

Performance of Batangas I Electric Cooperative, Inc. (BATELEC I) in the Wholesale Electricity Spot Market (WESM)

MA. BENILDA C. AQUINO - DIMAUNAHAN

Masters in Business Administration, Graduates School, Lyceum of the Philippines University, Batangas City, PHILIPPINES

Date Received: June 10, 2014; Date Revised: August 20, 2014

Abstract – *The study aimed to present the over-all performance of BATELEC I based from the Key Performance Standard set by the National Electrification Administration for the year 2012 in terms of financial, technical, reportorial and institutional performance data; to determine the institutional performance of BATELEC I in terms of human resource and stakeholders as perceived by the employees and member-consumers. The study used a descriptive method of research to measure the general performance of Batangas I Electric Cooperative, Inc. (BATELEC I) in participation in the Wholesale Electricity Spot Market (WESM). BATELEC I obtained a high score based on the Key Performance Standard set by the National Electrification Administration for the year 2012. The employees and member-consumers assessed the institutional performance of BATELEC I as satisfactory.*

Keywords – *Electric Cooperative, BATELEC, Wholesale Electricity Spot Market*

I. INTRODUCTION

Structural, regulatory and market reforms have been applied to electricity sectors in many countries around the world. Significant performance improvements have been observed in countries as a result of these reforms, especially in countries where the performance of state-owned monopolies was especially poor. Privatization combined with the applications of good Performance Based Regulation (PBR) mechanisms to regulated distribution companies has generally yielded significant cost reductions without reducing service quality. Wholesale markets have also stimulated improved performance from existing generators and helped to mobilize significant investments in new generating capacity in several countries (Joskow, 2006).

Republic Act 9136 or the Electric Power Industry Reform Act of 2001 is a law designed to bring down electricity rates and to improve the delivery of power supply to end-users by encouraging greater competition and efficiency in the electricity industry. The Wholesale Electricity Spot Market (WESM) was established as an outcome of the said law that aimed at making sure our country will have reliable and competitively priced electricity. WESM is the venue where electricity made by power-producing companies are centrally coordinated and traded like any other commodity in a

market of goods in a level playing field and prices are driven by the law of supply and demand to buyers with the objective of giving the best price for consumers of electricity including the ultimate end-user.

WESM commenced commercial operations in Luzon for the trading of energy on June 26, 2006 upon declaration by the Department of Energy (DOE) through DOE Circular No. 2006-06-008. The Batangas I Electric Cooperative, Inc. (BATELEC I) started trading on December 26, 2009 making it the 12th Electric Cooperative direct WESM member.

For 40 years in operation, Batangas I Electric Cooperative, Inc. (BATELEC I) can be considered as one among NEA's successful electric coops for it had been classified in several times Category A+ Extra Large stature. Its continuous improved performance becomes more evident with its present categorization of A+ Mega Large. Likewise, it achieved its avowed mission of 100% energization target in terms of barangay electrification where it has extended electric power to the total 363 barangays in the twelve (12) municipalities of Western Batangas.

As a non-stock, non-profit distribution utility, it serves the mission of providing efficient, reliable, affordable and adequate supply of electricity to its member-consumers on an area coverage basis for which lies the predominant task of harnessing the economic

potential of the countryside as a center of growth and development. The cooperative embodies the will to serve in the delivery of reliable power supply under a people and service-oriented performance. (www.batelec1.com.ph accessed on March 2013).

The researcher with former job position as the Energy Trading Analyst is inspired to explore the impact of WESM to the over-all operation on market participants. It is hoped that this study will serve as an eye opener to other non- member electric cooperatives of WESM.

II. OBJECTIVES OF THE STUDY

The study aimed to determine the general performance of BATELEC I as a member of the Wholesale Electricity Spot Market (WESM). More specifically to present the over-all performance of BATELEC I based from the Key Performance Standard set by the National Electrification Administration for the year 2012 in terms of financial, technical, reportorial and institutional performance data; to determine the institutional performance of BATELEC I in terms of human resource and stakeholders as perceived by the employees and member-consumers. Finally to test the significant difference between the assessment of the two groups of respondents on the perceived performance of BATELEC I with regards to human resource and stakeholders.

III. METHODS

Research Design

The study used a descriptive method of research to measure the general performance of Batangas I Electric Cooperative, Inc. (BATELEC I) in participation in the Wholesale Electricity Spot Market (WESM). Descriptive research describes a given state of affairs as fully and carefully as possible. The most common descriptive methodology is the survey, as when researchers summarize the characteristics of individuals or groups or physical environments (Fraenkel & Wallen, 2007).

