

[LETTER OF INSTRUCTIONS NO. 38, November 07, 1972]

TO: The Notional Electrification Administration

In view of the desire to effect changes and reforms in the social economic and political structure of our society, and with the promulgation of Presidential Decree No. 40 dated November 7, 1972, as a means of converting small private/municipal systems to electric cooperatives in accordance with Republic Act No. 6038, the National Electrification Administration (NEA) is hereby directed to immediately implement and enforce strictly the provisions of the Presidential Decree No. 40.

The NEA is hereby directed to establish procedures, systems and organizations with defined functions for the prompt implementation of said decree.

The NEA as the implementing agency shall determine which systems should be converted or integrated in accordance with the following criteria:

- 1) Systems with exorbitant rates and notoriously poor service.
- 2) Systems which are delinquent in their amortization payments to NEA and other banking institutions and/or payment to NPC of their power bills.
- 3) Systems connected to NPC or Meralco and therefore do not have generating plants.
- 4) Systems within the proposed 36 cooperative areas.

The following shall be the priority list of municipalities of the seven (7) provinces considered as pilot projects:

(1) PAMPANGA

- a. Arayat
- b. Sta. Ana
- c. Candaba
- d. San Luis
- e. San Simon
- f. Mexico

(2) LAGUNA

- a. Pagsanjan
- b. Cavinti
- c. Kalayaan
- d. Lumban
- e. Paete
- f. Sta. Maria
- g. Pakil
- h. Pangil
- m Siniloan
- j. Famy
- k. Mabitac

(3) BULACAN

- a. Hagonoy
- b. Malolos
- c. Paombong
- d. Calumpit

4) PANGASINAN

- a. Sual
- b. Lingayen
- c. Binmaloy
- d. Mangatarem
- e. Labrador