is crucial, and we must strive to elevate our efforts to new heights. The challenges we face are significant, ranging from climate change and environmental degradation to the growing energy demands of an ever-expanding population. However, I firmly believe that we possess the vision, determination, and capabilities to overcome these challenges and create a brighter, more sustainable future.

To achieve our goals, we must embrace innovation and harness the power of technology. The world around us is evolving rapidly, and we must keep pace with the latest advancements in the energy sector. Embracing renewable energy sources, exploring energy storage solutions, and adopting smart grid technologies are just a few ways in which we can enhance our contribution to sustainable development. By doing so, we not only reduce our ecological footprint but also ensure the long-term viability of our cooperative.

Collaboration and partnerships will be the cornerstone of our success. We must strengthen our ties with government agencies, industry experts, educational institutions, and other stakeholders who share our vision of sustainable development. By working together, we can leverage our collective expertise and resources to implement innovative projects, share best practices, and address the unique challenges faced by our cooperative.

As we move forward, let us remember that our actions today will shape the future for generations to come. Let us remain committed to our mission of providing affordable, reliable, and sustainable electricity to our rural communities. Let us continue to be at the forefront of progress and innovation in the energy sector, demonstrating to the nation the tremendous potential of electric cooperatives in driving sustainable development.

Thank you for your unwavering support, dedication, and hard work. Together, we will mark a legacy that future generations will look upon with pride. Let us embrace the challenges ahead with optimism and determination, knowing that our efforts today will lead to a brighter, more sustainable tomorrow, and may we continue to uphold the spirit of rural electrification.

Arangkada Bag-ong Tubod, God bless us all.



DIONISIO Y. CABAHUG, JR.
Municipal Mayor



Republic of the Philippines
Region X
PROVINCE OF LANA DEL NORTE
MUNICIPALITY OF LINAMON

My warmest greetings to the Lanao del Norte Electric Cooperative, Inc. (LANECO) as you hold your 46th Annual General Membership Assembly (AGMA).



LANECO has performed competently and consistently over the years, by ensuring every home, community, and industry within your reach is connected to the national grid. We, People of the Municipality of Linamon are grateful to have a partnership with you, together, we deliver a more fulfilled, productive life for our people. It is my hope that this assembly will be instrumental in laying strategies for growth in the coming year, that you may provide better service to your clients and realize the aspirations of our people. May this event inspire/motivate you to further serve all people with compassion and solidarity so that we may achieve lasting, equitable progress.

May your cooperative continue to flourish and uplift more of our people from poverty towards a brighter, more empowered tomorrow.

I wish you a joyous and meaningful gathering.


HON. RANDY J. MACAPIL
Municipal Mayor



Republic of the Philippines
Region X
PROVINCE OF LANA DEL NORTE
MUNICIPALITY OF BACOLOD

Since **LANA DEL NORTE ELECTRIC COOPERATIVE, INC. (LANECO)** has been established, it has conveyed dedicated services to the member consumers where it has consistently manifested valuable functions to accelerate and further the aspect of development to the different communities in the Province of Lanao del Norte. The present **Technological Advancements** coupled with a trend of **DIGITALIZATION** has equipped **LANECO** towards an efficient and effective delivery of the basic services intended to the masses who are member consumers.



LANA DEL NORTE ELECTRIC COOPERATIVE, INC. is one of the key elements in sustaining the significant programs that are crafted and formulated to provide advantages to the populace in our beloved Province. My warm and sincere congratulations to the **HARD WORKING MEN AND WOMEN** of Lanao del Norte Electric Cooperative, Inc. on the occasion of the 46th Annual General Membership Assembly (AGMA) with a theme **"MARKING the LEGACY of RURAL ELECTRIFICATION: Elevating EC Contribution in National Sustainable Development"**.

MORE POWER AND GOD BLESS.


HON. JUDITH V. MIQUIABAS
Municipal Mayor



Republic of the Philippines
Region X
PROVINCE OF LANA DEL NORTE
MUNICIPALITY OF MATUNGAO

Assalamu Alaikum.

The 46th Annual General Membership Assembly of the LANECO (Lanao del Norte Electric Cooperative, Inc.) with the theme, **"Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development"**, is about recognizing the role of electricity as one of major contributor to our development. The LANECO as electric provider of the municipality of Matungao improved lives of its people. The goal of our municipality to have better economic status is within reach with LANECO as partner for sustainable development. Our municipality as electric consumer of the LANECO will always be thankful for the limitless quality service over the years. Continue to give a reliable service to the municipality of Matungao.



HON. JABER M. AZIS, M.D.
Municipal Mayor



Republic of the Philippines
Region X
PROVINCE OF LANA DEL NORTE
MUNICIPALITY OF POONA PIAGAPO

The Local Government Unit (LGU) of Poona Piagapo, Lanao Del Norte, would like to thanks to the Brilliant Personnels of Lanao Del Norte Electric Cooperative (LANECO), Inc. with extensive services and commendable performances to the Electric Consumers in our locality.

In view hereof, we would like to extend our warmest Congratulations to the 46th Founding Anniversary Celebration of the Annual General Membership Assembly (AGMA) held on May 28, 2023 with the Theme: **"Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development"**

I may not be present in the Celebration but my sincerity be with you always.

Thank you and MABUHAY!




HON. MUSLIMA T. MACOL
Municipal Mayor



Republic of the Philippines
Region X
PROVINCE OF LANA DEL NORTE
MUNICIPALITY OF KOLAMBUGAN

Maayong Adlaw!

Innate in legacy is the opportunity to live for a purpose bigger than oneself. It is a replica of life with a driven-purpose. The little acts of kindness done very well always connects special place in every people's hearts. "Legacy is fundamental to what it is to be human". It offers a glimpse to building strong communities and human spirit. This is the essence of the 46th Annual General Membership Assembly (AGMA) of the Lanao de Norte Electric Cooperative (LANECO), Inc. bearing the theme "Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Development".

It has been thirty-four (34) years that the Rural Electrification began with Republic Act 6038 signed into law on August 4, 1969. This era paved the way for the creation of the National Electrification Administration (NE) abided with the national policy utilizing the development concept of Electric Cooperatives (EC) being established nationwide. The main goal of rural electrification is the process of bringing electrical power to rural and remote areas.

The impact of rural electrification program brought an array on energizing not just the local communities the local communities but also its component business entities, physical infrastructures, lifeline utilities.

Among the 17 Sustainable Development Goals (SD), it is SDG 7 that entails Affordable and Clean Energy wherein the Ambisyon Natin 2040 is anchored for Filipinos Matatag, Maginhawa at Panatag a Buhay as the long-term vision towards sustainable development for the Philippines.

The Kolambugans heartily you with this celebration. We congratulate the men and women of the LANECO and its cooperators for reaching this four decades and six years of being a cooperative. Your services marks the legacy of rural electrification our local communities.

Ang Mahal nga Dios magauban kanato kanunay!




HON. ALLAN M. OMAMOS
Municipal Mayor



Republic of the Philippines
Region X
PROVINCE OF LANA DEL NORTE
MUNICIPALITY OF MAGSAYSAY

I would like to extend my sincerest congratulations to LANECO on reaching yet another historic milestone in providing reliable power to all of its Member-Consumer-Owners (MCOs). This has had a significant impact on powering their homes, improving their quality of life, and most especially, driving economic growth in the Province of Lanao del Norte.

As a municipal mayor, I have witnessed firsthand the transformative power of electricity in our communities, particularly during the challenges brought on by the COVID-19 pandemic for the past two years. It is clear that access to reliable power has been a vital lifeline, enabling our healthcare systems to function, our businesses to operate, and our residents to stay connected with loved ones and essential services. None of these would have been possible without your tireless efforts to provide access to electricity in even the most remote areas. Your dedication and hard work in delivering efficient and sustainable energy solutions are truly commendable. You truly deserve my utmost respect and admiration.

As we convene this year's Annual General Membership Assembly (AGMA) with the theme, "Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development", let us reflect on our past accomplishments and challenges, and renew our commitment to working together toward a productive and more sustainable future. Together, we can ensure that the legacy of rural electrification continues to uplift our communities and transform lives for generations to come.




HON. HARON D. OMAR, SR.
Municipal Mayor



Republic of the Philippines
Region X
PROVINCE OF LANA DEL NORTE
MUNICIPALITY OF LALA

GREETINGS OF PEACE AND SOLIDARITY!

Cheer up on the 46th Annual General Membership Assembly, with a theme, **“Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development”**.

In the light of the foregoing, I, being a member/consumer of LANEKO, Inc. in particular, and in my capacity as the Local Chief Executive of Lala, Lanao del Norte in general is tremendously, strongly, and vigorously deliver my sincerest and warmest gratitude to all the employees of LANEKO, who in one way or another contributed much in the delivery of electricity as one of the basic needs of the people even to the remotest area within the territorial and geographical jurisdiction of Lanao del Norte Electric Cooperative (LANEKO), Inc.

Through this memorable occasion, I reiterate my sincerest gratitude to LANEKO, Inc. of its best services offered to the general public, and with a fervent prayer and hope that its full commitment to deliver electricity to the different areas of Lanao del Norte will continue despite all the odds.

May you have more goals to achieve, more horizons to explore, and more dreams to come true.

God bless and more power to LANEKO, Inc.




HON. ANGEL L. YAP
Municipal Mayor



Republic of the Philippines
Region X
PROVINCE OF LANA DEL NORTE
MUNICIPALITY OF SALVADOR

Greetings of Peace and Solidarity

Lanao del Norte has come a long way – from that darkness of ambiguity that lurked in the corner of the province’s history to a truly transformative province that it is today. Behind its dynamic change and development are challenges that proved to be catalyst of such metamorphosis, and in so doing the over 700,000 (2020 Census) residents of the province has since enjoyed a life far good that it was before.

Now, Lanao del Norte Cooperative, Inc. (LANEKO is embracing a new milestone by celebrating its 46th Annual General Membership Assembly (AGMA) and I am honoured to be given an invitation for the Souvenir Program.

True to its theme, “Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development”, we can now agree that the best time to be Lanaoeno is today and moving forward. Homes are brighter, roads are well-lit, and sustainable development is at hand, and the future has never been this exciting. Darkness may have succumbed the world for more than two years brought about by the covid-19 pandemic, but continuous innovation to better serve the consuming public, and relentless pursuit of excellence, it is just electrifying to celebrate this new life ahead of us. We have been through some of darkest histories of our existence, and together as one, we shall emerge victorious in whatever circumstances life will put us through.

As the Local Chief Executive of the humble town of Salvador, Lanao del Norte, we are one with LANEKO in its quest for dynamic leadership in delivering essential services to its constituents.

Congratulations and more power!




HON. HASSANOR L. TAWANTAWAN
Municipal Mayor



Republic of the Philippines
Region X
PROVINCE OF LANA O DEL NORTE
MUNICIPALITY OF KAPATAGAN

My warmest greetings to the Lanao del Norte Electric Cooperative, Inc. (LANECO) as it holds its **46th Annual General Membership Assembly**. The collective growth of any cooperative is rooted on its resolve to provide every Filipino with a dignified and comfortable life. In doing so, we do not only help our members and consumers uplift their living conditions, but also transform them into agents of social change.



Indeed, electricity is a catalyst for growth as it gives people as chance to improve and participate in the development of their communities. Electric Cooperatives (ECs), as key program implementers, play an important role and are expected to be effective channels of opportunities in attaining this end.

The municipality of Kapatagan appreciates the efforts of LANECO in carrying out its tasks in the Rural Electrification Program for the past several years. This is so because we cannot dream of economic progress while our far-flung areas remain without good amenities brought about by electricity.

LANECO, like other electric cooperatives, must shift its gears to aggressively address the demands of the restructures environment and overcome the tests. Moreover, LANECO has to build up its legal capability, institutional stability, financial viability and technical proficiency in order to arm itself in furthering the noble objectives of the Rural Electrification Program. Your members, consumers and owners deserve the best service from your end. May you be able to take part in mapping out doable and appropriate plans and programs that will push your cooperative to be a more dynamic service utility. May this gathering be the timely opportunity to join hands and be one in spirit in the quest for a better, more comfortable life for rural folks.

May this gathering reaffirm your commitment to serve the public as well as demonstrate excellence, service and discipline in all of your endeavors. Rest assured that the municipality continues to be supportive in your endeavor of providing an affordable and accessible electricity to our constituents of this cooperative. I ask you to join us in realizing our mission of social and economic development and in bringing about a more progressive and prosperous Kapatagan.

Let us now move together to fulfill the opportunities to sustain our development and improve the quality of life of our members and consumers.

I wish you a meaningful event and may God Bless us all! All the best for LANECO!


HON. BARRY Y. BAGUIO
Municipal Mayor



Republic of the Philippines
Region X
PROVINCE OF LANA O DEL NORTE
MUNICIPALITY OF SAPAD

Assalamualaikum Warahmatullahi Wabarrakatuh!

As you commemorate your 46th Annual General Membership Assembly (AGMA) and 51st Foundation Anniversary Celebration, I would like to convey my warmest felicitations as you embark on a momentous event both significant to the cooperative as well as to all member-consumers.



Noticeably, you have been a great part in the Provincial Government's promised of development to its 22 Municipalities as we are all aware of the uses of electricity which could be seen in everyday activities such as those in communications, business, transportation, education and domestic life. In remote areas, where most people are poor, electrification is seen to alleviate poverty, increase to basic services, and advance social systems.

Again congratulations to a job well done and Mabuhay!


HON. PARUK U. ASIS, AL-HADJ
Municipal Mayor

PRESIDENT'S MESSAGE

As the Board President, it is with great pleasure that I welcome you all to our 46th Annual General Membership Assembly and 51st Foundation Anniversary. This year, we celebrate our legacy of rural electrification, and we reflect on the pivotal role that we have played in the sustainable development of our nation.

Our theme for this year, "Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development," reminds us of the importance of our mission. Our commitment to providing reliable and reasonable rates of electricity to our communities has empowered people, businesses, and industries to grow and flourish. We have bridged the gap between the urban and rural areas, and we have brought light to the lives of millions of people.

As we celebrate our achievements, we also recognize the challenges that lie ahead. We must continue to innovate and adapt to the changing needs of our Member-Consumer-Owners and Stakeholders. We must leverage new technologies and find ways to make our services more accessible, efficient, and sustainable. We must work hand in hand with our communities to ensure that we are always meeting their needs and contributing to their progress.

I encourage each and every one of you to actively participate in the Annual General Membership Assembly, sharing your insights, ideas, and aspirations for the cooperative's future. Your voice is crucial in shaping our path forward, ensuring that we continue to meet the evolving needs of our Member-Consumer-Owners and to the communities.

May this Annual General Membership Assembly and Foundation Anniversary be a celebration of our accomplishments, a platform for constructive dialogue, and a testament to our unwavering commitment to rural electrification and sustainable development.

I would also like to take this opportunity to recognize our dedicated Board of Directors of LANECO, Management Staff, Employees and Associates for their tireless efforts and commitment to our Cooperative's success. Their contributions have been invaluable, and we could not have accomplished our goals without them.

Finally, on behalf of the LANECO Board of Directors, I would like to express my gratitude to all our Member-Consumer-Owners and to our Stakeholders for their unwavering support and partnership. Together, we can build a brighter future for our nation and for generations to come.

Thank you and I wish you all a meaningful and productive assembly.

Mabuhay ang Member-Consumer-Owners!

Mabuhay ang LANECO!


KHALID M. DIMAPORO, AL HAJ
Board President

GENERAL MANAGER'S MESSAGE

Our theme for this year's celebration is "Marking the Legacy of Rural Electrification: Elevating EC Contribution in National Sustainable Development." This is just but fitting to our commitment to continue our work in rural electrification to achieve our goals and to have a significant contribution to the nation building.

Over the past 51 years, LANEKO has made significant contributions to the development of our beloved province. We have brought light and hope to rural areas, and we have helped to improve the lives of our Member-Consumer-Owners (MCOs) under the supervision of our mother agency, which is the National Electrification Administration (NEA).

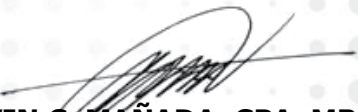
After two years of conducting our AGMA virtually because of the pandemic, I am proud to congratulate our Member-Consumer-Owners (MCOs) that we are celebrating our 46th Annual General Assembly and 51st Foundation Anniversary this time on face-to-face.

It is our greatest gratitude to share with you, our member consumer-owners, the success we have gotten over the years, for you have been part of this since the beginning. Through this Annual Report 2022, it provides an overview of LANEKO's operations and financial performance for the year.

I am confident that LANEKO will continue to be a successful cooperative in the years to come. With the continued support of our Board of Directors, management staff, employees, and member-consumer owners, we can achieve greater things even more.

Mabuhay LANEKO!

Mabuhay ang mga MCOs!



SHERWIN C. MAÑADA, CPA, MBA
General Manager

COOPERATIVE PROFILE

(As of December 31, 2022)

Seat of Headquarters/ Main Office	Sagadan, Poblacion, Tubod, Lanao del Norte
Coop Headquarters Site Donor	The Heirs of Don Rufo Lao dela Cruz
Founding Father of LANEKO	Provincial Governor Arsenio A. Quibranza
First Board President	Manuel V. Pangilinan
First General Manager	Demosthenes B. Dingcong
Provincial Electric Cooperative Team Chairman	Jose A. Camacho, Jr.
Year of Completion of Feasibility Studies	1971
Date of Registration & Incorporation	May 27, 1972
Sources of Power	<ul style="list-style-type: none"> • National Power Corporation-PSALM • FILINVEST Development Corporation (FDC) Coal • San Miguel Consolidated Power Corporation • Total Power Incorporated • GNPower Kauswagan Ltd.Co
Date of Start of Operation	January 1, 1973
Date of First Backbone Line Construction	September 16, 1974
Date of First Energization Ceremony	December 30, 1974
Venue of First Energization Ceremony	Poblacion, Bacolod, Lanao del Norte
First Municipalities Energized	Linamon, Kauswagan and Bacolod
Date of Completion of Backbone Line Construction	March 1, 1977
Date of First District Election	April 19, 1977
Date of First Annual General Membership Assembly (AGMA)	May 27, 1977
First AGMA Guest of Honor	Honorable Emmanuel N. Pelaez Father of Philippine Rural Electrification Program
Date of First Amortization of First Loan	March 1980
Date of First Amortization of Second Loan	February 1982
Sister Electric Cooperative in Prosser, Washington, U.S.A.	Benton Rural Electric Association (Benton REA)
Date of Endorsement of the Sister Coop Relationship Between LANEKO & Benton REA by the National Rural Electric Cooperatives Association (NRECA) of U.S.A.	December 30, 1982
Date of Provisional Registration with the CDA	March 29, 1993
Coop Categorization	AAA
Coop Classification	Mega Large
No. of Branch Offices Established	6
No. of Service Centers Established	2
No. of Districts Served	12
No. of Employees	174
No. of Consumers Served Per Employee	1 : 690
No. of Municipalities Within the Franchise Area	18
No. of Energized Municipalities Within the Franchise Area	18
No. of Potential Connections	125,780
No. of Connections Served	116,982
Percentage of Accomplishment	93%
No. of Potential Barangays	410
No. of Energized Barangays	401
No. of Barangays Served Outside the Franchise Area	6
Percentage of Accomplishment	98%
No. of Members	106,092
Average Rate per KWH	13.29
Collection Efficiency	100.05%
Power Cost In Pesos	1,263,806,475
Energy Sales	1,446,061,884
Kilowatt-hours Purchased	119,847,070
Kilowatt-hours Sold	109,538,945
System Loss	8.60%
Kilometers of Lines Built	4,032.611
Megawatt Load (Averaging)	20.982
Load Factor (%)	69.39%
Power Factor (%)	99.38%
Substation Capacity	35 MVA
Total No. of National Recognitions Garnered	98



REPORT on the **TECHNICAL** **ACCOMPLISHMENTS**

H I G H L I G H T S

LENGTH OF LINES

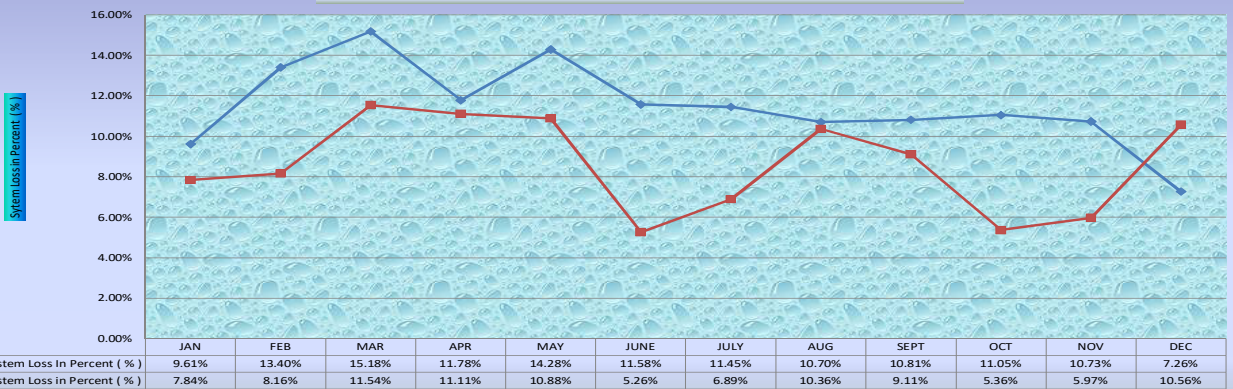
	Kilometers	2021	2022	2021	2022
Sub-transmission Line (69kV)		18.000	18.000		
Primary Lines					
Three Phase		219.342	227.457		
Vee Phase		186.141	186.231		
Single Phase		1,129.703	1,139.413		
Double Circuit		5.880	5.880		
Total		1,559.066	1,576.981		
Secondary Lines	Kilometers				
Underbuilt		1,025.81	1,033.570		
Open		1,393.360	1,404.060		
Total		2,419.170	2,437.630		
Over-all Total		3,996.236	4,032.611		
Total Coop Kilowatt-hour Consumption				436,463.80	398,498.00
Total Kilowatt-hour Purchased w/out TL & SSLA				118,832,433.80	119,847,069.98
Total Kilowatt-hour Sold				104,771,059.60	109,171,217.34
System Loss in Percentage				11.47%	8.60%
System Load Factor in Percent				71.12%	69.39%
System Power Factor in Percent				99.27%	99.38%
No. of NGCP Metering Points				3	3
Substation Capacity (MVA)				35	35
No. of Units				1	1
Capacity				5 MVA	10 MVA
Location				Curvada, Kapatagan, LN	Curvada, Kapatagan, LN
				1	10 MVA
				1	10 MVA
				1	10 MVA
					Bagumbayan, Kauswagan, LN
					Sagadan, Tubod, LN