Participants

The respondents of the study consisted of 77 regular employees of BATELEC I, 87 residential member-consumers, 12 low voltage member-consumers and a high voltage member-consumer. The researcher used 10% margin of error both for the employee and

member-consumers. The distribution of respondents is shown below:

Table 1. Distribution of Respondents

Group	No. of Population	No. of Sample	%
Employee	327	77	23.55
Member-Consumer			
Residential	122,918	87	0.07
Low Voltage	16,736	12	0.07
High Voltage	912	1	0.11

Instrument

The researcher used a standardized questionnaire primarily to collect responses from the employees and member-consumers' satisfaction on BATELEC I's performance as an electric distribution utility. The questionnaire was based on the Key Performance Standard set by the National Electrification Administration (NEA) as a standard for all electric cooperatives in the country. The first part of the questionnaire presented the table of documentary analysis on financial, technical and reportorial data. The last part of the questionnaire was primarily concerned with the respondents perception regarding the institutional performance of BATELEC I. A scale of 1 to 4 was used wherein 1 is the lowest and 4 is the highest. Likewise, in-person interview to the Finance Manager was utilized to further explain in the performance history and current stature of BATELEC I.

Procedure

To disseminate the questionnaire, the researcher sought permission of the management of BATELEC I through formal letter. The distribution of the questionnaire was personally conducted by the researcher.

The target time frame for the accomplishment of the questionnaire for the employees is at most of three (3) days from December 9 to 11, 2013 and one (1) week for member-consumers from December 9 to 15, 2013. The researcher promptly waited for the responses of member-consumers so that it will not be time consuming. The questionnaires are pre-numbered to be able to account for any missing questionnaire.

Data Analysis

All data gathered were encoded, tallied and interpreted using descriptive statistics. These include frequency distribution and weighted mean which were used based on the objectives of the study. In addition, t-

test was used to test the hypothesis using 0.05 alpha level. The obtained data was supported using PASW version 18.

The interpretation of overall performance of BATELEC I is as follows:

Table 2. Overall Performance Rating Scheme

Performance Rating	Point Score (%)
AAA Highest	95-100
AA High	90-94
A Good	85-89
B Average	75-84
C Low	50-74
D Poor	49 and below

The institutional performance as perceived by the employees and member-consumers in terms of human resource and stakeholders was interpreted based on the following:

Table 3. Institutional Performance Rating Scheme

Weight	Scale	Verbal Interpretation
4	3.50 – 4.00	Very Satisfactory
3	2.50 – 3.49	Satisfactory
2	1.50 – 2.49	Good
1	1.00 – 1.49	Poor/Needs Improvement

IV. RESULTS AND DISCUSSION

Table 4. Performance of BATELEC I in Terms of Financial Aspect

Performance in Terms of Financial Aspect	Actual	Point Score
1. Leverage		<u>8%</u>
Debt Ratio	0.41	4%
Debt Service Cover	10.87	4%
2. Liquidity Ratio		<u>4%</u>
Quick Ratio	1.33	
3. Efficiency		<u>12%</u>
Payment to Power Supplier/Transmission (Main Grid)	Current	5%
Payment to NEA	Advance	4%
Average Collection Period	47 days	3%
4. Profitability	3.83	<u>5%</u>
Total		<u>29%</u>

The data in Table 4 present the financial performance of BATELEC I. Financial Performance is divided into four parameters namely leverage, liquidity ratio, efficiency and profitability. Leverage value of

BATELEC I receives the total point score of eight percent which comes from Debt Ratio of four percent and Debt Service Cover of four percent.

According to NEA Memorandum No. 2013-005, debt ratio measures the degree of indebtedness or financial leverage of the electric cooperative. It is used to measure the proportion of assets financed by creditors. Debt ratio is equal to total liabilities over total assets. The point score is based on the debt ratio computation of each EC. The debt ratio equivalent to 0.60 and below will be the highest which receives the point score of 4 %, 0.60 to 0.70 with the equivalent point score of 3 %, 0.71 to 0.80 0.60 to 0.70 with the equivalent point score of 2 %, 0.81% to 0.90% 0.60 to 0.70 with the equivalent point score of 1 % and 0.91 and above will be the lowest 0.60 to 0.70 with the equivalent point score of 0 %.

Based from the Monthly Financial and Statistical Report BATELEC I debt ratio is equal to 0.41. This shows that BATELEC I got the point score of four (4) percent as the highest score which means it has low level of indebtedness.

According to McHugh (2010), leverage or debt ratios measures the degree to which a firm relies on borrowed funds in its operations. A firm that takes on too much debt could experience problems repaying lenders or meeting promises made to stockholders. The debt to owner's equity ratio measures the degree to which the company is financed by borrowed funds that must be repaid.

Also under leverage, debt service cover measures the ability of the electric cooperative to service its debts. To get the debt service cover, add the earnings before income tax to depreciation divided by the Amortization due (Principal plus Interest) for the year which includes amortization in National Power Corporation, Power Sector Asset and Liabilities Management, National Power Corporation –Small Power Utility Group, Rural Electrification Financing Corporation and other financial institutions. The determination of equivalent point score is as follows: 1.20 and above equals to 4%, 1.19 to 1.10 equals to 3%, 1.09 to 1.00 equals to 2%, 0.99 to 0.90 equals to 1% and 0.89 and below equals to 0%.

BATELEC I got 10.87 as the debt service cover with an equivalent point score of four (4) percent as the highest.

Liquidity ratio or quick ratio measures the ability of the electric cooperatives to satisfy its short-term obligation as they become due. The formula to get the quick ratio is cash plus marketable securities plus

consumer accounts receivables inclusive of Value Added Tax, Universal Charges and Reinvestment Fund for Sustainable CAPEX (RFSC) divided by the current liabilities. The following are the quick ratio with its equivalent point score: 1.00 and above as the highest with point score of 4%, 0.99 to 0.90 with point score of 3%, 0.89 to 0.80 with point score of 2%, 0.79 to 0.70 with point score of 1%, and 0.69% and below with equivalent point score of 0%.

From the above result, BATELEC I Quick Ratio is 1.33 wherein it has equivalent point score of 4% which means that it satisfies its short-term obligations.

The efficiency of the electric cooperatives is measured by the ability of paying their obligations. BATELEC I is currently paying its power accounts obligation to power suppliers such as the GENCO which is the SEM-Calaca Power Corporation, National Grid Corporation of the Philippines (NGCP) and Philippine Electricity Market Corporation (PEMC) including E-Vat.

According to the Transitory Guidelines on the Assessment of Electric Cooperatives, main grid EC's where BATELEC I is included, will get both 2.5% point score each if it pays its GENCO and Transmission (NGCP) obligation current or on-time and 0% if EC's had arrears. Payment to Power Suppliers has a total point score of 5%.

BATELEC I receive the score of 2.5 % in paying GENCO and 2.5% in Transmission with a total point score of 5%.

In an interview conducted to the Finance Manager, BATELEC I has maintained to receive prompt payment discount to its GENCO for a long period of time. It also received an award from the National Power Corporation in 2010 as one of the Top 10 Prompt Payer of their company. Also, the Transmission Charges to NGCP previously TRANSCO has been constantly paid on time.

Payment to National Electrification Administration (NEA) maturing loans measures the efficiency of the electric cooperative. The status of payment had an equivalent point score. This is as follows: Current/Restructures – Current equal to 4%, 1 quarter in arrears equal to 3%, 2 quarters in arrears equal to 2%, 3 quarters in arrears equal to 1% and 4 quarters in arrears equal to 0%. BATELEC I got the highest point score of 4% since it has advance payment to NEA loans.

NEA Administrator Editha S. Bueno said that good performance of the electric cooperatives gives NEA the confidence to connect them to other government

agencies in order to solicit the needed support and to fully implement the Rural Electrification Program.

On the other hand, average collection period will also test the efficiency of an electric cooperative. The average collection period measures how quickly the consumers pay the bills to the electric cooperatives. The average collection period is equals to average receivables which is gross consumers accounts receivables inclusive of Value Added Tax (VAT), Universal Charge (UC) and Reinvestment Fund for Sustainable CAPEX (RFSC) multiplied to the sum of beginning and ending divided by two over the daily sales which is equal to 365 days. The following are the average collection period with its corresponding point score: 45 days and below – 4%, 46 to 50 days – 3%, 51 to 55 days – 2%, 56 to 60 days – 1% and 61 days and above – 0%.

BATELEC I average collection period is forty seven (47) days with a point score of 3%. This is the only financial parameters that BATELEC I did not reach the highest point score.