2022 System Loss Report

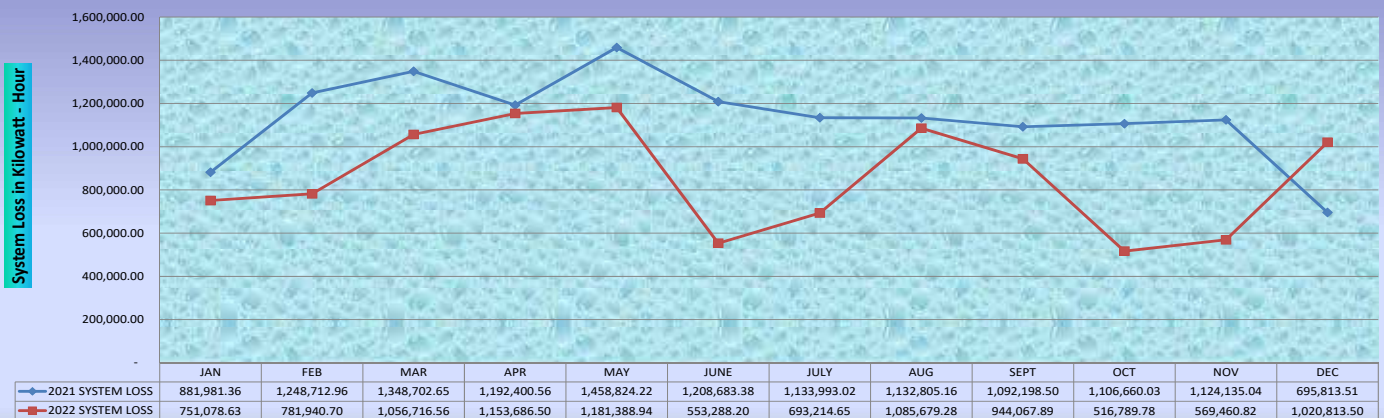
Month	PURCHASED w/out TL & SSLA (KWhr)	Energy Sales (KWhr)	Coop Consumption (KWhr)	Total Energy Sales (KWhr)	System Loss (KWhr)	System Loss (%)
JANUARY	9,579,148.85	8,794,065.92	34,004.30	8,828,070.22	751,078.63	7.84%
FEBRUARY	9,584,346.88	8,766,339.28	36,066.90	8,802,406.18	781,940.70	8.16%
MARCH	9,156,161.13	8,064,487.67	34,956.90	8,099,444.57	1,056,716.56	11.54%
APRIL	10,383,749.22	9,196,467.62	33,595.10	9,230,062.72	1,153,686.50	11.11%
MAY	10,861,334.45	9,645,950.71	33,994.80	9,679,945.51	1,181,388.94	10.88%
JUNE	10,525,174.09	9,934,594.95	37,290.93	9,971,885.89	553,288.20	5.26%
JULY	10,062,769.74	9,334,260.99	35,294.10	9,369,555.09	693,214.65	6.89%
AUGUST	10,480,295.30	9,367,002.32	27,613.71	9,394,616.02	1,085,679.28	10.36%
SEPTEMBER	10,362,198.83	9,384,024.14	34,106.80	9,418,130.94	944,067.89	9.11%
OCTOBER	9,643,372.59	9,095,812.01	30,770.80	9,126,582.81	516,789.78	5.36%
NOVEMBER	9,544,199.67	8,944,207.20	30,531.66	8,974,738.85	569,460.82	5.97%
DECEMBER	9,664,319.23	8,613,233.73	30,272.00	8,643,505.73	1,020,813.50	10.56%
TOTAL	119,847,069.98	109,140,446.54	398,498.00	109,538,944.53	10,308,125.45	8.60%

2021 & 2022 COMPARATIVE MONTHLY SYSTEM LOSS IN PERCENT (%)

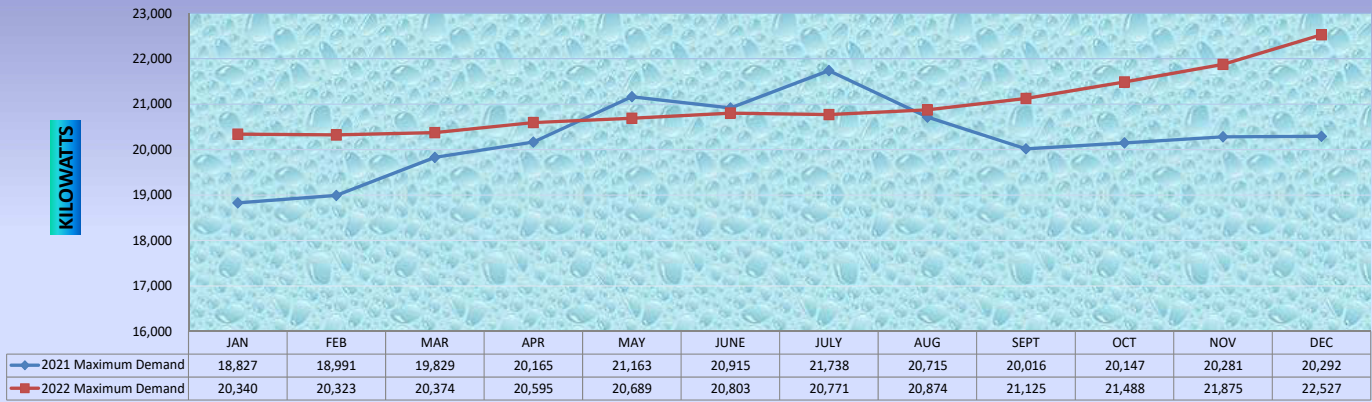
AVERAGE : 2021 = 11.47% 202 = 8.60%



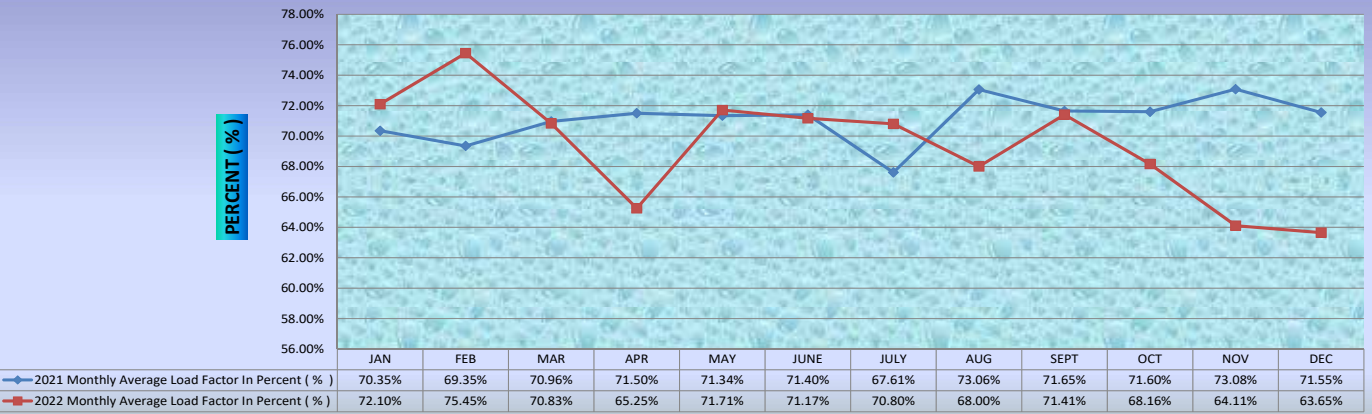
2021 & 2022 COMPARATIVE MONTHLY SYSTEM LOSS IN KILOWATT - HOUR



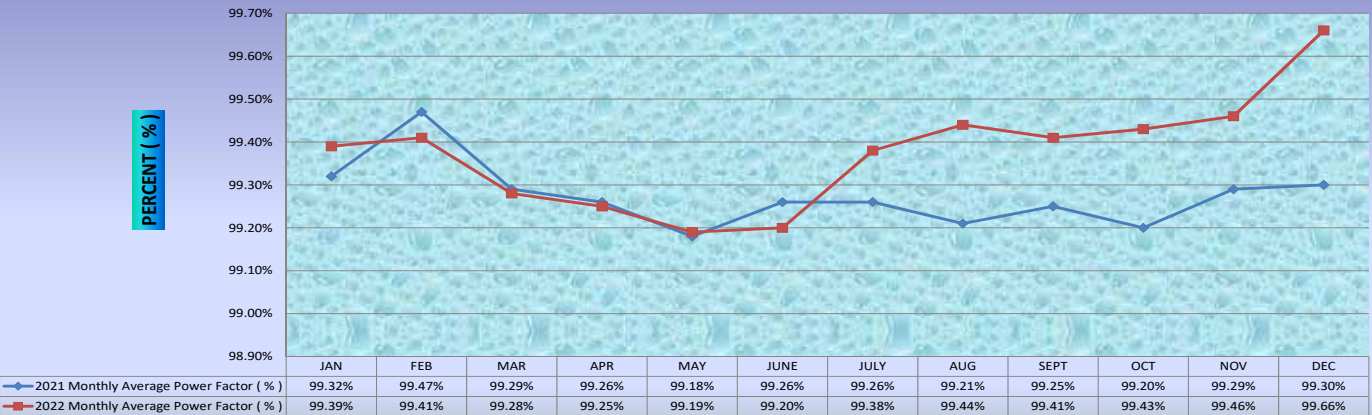
2021 & 2022 COMPARATIVE MAXIMUM DEMAND IN KILOWATTS



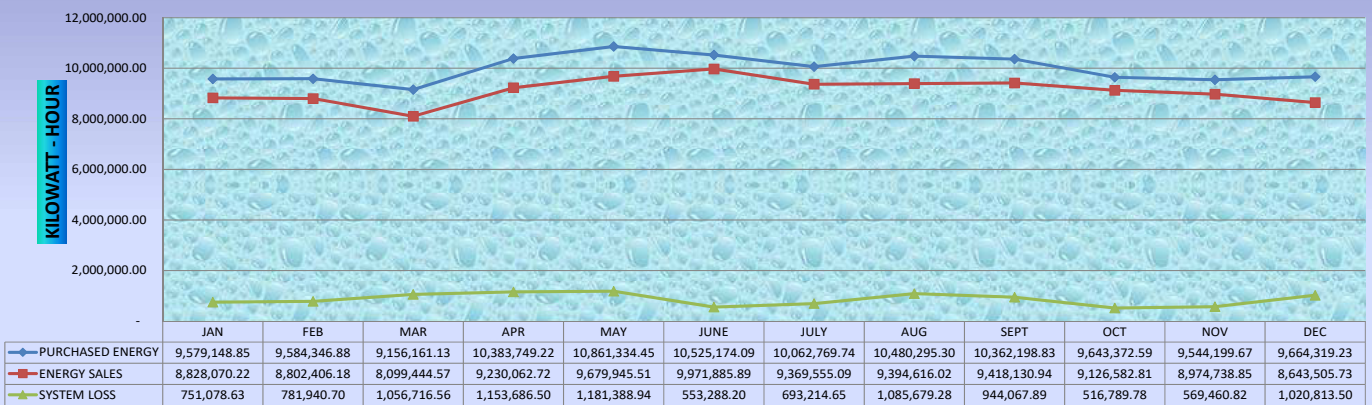
2021 & 2022 AVERAGE LOAD FACTOR IN PERCENT (%)



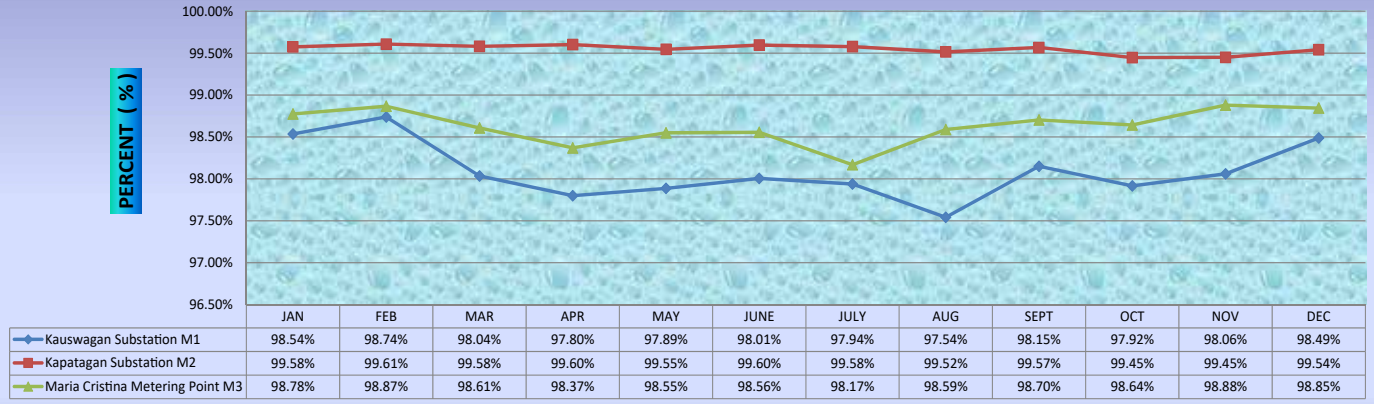
2021 & 2022 AVERAGE POWER FACTOR IN PERCENT (%)



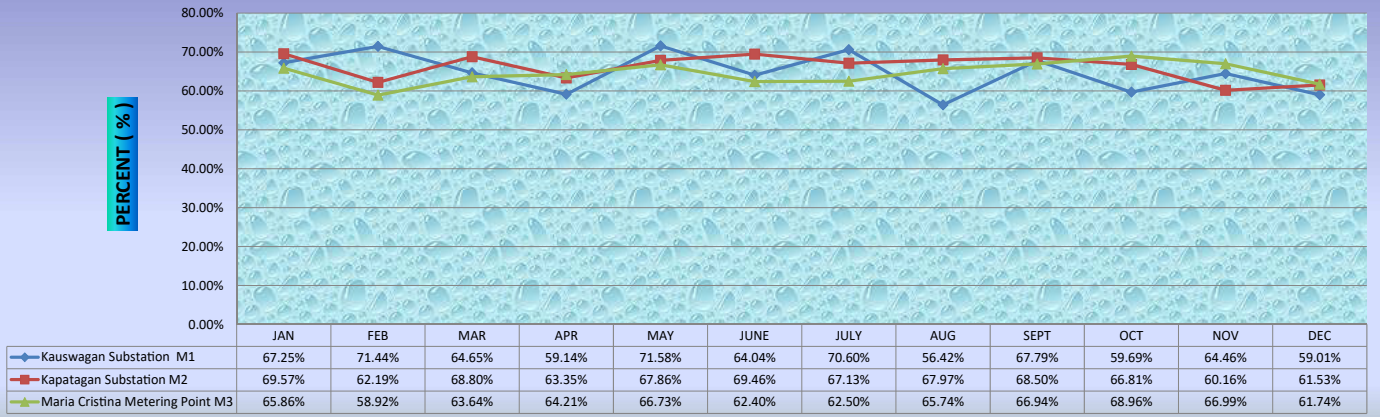
2022 PURCHASED ENERGY w/out TL & SSLA, ENERGY SALES AND SYSTEM LOSS IN KILOWATT - HOUR



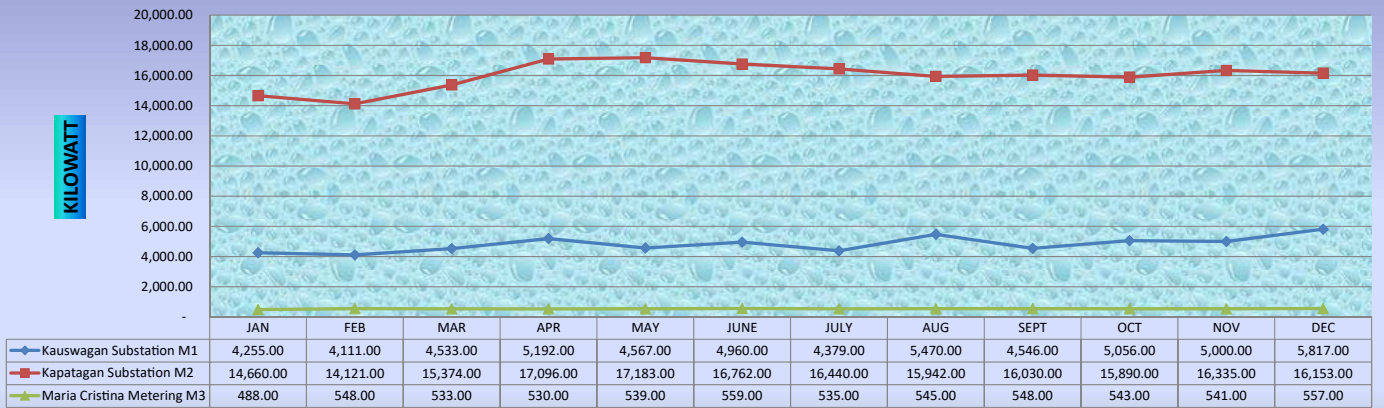
2022 POWER FACTOR PER METERING POINT IN PERCENT (%)



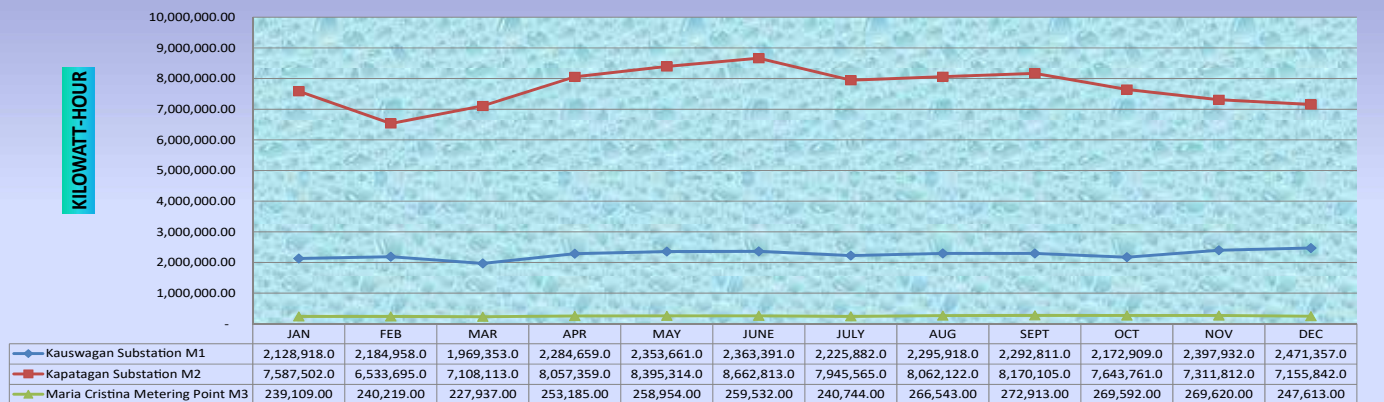
2022 LOAD FACTOR PER METERING POINT IN PERCENT (%)



2022 MAXIMUM DEMAND PER METERING POINT IN KILOWATTS



2022 PURCHASED ENERGY PER METERING POINT IN KILOWATT - HOUR



KILOMETERS OF LINES COMPLETED (ENERGIZED)

REHABILITATION

	LINE	WORK PLAN	DATE COMPLETED	REHABILITATION						
				DC	3-PHASE	V-PHASE	1-PHASE	O.S	U.B	TOTAL
1	Secondary Line rehabilitation at Purok 2 Gumagamot, Lala, Lanao del Norte.		2/7/2022					0.260		0.260
2	Secondary line rehabilitation at Purok 5 Baroy Dacu, Baroy, Lanao del Norte.		2/3/2022					0.140		0.140
3	Secondary line rehabilitation at Purok 3 Tubaran, Tubod, Lanao del Norte.		2/26/2022					0.210		0.210
4	Secondary line relocation for construction og DAPITAN-LALA 350 KV HVDC Overhead Transmission lines at Purok 5 , Butadon, Kapatagan, Lanao del Norte.		3/15/2022					0.040		0.040
5	Secondary line rehabilitation at Purok 3 Lala Proper, Lala, Lanao del Norte.		3/26/2022					0.120		0.120
6	Single Phase Primary line Relocation for Municipal Hall of Kauswagan At Poblacion, Kauswagan, Lanao del Norte.		4/17/2022				0.130			0.130
7	Secondary line rehabilitation due to traversing of SDW #6 in the private lot At Purok Aquino, Magsaysay, LDN		4/18/2022					0.040		0.040
8	Conversion of line from Open Secondary to Single Phase Primary line at Purok 5, Poblacion, Sapad, LDN		5/16/2022				0.070			0.070
9	Secondary line rehabilitation at Purok 3 RMCS, Poblacion, Tubod, Lanao del Norte.		5/31/2022					0.060		0.060
10	Conversion of line form Open Secondary to Single Phase Primary line At Purok Nangka, Maranding, Lala, Lanao del Norte		5/19/2022				0.300			0.300
11	Single Phase Primary line relocation for the contruction of Residential house at Poblacion, Sultan Naga Dimaporo, LDN		6/15/2022				0.070		0.070	0.140
12	Secondary line rehabilitation at TCES Tubod, Lanao del Norte.(sevice pole)		6/3/2022					0.080		0.080
13	Secondary line rehabilitation at Upper Sagadan, Baroy, Lanao del Norte.(sevice pole)		6/10/2022					0.070		0.070
14	Secondary line rehabilitation at Purok 2 RCMS, Poblacion, Tubod, Lanao del Norte.(sevice pole)		6/16/2022					0.040		0.040
15	Conversion of line from Open Secondary to Single Phase Primary line for Split of Transformer at Limot Village , Lanao del Norte.		7/28/2022				0.130			0.080
16	Conversion of line from Open Secondary to Single Phase Primary line for Board Walk Amusement Facility at Poblacion kauswagan, Kauswagan, Lanao del Norte.		8/5/2022		0.040					0.040
17	Conversion of line from Open Secondary to Single Phase Primary line for Cong. Khalid Q. Dimaporo at Purok 5, San Antonio, Tubod, Lanao del Norte.		9/19/2022				0.240			0.240
18	Secondary line rehabilitation at Purok 2 Robocon, Linamon, Lanao del Norte.		10/19/2022					0.170		0.170
19	Secondary line rehabilitation at Purok 5 Abaga, lala, Lanao del Norte.		10/19/2022					0.095		0.095
20	Secondary line rehabilitation at Purok 5 Panaliwad-on , Salvador, Lanao del Norte.		12/23/2022					0.080		0.080
		TOTAL			0.040		0.940	1.405	0.070	2.405