Lastly, the profitability of electric cooperatives shows the productivity which reflects the amount of net income or percentage of peso sales after all cost and expenses have been deducted. EC's will get 5% point score if it has positive net income and 0% if it is negative. In BATELEC I's Monthly Financial and Statistical Report of December 2012 shows that Actual Net Margin was Php 33,361,414.00. The positive net income will have the equivalent point score of 5%.

The total financial performance of BATELEC I has a total point score of twenty nine percent (29%) out of a perfect score of thirty percent (30%). The assessment of the financial parameters is based on Financial Statements, Status of NEA Loan Repayments and Status of Power Accounts with GENCOs, NGCP and PEMC.

Table 5. Performance of BATELEC I in Terms of Technical Aspect

Performance in Terms of Technical Aspect		Actual	Point Score
Power Reliability			<u>15%</u>
a. SAIFI (Sytem Average Interruption Frequency Index)		15.46	7.5%
b. SAIDI (System Average Interruption Duration Index)		859.84	7.5%
System Efficiency			<u>15%</u>
a. System Loss		12.82	12%
b. Power Factor		99.98	3%

Total **30%**

The data in Table 5 show the technical performance of BATELEC I. The technical performance of BATELEC I has three (3) parameters namely power reliability, power quality and system efficiency.

Power reliability is the ability to meet the electricity needs of end-use customers. Distribution Management Committee (2013) developed a framework that will be used in monitoring the reliability performance (in terms of SAIFI and SAIDI) of the On-Grid Electric Cooperatives (ECs). It aims to set a standard that will promote reforms in the operations of the distribution utilities. System Average Interruption Frequency Index (SAIFI) is a measure of the number of times the average customer experiences an interruption in supply. For SAIFI, an interruption is a loss of supply for longer than one minute. The computation of SAIFI is Total number of sustained customer power interruptions within a given period over the Total number of customers served within the same period.

BATELEC I System Average Interruption Frequency Index (SAIFI) for the year 2012 is 15.47 which is lower than the standard which is 25 interruption/consumer/year for unplanned interruptions. The SAIFI of BATELEC I is within the cap of ERC Standard with a point score of 7.5%.

System Average Interruption Duration Index (SAIDI) is a measure of duration. It measures the number of minutes over the year that the average customer is without power. The formula to get SAIDI is total duration of sustained customer power interruptions within a given period over the total number of customers served within the same period. BATELEC I SAIDI for the year 2012 is 859.84 which is lower than the standard which is 2,700 min per year for unplanned interruptions. The SAIDI of BATELEC I is within the cap of ERC Standard with a point score of 7.5%.

The system efficiency of electric cooperatives can be determined by the system loss and power factor. The system loss is the difference between the energy input and energy output. Input energy is the purchased energy measured at the Billing Determinant Energy (BDE) and generated energy measured at the connection point excluding the transmission loss and Site Specific Loss Adjustment (SSLA). Output Energy is the energy sold, recovered and actual coop consumption (metered). BATELEC I's system loss for the year 2012 is 12.82% is within the cap of 13% with point score equivalent of 12%.

Power factor is the ratio of the real to the apparent power in the circuit. In the electric power system, a load with a low power factors draws more current than a load with a high power factor for the same amount of useful power transferred. The higher currents increase the energy lost in the electrical distribution system. BATELEC I's power factor is 99.98% compliant with the standards which is 90% and above with equivalent point score of 3%.

The total technical performance of BATELEC I has a total point score of thirty percent (30%) out of thirty percent (30%). The assessment of the technical parameters is based on the Monthly Engineering Report; and Energy and Demand Data.

The study of Manalo (2013) proves that the Technical Services of BATELEC I meets the standards of the National Electrification Administration and the Philippine Distribution Code.

Table 6. Performance of BATELEC I in Terms of Reportorial Aspect

Performance in Terms of Reportorial Aspect		Actual	Point Score
1	Monthly Financial and Statistical Report (MFSR)	on-time	2%
2	Monthly Engineering Report (MER)	on-time	1%
3	Audited Financial Statement	on-time	1%
4	Enhanced Integrated Computerized Planning Model (eICPM)	on-time	1%
Total			5%

The data in Table 6 show the reportorial performance of BATELEC I. The reportorial performance of BATELEC I is measured by the timely and complete submission of the following reports such as Monthly Financial and Statistical Report (MFSR), Monthly Engineering Report (MER), Audited Financial Statement and Enhanced Integrated Computerized Planning Model (eICPM).