KILOMETERS OF LINES COMPLETED (ENERGIZED)

E X P A N S I O N

	LINE	WORK PLAN	DATE COMPLETED	E X P A N S I O N						
				DC	3-PHASE	V-PHASE	1-PHASE	O.S	U.B	TOTAL
1	Three Phase Primary line extension for Hall of Justice at Poblacion, kapatagan, Lanao del Norte.		1/19/2022		0.260					0.260
2	Single phase primary line extension for Baroy Toen Hotel at Purok 5 Bagong Dawis, Baroy, Lanao del Norte.		1/17/2018				0.030			0.030
3	Single phase primary line extension for Kauswagan Elementary School at Kauswagan, SND, LDN.		1/24/2022				0.800			0.800
4	Three Phase Primary line extension for Salintubig Water System at Puntod, Matungao, Lanao del Norte.		1/4/2022		0.920					0.920
5	Secondary line extension at Purok 4 Waterfalls, kauswagan, Lanao del Norte.		1/27/2022					0.170		0.170
6	Secondary line extension at Purok 3 Durano, Kapatagan, Lanao del Norte.(NIHE)		1/9/2022					0.250		0.250
7	Secondary line extension at Purok 2 Kilala, Salvador, Lanao del Norte.(NIHE)		2/9/2022					0.260		0.260
8	Additional Underbuilt at Purok 2 Bel-is, Kapatagan , Lanao del Norte.		2/22/2022						0.090	0.090
9	Secondary line extension at Purok 7 Dableston, SND, Lanao del Norte.		2/10/2022					0.370		0.370
10	Single phase primary line and Secondary line extension at Purok 7 Sungod, SND, Lanao del Norte.		2/10/2022				0.720	0.170	0.560	1.450
11	Three Phase Primary line extension for Esquita Rice Mill at Purok 4A Mediola, Lanipao, Lala, Lanao del Norte.		2/8/2022		0.175					0.175
12	Single phase primary line extension for Matungao National High School at Poblacion, Matungao, Lanao del Norte.		2/23/2022				0.050			0.050
13	Three Phase Primary line extension for Kapatagan Provincial Hospital at Purok 4 Maranding Annex, Kapatagan, Lanao del Norte.		3/31/2022		0.035					0.035
14	Single phase primary line extension for LGU SLF and MRF at Purok 5 Tubaran, Tubod, Lanao del Norte.		3/28/2022				0.220			0.220
15	Single phase primary line extension at Purok 1 Tipaan, Magsaysay, Lanao del Norte.		3/25/2022				0.090			0.090
16	Secondary line extension at Purok 8, Maria Cristina , Balo-l, Lanao del Norte.		3/10/2022					0.420		0.420
17	Secondary line extension at Purok 1 Andil, Lala, Lanao del Norte.(7 SEP)		3/16/2022					0.270		0.270
18	Single phase primary line and Secondary line extension at Sitio Tiango,Robocon, Linamon, Lanao del Norte.(7 SEP)		3/25/2022				0.580	0.360	0.360	1.300
19	Single phase primary line and Secondary line extension at Purok 8 Bagong Silang, kapatagan, Lanao del Norte.(7 SEP)		3/14/2022				1.550	0.520	1.030	3.100
20	Single phase primary line and Secondary line extension at Purok 3, Mabugnao, Sapad, Lanao del Norte.(7 SEP)		3/24/2022				3.030	0.450	1.760	5.240

KILOMETERS OF LINES COMPLETED (ENERGIZED)

EXPANSION

	LINE	WORK PLAN	DATE COMPLETED	EXPANSION						
				DC	3-PHASE	V-PHASE	1-PHASE	O.S	U.B	TOTAL
21	Single phase primary line extension for Seven Eleven at Poblacion , Kauswagan, Lanao del Norte.		4/27/2022				0.020			0.020
22	Single phase primary line extension for Napo Water System at Purok 4 Napo, Linamon, Lanao del Norte.		4/22/2022				0.120			0.120
23	Secondary line extension for LNAIS Diploma at Main Campus Bualan, Tubod, Lanao del Norte.		4/4/2022					0.090		0.090
24	Single phase primary line extension and Additional Underbuilt at Purok 5A Sagadan, Tubod, Lanao del Norte.		4/5/2022				0.090		0.200	0.290
25	Single phase primary line extension for SJHS at Purok 5, Poblacion, Sapad, Lanao del Norte.		5/16/2022				0.100			0.100
26	Seconadry line extension at Purok 5, Maliwanag, Baroy, Lanao del Norte.		5/4/2022					0.140		0.140
27	Single phase primary line extension for RMCC Petro; Station at Purok 2A, Rebe, Lala, Lanao del Norte.		5/4/2022				0.030			0.030
28	Seconadry line extension at Purok 6 Sitio Lawis, Bualan, Tubod, Lanao del Norte.		5/31/2022					0.500		0.500
29	Single phase primary line extension for New Maranding Sport Complex at Purok Nangka, Maranding, Lala, Lanao del Norte.		5/19/2022				0.070			0.070
30	Single phase primary line extension for 7/11 at Poblacion, Maigo, Lanao del Norte.		5/24/2022				0.010			0.010
31	Vee Phase Primary line extension for Globe Tower at Purok 10 Sitio Pendulonan, Maria Cristina, Balo-I, Lanao del Norte.		5/24/2022			0.090				0.090
32	Single phase primary line extension for Olavidez Memorial Garden funeral at Purok 4, Bulod, Tubod, Lanao del Norte		7/19/2022				0.080			0.080
33	Single phase primary line extension at Purok 1, Cabasagan, Lala, Lanao del Norte		7/26/2022				0.240			0.240
34	Seconadry line extension for Bobby Lim farm at Purok 1, Cabasagan, Lala, Lanao del Norte.		7/26/2022					0.270		0.270
35	Seconadry line extension at Purok 7, Butadon, Kapatagan, Lanao del Norte.		7/20/2022					0.320		0.320
36	Seconadry line extension at Purok 7, Licapao, Tubod, Lanao del Norte.		7/27/2022					0.270		0.270
37	Three Phase Primary line extension for Kapatagan Provincial MRF Building at Maranding Annex, Kapatagan, Lanao del Norte.		7/13/2022		0.035					0.035
38	Single phase primary line extension for Reynino Longcob Commercial Building at Maranding, Lala, Lanao del Norte.		7/28/2022				0.050			0.050
39	Single phase primary line extension for Dito Telecommunity Corp. at Poblacion, Bacolod, Lanao del Norte.		7/27/2022				0.185			0.185

KILOMETERS OF LINES COMPLETED (ENERGIZED)

EXPANSION

	LINE	WORK PLAN	DATE COMPLETED	EXPANSION						
				DC	3-PHASE	V-PHASE	1-PHASE	O.S	U.B	TOTAL
40	Single phase primary line extension for Dito Telecommunity Corp. at Limot Village, Lanao del Norte.		7/28/2022				0.100			0.100
41	Single phase primary line extension for Bobby Lim Farm at Purok 1, Cabasagan, Lala, Lanao del Norte.		8/3/2022				0.300			0.300
42	Secondary line extension for Mr. Sabas Farm at Purok 4, Bagong Silang, Kapatagan, Lanao del Norte.		8/8/2022					0.180		0.180
43	Single phase primary line extension for Dito Telecommunity Corp. at Purok 1, Liangan West, Bacolod, Lanao del Norte.		7/27/2022				0.070			0.070
44	Secondary line extension at Purok 2, Maria Cristina, Balo-I, Lanao del Norte.		8/27/2022					0.300		0.300
45	Single phase primary line extension for Gait Bakery at Poblacion, Tubod, Lanao del Norte.		8/16/2022				0.020			0.020
46	Three phase primary line extension for T&T Commercial Building at Maranding , Lala, Lanao del Norte.		9/8/2022		0.200					0.200
47	Three phase primary line extension for Christine Villas Housing at Purok 10, Sitio Pendulonan, Maria Cristina, Balo-I, LDN.		9/12/2022		5.170			5.260	3.520	13.950
48	Three phase primary line extension for Kauswagan Town Center Building at Poblacion, Kauswagan, LDN.		9/20/2022		0.080					0.080
49	Single phase primary line extension for Estrigan Beach Resort at Purok 1, Pikalawag, SND, Lanao del Norte.		9/21/2022				0.210			0.210
50	Additional Underbuilt at Purok 1, Bel-is, Kapatagan, Lanao del Norte.		9/28/2022						0.170	0.170
51	Seconadry line extension at Purok 1, Bato, Baroy, Lanao del Norte.		10/25/2022					0.100		0.100
52	Single phase primary line extension for T Shell Gasoline Station at Purok 2, Pigcarangan, Tubod, Lanao del Norte.		10/21/2022				0.060			0.060
53	Single phase primary line extension for Unity Digital Infrastructure at Purok 5, Rupagan, Bacolod, Lanao del Norte.		11/22/2022				0.050			0.050
54	Single phase primary line extension for RMCC Gasoline Station at Purok 6, Sogapod, Maigo, Lanao del Norte.		11/18/2022				0.060			0.060
55	Single phase primary line extension for Christine Villas Water System at Purok 10A, Pendulonan, Maria Cristina, Balo-I, Lanao del Norte.		12/12/2022		0.070					0.070
56	Single phase primary line extension for Marine Multi-Species Hatchery at Sitio Caromanga, Koreo, SND, Lanao del Norte.		12/14/2022		0.480					0.480
57	Secondary line extension at Purok 4, Tagueguiron, Tubod, Lanao del Norte.		12/6/2022					0.100		0.100
		TOTAL			7.425	0.090	8.935	10.770	7.690	34.910

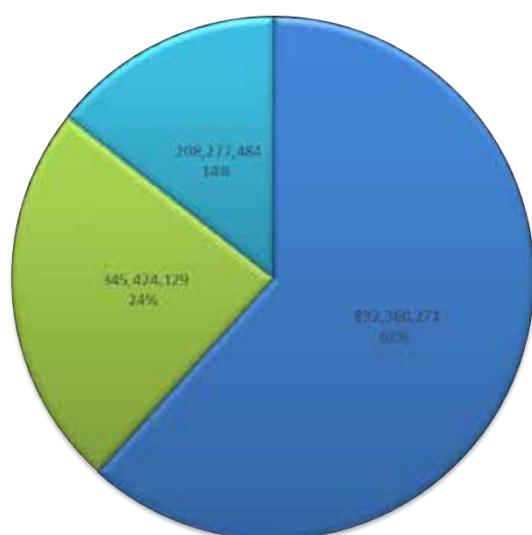


REPORT on the
FINANCIAL
PERFORMANCE

2022 FINANCIAL HIGHLIGHTS

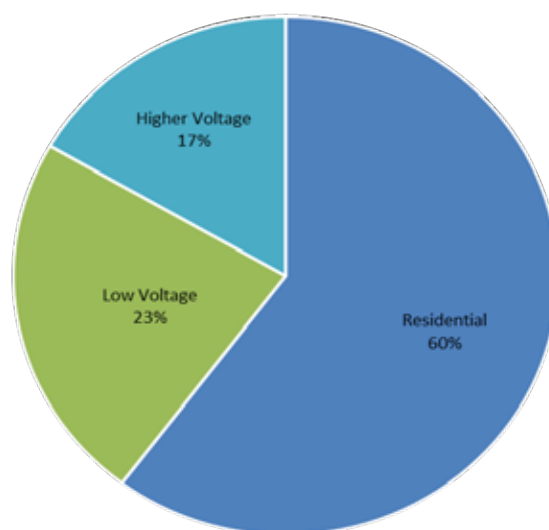
ENERGY SALES (In Pesos)	1,446,061,884
POWER COST (In Pesos)	1,263,806,475
KwH SOLD	109,538,945
KwH PURCHASED	119,847,070
AVERAGE RATE PER KWH	13.29
OPERATING EXPENSES & OTHERS	230,053,052
COLLECTION EFFICIENCY	100.05%
PROMPT PAYMENT DISCOUNT TO PSALM	2,084,302.16
PAYMENT TO SUPPLIER / NEA	CURRENT

2022 SALES (IN PESOS) PER CONSUMER TYPE



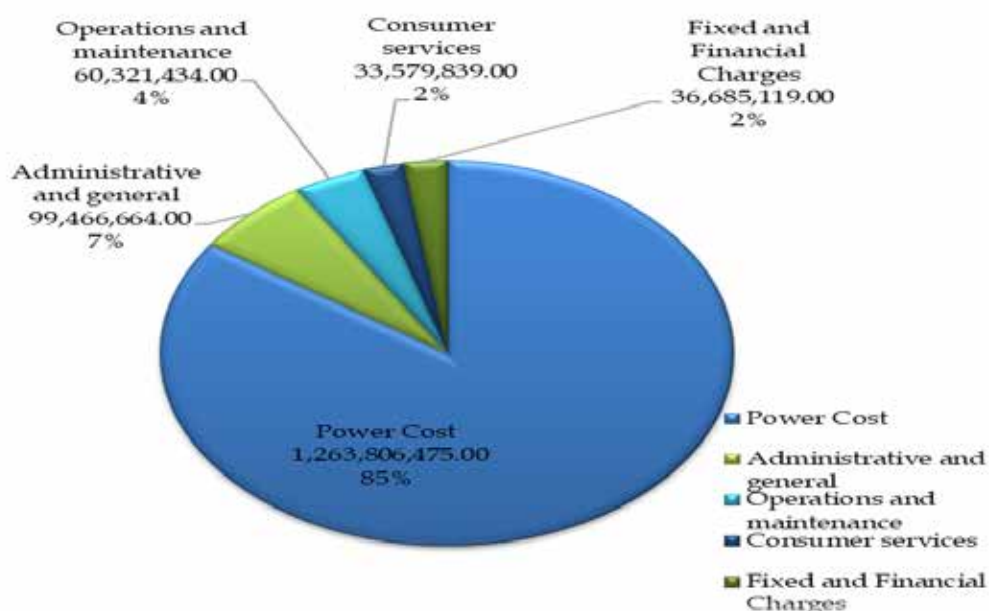
Residential Low Voltage Higher Voltage

2022 KWH SALES PER CONSUMER TYPE

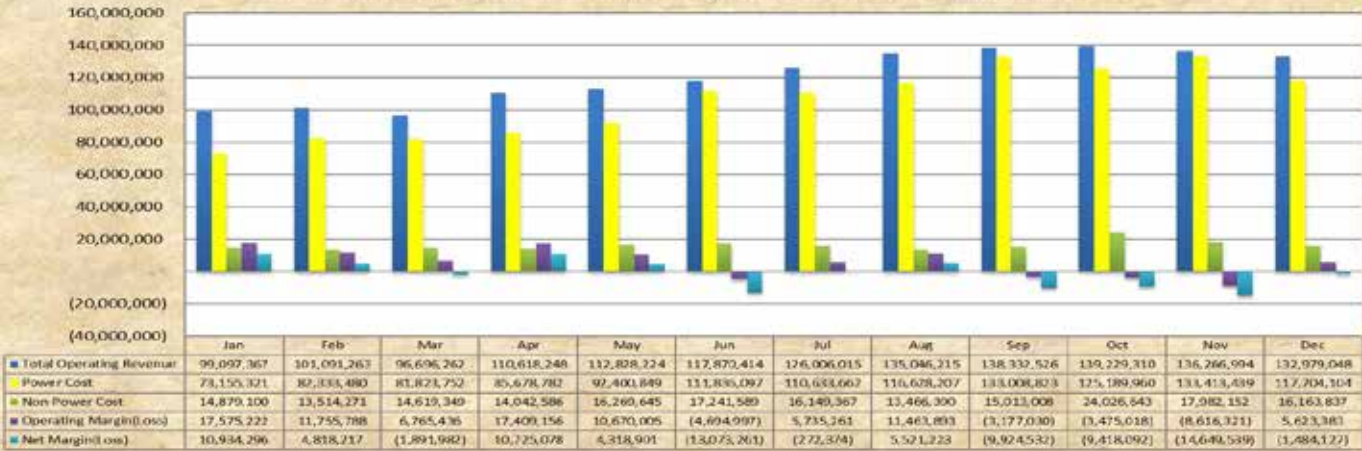


Residential Low Voltage Higher Voltage

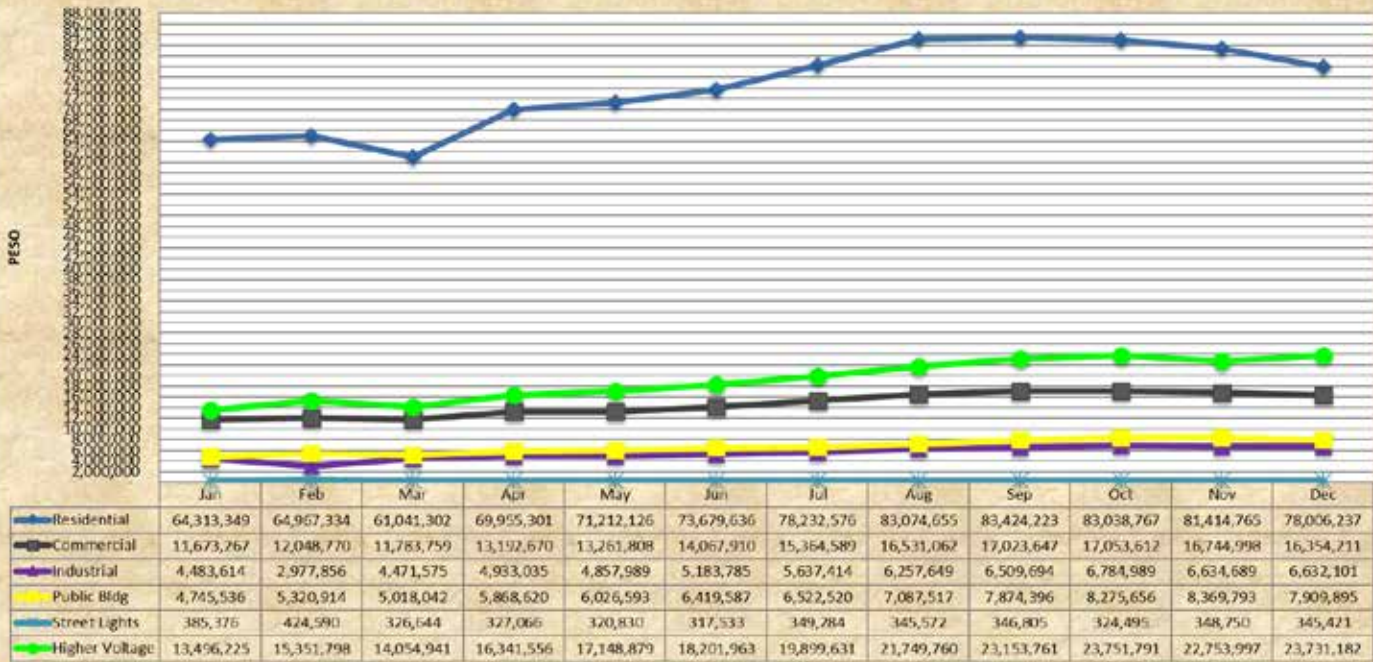
2022 REVENUE USES



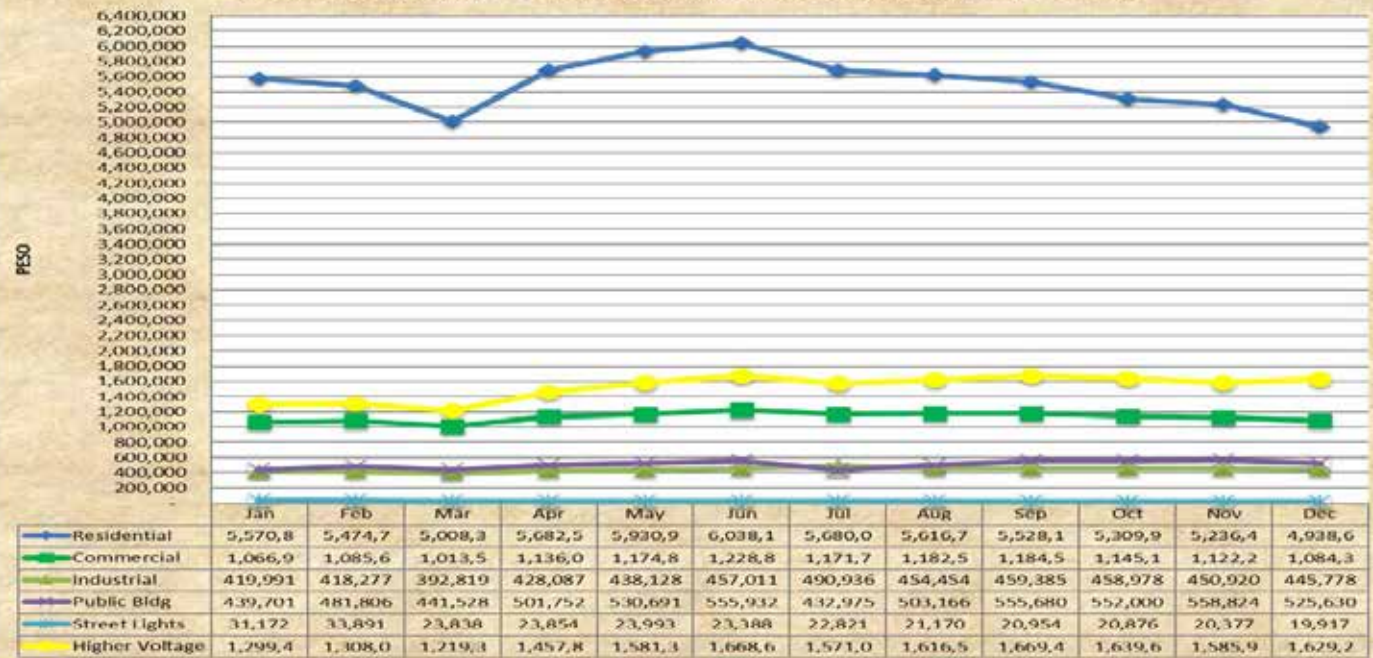
2022 OPERATING REVENUE, POWER COST, NON-POWER COST, OPERATING MARGIN/(LOSS) & NET MARGIN (LOSS)



2022 MONTHLY OPERATING REVENUE FROM KWH SALES PER CONSUMER TYPE



2022 MONTHLY KWH SALES PER CONSUMER TYPE



LANAO DEL NORTE ELECTRIC COOPERATIVE, INC.

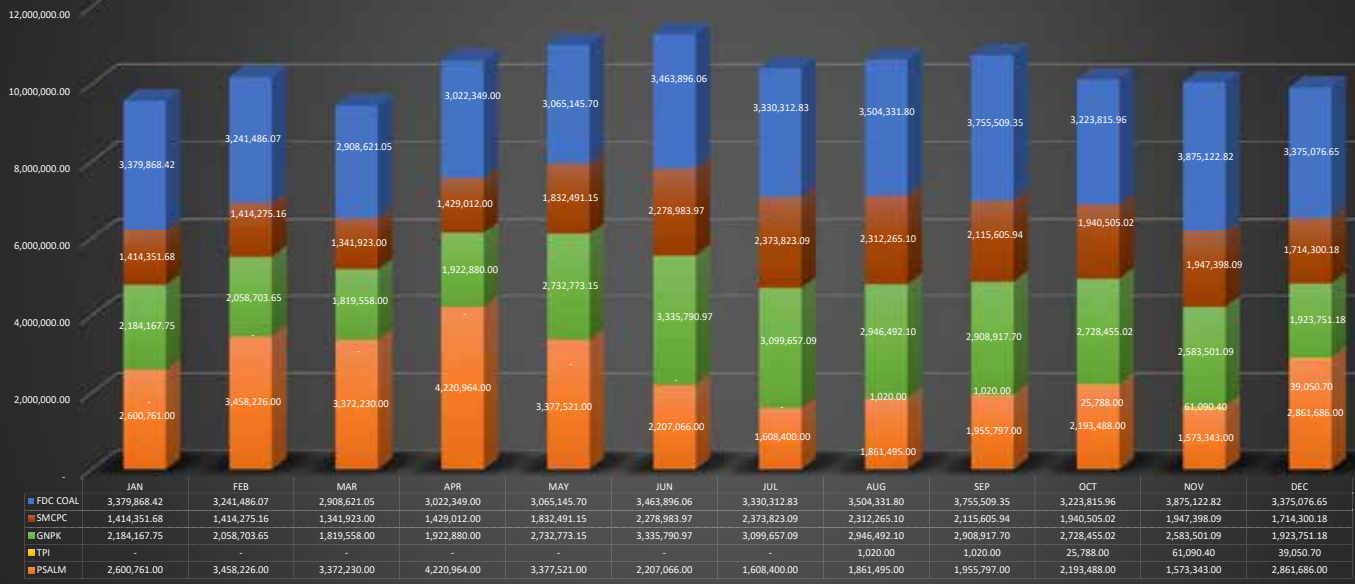


LANEKO
Tubod, Lanao del Norte

YEAR 2022 KWH PURCHASED AND SOLD

PURCHASED KWH		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
SUPPLY MONTH		Dec. 26 - Jan. 25	Jan. 26 - Feb. 25	Feb. 26 - Mar. 25	Mar. 26 - Apr. 25	Apr. 26 - May 25	May. 26 - Jun. 25	Jun. 26 - Jul. 25	Jul. 26 - Aug. 25	Aug. 26 - Sept. 25	Sept. 26 - Oct. 25	Oct. 26 - Nov. 25	Nov. 26 - Dec. 25
PSALM	KWH	2,600,761.00	3,458,226.00	3,372,230.00	4,220,964.00	3,377,521.00	2,207,066.00	1,608,400.00	1,861,495.00	1,955,797.00	2,193,488.00	1,573,343.00	2,861,686.00
TPI	KWH	-	-	-	-	-	-	-	1,020.00	1,020.00	25,788.00	61,090.40	39,050.70
GNPK	KWH	2,184,167.75	2,058,703.65	1,819,558.00	1,922,880.00	2,732,773.15	3,335,790.97	3,099,657.09	2,946,492.10	2,908,917.70	2,728,455.02	2,583,501.09	1,923,751.18
SMPCP	KWH	1,414,351.68	1,414,275.16	1,341,923.00	1,429,012.00	1,832,491.15	2,278,983.97	2,373,823.09	2,312,265.10	2,115,605.94	1,940,505.02	1,947,398.09	1,714,300.18
FDC COAL	KWH	3,379,868.42	3,241,486.07	2,908,621.05	3,022,349.00	3,065,145.70	3,463,896.06	3,330,312.83	3,504,331.80	3,755,509.35	3,223,815.96	3,875,122.82	3,375,076.65
TOTAL PURCHASED	KWH	9,579,148.85	10,172,690.88	9,442,332.05	10,595,205.00	11,007,931.00	11,285,737.00	10,412,193.00	10,625,604.00	10,736,850.00	10,112,052.00	10,040,455.40	9,913,864.70
NGCP/TRANSMISSION	KW	19,403.00	18,781.00	20,440.00	22,818.00	22,289.00	22,282.00	21,355.00	21,957.00	21,125.00	21,488.00	21,875.00	22,527.00
SOLD KWH PER CONSUMER TYPE													
RESIDENTIAL	KWH	5,570,829.3	5,474,792.3	5,008,340.5	5,682,506.9	5,950,956.7	6,038,141.4	5,680,002.8	5,616,761.1	5,528,175.4	5,309,909.0	5,236,405.4	4,938,605.0
LOW VOLTAGE	KWH	1,957,809.2	2,019,596.6	1,871,779.2	2,089,711.6	2,167,682.3	2,265,140.2	2,118,506.0	2,161,350.2	2,220,539.0	2,176,978.6	2,152,367.8	2,075,701.2
COMMERCIAL	KWH	1,066,944.7	1,085,622.7	1,013,594.8	1,136,017.8	1,174,869.8	1,228,809.7	1,171,773.5	1,182,561.2	1,184,520.5	1,145,124.7	1,122,247.0	1,084,375.9
P. BUILDING	KWH	439,701.1	481,805.5	441,527.7	501,752.3	530,691.4	555,931.8	490,936.0	503,165.7	555,680.1	551,999.5	558,824.4	525,629.8
ST. LIGHT	KWH	31,172.4	33,891.3	23,837.8	23,854.3	23,993.4	23,387.5	22,821.1	21,169.5	20,953.7	20,876.2	20,376.8	19,917.1
INDUSTRIAL	KWH	419,991.0	418,277.1	392,818.9	428,087.2	438,127.7	457,011.3	432,975.3	454,453.8	459,384.7	459,978.1	450,919.6	445,778.5
HIGHER VOLTAGE	KWH	1,299,431.7	1,308,017.3	1,219,324.9	1,457,844.2	1,581,306.6	1,668,604.3	1,571,046.3	1,616,504.8	1,669,416.6	1,639,695.2	1,585,965.7	1,629,199.6
TOTAL SALES	KWH	8,828,070.2	8,802,406.2	8,099,444.6	9,230,062.7	9,679,945.5	9,971,885.9	9,369,555.1	9,394,616.0	9,418,130.9	9,126,582.8	8,974,738.9	8,643,505.7

2022 KWH PURCHASED FROM POWER SUPPLIERS



2022 MONTHLY SALES PER CONSUMER TYPE



UNBUNDLED ELECTRIC RATES

November 2022 Power Suppliers' Billings (October 26, 2022-November 25, 2022)
For December 2022 Pass-on to LANEKO Consumers

COMPONENT OF CHARGES	RESIDENTIAL			LOW VOLTAGE			HIGHER VOLTAGE		
				(C, PB, I, SL)			INDUSTRIAL		
	BASIC RATE	VAT AMOUNT	WITH VAT	BASIC RATE	VAT AMOUNT	WITH VAT	BASIC RATE	VAT AMOUNT	WITH VAT
GENERATION (PSALM, FDC COAL, KEGI, SMCPC & TPI)									
Generation System Charge - PhP/kWh	11.1494	1.2985	12.4479	11.1494	1.2985	12.4479	11.1494	1.2985	12.4479
Power Act Reduction (PAR) Adj. - PhP/kWh	(0.0470)	(0.0056)	(0.0527)						
Total Generation	11.1024	1.2929	12.3952	11.1494	1.2985	12.4479	11.1494	1.2985	12.4479
TRANSMISSION (NGCP)									
Transmission Demand Charge - PhP/kWh							49.8898	0.0264	49.9162
Transmission System Charge - PhP/kWh	1.1398	0.1193	1.2591	1.1434	0.1197	1.2631			
Total Transmission	1.1398	0.1193	1.2591	1.1434	0.1197	1.2631			
SYSTEM LOSS									
System Loss - Generation - PhP/kWh	1.4148	0.1648	1.5796	1.4148	0.1648	1.5796	1.4148	0.1648	1.5796
System Loss - Transmission- PhP/kWh	0.1248	0.0131	0.1378	0.1248	0.0131	0.1378	0.1248	0.0131	0.1378
TOTAL SYSTEM LOSS	1.5396	0.1778	1.7174	1.5396	0.1778	1.7174	1.5396	0.1778	1.7174
DSM REVENUES (LANEKO)									
Distribution Demand Charge - PhP/kWh							267.9000	32.1480	300.0480
Distribution System Charge - PhP/kWh	0.8449	0.1014	0.9463	0.9259	0.1111	1.0370			
Supply System Charge - PhP/kWh	0.7732	0.0928	0.8660						
Supply Retail/Cust./Month - PhP				40.1500	4.8180	44.9680	40.1500	4.8180	44.9680
Metering System Charge - PhP/kWh	0.4569	0.0548	0.5117						
Metering Retail/Cust./Month - PhP	5.0000	0.6000	5.6000	28.7200	3.4464	32.1664	28.7200	3.4464	32.1664
Total DSM Revenues	2.0750	0.2490	2.3240	0.9259	0.1111	1.0370	-	-	-
OTHERS									
Lifeline Rate (Discount) Subsidy - PhP/kWh	0.1254	0.0150	0.1404	0.1254	0.0150	0.1404	0.1254	0.0150	0.1404
Senior Citizen Subsidy Charge - PhP/kWh	0.0016	0.0002	0.0018	0.0016	0.0002	0.0018	0.0016	0.0002	0.0018
Reinvestment for Sustainable CaPex (RFSC)-PhP/kWh	0.5189	0.0623	0.5812	0.5189	0.0623	0.5812	0.5189	0.0623	0.5812
Total Others / kWh	0.6459	0.0775	0.7234	0.6459	0.0775	0.7234	0.6459	0.0775	0.7234
UNIVERSAL CHARGES (PSALM)									
UC - Environmental (UC-ENV) Charge - PhP/kWh	-	-	-	-	-	-	-	-	-
UC - Stranded Contract Cost Charge (UC-SCC) - PhP/kWh	-	-	-	-	-	-	-	-	-
UC - Stranded Debt Charge (UC-SD) - PhP/kWh	0.0428		0.0428	0.0428		0.0428	0.0428		0.0428
UC - Missionary Electrification Charge for NPC - SPUG - PhP/kWh	0.1783		0.1783	0.1783		0.1783	0.1783		0.1783
UC - Missionary Electrification Charge for Renewable Energy Developers (RED)	0.0017		0.0017	0.0017		0.0017	0.0017		0.0017
Total Universal Charges (UC)	0.2228		0.2228	0.2228		0.2228	0.2228		0.2228
Feed-In Tariff Allowance (FIT-ALL)PhP/kWh (TRANSCO)	-		-	-		-	-		-
REAL PROPERTY TAX (RPT) Current Year - PhP/kWh	0.0293		0.0293	0.0293		0.0293	0.0293		0.0293
REAL PROPERTY TAX (RPT) Previous Years-PhP/kWh	0.1055		0.1055	0.1055		0.1055	0.1055		0.1055
LOCAL FRANCHISE TAX (LFT) Year 2020-PhP/kWh	0.0109		0.0109	0.0109		0.0109	0.0109		0.0109
TOTAL RATE - PhP/kWh	16.8711	1.9165	18.7876	15.7726	1.7846	17.5572	13.7033	1.5539	15.2572
DEMAND									
Transmission Demand Charge - PhP/kWh							49.8898	0.0264	49.9162
Distribution Demand Charge - PhP/kWh							267.9000	32.1480	300.0480
Total Demand Charges							317.7898	32.1744	349.9642
RETAIL CHARGES									
Supply Retail/Cust./Month - PhP				40.1500	4.8180	44.9680	40.1500	4.8180	44.9680
Metering Retail/Cust./Month - PhP	5.0000	0.6000	5.6000	28.7200	3.4464	32.1664	28.7200	3.4464	32.1664
Total Retail Charges	5.0000	0.6000	5.6000	68.8700	8.2644	77.1344	68.8700	8.2644	77.1344

Financial Statements of
**Lanao Del Norte
Electric Cooperative,
Inc.**

December 31, 2022 and 2021

And

Report of Independent Audit



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REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Lanao del Norte Electric Cooperative, Inc.

9209 Tubod,
Lanao del Norte

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lanao del Norte Electric Cooperative, Inc., which comprise the statement of financial position as at December 31, 2022 (with comparative figures for 2021), and the related statement of profit or loss, statement of changes in members' equity and statement of cash flows for the year then ended, and notes to 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 Lanao del Norte Electric Cooperative, Inc. as of December 31, 2022 (with comparative figures for 2021), and of its financial performance and its cash flows for the year 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Electric Cooperative in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements, 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.

Other Matters

The financial statements of the Electric Cooperative for the years ended December 31, 2021 have been audited by another auditor, whose opinion on those statements, dated May 18, 2022, was unqualified.

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 Philippine Financial Reporting Standards (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 Electric 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 Electric Cooperative or to cease operations, or has no realistic alternative but to do so.

Firm's Accreditations:

BOA Accreditation No. 6358
Valid until September 13, 2024
BIR Accreditation No. 16-006925-000-2020
Valid until September 22, 2023
SEC Group C Accreditation No. 6358-SEC
Valid until December 31, 2025
BSP Group B Accreditation No. 6358-BSP
Valid until December 31, 2025
CDA Accreditation No. 120-AF
Valid until April 7, 2024
NEA Accreditation No. 2020-12-00068
Valid until December 10, 2023

Those charged with governance are responsible for overseeing the Electric Cooperative's 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 auditors' 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 Electric 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 Electric 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 Electric Cooperative to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

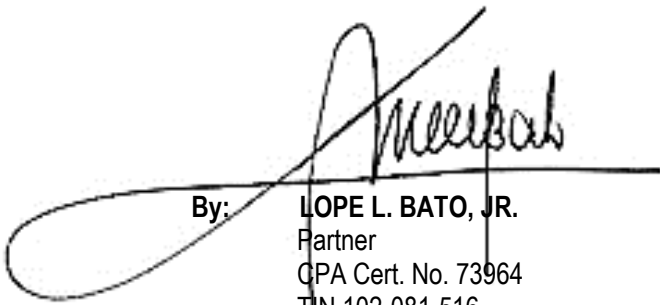
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Supplementary Information Required by the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 and No. 34-2020 in Note 30 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 supplementary information is the responsibility of the management of Lanao del Norte Electric Cooperative, Inc., and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In compliance with Revenue Regulations V-20, we are stating that we are not related by consanguinity or affinity to the President, Manager or any member of the Electric Cooperative.

LOPE LARANJO BATO & Co.



By: **LOPE L. BATO, JR.**

Partner

CPA Cert. No. 73964

TIN 102-081-516

BIR Accreditation No. 16-006925-001-2020, valid until September 22, 2023

SEC Group C Accreditation No. 73964-SEC, valid until December 31, 2025

BSP Group B Accreditation No. 73964-BSP, valid until December 31, 2025

PTR No. 5509519 - A, January 3, 2023 Cagayan de Oro City, Philippines

April 13, 2023

Cagayan de Oro City, Philippines

STATEMENT OF FINANCIAL POSITION

Lanao del Norte Electric Cooperative, Inc.
(With Comparative Figures for 2021)

December 31	2022	2021
ASSETS		
Non-Current Assets		
Utility plant, property and equipment (Note 4)	₱689,759,551	₱655,272,970
Restricted funds (Note 5)	88,928,442	28,355,506
Financial assets (Note 6)	20,052,742	16,653,823
Total Non-Current Assets	798,740,735	700,282,298
Current Assets		
Cash (Note 7)	80,724,909	71,958,776
Trade and other receivables (Note 8)	73,315,650	66,052,887
Materials and supplies (Note 9)	53,545,060	46,363,576
Other current assets (Note 10)	115,076,957	106,841,466
Total Current Assets	322,662,576	294,216,705
Total Assets	₱1,121,403,311	₱994,499,004
MEMBERS' EQUITY AND LIABILITIES		
Members' Equity	₱381,426,899	₱426,940,184
Non-Current Liabilities		
Long-term loans and borrowings (Note 14)	130,369,701	149,330,344
Retirement benefits obligation (Note 16)	54,222,661	55,211,046
Total Non-Current Liabilities	184,592,362	204,541,390
Current Liabilities		
Consumers' deposits (Note 15)	71,337,425	65,356,352
Trade payable and other payables (Note 17)	438,444,070	253,872,091
Short-term loans and borrowings (Note 14)	45,602,555	43,788,986
Total Current Liabilities	555,384,050	363,017,430
Total Members' Equity and Liabilities	₱1,121,403,311	₱994,499,004

See Notes to Financial Statements.

STATEMENT OF PROFIT OR LOSS

Lanao del Norte Electric Cooperative, Inc.
(With Comparative Figures from 2021)

Year Ended December 31	2022	2021
ENERGY SALES (Note 18)		
Residential	₱892,360,271	₱700,427,362
Commercial	175,100,303	120,895,222
Industrial	294,999,875	181,053,512
Public buildings and street lightings	83,601,435	57,878,898
Total	1,446,061,884	1,060,254,995
COST OF POWER PURCHASE (Note 19)	1,263,806,475	882,490,995
GROSS MARGIN FROM ENERGY SALES	182,255,409	177,764,001
OTHER INCOME (Note 20)	33,401,452	29,049,925
GROSS MARGIN	215,656,861	206,813,926
OPERATING EXPENSES (Note 21)		
Administrative and general	99,466,664	98,886,349
Operations and maintenance	60,321,434	51,415,164
Consumers' accounts	33,579,839	31,775,770
	193,367,937	182,077,283
PROFIT BEFORE FIXED AND FINANCIAL CHARGES	22,288,924	24,736,643
FIXED AND FINANCIAL CHARGES		
Earned government grants	6,165,052	6,165,052
Depreciation (Note 4)	(26,569,209)	(30,575,652)
Interest, penalty and surcharges (Note 15)	(10,115,906)	(14,043,504)
	(36,685,119)	(38,454,104)
LOSS FOR THE YEAR	(14,396,191)	(13,717,461)
REINVESTMENT FUND FOR SUSTAINABLE CAPEX	56,667,684	54,281,945
NET INCOME BEFORE ALLOCATION OF REINVESTMENT FUND	₱42,271,493	₱40,564,484

See Notes to Financial Statements.

STATEMENT OF CHANGES IN MEMBER'S EQUITY

Lanao del Norte Electric Cooperative, Inc.

(With Comparative Figures from 2021)

December 31	2022	2021
MEMBERS' CONTRIBUTIONS (Note 11)		
Balance at beginning of year	P550,592	P538,182
Additional members contribution during the year	10,900	12,410
Balance at end of year	561,492	550,592
CONTRIBUTED CAPITAL		
Reinvestment Fund for Sustainable CAPEX (Note 12)		
Opening balances	476,157,183	421,875,238
Additions during the year	56,667,684	54,281,945
Balance at end of year	532,824,867	476,157,183
Donated Capital (Note 12)		
Opening balances	224,216,170	230,381,222
Recognized income for the year	(6,165,052)	(6,165,052)
Balance at end of year	218,051,118	224,216,170
ACCUMULATED LOSSES		
Balance at beginning of year	(273,983,761)	(260,266,300)
Profit for the year	(14,396,191)	(13,717,461)
Adjustments during the year/prior period (Note 14)	(81,630,626)	-
Balance at end of year	(370,010,578)	(273,983,761)
	P381,426,899	P426,940,184

See Notes to Financial Statements.

STATEMENT OF CASH FLOWS

Lanao del Norte Electric Cooperative, Inc.