According to Republic Act No. 10531 or NEA Reform Act of 2013, the Monthly Financial and Statistical Report (MFSR) and Monthly Engineering Report (MER) standard submission is on every 21st of the following month. BATELEC I complies to this report with point score of 2% and 1% respectively. The Audited Financial Statement standard submission is on every March 31st of the succeeding year. Adhering to

this mandate, BATELEC I had a point score of 1%. Enhanced Integrated Computerized Planning Model (eICPM) standard submission is on every 1st Quarter of succeeding year. BATELEC I complied with the said report with point score equivalent to 1%.

The total reportorial performance of BATELEC I has a total point score of five percent (5%). BATELEC I fully complied with all of the reportorial requirements as stated in Section 11 of the Republic Act No. 10531.

This was affirmed in the paper conducted by Manalo (2013) that BATELEC I Technical Services Department strengths are derived from its ability to comply with government reportorial standards and Key Performance Indicators.

The data in Table 7 show the institutional performance of BATELEC I. The institutional

performance is based on two parameters such as the Human Resource and Stakeholders. The human resource: leadership and management determinants are good governance, employee-customer ratio, capacity building and retirement fund.

The good governance measures the performance and capability anchored on actual duties and responsibilities based on the mandate under relevant laws. The performance of rating of board of directors shall be rated as follows: compliant with equivalent point score of 5%, with minor lapses of 3%, with adverse audit findings of 2% and with ADCOM/court case of 1%. The BATELEC I Employees Association had a gap with the Board of Directors. For this reason, BATELEC I only got 1% on performance of board of directors.

Table 7. Performance of BATELEC I in Terms of Institutional Aspect

Performance Indicator in Terms of Institutional Aspect	Actual	Point Score
1. Human Resource:		<u>6%</u>
Leadership and Management		
a. Good Governance		
1. Performance Rating of BOD		1%
2. Performance Rating of GM		2%
3. Audit Rating		0%
NEA Audit	P	
External Audit	Qualified	
b. Employee-Customer Ratio	430	1%
c. Capacity Building	Compliant	1%
d. Retirement Fund	Compliant	1%
2. Stakeholders		<u>21%</u>
a. Customer Service		
1. Processing Approval of applications for service connection (with complete requirements)	1 day	2%
2. Service-drop connection	2 days	2%
3. Restoration of service after line fault on the secondary side, including service drop/lateral	4 hours	2%
4. Response time on Consumer Complaints (Billing, Payment and Meter Complaints)	9 hours	2%
5. Timeframe in informing Customer on scheduled power interruptions	3 days	2%
6. Response time to emergency calls	30 minutes	2%
7. Response time to reconnection of service due to disconnection	24 hours	2%
b. Members' Participation/Involvement		5%
1. Annual General Membership Assembly (AGMA)	7.84	3%
2. District Election	19.26	2%
c. Information, Education and Communication Technology	5	2%

Total

27%

The performance of the General Manager shall be evaluated by NEA Administrators and Directors using the key parameters with the corresponding point score such as relationship to the Board of Directors with 15 %; relationship to EC employees with 15%; management of linkages with 20%; innovativeness with 20% and personality with 30% with a total of 100%. BATELEC I has no General Manager since February 2009 and only Officer in Charge was assigned. Based on General Manager's performance level scheme, BATELEC I got a fair score of 70% with a point score equivalent to 2%.

The audit rating is measured based on latest NEA Audit Report. The audit report has adjectival rating of Blue (ECAD Color Coding)/Unqualified with point score of 2% and Purple/Red/Qualified with 0% point score. BATELEC I got 0% point score with adjectival rating of purple/qualified based on 2012 NEA Audit Report.

The standard Employee-Customer ratio is 1:350. Based on the Annual Report 2012, BATELEC I has 327 permanent employees and 140,566 customers. With the result, BATELEC I is compliant since it has 1 employee per 430 customers with equivalent point score of 1%.

The Capacity Building is measured by having one (1) training per employee per year. Employees' training includes both in-house and external trainings duly certified by the HRD Manager. BATELEC I maintain a Team Building workshop/seminar every year with all permanent employees as participants. In this case, BATELEC I is complying with the said activity having a point score of 1%.