(With Comparative Figures from 2021)

Year Ended December 31	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(P14,396,191)	(P13,717,461)
Adjustments for:		
Depreciation (Note 4)	13,794,027	30,575,652
Provision for retirement benefits (Note 8)	6,188,631	5,544,982
Interest expense (Note 12)	10,115,906	14,043,504
Interest and dividend income (Note 12)	1,440,025	1,364,255
Adjustments in accumulated losses (Note 14)	(96,026,817)	-
Operating income before changes in working capital	(78,884,424)	37,810,932
Changes in operating working capital:		
Restricted funds (Note 5)	(57,949,416)	(15,450,139)
Trade and other receivables (Note 8)	(7,262,763)	9,394,657
Materials and supplies (Note 9)	(7,181,484)	(7,632,674)
Other current assets (Note 10)	(5,235,491)	(8,736,133)
Trade and other payables (Note 18)	184,571,979	18,394,785
Net Cash from Operating Activities	28,058,400	33,781,427
CASH FLOWS FROM FINANCING ACTIVITIES		
Reinvestment fund for sustainable CAPEX (Note 12)	56,667,684	54,281,945
Loan availments to creditors	16,249,957	45,037,505
Consumers' deposits (Note 17)	5,981,073	4,450,812
Members' contributions (Note 11)	10,900	12,410
Loan payments to creditors	(20,422,261)	11,479,312
Retirement benefits paid during the year (Note 12)	(7,177,015)	(14,875,251)
Interest expense (Note 12)	(10,115,906)	(14,043,504)
Government grants	(6,165,052)	(6,165,052)
Retirement plant assets during the year (Note 16)	(1,202,094)	(9,330,269)
Net Cash from Financing Activities	33,827,285	70,847,908
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of utility plant, property and equipment (Note 4)	(48,280,608)	(68,567,241)
Increase in other non-current assets (Note 6)	(3,398,919)	(6,446,882)
Interest and dividend income (Note 12)	(1,440,025)	1,364,255
Net Cash Used in Investing Activities	(53,119,552)	(73,649,808)
NET INCREASE IN CASH	8,766,133	30,979,527
OPENING CASH	71,958,776	40,980,249
CLOSING CASH	P80,724,909	P71,958,776

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Lanao del Norte Electric Cooperative, Inc.
(with Comparative Basis at beginning of year)

Note 1

General Information

a. Cooperative Information

The Lanao del Norte Electric Cooperative, Inc. is a rural electric cooperative organized on May 27, 1972, under the provisions of the National Electrification Administration Act (R.A. No. 6038), as amended by Presidential Decree (P.D.) No. 269, to provide electric service at the retail level to primarily residential and commercial accounts within its franchise area covering eighteen (18) municipalities of Lanao del Norte. At the end of 2022, the Cooperative has a total member-consumers of 106,092 spread over these cities and municipalities.

The power delivered at retail is purchased wholesale from power providers, namely: National Grid Corporation of the Philippines (NGCP), Inc., Power Sector Assets & Liabilities Management Corporation (PSALM), FDC Misamis Power Corporation (FDCMPC), Total Power Incorporated (TPI), San Miguel Consolidated Power Corporation (SMCPC), and GN Power Kauswagan LTD, Inc. (GNPK).

The Cooperative holds office at its own compound in Barangay Sagadan, Poblacion, Tubod, Lanao del Norte. It maintains branch offices in the following municipalities of Lanao del Norte: Linamon, Bacolod, Kolambugan, Lala (in Maranding), Kapatagan, Sultan Naga Dimaporo, Baroy satellite office and in Maigo.

The Cooperative is subject to regulations by the Energy Regulatory Commission (ERC) and the National Electrification Administration (NEA) for certain rates and other matters.

- As a distribution utility, the Cooperative is subject to the rate-making regulations and regulatory policies of the Energy Regulatory Commission (ERC). The billings of the Cooperative to its member-consumers- owners are itemized or “unbundled” into a number of bill components reflecting various activities and costs incurred in providing the electric service. Any adjustment to the bill component is governed by mechanisms promulgated and enforced by ERC, such as: (1) the “Rules Governing the Automatic Cost Adjustment and True-up Mechanisms and Corresponding Confirmation Process for Distribution Utilities”, which govern the recovery of pass-through costs, including over- or under-recoveries of the bill components, namely, (a) generation charge, (b) transmission charge, (c) system loss charge, (d) lifeline subsidy, and (e) local franchise tax; and (2) the “Rules for the Setting of Distribution Wheeling Rates”, as modified by ERC Resolution No. 20, Series of 2008, which govern the determination of the Cooperative’s distribution, supply, and metering charges.
- As a cooperative registered with National Electrification Administration (NEA), the Cooperative is subject to supervisory and oversight functions of the NEA. Under R.A. No. 10531, otherwise known as the ‘National Electrification Administration Act of 2013’, NEA is mandated by law to supervise the management and operations of the Cooperative and to provide institutional, financial and technical assistance to the Cooperative. Under these functions, NEA develops, sets and enforces institutional and governance standards for the efficient operation of the Cooperative; formulates and imposes administrative sanctions to the Cooperative’s officers and employees and exercises primary and exclusive jurisdiction in the adjudication of complaints against its officers or in election disputes; grants loans for construction or acquisition, operation and maintenance, restoration, improvement or enlargement of sub-transmission facilities and all related assets; guarantees the Cooperative’s transactions with various parties such as in co-signing of power supply contracts, etc.; exercises step-in rights in case of operational and financial difficulties, and imposes strict reportorial compliance from the Cooperative, among other functions enumerated in the Act.

b. Tax exemption

As provided for in Section 39 of P.D. No. 269, as amended, the Cooperative is entitled to tax exemptions on all national, local and municipal taxes and fees. In accordance with Revenue Memorandum Circular (RMC) No. 72-2003, issued by the Bureau of Internal Revenue (BIR) on October 20, 2003, the Cooperative is particularly exempted from the following taxes:

- 1) Franchise tax under Section 119 of the Tax Code;
- 2) VAT on sales relative to the generation and distribution of electricity, as well as its importation of machineries and equipment, including spare parts, which shall be directly used in the generation and distribution of electricity (Section 109 [s], Tax Code);
- 3) Income taxes for which it is directly liable (Section 39, PD No. 269);
- 4) All national government taxes and fees, including franchise, filing, recordation, license or permit fees or taxes; but the said exemption shall end on Dec. 31 of the 30th full calendar year after the date of a Cooperative's organization or conversion, or until it shall become completely free of indebtedness incurred by borrowing, whichever event first occurs; and
- 5) 3%-percentage tax under Section 116 of the Tax Code.

Moreover, pursuant to R.A. 9337, VAT Law of 2005, the Cooperative is subject to 12% (starting February 1, 2006, 10% prior to such date) VAT on their gross receipts from their distribution of electricity purchased only for non-renewable energy effective November 1, 2005.

Also, the Supreme Court ruled that Electric Cooperatives (ECs) are, likewise, subject to local taxes (i.e. franchise tax, real property tax, license or permit fees and others).

Under Republic Act 9520 known as Philippine Cooperative Code of 2008 (the Code) Section 18, ECs may elect to register under the Cooperative Development Authority (CDA). ECs that are duly registered with the CDA, and issued a certificate of registration, shall no longer be covered by Presidential Decree No. 269, as amended by Presidential Decree No. 1645. However, the Cooperative did not opt to register under the CDA. Under Article 130 of the Code, entitled: Registration Options of Electric Cooperatives, ECs registered with the NEA under Presidential Decree 269, as amended, which opt not to register under the CDA are allowed to retain the word 'cooperative' in their registered names: Provided, that they shall not be entitled to the benefits and privileges under the Code.

Whereas the NEA has issued the DET ACAM MFSR effective June 4, 2019 to guide Electric Cooperatives (ECs) in filling out and submitting Data Entry Templates (DET) in the web portal. This Det contributes to the generation of Monthly Financial and Statistical Report and Performance Standard Monitoring Report. The Cooperative have reclassified some real and nominal accounts to conform to the designated Chart of Accounts per DET ACAM MFSR.

b. Approval of Financial Statement

The financial statements as at and for the years ended December 31, 2022 and 2021 were approved and authorized for issuance by the Board of Directors (BOD) on April 13, 2023 with a Board Resolution No. 063, series of 2023. The Cooperative's General Manager, Sherwin C. Mañada, was authorized by the BOD to sign for and on behalf of the BOD to approve and cause the issuance of the audited financial statements.

Note 2

Summary of Significant Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with generally accepted accounting principles in the Philippines for electric cooperatives registered with NEA (Philippine GAAP for NEA-registered cooperatives) which are primarily based on Philippine Financial Reporting Standards (PFRSs) with the exception of the accounting treatment of grants and subsidies received from NEA and other government agencies and computation and adjustment of allowance for bad debts.

In accordance with NEA's Memorandum No. 2009-015 dated May 13, 2009, and with the Memorandum of

Agreement (MOA) entered into with NEA, grants and subsidies are:

- recognized as a liability upon receipt; and
- transferred to donated capital upon liquidation of the grants and subsidies and completion of the intended purpose.

In accordance with NEA Memorandum to all ECs dated January 6, 1998, the following percentages of allowance should be applied to the inventory of power bills as at yearend:

	% of Allowance
Current — 90 days past due	1%
91-180 days past due	2%
181-240 days past due	3%
241-360 days past due	4%
Over 1 year	5%

Basis of Measurement

These financial statements have been prepared using the historical cost basis of accounting, except for retirement liability which is measured at present value of the defined benefits obligation (DBO).

Functional and Presentation Currency

These financial statements are presented in Philippine peso, which is the Cooperative's functional currency. All amounts have been rounded off to the nearest peso, unless otherwise indicated.

The Electric Cooperative has consistently applied the following accounting policies to all periods presented in these financial statements, except for the adoption of amendments to standards as discussed below.

Standards Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. The Bank intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Bank's financial statements.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to PAS 8, Definition of Accounting Estimates
- Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure of Accounting Policies

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, Classification of Liabilities as Current or Non-current

Effective beginning on or after January 1, 2025

- PFRS 17, Insurance Contracts

Deferred effectivity

- Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Financial Assets and Liabilities

Recognition and Initial Measurement

Financial assets are recognized in the Cooperative's financial statements when the Cooperative becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets, except for financial assets classified as at fair value through profit or loss (FTVPL).

A financial asset or financial liability is measured initially at fair value plus, for an item not at financial asset at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Classification and Subsequent Measurement

On initial recognition, a financial asset is classified as measured at: amortized cost, financial asset at fair value through other comprehensive income or at fair value through profit or loss (FVTPL).

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Cooperative may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL. On initial recognition, the Cooperative may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business Model Assessment

The Electric Cooperative makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any liabilities or expected sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Electric Cooperative's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Electric Cooperative's stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether Contractual Cash Flows are Solely Payments of Principal and Interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Electric Cooperative considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Electric Cooperative considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Cooperative's claim to cash flows from specified assets (e.g., non-recourse asset arrangements); and
- terms that limit the Cooperative's claim to cash flows from specified assets (e.g., non-recourse asset arrangements).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Electric Cooperative changes its business model for managing financial assets.

Financial assets - Subsequent measurement and gains and losses

- Financial assets at FVTPL – Measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
- Financial assets at amortized cost - Measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- Debt investments at FVOCI – Measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- Equity investments at OCI – Measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Derecognition

Financial assets

The Electric Cooperative derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Electric Cooperative neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Electric Cooperative is recognized as a separate asset or liability.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Electric Cooperative currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

Consumer receivables

The Electric Cooperative adopted the requirements of NEA Memorandum to all ECs dated January 6, 1998 which sets the percentages of allowance that should be applied to the inventory of power bills as at yearend depending on the age of the consumer receivable.

Financial assets other than receivables

At each reporting date, the Electric Cooperative assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss (FVTPL) are impaired. A financial asset is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably

Materials and Supplies

Initially, materials and supplies are recognized at lower of cost at the time of their purchase. Cost comprises all cost of purchase and other direct costs incurred in bringing the materials and supplies to their present location and condition.

Materials and supplies are stated at the lower of cost and NRV. Cost is determined using the weighted-average method. NRV is the current replacement cost less estimated obsolescence provided for slow-moving, defective or damaged materials and supplies based on analyses and physical inspection.

Utility Plant, Property and Equipment

Utility plant, property and equipment, except land, is carried at cost less accumulated depreciation and impairment losses, if any. Land is carried at cost less impairment losses, if any.

Initially, an item of utility plant, property and equipment is measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the Electric Cooperative. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful life of the Electric Cooperative's utility plant, property and equipment is 2 to 30 years.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation, amortization and impairment losses, if any, are removed from the accounts and any resulting gain and loss, arising from the retirement or disposal is recognized in the profit or loss.

Construction-in-progress which represents properties under construction is stated at cost and is depreciated only when the relevant assets are completed and put into operational use. Upon completion, these properties are classified to the specific utility plant, property and equipment accounts.

Impairment of Nonfinancial Assets

The carrying amounts of the Cooperative's nonfinancial assets which include utility plant, property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of the asset's fair value less costs of disposal and value in use. Fair value less costs of disposal is the price that would be received

to sell an asset in an orderly transaction between market participants at the measurement date, less the costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount.

Assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Employees' Benefits

The Electric Cooperative's employees are provided with the following benefits:

- *Retirement Benefits Obligation.* Retirement benefits are provided to employees through a defined benefit plan. A defined benefit plan is a retirement plan that defines an amount of retirement benefit an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for the benefits of the retirement plan remains with the Bank, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies.
- *Termination Benefits.* Termination benefits are payable when employment is terminated by the Electric Cooperative before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Electric Cooperative recognizes termination benefits when it is demonstrably committed to either: (a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the statement of financial condition date are discounted to present value.

Equity

RFSC

As authorized by the ERC to collect the fund from member-consumers, these are recognized by the Cooperative as direct credit to "Reinvestment Fund for Sustainable Capital Expenditures" account as part of equity upon billing. Such is envisioned to fund the amortization or debt service of its indebtedness associated with expansion, rehabilitation, or upgrading of the existing electric power system of the ECs in accordance with their ERC-approved CAPEX Plan.

Contributions-in-aid of Construction

Contributions received from members-consumers are recognized in the year received as direct credit to "Contributions-in-aid of construction" account presented as part of equity.

Donated Capital

Donated capital includes grants and subsidies from NEA and other government agencies. In accordance with NEA's Memorandum No. 2009-015 dated May 13, 2009, and with the MOA entered into with NEA, grants and subsidies are:

- recognized as a liability upon receipt; and
- transferred to donated capital upon liquidation of the grants and subsidies and completion of the intended purpose.

Members' Contribution

Members' contribution is recognized in the year received and is presented as part of equity.

Accumulated Losses

Accumulated losses include the loss attributable to the equity holders of the Cooperative. It may also include changes in accounting policy to the extent practicable, except when the transition provisions in other standards require otherwise, restatements to correct errors, all current and prior period results as disclosed in the statement of profit or loss and comprehensive income.

Revenue Recognition

Revenue from Contracts with Customers

The Cooperative recognizes revenue when it transfers control over a product or service to a customer. Revenue is measured based on the consideration specified in a contract with a customer.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue from sale of goods and services was recognized when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods or services could be estimated reliably, there was no continuing management involvement with the goods or services and the amount of revenue could be measured reliably.

The following is a description of principal activities from which the Cooperative generates its revenue.

Sale of Energy

Revenue from sale of energy is recognized in the period energy is consumed by consumers. These also include energy that were consumed after the meter reading cut-off dates, which will be billed to consumers in the immediately following billing period.

Interest Income

Interest income on bank deposits is recognized when earned and is presented net of the related final tax.

Other Income

Other income includes, forfeited discounts, rental income from equipment, sale of materials and supplies which is recognized when earned

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distribution to equity participants. Costs and expenses, included under "Cost of services" and "Administrative expenses," in the statement of profit or loss and other comprehensive loss are recognized as incurred.

Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset, specifically major capital projects; otherwise, they are recognized as an expense in the period they occur. Capitalization of borrowing costs commences when the activities to prepare the assets are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use.

Provisions

Provisions are recognized when the Cooperative has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect

of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingencies

When it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Related Parties

A related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/ or among entities which are under common control with the reporting enterprise and its KMP, directors or its members. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Events After Reporting Date

The Electric Cooperative identifies post year-end events as events that occurred after the reporting date but before the date when the separate financial statements were authorized for issue. Any post year-end events that provide additional information about the Electric Cooperative's financial position or performance at the end of a reporting period (adjusting events) are recognized in the separate financial statements. Events that are not adjusting events are disclosed in the notes to the separate financial statements when material.

Note 3

Significant Accounting Estimates and Judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Electric Cooperative's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively

Judgments

Information about judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

Classifying Financial Instruments

The Electric Cooperative exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or equity instrument in accordance with the substance of the contractual agreement and the definition of a financial asset, financial liability or equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the financial position.

Provisions and Contingencies

The Electric Cooperative, in the ordinary course of business, sets up appropriate provisions for its legal and constructive obligations, if any, in accordance with its policies on provisions and contingencies. In recognizing and measuring provisions, the Cooperative takes risk and uncertainties into account.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year as follows:

Determining the Net Realizable Value (NRV) of Materials and Supplies

In determining the NRV, the Electric Cooperative takes into account the age of materials and supplies based on the most reliable evidence available at the time the estimate is made. These aspects are considered as key sources of estimation uncertainty and may cause significant adjustments to the Electric Cooperative's materials and supplies within the next financial period.

Further details on the carrying amount of materials and supplies are disclosed in Note 9.

Estimating Useful Lives of Utility Plant, Property and Equipment

The Electric Cooperative estimates useful lives of utility plant, property and equipment based on the period over which the assets are expected to be available for use and are updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence. The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of utility plant, property and equipment.

Further details on the carrying amount of utility plant, property and equipment are disclosed in Note 4.

Estimating Retirement Liability

The present value of retirement liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining retirement cost include the discount rate, future salary increases and future mortality rates. Any changes in these assumptions will impact the carrying amount of the retirement obligations.

Further details on the carrying amount of retirement obligations are disclosed in Note 16.

Estimating Impairment of Nonfinancial Assets

The Electric Cooperative assesses any impairment of its nonfinancial assets whenever events or changes in circumstances indicate the carrying amount of the assets or group of assets may not be recoverable. The factors that the Cooperative consider in deciding when to perform an impairment test, include the following, among others:

- Significant underperformance relative to the expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

Determining the value-in-use of the assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Electric Cooperative to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Electric Cooperative to conclude that the assets are impaired. Any resulting impairment loss could have a material impact on the Cooperative's financial condition and results of operations.

Note 4 **Utility Plant, Property and Equipment**

Utility plant, property and equipment consist of the following:

<i>December 31</i>	2022	2021
Transmission/distribution plant	₱548,412,617	₱523,428,857
General plant	172,726,392	169,406,973
Construction in progress	368,887,648	348,910,223
Total	1,090,026,657	1,041,746,054
Less accumulated depreciation	400,267,106	386,473,084
Net	₱689,759,551	₱655,272,970

The General Plant account consists of the following:

Government Grants

The Cooperative receives grants from the Government through National Electrification Administration (NEA) to implement the Sitio Electrification Program of the Government (see 12). Depreciation expense on donated assets amounted P6,165,052 for each of 2022 and 2021 and are recognized as donated income in the statements profit or loss.

Construction Work-in-Progress

Construction work-in-progress represents the cumulative costs of projects that are generally in the process of completing the required support and documentation for closure to utility plant, property and equipment, a substantial portion of which are related to Government grants. At the completion of the construction projects, the Cooperative identifies those that are funded by grants and report the total cost as liquidation of the grants.

The reconciliation of the movements of the accounts follows:

<i>December 31, 2022</i>	<i>Beg. Balance</i>	<i>Additions</i>	<i>Retirements/ Adjustments</i>	<i>End Balance</i>
Cost				
Transmission and distribution	₱523,428,858	₱26,390,490	₱1,406,730	₱235,537,184
General plant	169,406,973	3,319,419		172,726,392
Construction work-in-progress	348,910,223	19,977,425		368,887,648
	1,041,746,054	49,687,333	1,406,730	1,090,026,657
Accumulated Depreciation				
Transmission and distribution	225,633,687	16,525,861	7,704,964	230,665,328
General plant	160,839,397	10,043,348	5,070,223	169,601,783
	386,473,084	26,569,209	12,775,187	400,267,111
Net Book Value	₱655,272,970	₱23,118,124	(₱11,368,457)	₱689,759,546

<i>December 31, 2021</i>	<i>Beg. Balance</i>	<i>Additions</i>	<i>Retirements/ Adjustments</i>	<i>End Balance</i>
Cost				
Transmission and distribution	₱497,207,699	₱23,197,057	₱3,024,102	₱523,428,858
General plant	165,742,838	4,524,828	860,693	169,406,973
Construction work-in-progress	308,064,867	40,845,356	-	348,910,223
	971,015,404	68,567,241	3,884,795	1,041,746,054
Accumulated Depreciation				
Transmission and distribution	207,920,532	15,549,746	2,163,409	225,633,687
General plant	145,813,491	15,025,906	-	160,839,397
	353,734,023	30,575,652	2,163,409	386,473,084
Net Book Value	₱617,281,381	₱37,991,589	₱1,721,386	₱655,272,970

Note 5

Restricted Funds

This represents the following funds:

<i>December 31</i>	2022	2021
Subsidy	₱60,007,870	₱2,684,268
Retirement fund	18,766,378	17,567,284
Loan amortization	5,685,056	5,988,293
Loan fund	2,068,412	343,779
Reinvestment	1,511,485	850,035
Membership	889,241	854,764
Cash bonds	-	70,114
Total	₱88,928,442	₱28,355,506

Note 6
Financial assets

This represents the following investment:

<i>December 31</i>	2022	2021
Investment – NORMECA Hydro	₱479,271	₱479,271
Investment – REFC	4,064,000	4,028,000
Investment – Banco de Oro	15,485,542	12,124,630
Investment – New Covenant Bank	503,200	501,192
Allowance for permanent decline	(479,271)	(479,271)
	₱20,052,742	₱16,653,823

Allowance for Expected Credit Losses (ECL)

The Cooperative subjected the past due accounts over one year with life-time ECL and provided with allowance for ECL amounting ₱479,271. The investments in REFC and all other asset accounts were determined to have very low credit risks hence not provided with ECL. Management concluded that the remaining accounts are unimpaired at the end of the year.

Note 7

Cash

This account consists of the following:

<i>December 31</i>	2022	2021
Cash in banks	₱65,076,413	₱70,306,591
Cash on hand	15,352,008	1,339,186
Working funds and revolving funds	296,488	313,000
	₱80,724,909	₱71,958,776

Cash in banks earns interest at prevailing bank deposit rates. Interest income earned from bank deposits amounted ₱18,687 in 2022 and ₱14,979 in 2021.

Note 8

Trade and Other Receivables

This consists of the following:

<i>December 31</i>	2022	2021
Receivable from energy sales – net	₱59,916,464	₱43,423,964
Other receivables – net	13,399,186	22,628,923
	₱73,315,650	₱66,052,887

Receivable from Energy Sales

<i>December 31</i>	2022	2021
Receivable from energy sales	₱109,256,056	₱92,763,556
Less allowance for expected credit losses	49,339,592	49,339,592
Net	₱59,916,464	₱43,423,964

Allowance for Expected Credit Losses (ECL) – Receivable from Energy Sales

Management examined the accounts for impairment and determined that additional allowance for ECL is required on the accounts required with 12-month ECL and life-time ECL. Accordingly, no provision for ECL was provided in 2022 and 2021.

<i>December 31</i>	2022	2021
Opening balances	₱49,339,592	₱49,339,592
Provisions for expected credit losses (ECL) during the year	-	-
Closing balances	₱49,339,592	₱49,339,592

Other Receivables

<i>December 31</i>	2022	2021
Other receivables	₱60,135,914	₱69,373,134
Advances to officers and employees	90,583	83,100
Due from other RECS	1,874,926	1,874,926
Total	62,101,423	71,331,160
Less allowance for expected credit losses	48,702,237	48,702,237
Total	₱13,399,186	₱22,628,923

The other receivable represents the receivables from consumers through the Service Connection Assistance Program (SCAP) which represents the costs of service connections to certain consumers to be collected through charges included in their monthly bills. The receivable from consumers through the HELP program represents the cost of house wiring materials receivables to indigent member-consumers whose incomes do not exceed ₱36,000 per annum. These member-consumers were recommended favorably by the Board of Directors of the district where they reside. The amount of house wiring materials receivables added to the monthly billing consumption of member-consumers-owners.

The other receivable represents the amount of undetermined cash in banks garnished through the order of the Courts. This amount was provided with impairment losses during 2016.

Allowance for ECL – Other Receivables

The allowance for ECL for other receivables amounted ₱48,702,237 in 2022 and 2021.

Management believes the amount of ECL allowance for other receivables is adequate to fairly state the account at the end of the year.

Note 9

Materials and Supplies

This account consists of the following which management believes are not impaired at the end of the year:

<i>December 31</i>	2022	2021
Electrical materials and supplies	₱22,402,289	₱25,203,047
Special equipment	27,250,643	17,250,421
Subsidy materials	2,142,967	2,142,967
Others	1,749,161	1,767,141
Total	₱53,545,060	₱46,363,576

Note 10
Other Current Assets

<i>December 31</i>	2022	2021
Prepaid expenses	₱514,910	₱512,678
Other assets	22,869,112	17,635,853
Contract assets	81,386,943	81,386,943
Other deferred debits	10,305,992	10,305,992
Total	₱115,076,957	₱109,841,466

Note 11
Member' Contribution

This account represents the cumulative contributions of members from their membership fee of ₱5.00, increased by interest income earned on the membership's bank account, see Note 7.

Membership contributions amounted to ₱561,492 and ₱550,592 as of December 31, 2022 and 2021, respectively.

Note 12
Reinvestment Fund for Sustainable Capital Expenditures (RFSC)

The nature of this account is explained in Note 2 to the financial statements. The following is the accounting of the changes of the accounts:

<i>December 31</i>	2022	2021
Opening balances	₱476,157,183	₱421,875,238
Additional contributions during the year	56,667,684	54,281,945
Closing balances	₱532,824,867	₱476,157,183

Note 13
Donated Capital

The Cooperative receives donations, contributions and grants from benefactors, partners and other entities intended for the capital requirements of the Cooperative which are valued at cost or fair market value whichever is higher at the time these are received.

The following are the details:

<i>December 31</i>	2022	2021
Grants from the Philippine Government and its branches	₱193,821,194	₱199,986,246
Subsidy from LGUs, NGOs and others	24,229,924	24,229,924
	₱218,051,118	₱224,216,170

Grants from the Philippine Government and its Branches

The Government of the Philippines embarked on programs that would allow it to reach out to far flung areas which have endured lack of electricity in their communities. The Department of Energy (DOE)'s Nationwide Intensification Household Electrification (NIHE) Program of 2015 and the National Electrification Administration (NEA)'s Sitio Electrification Program (SEP) are concrete means by which the Government achieve this objective.

The SEP aims to energize sitios through on-grid electrification, and the HEP aims to energize off-grid households using mature renewable energy technologies such as photovoltaic solar home systems, photovoltaic (PV) streetlights and micro-hydro systems. The DOE and the NEA have partnered with electric cooperatives to achieve the Government's objective of lighting all communities through the extension of grants in aid of construction of the electrification infrastructure.

Subsidy from LGUs, NGOs and others

The subsidy from Local Government Units (LGUs), Non-Government Organizations (NGOs) and others represents contributions in aid for construction received from LGUs through the Countryside Development Fund (CDF); contributions from Cooperative members (Barangay's Counterpart for lines construction), and donated equipment from the USAID, which are intended for the construction and expansion of new lateral lines. These donations are generally received in aid of construction

Accounting of Earned Grant

As a matter of accounting policy, the Cooperative recognized liquidated grants as donated capital. This policy has been refined by NEA Memorandum No. 2015-027 which aligns it with Section 13 of R.A. 10531 and the requirements of PAS/IAS 20. Beginning 2016, and effected retrospectively, the Cooperative depreciates the donated capital and recognizes annual donation income equal to the amount of annual depreciation of the donated assets, which in turn reduces the amount of donated capital until fully earned by the Cooperative.

Note 14

Loans and Borrowings

This consists of loans from the following sources:

December 31,	2022	2021
National Electrification Administration (NEA)	₱132,161,838	₱142,441,666
Land Bank of the Philippines (LBP)	20,000,000	36,000,000
Rural Electrification Financing Corporation (REFC)	16,249,957	10,223,606
Power Sector Assets & Liabilities Management Corporation (PSALM)	7,560,461	4,454,059
Total	175,972,256	193,119,331
Portion maturing in one year	(45,602,555)	(43,788,986)
Portion maturing in more than one year	₱130,369,701	₱149,330,345

The following is the accounting of the movements of the loans and borrowings during the year:

December 31	2022	2021
Opening balances	₱188,665,272	₱184,158,651
Additional loans availed of during the year	16,249,957	45,037,505
Payments of principal amortizations during the year	(28,942,973)	(36,076,825)
Closing balances	₱175,972,256	₱193,119,331

The details of the loans are the following:

- 1) The loans from NEA were obtained at various dates in 2014, 2018 and 2021, at 6% to 8% per annum payable in equal quarterly installments (including interest), intended for working capital and payments to power suppliers.
- 2) The loans from Land Bank of the Philippines represent a combination of long-term and short-term loans obtained by the Cooperative at various dates in March and December of 2019. The long-term loan represents two (2) loans: a 5-year loan amounting to ₱80,000,000 at 7.20% per annum, the proceeds of which were used by the Cooperative to settle real property taxes representing municipalities under the Province of Lanao del Norte for all unpaid property taxes from 1996 to 2019; and a short-term loan for payment of current power bills from FDC Misamis Power Corporation amounting ₱37,369,000, at 6% per annum. The short-term loan is fully paid

in 2022. All loans from Land Bank are subject to quarterly re-pricing and are secured by the assignment of trade receivables amounting ₱37,730,000.

- 3) The loans from Rural Electrification Financing Corporation (REFC) were obtained in November 2019 at 7% per annum payable in three (3) years, principal and interest monthly amortizations intended for acquisitions of transportation vehicles; and another 5-year term loan obtained in June 2021 for the acquisition through financing of power transformer amounting to ₱9,200,000 at 6.75% per annum.

Total interest and other charges incurred amounted ₱10,043,186 in 2022 and ₱12,592,495 in 2021.

Pursuant to Energy Regulatory Commission (ERC) Order dated June 20, 2017, the Cooperative received credit refunds from Power Sector Assets & Liabilities Management Corporation (PSALM), one of the major power suppliers of the Cooperative, for over-billing the Cooperative and PSALM recovery scheme covering the approved Deferred Accounting Adjustments (DAAs), amounting ₱70,678,954, the refund shall be recovery/ (refunded) over a period of sixty (60) months as determined by the Energy Regulatory Commission (ERC).

The Cooperative started refunding its consumers in 2017 through its monthly billings starting July 26 to August 2017 billing. At the end of 2022, the Cooperative have a balance of ₱7,560,461.

Note 15 **Consumer's Deposits**

These consist of deposits received from consumers to secure payments of energy consumption and non- interest-bearing deposits to guarantee meters and transformers loaned out to them. These deposits will be refunded to consumers upon termination of service connections and return of loaned meters and transformers to the Cooperative.

<i>December 31</i>	2022	2021
Energy	₱61,357,448	₱55,376,376
Meters and transformers	9,841,927	9,841,926
Solar Project	138,050	138,050
	₱71,337,425	₱65,356,352

Note 16 **Retirement Benefit Obligation**

The Cooperative's retirement benefit obligation as at December 31, 2022 and 2021 was derived as follows:

<i>December 31</i>	2022	2021
Opening balances	₱55,211,046	₱64,541,315
Provisions during the year	6,188,631	5,544,982
Retirement payments during the year	(7,177,015)	(14,875,251)
Closing balances	54,222,661	55,211,046
Fair value of retirement trust fund	(18,766,378)	(17,564,284)
Fair value of retirement plan assets	(19,714,631)	(19,714,631)
Net Retirement Benefit Obligation	₱15,741,652	₱17,932,131

The Cooperative's employees are provided with retirement benefits through a defined benefit plan approved by the National Electrification Administration (NEA). The plan defines the amount of retirement benefit an employee will receive at retirement age. The legal obligation to pay the retirement benefits remains with the Cooperative. The Cooperative's defined benefit retirement plan covers all regular full-time employees.

In September 2017, the Cooperative obtained the actuarial services of a Certified Actuary to determine the funding valuation of its retirement benefit obligations as of July 1, 2017. The actuarial computations applied the Accrued Benefit Actuarial Cost Method (Projected Unit Credit Method) taking into account the factors of investment, mortality, disability and salary projection rates.

In accordance with actuarial computations, the following were determined as at July 1, 2017 and used as basis in projecting the amounts in the succeeding years:

Past service liability	₱75,254,277
Vested benefit (benefit payable)	₱62,575,731
Investment rate	4% p.a.
Salary projection rate	3% p.a.

The Consulting Actuary recommended the following: (1) the annual normal cost or current contribution for the valuation period July 1, 2017 to June 30, 2018 was ₱4,752,349, which should be the basis of estimating the annual funding of the retirement plan assets; and (2) the past service liability computed as of July 1, 2017 was ₱75,254,277, but the vested benefit was computed only ₱62,575,731.

The Cooperative management opted not to make the necessary adjustments in the recorded retirement benefit obligations in 2020, which is within the valuation period covered by the actuarial report. Additional provision amounting to ₱6,188,631 and ₱5,544,982 was recorded in 2022 and 2021 respectively.

Retirement Trust Fund

The Cooperative sets aside funds to cover its retirement liabilities. These are either placed in savings and time deposits with the Cooperative's depository banks or loaned out to the employees through LANECO Retirement Fund Generation Program (REFUGE), an association run by the employees themselves. The Cooperative makes monthly contributions towards the trust fund deposited in various local banks. These contributions earn interest, and the accumulated balance of contributions and interest is used to pay the retirement benefits of qualified employees.

As at December 31, 2022 and 2021, the net assets of REFUGE consist of the following:

<i>December 31</i>	2022	2021
Cash	₱99,860	₱490,365
Loans receivable from employees	18,666,518	17,073,919
	₱18,766,378	₱17,564,284

As at December 31, 2022 and 2021, the fair values of the trust fund approximated the recorded fund balances at the end of the year.

Retirement Plan Assets

As part of its strategy to fund its retirement benefit obligations, the Cooperative invested in August 2007 in Philippine Life Financial Assurance Corporation's VISA Endowment Plans which require five years payment period followed by another five years waiting period. On the 11th year, PhilLife will start paying part of the maturity benefit through anticipated endowment until it fully pays the full amount on the 15th year. In all those 15 years, the Cooperative will remain covered by VISA 5 Plus insurance protection. Market value of the investment for the years 2021 and 2020 amounted ₱7,590,000, respectively. The Cooperative purchased 50 plans with average monthly payment amounting ₱102,500. The plans have maturity values of ₱250,000 and have been fully paid in 2012.

During the year, the Cooperative increased the trust fund at BDO Trust and Investments Group as part of the retirement plan asset in the amount of ₱3,300,000 as additional investment during the year and with market values at ₱15,475,237 in 2022 and ₱12,124,631 in 2021 with interest from the investment of ₱331,213 in 2022 and ₱411,137 in 2021.

Note 17
Trade and Other Payables

This account consists of the following:

<i>December 31</i>	2022	2021
Payable to power providers	₱123,375,046	₱88,289,957
Other payables	315,069,024	165,582,134
	₱438,444,070	₱253,872,091

Payable to Power Providers

The payable to power providers represents current year's unpaid power bills to the following:

<i>December 31</i>	2022	2021
FDC Misamis Power Corporation (FDC)	₱54,660,951	₱38,532,368
San Miguel Consolidated Power Corporation (SMCPC)	23,208,788	16,006,721
GN Power Kauswagan, Ltd. Co. (GNPK)	25,785,107	15,328,506
National Grid Corporation of the Philippines (NGCP), Inc	11,349,133	10,091,032
Power Sector Assets & Liabilities Management Co. (PSALM)	5,244,270	6,177,940
Total Power, Inc (TPI)	3,126,797	2,153,390
Total	₱123,375,046	₱88,289,957

Prompt Payment Discounts

The Cooperative enjoys prompt payment discounts when the accounts are paid on or before 10th of every succeeding month for GN Power Kauswagan, Ltd. Co. (GNPK), FDC Misamis Power Corporation, and San Miguel Consolidated Power Corp.

The accounts with power suppliers represent the unpaid power bills at the close of each year which the Cooperative is required to pay before January 10 of the succeeding year.

Other Accounts Payable

The trade and other payables consist of the following:

<i>December 31</i>	2022	2021
Payable to NEA for unliquidated subsidy fund	₱130,199,884	₱60,223,230
Other payable	101,387,960	36,142,819
Accrued expenses	32,034,528	28,720,614
Real property tax liability	39,853,868	27,377,509
Payable to PSALM for collection of universal and environmental charges	11,592,784	13,117,962
Total	₱315,069,024	₱165,582,134

Trade and other payables are non-interest-bearing and are generally on a 30-day or 60-day credit terms.

NEA Unliquidated Subsidy Funds

In accordance with the memorandum of agreement signed by NEA and the Cooperative, the subsidy funds received for various projects are to be recorded as a liability at the time of receipt of the funds and are only closed upon release by NEA of a Certificate of Final Inspection and Acceptance of the projects. Closed- out/completed projects are credited to Contributed Capital in the books of the Cooperative.

Real Property Tax Liability

The real property tax liability pertains to the consolidated real property taxes due billed to the Cooperative from all municipalities under the Province of Lanao del Norte. The updated billings dated February 27, 2019, for all unpaid property taxes from 1996 to 2019, consisted of basic taxes of

₱29,506,652, Special Education Fund (SEF) of ₱29,506,652 and total penalties of ₱38,195,016, totaling ₱97,208,319. The identified 2019 and 2018 and prior years' total charges amounted ₱4,260,025 and ₱92,948,294, respectively.

The Cooperative subsequently settled the amount in full by March 2019. The Cooperative obtained a loan from Land Bank of the Philippines for ₱80,000,000 and used its general fund for the difference. The Cooperative has updated its real property tax in 2022 and 2021.

Note 18
Revenue Classification as Per Energy Regulatory Commission

<i>December 31</i>	2022	2021
Residential	₱892,360,271	₱700,427,361
Commercial	175,100,303	120,895,223
Public buildings	79,439,069	53,513,847
Industrial	86,722,391	43,681,312
Public streets and highway lighting	4,162,366	4,365,052
Sub-total	1,237,784,400	922,882,795
High Voltage	208,277,484	137,372,200
Total	₱1,446,061,884	₱1,060,254,995

Note 19
Cost of Purchased Power

<i>December 31</i>	2022	2021
Filinvest Development Corporation (FDC)	₱508,806,027	₱401,717,991
San Miguel Consolidate Power (SMPC)	238,155,570	175,494,500
GN Power Kauswagan LTD, Inc (GNPK)	315,287,557	134,704,297
National Grid Corporation of the Philippines (NGCP), Inc	108,709,726	113,286,272
Power Sector Assets & Liabilities Management Corporation (PSALM)	63,658,889	34,169,412
Total Power Incorporated (TPI)	29,188,706	23,169,412
Total	₱1,263,806,475	₱882,490,995

Note 20
Other Income

<i>December 31</i>	2022	2021
Disconnection/reconnection and related services	₱12,486,311	₱11,882,412
Surcharges	10,729,871	7,513,683
Rentals of poles, transformers, etc.	4,290,798	6,119,031
Prompt payment discount	-	2,081,672
Interest and dividend income	(1,440,025)	1,364,255
Other income	7,334,497	88,872
	₱33,401,452	₱29,049,925

Note 21
Operating Expenses

<i>December 31</i>	2022	2021
Administrative and General Expenses		
Compensation and employees' benefits (Note 22)	₱50,627,316	₱51,908,264
Outside services employed	15,677,490	16,231,594
Materials and supplies	10,586,497	8,616,165
Provision for retirement benefits (Note 16)	6,188,631	5,544,982
Travel and transportation	2,894,103	588,908
Maintenance and repairs	2,502,248	1,982,619
Insurance	1,272,964	909,005
Association and membership fees	609,740	685,460
Representation and information	528,190	572,988
Communication	273,318	505,065
Injuries and damages	202,618	671,517
Taxes, licenses and fees (Note 27)	168,167	763,833
Rents	65,000	19,464
Social community service	24,554	-
Miscellaneous	7,845,828	9,886,485
Total	₱99,466,664	₱98,886,349

Consumer Services Expenses

<i>December 31</i>	2022	2021
Consumers' records and collections	₱15,963,911	₱14,369,917
Meter reading	7,999,362	6,277,025
Compensation and employees' benefits (Note 22)	2,929,462	2,362,912
Miscellaneous	6,687,104	8,765,916
	₱33,579,839	₱31,775,770

Operations and Maintenance Expenses

<i>December 31</i>	2022	2021
Operations		
Overhead lines	₱13,280,572	₱11,903,522
Compensation and employees' benefits (Note 22)	6,702,828	5,927,595
Meters	5,562,490	4,953,897
Street lighting	1,844,654	1,601,295
Miscellaneous	389,516	1,947,946
Sub-total	27,780,062	26,334,255
Maintenance		
Overhead lines	18,442,987	12,804,736
Compensation and employees' benefits (Note 22)	4,576,935	4,138,143
Line transformer	4,160,278	3,360,202
Meters	3,468,987	3,146,653
Structures, poles replacement	1,103,238	947,693
Miscellaneous	788,947	683,482
Sub-total	32,541,372	25,080,909
Total	₱60,321,434	₱51,415,164

Note 22
Compensation and Employees' Benefits

<i>December 31</i>	2022	2021
Short-term employee benefits:		
Administrative and general	₱36,397,518	₱31,667,866
Operations and maintenance	11,279,764	10,065,738
Consumer services	2,929,462	2,362,912
Capitalized labor costs	8,041,167	16,231,594
Total	58,647,911	60,328,110
Post-employment benefits <i>(Note 16)</i>	6,188,631	5,544,982
	₱64,836,542	₱65,873,092

Note 23
Related Party Transactions

In the ordinary course of trade or business, the Cooperative provides electricity to its related parties which include its directors, officers, related interests and employees. These transactions were made substantially on the same terms and conditions as with other parties. None of the transactions incorporate special terms and conditions and no guarantee is given or received. Outstanding balances are usually settled in cash. Moreover, the revenue from these related parties is insignificant. The Cooperative has no associates, affiliates and joint venture projects.

The following summarizes transactions with related parties:

Beginning 2010, the Cooperative extended interest-free advances to its members through the Service Connection Assistance Program (SCAP), and the HELP program (for house-wiring materials). Total receivables under the SCAP program amounted ₱10,969,030 in 2022 and ₱11,214,190 in 2021. Total receivables under the HELP Program amounted ₱6,966,410 in 2022 and ₱6,964,712 in 2021.

The Cooperative also extends cash advances to other electric cooperatives, employees and directors. As at December 31, 2022, the non-moving accounts receivable from other electric cooperatives amounted ₱1,874,926 and its non-moving accounts payable to other electric cooperatives amounted ₱4,659,028. The advances to officers and employees amounted ₱90,582 in 2022 and ₱83,100 in 2021.