Retirement plan/fund is measured by having availability of funds based on updated or periodic actuarial study at least five (5) years. Based on Financial Report under Restricted Fund, BATELEC I is compliant with equivalent point score of 1%.

The stakeholders measured by having three (3) parameters namely: Customer Service Standards; Members' Participation; and Information, Education and Communication Technology (IECT).

Customer service standards are criteria set for the electric cooperatives' efficient service delivery and timely response to customer queries, requests and complaints. The electric cooperatives shall earn 2 points for every complied parameter and 0 for non-compliance. BATELEC I processing or approval of applications for service connection with complete requirements only takes 1 day upon receipt of the application. Service drop connection only takes 2 days.

Restoration of service after line fault on the secondary side, including service drop and lateral lines takes four (4) hours after receipt of the report. Response time on consumer complaints regarding billing, payments and meter complaints takes 9 hours after the receipt of the complaints. The timeframe of informing customer on scheduled power interruptions takes three (3) days before the scheduled interruption. Response time to emergency calls takes thirty (30) minutes. Response time to reconnection of service due to disconnection takes twenty four (24) hours upon payment of accounts. BATELEC I complied with the required parameters and earn 2 points in each parameter.

Members' participation is divided into two (2) parameters which composed of Annual General Membership Assembly (AGMA) attendance and district election. Annual General Membership Assembly (AGMA) Attendance shall have 5 % and above of the total member-consumer. BATELEC I has 7.84% of the total member-consumer AGMA attendance with equivalent point score of 3%. District Election shall have 5% and above of the Total Member except for districts with unopposed candidates. BATELEC I has 19.26% of the total members who voted in the District Election.

Information, Education and Communication Technology (IECT) refers to technologies that provide access to information through telecommunications and computer-based management of data or ideas. The On-Grid Electric Cooperatives in which BATELEC I is included must have four (4) to three (3) IECT items to comply and to have an equivalent point score of 1%. The Information, Education and Communication Technology (IECT) items are Website, Short Messaging System, Hotline for Complaints, Automated Meter Reading, Billing and Collection and On-line Telling. BATELEC I has its own website with web address of www.batelec1.com.ph. The TXTConnect is the short messaging system of BATELEC I. TXTConnect Messaging System powered by Globe Telecom gives BATELEC I the power and more direct means of communication to its member-consumers and employees as well. BATELEC I has 19 cellular phone numbers specifically 4 in Main/Calaca Office, 4 in Balayan Area Office, 3 in Calatagan Satellite Office, 4 in Lemery Area Office and 4 in Nasugbu Area Office and a landline number in each offices as hotline numbers for consumer complaints. BATELEC I is currently using the Total Utility Billing System (TUBS) developed by Digital Data Corporation in the meter

reading, billing and collection. Also included in the implementation of TUBS is on-line tellering where consumers can pay their bills in any offices they want with updated system. Having four (4) IECT items, BATELEC I is compliant with equivalent point score of 1%.

The total institutional performance of BATELEC I has a total point score of twenty seven percent (27%) out of thirty percent (30%). The assessment of the institutional parameters is based on Reports on Annual General Membership Assembly (AGMA), District Election, Customer Service Standards, Employee-Customer Ratio, Capacity Building and Retirement Plan/Fund; and Performance Evaluation Questionnaires for Board of Directors and General Managers.

Table 8. Overall Performance Rating of BATELEC I

Key Performance Standard (KPS)	Point Score	Standard	Performance Rating
1 Financial	29%	30%	3
2 Technical	30%	30%	1.5
3 Reportorial	5%	5%	1.5
4 Institutional	27%	35%	4
Total	91%	100%	AA

The data in Table 8 show the overall performance rating of BATELEC I. Technical performance and reportorial performance ranked first for complying all of the indicators. It was followed by financial

performance with a point missed in average collection period. The institutional performance ranked least for noncompliance of various indicators. Based on the performance rating, BATELEC I garnered AA with adjectival rating of High.

The Performance Rating Scheme is composed of AAA as Highest with point score of 95 to 100 %; AA as High with point score of 90 to 94%; A as Good with point score of 85 to 89%; B as Average with point score of 75 to 84%; C as Low with point score of 50 to 74% and D as Poor with point score of 49 and below percent.

As seen from the Table 9, both the two groups of respondents' have the same assessment on the institutional performance of BATELEC I, with composite mean of 3.08 and 2.63 respectively.