Note 24
Fair Value Measurement

Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The following table summarizes the fair value hierarchy of the Cooperative's financial assets and liabilities:

<i>December 31, 2022</i>	Level 1	Level 2	Level 3	Total
Financial assets				
Cash <i>(Note 8)</i>	₱53,545,060	-	-	₱53,545,060
Trade and other receivables <i>(Note 9)</i>	-	-	₱514,910	514,910
Financial assets <i>(Note 6)</i>	-	-	20,052,742	20,052,742
	₱53,545,060	-	₱689,782,015	₱743,327,075

<i>December 31, 2022</i>	Level 1	Level 2	Level 3	Total
Financial liabilities				
Loan and borrowings (Note 13)	-	-	₱53,545,060	₱53,545,060
Consumers' deposits (Note 14)	-	-	514,910	514,910
Trade and other payables (Note 16)	-	-	689,267,105	689,267,105
	-	-	₱743,327,075	₱743,327,075

<i>December 31, 2021</i>	Level 1	Level 2	Level 3	Total
Financial assets				
Cash (Note 8)	₱29,958,776	-	-	₱29,958,776
Trade and other receivables (Note 9)	-	-	₱69,623,596	69,623,596
Financial assets (Note 6)	-	-	56,073,853	56,073,853
	₱29,958,776	-	₱125,697,449	₱155,656,225

<i>December 31, 2021</i>	Level 1	Level 2	Level 3	Total
Financial liabilities				
Loan and borrowings (Note 13)	-	-	₱188,665,272	₱188,665,272
Consumers' deposits (Note 14)	-	-	65,356,352	65,356,352
Trade and other payables (Note 16)	-	-	247,136,808	247,136,808
	-	-	₱501,158,432	₱501,158,432

For financial assets and financial liabilities with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments equal their fair values. The fair values of the financial assets and financial liabilities included in Level 3 above which are not traded in an active market is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument. When the Cooperative uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

Fair Value Measurement for Non-Financial Assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as of December 31, 2022 and 2021.

<i>December 31, 2022</i>	Level 1	Level 2	Level 3	Total
Non-financial assets				
Materials & supplies inventory (Note 8)	-	-	₱53,545,060	₱53,545,060
Prepaid expenses (Note 9)	-	-	514,910	514,910
Utility, plant and equipment - net (Note 4)	-	-	689,267,105	689,267,105
	-	-	₱743,327,075	₱743,327,075

<i>December 31, 2021</i>	Level 1	Level 2	Level 3	Total
Non-financial assets				
Materials & supplies inventory (Note 8)	-	-	₱46,363,576	₱46,363,576
Prepaid expenses (Note 9)	-	-	512,678	512,678
Utility, plant and equipment - net (Note 4)	-	-	655,272,970	655,272,970
	-	-	₱702,149,224	₱702,149,224

The Level 3 fair value of the land and buildings and improvements included under the Property and Equipment account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout,

adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

Note 25

Capital Management Objectives, Policies and Procedures

The Cooperative manages its capital to ensure that it has the ability to continue as a going concern in serving the needs of its members. The Cooperative's Board of Directors reviews regularly its capital structure on the basis of the carrying amount of equity, less cash and cash equivalents, as presented on the face of the statement of financial position. As a part of this review, the Board of Directors considers the cost of capital and the risks associated with each class of capital.

Capital-to-Overall Financing Rate

The Cooperative's reported capital as at December 31, 2022 with comparative data as of December 31, 2021, is summarized as follows:

<i>December 31</i>	2022	2021
Total members' equity	₱343,042,680	₱426,940,184
Less cash (Note 6)	37,374,136	29,958,776
Capital	305,668,544	396,981,408
Total members' equity	343,042,680	426,940,184
Borrowings (total liabilities)	739,976,412	523,544,622
Overall financing	₱1,083,019,092	₱950,484,806
Capital-to-Overall Financing Rate	28.22%	41.77%

Gearing Ratio

<i>December 31</i>	2022	2021
Total liabilities	₱739,976,412	₱523,544,622
Less cash (Note 6)	37,374,136	29,958,776
Net debt	702,602,276	493,585,846
Total members' equity	343,042,680	426,940,184
Equity and Net Debt	₱1,045,644,956	₱909,233,616
Gearing Ratio (Net Debt/Equity and Net Debt)	67.19%	54.29%

Gearing ratio focuses on the capital structure of the Cooperative– that means the proportion of finance that is provided by debt (borrowings) relative to the finance provided by equity. It is also concerned with liquidity.

However, it focuses on the long-term financial stability of the Cooperative. Gearing (otherwise known as "leverage") measures the proportion of assets invested in business that are financed by borrowings. In theory, the higher the level of borrowings (gearing) the higher are the risks to the business since the payment of interest is not "optional". However, gearing can be a financially sound part of a business's capital structure particularly if the business has strong, predictable cash flows. The Cooperative will strive to reduce its gearing ratio by reducing working capital through increasing the speed of collections of its trade receivables thereby producing cash that can be used to pay down maturing debts.

Note 26**Risk Management Objectives and Policies**

The Cooperative is exposed to various risks in relation to its financial instruments. The main types of risks it is facing are market risk, credit risk and liquidity risk. The Cooperative's risk management is coordinated by its Board of Directors and focuses principally on actively securing the Cooperative's short to medium-term cash flows by minimizing the exposure to volatile financial markets. The Cooperative does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Cooperative is exposed are described as follows:

Market Risk Analysis

The Cooperative is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities. Most of the Cooperative's transactions are carried out in Philippine currency, its functional currency. It has limited or no exposures to currency exchange rates since it has no transactions involving foreign currencies. The Cooperative does not actively engage in the trading of financial assets nor does it write options. It likewise has little exposure to interest rate risk as its financial assets and loans and borrowings have fixed interest rates. Its exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting period date.

Credit Risk Analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Cooperative. The Cooperative is exposed to this risk for various financial instruments, for example by the trade and other receivables extended to member/consumers, placing deposits, etc. The Cooperative manages the level of credit risk by actively monitoring all its receivables to avoid significant delinquency. The Cooperative's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the end of the reporting period, as summarized in the following:

<i>December 31, 2021</i>	<i>Neither Past Due Nor Impaired</i>	<i>Past Due But Not Impaired</i>	<i>Total</i>
Cash (Note 7)	₱41,251,190	₱-	₱41,251,190
Trade and other receivables (Note 8)	40,578,228	29,045,368	69,623,596
Other current assets (Note 10)	56,073,853	-	56,073,853
	₱137,903,271	₱29,045,368	₱166,948,639
	82.60%	17.40%	100.00%

Liquidity Risk Analysis

The Cooperative is likewise exposed to liquidity risk, the risk that it will encounter difficulty in meeting its obligations as they become due without incurring unacceptable losses or costs. The Cooperative's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs, and (c) to be able to access funding when needed at the least possible cost. The Cooperative manages its liquidity by carefully monitoring its scheduled debt servicing payments for long-term financial liabilities as well as its cash flows due on its day-to-day business.

Note 27
Taxes, Licenses and Fees

<i>December 31</i>	2022	2021
Vehicle licenses	₱158,167	₱216,826
BIR annual registration and others	10,000	10,000
Documentary stamp taxes	-	330,098
Radio licenses	-	174,529
Others	-	32,380
	₱168,167	₱763,833

Note 28
Reclassification

Certain amounts and figures as of December 31, 2021, financial statements had been reclassified to conform to the presentation of the Electric Cooperative's financial statements for the period ended December 31, 2022.

Note 29
Adjustments

The adjustments in equity are composed of:

<i>Years Ended December 31</i>	2022
Adjustments on uncollectible accounts	₱43,002,724
Various adjustments	38,627,902
Total	₱81,630,626

Various adjustments consist of various entries such a correction to record to the appropriate account the entry made in the prior period, an adjustment to operating revenue due to overbilling and underbilling and liquidation of advances in the prior period.

Note 30
Supplementary Information Required by the Bureau of Internal Revenue

Revenue Regulations (RR) No. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 to amend certain provisions of RR No. 21-2002. The regulations provide that starting 2010, the notes to financial statements shall include information on taxes, duties and license fees paid or accrued during the taxable year.

The Electric Cooperative reported and/or paid the following type of taxes.

a. Value-Added Taxes

Value-added taxes paid or declared for the year ended December 31, 2022 and 2021 consist of:

<i>December 31, 2022</i>	
Opening balance	₱8,754,607
Add output VAT sales for the year	34,865,890
	43,620,497
Input VAT applied for the year	25,388,006
Input tax closed to expense	(912,008)
Creditable value added tax withheld	5,256,002
	29,732,000
Ending balance (<i>Note 10</i>)	₱13,888,497

b. Withholding taxes for the period follows:

<i>Year Ended December 31, 2022</i>	Tax base	Amount paid
Purchase of services	₱77,996,882	₱1,559,938
Salaries and wages	47,174,551	4,536,481
Purchase of goods	13,151,579	131,515.79
Board of directors	5,160,604	293,979
Professional fees	357,616	23,846
	₱143,841,231	₱6,545,759

c. Tax cases

The cooperative has no outstanding tax cases in any other court or bodies outside of the BIR as of December 31, 2022.

Revenue Regulation No. 34-2020

The Electric Cooperative is not covered by the requirements and procedures for related party transaction under Section 2 of RR No. 34-2020.



REPORT on the **INSTITUTIONAL ACHIEVEMENTS**

STATISTICAL & OTHER DATA

As of December 31, 2022

No. of Municipalities Within Franchise Area	18
No. of Energized Municipalities Within the Franchise Area	18
No. of Membership	106,092
No. of House Connections	116,982
No. of Service Connections	120,166
No. of Potential Connections (Adjusted data based on 2015 Census of Population and Housing)	125,780
No. of Potential Barangays	410
No. of Barangays Served	401
Percentage of Barangays Served	98%
No. of Barangays Served Outside the Franchise Area	6
No. of Beneficiaries of the LANECO Service Connection Assistance Program (SCAP)	17,845
No. of Beneficiaries of the Sitio Electrification and Barangay Line Extension Program (SEBLEP) under Government Subsidy Program	6,380
Total Number of Active Barangay Electricians	161
No. of Brigada Eskwela Electric Check Conducted to Schools	19
No. of Meetings conducted to Electricians' Monthly Meetings	2
No. of Meetings Conducted to Municipal Engineers & Housewiring Inspectors	1
No. of Consumers Apprehended on Electric Pilferages	65
No. of Pre-Membership and Re-Oriented for Disconnected Consumers Seminar Conducted	345
No. of Participants (PMES)	3,067
No. of Participants (Re-Oriented)	0
No. of Weekly Broadcast Programs	48
No. of Organized Member-Consumers-Owners Program for Empowerment (MCOPE)	230
No. of Information Drives Conducted thru Social Media, SMS, SP/SB/ABC Sessions/ Barangay Assemblies Attended	188
No. of Bandillos Conducted	99
No. of SEBLEP Energization Ceremonies Facilitated	4
No. of Approved Senior Citizens Discount Applications	314
No. of Membership I.D. cards prepared/ released	2,339
No. of Membership Certificates prepared/ released	2,339

STATUS OF HOUSE CONNECTION AS OF DECEMBER 2022

(ADJUSTED DATA BASED ON 2015 CENSUS OF POPULATION & HOUSEHOLDS IN LANA O DEL NORTE)

No.	Municipality	Barangay			Consumer Connection			
		Potential	Actual To date	%	Potential	Potential	Actual To date	%
1	LINAMON	8	8	100%	4,473	21,269	5,219	109%
2	MATUNGAO	12	12	100%	2,206	14,756	1,469	59%
3	KAUSWAGAN	13	13	100%	5,916	24,193	6,266	102%
4	BACOLOD	16	16	100%	5,199	24,367	6,484	118%
5	MAIGO	13	13	100%	5,008	23,337	5,610	107%
6	KOLAMBUGAN	26	26	100%	6,446	28,265	8,289	125%
7	TANGKAL	18	18	100%	2,405	16,075	579	22%
8	TUBOD	24	24	100%	11,092	50,073	15,480	131%
9	MAGSAYSAY	24	24	100%	3,839	20,463	2,239	54%
10	BAROY	23	23	100%	5,601	24,683	7,414	126%
11	LALA	27	27	100%	15,443	73,425	20,299	124%
12	KAPATAGAN	33	33	100%	14,998	62,571	13,464	86%
13	SAPAD	17	17	100%	4,716	22,974	4,146	83%
14	SALVADOR	25	25	100%	7,028	32,115	4,339	56%
15	SND	37	37	100%	11,616	60,904	9,829	78%
16	BALO-I*	4	4	100%	3,084	18,562	2,689	74%
17	POONA PIAGAPO**	26	23	88%	4,414	29,183	769	15%
18	MUNAI***	26	25	96%	6,020	35,020	1,371	19%
Barangays served Outside the Franchise Area								
19	Aurora, Zamboanga del Sur (Brgys. Anonang, Cebuneg, Acad, Napo, Bag-ong Oslob, Tagulo) ****	6	6	100%	-	898	1000	-
20	Nunungan (SOLAR)	25	25	100%	3,508	18,827	25	1%
21	Tagoloan (SOLAR) *****	7	2	29%	2,768	15,091	2	-
TOTAL		410	401	98%	125,780	617,051	116,982	93%

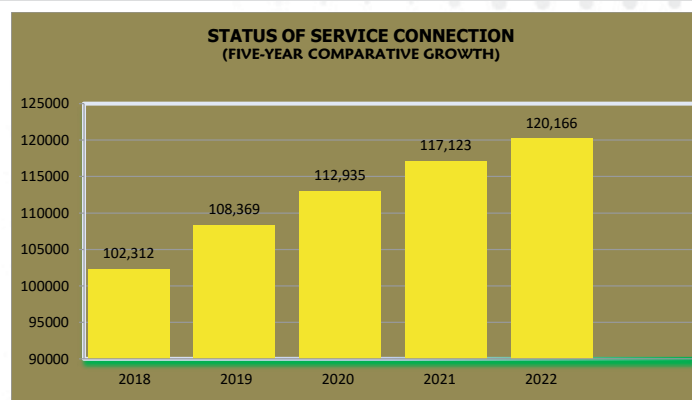
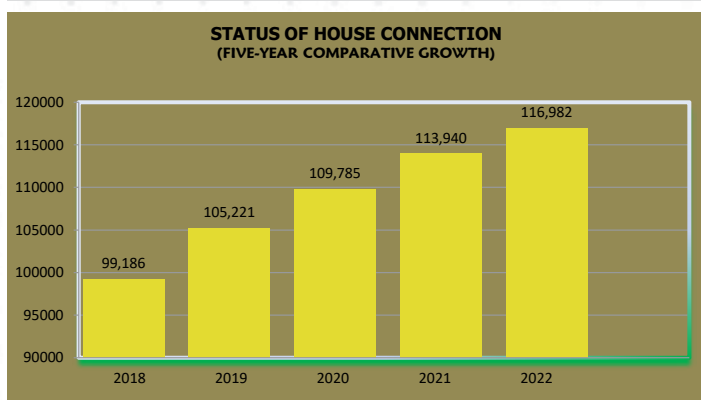
* Three (3) barangays in Baloi are under the franchise area of LANE CO

** Three (3) barangays in Poona Piagapo are still unenergized

*** Nine (9) barangays in Munai were energized through SOLAR Power (DOE)

**** These are barangays of Aurora, Zamboanga del Sur served by LANE CO outside the franchise area

***** Two (2) barangays in Tagoloan were energized through SOLAR Power (DOE); the rest five (5) barangays are still unenergized



STATUS OF HOUSE CONNECTION

As of December 31, 2022

CLASSIFICATION:

Residential	110,128
Public Building	2,394
Commercial	4,379
High Voltage	81
TOTAL	116,982

STATUS OF SERVICE CONNECTION

As of December 31, 2022

CLASSIFICATION:

Residential	110,128
Public Building	2,394
Commercial	4,379
High Voltage	81
Streetlights	2,515
Industrial	669
TOTAL	120,166

STATUS OF MEMBERSHIP

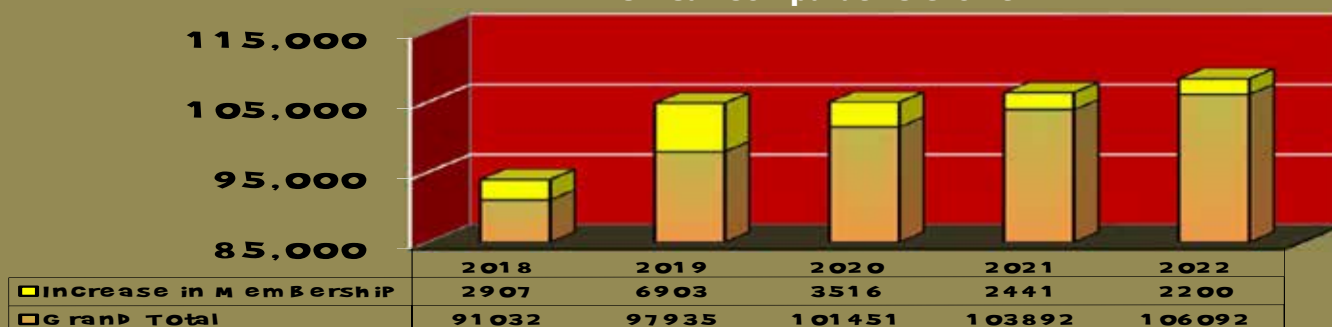
As of December 31, 2022

MUNICIPALITY	PREVIOUS	LESS TERMINATED	PREVIOUS TOTAL	PRESENT	GRAND TOTAL
LINAMON	4,449		4,449	9	4,458
MATUNGAO	1,298		1,298	8	1,306
KAUSWAGAN	5,563		5,563	3	5,566
BACOLOD	5,808		5,808	4	5,812
MAIGO	4,977		4,977	8	4,985
KOLAMBUGAN	7,749		7,749	5	7,754
TANGKAL	575		575	0	575
TUBOD	13,227		13,227	20	13,247
MAGSAYSAY	2,024		2,024	4	2,028
BAROY	6,819		6,819	10	6,829
LALA	17,183		17,183	20	17,203
SALVADOR	4,152		4,152	5	4,157
KAPATAGAN	13,206		13,206	10	13,216
SAPAD	3,850		3,850	5	3,855
SND	9,571		9,571	20	9,591
BALO-I					
Maria Cristina	1,501		1,501	13	1,514
Nangka	598		598	2	600
Abaga	241		241	0	241
Matampay/Pendulonan	100		100	0	100
AURORA, ZAMBO. DEL SUR					
Cebuneg	94		94	0	94
Acad	240		240	0	240
Anonang	358		358	0	358
Napo	70		70	0	70
Bag-ong Oslob	165		165	0	165
MUNAI	1,378		1,378	1	1,379
POONA PIAGAPO	749		749	0	749
TOTAL	105,945		105,945	147	106,092

Total No. of Members as of May 5, 2023 (Cut-Off Date for Qualified Registrants to the 46th Annual General Membership Assembly)

106,638

**Status of Membership
Five-Year Comparative Growth**



Important Events & Activities

45th Annual General Membership Assembly

Date Conducted	May 29, 2022
Venue	Virtual Platform via ZOOM Cloud Meetings
Guest of Honor	NEA Administrator Emmanuel P. Juaneza
Total No. of Members as of AGMA Date	104,805
No. of Attending Members	577

District Election

No. of Districts	4
XI-Sapad	April 9, 2022
VIII-Lala	April 10, 2022
IV-Maigo	April 24, 2022
V-Kolambugan-Tangkal	June 25, 2022

Member-Consumer-Owners Program for Empowerment Organizing Activities

Brgy. Assembly in Lapinig, Kapatagan LDN	February 8, 2022
Brgy. Assembly in Tunaan, Lala LDN	July 5, 2022
Brgy. Assembly in Robocon, Linamon LDN	September 25, 2022
Brgy. Assembly Meeting in Magoong, Linamon LDN	October 29, 2022

Energization Ceremony

P-3 Brgy. Campo 5, Tubod LDN	January 6, 2022
P-2 Tinago Robocon, Linamon LDN	March 25, 2022
Sitio Tiongcop, Brgy. Taguranao, Tubod LDN	April 25, 2022
Sitio Lukay-Lukay, Brgy. Dalama, Tubod LDN	May 6, 2022

Other Activities Successfully Conducted & Facilitated

16th Directors & Employees' Day	March 11, 2022
Engagement Meetings for the implementation of the Sitio Electrification Program (SEP) under 2011-2018 Subsidy Savings benefitting 28 sitios/puroks, to wit:	November 7-21, 2022
LANECO Family Christmas Party	December 9, 2022

50th Foundation Anniversary Celebration

Poster Making Contest "Sketch of Gold"	March 25, 2022
Spoken Poetry Contest "Golden Expressions"	March 25, 2022
Fieldworker's Vlog Contest "Glimpse of Gold"	April 12, 2022
Mangrove Tree Planting "Golden Hope"	May 20, 2022
Linemen Rodeo Competition "Go for Gold"	May 20, 2022
Unveiling the Stamp of Gold	May 25, 2022
Golden Foundation Anniversary Celebration	May 27, 2022

13th National Electrification Awareness Month Activities

Linemen Appreciation Day	August 1, 2022
Lineworkers Appreciation Day	August 23, 2022
National Electrification Awareness Month / Line Clearing Day	August 26, 2022

CORPORATE SOCIAL RESPONSIBILITY

- LANECO Cares Program distributed 150 bags of rice to Typhoon Flood Victims of Poblacion, Labuay & Balagatasa of Maigo in Lanao del Norte on January 25, 2022

- LANECO Cares Program in partnership with SMC Global Power Holdings donated school supplies and equipments to some Public Schools of Lanao del Norte benefitting 36 schools and the DepEd Region Office on May 13, 2022, to wit:

1. Maigo Central Elementary School, Maigo LDN
2. Labuay Elementary School, Maigo LDN
3. Claro M. Recto Elementary School, Maigo LDN
4. Kolambugan Central Elementary School, Kolambugan LDN
5. Caramatan Elementary School, Kolambugan LDN
6. Riverside Elementary School, Kolambugan LDN
7. Fausto Alvia Memorial Elementary School, Baroy LDN
8. Bagong Dawis Elementary School, Baroy LDN
9. Manan-ao Elementary School, Baroy LDN
10. Kapatagan Central School, Kapatagan LDN
11. Balili Central Elementary School, Kapatagan LDN
12. Sitio Slide Elementary School, Kapatagan LDN
13. Linamon Central Elementary School, Linamon LDN
14. Sultan Macalpag Elementary School, Linamon LDN
15. Robocon Elementary School, Linamon LDN
16. Bacolod Central Elementary School, Bacolod LDN
17. Babalaya Elementary School, Bacolod LDN
18. Binuni Elementary School, Bacolod LDN
19. Maranding Central Elementary School, Lala LDN
20. Abaga Central Elementary School, Lala LDN
21. Lala Proper Integrated School, Lala LDN
22. Sapad Central Elementary School, Sapad LDN
23. Sapad Elementary School, Sapad LDN
24. Katipunan Elementary School, Sapad LDN
25. Tubod Central Elementary School, Tubod LDN
26. Malingao Central School, Tubod LDN
27. Rufo dela Cruz Integrated School, Tubod LDN
28. SND Memo. Integrated School, SND LDN
29. Maguindanao Integrated School, SND LDN
30. Piraka Elementary School, SND LDN
31. Salvador Central Elementary School, Salvador LDN
32. Sudlon Elementary School, Salvador LDN
33. Camp Allere Elementary School, Salvador LDN
34. Kauswagan Central Elementary School, Salvador LDN
35. Jose Balazo Memo. Elem. School, Salvador LDN
36. Kawit Or Integrated School, Salvador LDN
37. Region Office / DepEd Division

- LANECO Cares Program distributed relief assistance to flood victims of sister coops MOELCI I & II on December 29, 2022

**Brigada Eskwela Electric Check
"Bayanihan Para Sa Paaralan"**

August 8-18, 2022

School	Municipality
Lanao del Norte National Comprehensive High School	Baroy LDN
F.M. Posadas Elementary School	Raw-an, Lala LDN
Tubod Central Elementary School	Bacolod LDN
Arsenio A. Quibranza National High School	Bualan, Tubod LDN
Malingao Central Elementary School	Malingao, Tubod LDN
Felisa Villoria Bond Memorial School	Tanguaguiron, Tubod LDN
Atanacia Logronio Intergrated School	Segapod, Maigo LDN
Balagatasa Elementary School	Balagatasa, Maigo LDN
Maigo National High School	Poblacion, Maigo LDN
Liangan National High School	Liangan East, Bacolod LDN
Esperanza Elementary School	Esperanza, Bacolod LDN
Kahayag Integrated School	Kahayag, Bacolod LDN
Demarao Elementary School	Demarao, Bacolod LDN
Kapatagan East Central School	Poblacion, Kapatagan LDN
Kapatagan National High School	Poblacion, Kapatagan LDN
Panoloan National High School	Panoloan, Sapad LDN
Anonang Elementary School	Aurora, Zamboanga del Sur
Glicerio A. Lim Sr. Elementary School	San Isidro Upper, Lala LDN
Lala Proper Integrated School	Lala Proper, Lala LDN

Recipients of Plaques of Recognition

- ANTONIO MARIANO C. ALMEDA**
NEA Administrator
- HON. MOHAMAD KHALID Q. DIMAPORO**
1st District Representative, Lanao del Norte
- HON. SITTIE AMINAH Q. DIMAPORO**
2nd District Representative, Lanao del Norte
- HON. ABDULLAH D. DIMAPORO**
Former 2nd District Representative, Lanao del Norte
- HON. IMELDA Q. DIMAPORO**
Provincial Governor, Lanao del Norte
- GEROMIAS G. VELASCO**
Baroy District
- BALDOMERO N. ZAMORA**
Bacolod District
- HON. SETTY DEAMLA C. MACARAMBON**
SB Member - Kolambugan
Chairperson of the Committee on Energy
- ATTY. LIGAYA R. LUMBAY**
Regional Branch Director
National Conciliation and Mediation Board (NCMB RB 10)
Department of Labor and Employment
Cagayan de Oro City

Personnel Update and Other Data

Total No. of Employees	174
Technical	74
Non-Technical	100
Female	56
Male	118
NEA Project Supervisor	0
Officer In-Charge of the Coperative	1
Department Managers/ OIC	4
Office of the General Manager	34
Institutional Services Department	15
Internal Audit Department	2
Finance Services Department	14
Technical Services Department	39
Branch Offices & Service Center Employees	
Linamon	8
Bacolod	9
Kolambugan	8
Lala	13
Kapatagan	9
Sultan Naga Dimaporo	9
Baroy Service Center	5
Maigo Service Center	5
Regular Employees	162
Daily Wage Employees	
Job Order Status	51
Associates	80
Contractual	0
Probationary	12
No. of Compulsory Retirees	2
No. of Optional Retirees	0
No. of Personnel Sent to Various Seminars/ Trainings	174
No. of In-House Trainings/Seminars Conducted	5
No. of On-the-Job Trainees	-
No. of Consumers/Service Connections Served/Employee	1:690
No. of Employees Served by LEHAP (LANECO Employees Hospitalization Assistance Program)	
Principal	76
Dependent	82

IN-HOUSE TRAININGS / SEMINARS CONDUCTED

Women's Skin Health: A Lifetime of Healthy Glowing Skin
Earthquake Drill Training
Seminar on Alternative Dispute Resolution: Gender Advocacy and Development; Workplace Values, Attitudes and Ethics: Cultivating Work Environment
Seminar-Workshop on Integration of Balanced Scorecard and Performance Evaluation System
Fire Drill Training

THE POLICY



DIR. KHALID M. DIMAPORO
President
Sultan Naga Dimaporo District



DIR. KARIM U. MACAROMPAN
Vice-President
Maigo District



DIR. GEROMIAS G. VELASCO
Treasurer
Baroy District



DIR. JIMMY O. PORMENTO
Secretary
Lala District



DIR. MARIE RHOLYN CHARINA L. AMESOLA
Member
Linamon-Matungao District



DIR. JAMIRI ISAGANI A. SANGUILA
Member
Kauswagan-Munai District



DIR. BALDOMERO N. ZAMORA
Member
Bacolod District

MAKING BODY



DIR. ROEL G. EBALLE
Member
Kolambugan-Tangkal District



DIR. LILIA P. TONGOL
Member
Tubod-Magsaysay District



DIR. COCOY A. ACAMPONG
Member
Salvador District



DIR. JHONNY N. LANDIZA
Member
Kapatagan District



DIR. ARNEL M. BUCOL
Member
Sapad District



SHERWIN C. MAÑADA
General Manager
Ex-Officio Member



WILFREDO T. YAP
NEA Representative

The Coop's Stewards

PRESIDENT



MANUEL V. PANGILINAN
May 27, 1972-July 13, 1983



CAYETANO B. OLAVIDES, SR.
July 14, 1983- May 19, 1984



DOMINGO A. CARRILLO
May 20, 1984-June 11, 1987



NELIETA Q. NOVAL
June 12, 1987-March 21, 1992



RUBIN C. GENEROSO
March 22, 1992-November 16, 2001



ISAIAS N. TENEBRO
Nov.17, 2001 - Sept.12, 2003



GREGORIO M. TAN
Sept.13, 2002-Nov. 8, 2006



LYNDON L. ABUCAY
Nov. 9 2006-June 10, 2009



REINARIO B. BIHAG
June 2009-May 31, 2015



EMMANUEL A. MEJORADA
June 2015-Nov. 2016



ELMIRA G. OLAVIDES, Ed.D.
Dec. 12, 2016 - June 12, 2019



BALDOMERO N. ZAMORA, PEE
June 13, 2019 - Present

Yesterday and Today

GENERAL MANAGER



DEMOSTHENES B. DINGCONG
January 01, 1973-July 31, 1975



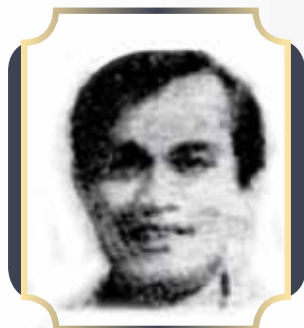
ISAGANI R. RABINO
August 1, 1975 - August 30, 1982



RUPERTO O. LASPIÑAS
August 31, 1982 - August 27, 1987



JOEL R. VALENCIA
Project Supervisor
April 26-July 23, 1987



REYNALDO L. RADA
September 1-13, 1987



ROGACIANO B. ANUNCIADO
Project Supervisor / Acting General Manager
September 14, 1987-October 15, 1990



RESNOL C. TORRES
October 16, 1990-August 26, 2011



EVANGELITO S. ESTACA
Project Supervisor
May 2, 2011-January 18, 2012



DANILO G. EBARLE
Officer -In-Charge
November 9, 2011-May 7, 2014



ANGELINA G. ESTROLOGO, MBA
Officer -In-Charge
June 1, 2020 – September 15, 2020



ZENAIDA M. FABUNAN, MBA
Officer -In-Charge
September 16, 2020 - March 31, 2023



SHERWIN C. MAÑADA, CPA, MBA
General Manager
April 1, 2023 - Present
Project Supervisor
June 1, 2020 - June 15, 2021
Project Supervisor / Acting General Manager
May 8, 2014 - May 31, 2020

The Management & Staff



SHERWIN C. MAÑADA, CPA, MBA
General Manager



ZENAIDA M. FABUNAN, MBA
Institutional Services Manager



ANGELINA G. ESTROLOGO, MBA
Finance Services Manager



MARLON L. GAPOL, REE, MBA
Technical Services Manager



JACKIE LOU R. BARTOLO, MBA
Internal Audit Manager



NEA Golden Dagitab Awards

given last July 29, 2022 in Quezon City



OUTSTANDING EC AWARD
 COMPACT OF COOPERATION AWARD
 RE PROGRAM DISTINCTION AWARD
 EC WITH FULLY LIQUIDATED SUBSIDY AWARD



2022 PHILRECA Awards from the Wires

given last August 12, 2022 at Iloilo Convention Center

PLAQUES OF RECOGNITION



1. MODEL MEMBER-EC AWARD
2. PROMPT PAYOR AWARD
3. SILVER STELLAR AWARD
4. STRONG COMMITMENT TO BROTHERHOOD AWARD
5. GROUNDBREAKER AWARD



CERTIFICATES OF RECOGNITION

1. CHAMPION OF THE ONE EC NETWORK FOUNDATION AWARD
2. MEDIA EXCELLENCE AWARD
3. OCCUPATIONAL SAFETY AND HEALTH EXCELLENCE AWARD
4. OUTSTANDING RADIO PROGRAM EXCELLENCE AWARD
5. THE IRON PILLAR AWARD
6. UNPARALLELED SERVICE AWARD



NEA 5-Point Electrification Agenda

1. Promote Inclusive Development Through Rural Electrification
2. Intensify NEA and EC Capacity Building
3. Empower Electricity Consumer
4. Ensure Corporate Governance
5. Ensure Cognizance of Legislative Agenda

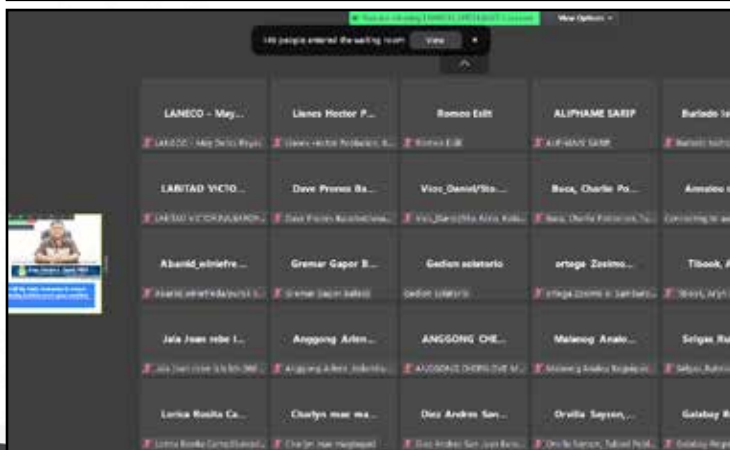
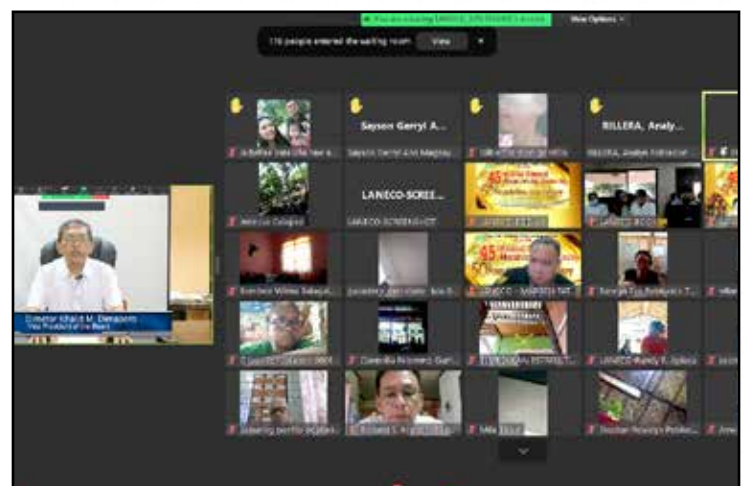
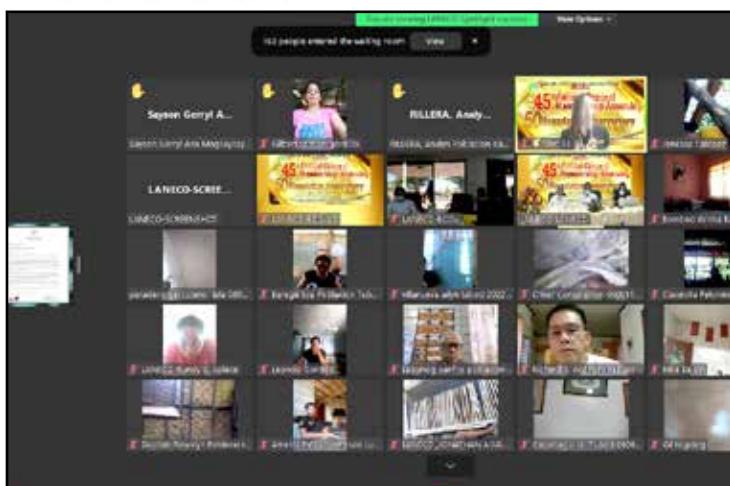


IMPORTANT EVENTS

45th Annual General Membership Assembly via Virtual Platform



& ACTIVITIES 2022



50th Foundation



Unveiling the Stamp of Gold



Motorcade



Offering of bouquet of flowers to the bust of the late Governor Arsenio A. Quibranza, the Father of LANECO



Golden Thanksgiving Holy Mass



Emmanuel P. Juaneza, NEA Administrator



Imelda Quibranza-Dimaporo Provincial Governor



Abdullah D. Dimaporo 2nd District Representative



Khalid M. Dimaporo LANECO Board President



Zenaida M. Fabunan OIC of the Cooperative



Anniversary Celebration



Go for GOLD Linemen Rodeo



Mangrove Tree Planting at San Juan, Baroy in Lanao del Norte



Linemen Rodeo competition to selected LANEKO linemen



Spoken Poetry contest winners



Poster Making Contest



Fieldworkers' Vlog Contest winners

National Electrification Awareness Month (NEAM)



National Line Clearing Day with the theme: "NEA at ECs: Magkatuwag sa Pag-unlad at Pagkakaisa Tungo sa Bagong Pag-asa" held on August 26, 2022



Lineworkers' Appreciation Day, August 23, 2022

LANECO Cares Program



LANECO Cares Program distributed relief assistance to MOELCI I & II Flood Victims on December 29, 2022





LANECO Cares Program in partnership with SMC Global Power Holdings donated school and office supplies & equipment benefitting 36 public schools and the DepEd Region Office on May 13, 2022



LANECO Cares Program distributed sacks of rice to flashflood victims in barangays Labuay, Balagatasa, Poblacion in Maigo, Lanao del Norte on January 25, 2022

LANECO Task Force



LANECO Task Force Kapatid (in blue uniforms) together with ASELCO team (in green uniforms) during their augmentation to Bacuag, Surigao del Norte for the continuation of power restoration in the areas affected by typhoon 'Odette'



"LANECO Task Force Odette" to aid in the rehabilitation of power distribution lines in SURNECO on January 3-31, 2022 & February 2, 2022 - March 2, 2022



ERC Hearings



Virtual Hearing on ERC Case No. 2022-027 CF for the Order and Notice

In the matter of the application for confirmation and approval of calculations of Over and Under Recoveries in the implementation of Automatic Cost Adjustments and Tru-Up Mechanisms for the period of 2019 to 2021, pursuant to ERC Resolution No. 16, series of 2009 as amended by ERC Resolution No. 21, series of 2010, and ERC Resolutions No. 23, series of 2010 with Lanao del Norte Electric Cooperative, Inc, (LANECO) as applicant on September 9, 2022



Pre-Trial Conference and Presentation of Evidence activity for the Virtual Hearing of ERC Case No. 2022-027 CF, for the Order and Notice In the matter of the application for confirmation and approval of calculations of Over and Under Recoveries in the implementation of Automatic Cost Adjustments and Tru-Up Mechanisms for the period of 2019 to 2021, pursuant to ERC Resolution No. 16, series of 2009 as amended by ERC Resolution No. 21, series of 2010, and ERC Resolutions No. 23, series of 2010 with Lanao del Norte Electric Cooperative, Inc. (LANECO) as applicant on September 15, 2022



Pre-trial Conference and Presentation of Evidence through virtual platform on ERC CASE NO. 2021-087 RC In the matter of application for approval of the Sale for Resale agreement between Lanao del Norte Electric Cooperative, Inc. (LANECO) and Iligan Light & Power Inc. (ILPI), with prayer for Provisional Authority on January 21, 2022

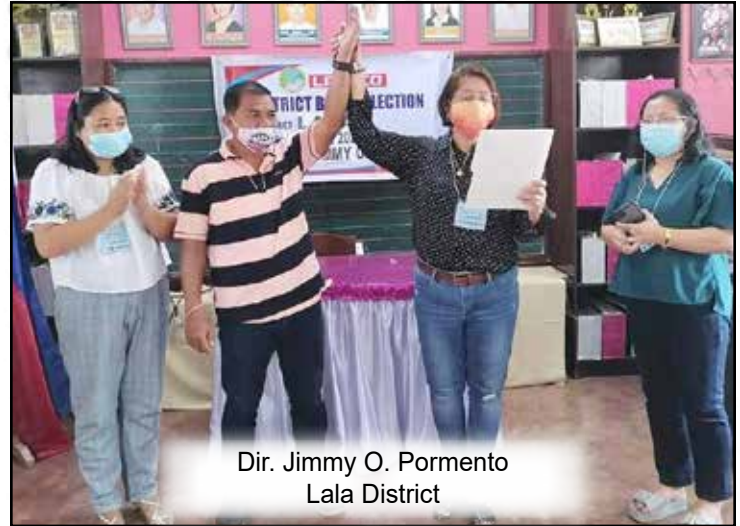


Determination of compliance with jurisdictional requirements and Expository Presentation on ERC CASE NO. 2021-087 RC In the matter of application for approval of the Sale for Resale agreement between Lanao del Norte Electric Cooperative, Inc. (LANECO) and Iligan Light & Power Inc. (ILPI), with prayer for Provisional Authority on January 14, 2022

District Elections



Dir. Arnel M. Bucol
Sapad District



Dir. Jimmy O. Pormento
Lala District



Dir. Karim U. Macarompan
Maigo District



Dir. Roel G. Eballo
Kolambugan-Tangkal District

Sitio Electrification Program (SEP)



Engagement meeting with LGU Nunungan in Lanao del Norte regarding the Sitio Electrification Program (SEP) of 670 households under the 2015 PAMANA Subsidy Project on April 28, 2022

Engagement Meetings for the implementation of the Sitio Electrification Program (SEP) benefitting 28 sitios/puroks



Energization Ceremony



Sangguniang Panlalawigan (SP) Session



Sangguniang Bayan (SB) Session





Signing of the Memorandum of Agreement, Deed of Turn-Over, Acceptance and Acknowledgement for the Power System of Christine Villas Subdivision in Brgy. Maria Cristina, Baloi LDN, September 28, 2022



Signing of the Tripartite Memorandum of Agreement for the 12 Barangay Line Enhancement Program (BLEP) between the municipality of Nunungan, Lanao del Norte, Lanao Builders and Lanao del Norte Electric Cooperative, Inc. (LANECO), September 22, 2022

Brigada Eskwela



LANECO conducted Brigada Electric Check to public schools of Lanao del Norte in preparation to the opening of classes for SY 2022-2023



Seminars



Seminar on Women's Skin Health: A Lifetime of Healthy Glowing Skin, March 31, 2022



Seminar-Workshop on the Integration of the Balanced Scorecard and Performance Evaluation System, September 27-28, 2022



Earthquake Drill
October 28, 2022



Fire Safety Drill
November 25, 2022



Seminar on Alternative Dispute Resolution; Gender Advocacy and Development; Workplace Values, Attitudes, and Ethics Cultivating Work Environment, November 10, 2022

District Member Consumer Owners Organization (DMCOO)



LEE B. MANGINSAY
Federated DMCOO President

Federated DMCOO Officers

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Assistant Secretary	:	Januar A. Babasol
Treasurer	:	Olivia C. Pelarion
Auditor	:	Florentino C. Lamis
Press Relation Officer 1	:	Edwin C. Panimdim
Press Relation Officer 2	:	Ronald M. Capote
Social Manager 1	:	Ricardo R. Lapinig
Social Manager 2	:	Gonzalo P. Bucol
Sgt. at Arms 1	:	Leoncio C. Altubar
Sgt. at Arms 2	:	Fructoso Tejano



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ANTONIO MARIANO C. ALMEDA
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Administrator

OMAR M. MAYO
Deputy Administrator
EC Management Services

LEILA B. BONIFACIO
Deputy Administrator
Finance Services

ROSSAN SJ. ROSERO-LEE
Deputy Administrator
Legal Services

ERNESTO O. SILVANO, JR.
Acting Deputy Administrator
Technical Services

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Chairman : Dir. Germias G. Velasco
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EX-OFFICIO MEMBERS TO ALL COMMITTEES:

Board President Khalid M. Dimaporo
General Manager Sherwin C. Mañada, CPA, MBA

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Kolambugan Branch 0956-5267110
Tubod Central Office 0927-3448388
Baroy Service Center 0956-5267113
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