In terms of good governance, performance rating of GM ranked first with weighted mean score of 3.29 and 2.64. This was contrary to the result conducted by the National Electrification Administration in which the performance level received a fair score of 70 % only. The perception of employees and member-consumer towards the performance rating of the General Manager directly implies that the GM manage the coop well and perform the task which is to protect and promote the interest of its members and to improve their social and economic conditions, generally by providing such services (Taimni, 2001).

Table 9. Institutional Performance of BATELEC I in Terms of Human Resource

Institutional Performance in Terms of Human Resource	Employee			Member-Consumer		
	WM	VI	Rank	WM	VI	Rank
1. Good Governance						
1.1 Performance Rating of BOD	2.62	Satisfactory	3	2.52	Satisfactory	2
1.2 Performance Rating of GM	3.29	Satisfactory	1	2.64	Satisfactory	1
1.3 Audit Rating (NEA/External)	3.14	Satisfactory	2	2.44	Good	3
Composite Mean	3.02	Satisfactory		2.53	Satisfactory	
2. Employee-Customer Relationship	3.19	Satisfactory	1	3.10	Satisfactory	1
3. Capacity/Team Building	2.99	Satisfactory	3	2.40	Good	3
4. Retirement Fund	3.12	Satisfactory	2	2.48	Good	2
Composite Mean	3.08	Satisfactory		2.63	Satisfactory	

Legend: 3.50 – 4.00 = Very Satisfactory; 2.50 – 3.49 = Satisfactory; 1.50 – 2.49 = Good; 1.00 – 1.49 = Poor/Needs Improvement

It was followed by employee customer relationship with weighted mean score of 3.19 and 3.10. This shows that employees and member-consumers have harmonious relationship with each other.

This was also stated in Minnesota Valley Rural Electric Cooperative 2012 Annual Report, (2013)

wherein electric cooperatives are private, independent electric utilities, owned by the members they serve. Democratically governed businesses, electric cooperatives are organized under the Cooperative (Rochdale) Principles, anchoring them firmly in the

communities they serve and ensuring that they are closely regulated by their consumers.

On the other hand, the employee assessed capacity/team building and retirement fund as satisfactory while the customer rated it as good only. Member-consumers are not aware of what the terms capacity-team building was and the retirement fund. Since employees are well benefited, this shows that they are satisfied of the service provided by the coop.

As seen from the Table 10, the members' participation/involvement ranked first with composite mean of 3.19 and 2.65. This shows that employees and member-consumers actively participated in the annual general membership meeting and district election (election for Board of Directors).

This was affirmed in Minnesota Valley Rural Electric Cooperative wherein one of their principles is to have democratic member control. Cooperatives are democratic organizations controlled by their members,

who actively participate in setting their policies. Men and women serving as elected representatives are accountable to the membership. Most cooperatives continue to have equal voting rights - one member, one vote.

It was seconded by information, education and communication with a composite mean of 3.18 and 2.62. This shows that employees and member-consumer are aware and satisfied on the high tech facilities and services BATELEC I provides. This includes website which is www.batelec1.com.ph, short messaging system thru TXT Connect powered by Globe Telecom, hotlines for complaints in main office and all area offices, Automated Meter Reading, Billing and Collection which are Meter Reading Billing and Collection System (MRBCS) and Total Utility Billing System (TUBS) both developed by Digital Data Corp. and on-line tellering wherein currently we have two collection centers.

Table 10. Institutional Performance of BATELEC I in Terms of Stakeholders

Institutional Performance in Terms of Stakeholders	Employee			Member-Consumer		
	WM	VI	Rank	WM	VI	Rank
1. Customer Service						
1.1 Processing Approval of applications for service connection (with complete requirements)	3.17	Satisfactory	2	2.78	Satisfactory	1
1.2 Service-drop connection	3.10	Satisfactory	6	2.53	Satisfactory	4.5
1.3 Restoration of service after line fault on the secondary side, including service drop/lateral	3.12	Satisfactory	5	2.54	Satisfactory	3
1.4 Response time on Consumer Complaints (Billing, Payment and Meter Complaints)	3.22	Satisfactory	1	2.67	Satisfactory	2
1.5 Timeframe in informing Customer on scheduled power interruptions	3.13	Satisfactory	3.5	2.43	Good	7
1.6 Response time to emergency calls	3.08	Satisfactory	7	2.44	Good	6
1.7 Response time to reconnection of service due to disconnection	3.13	Satisfactory	3.5	2.53	Satisfactory	4.5
Composite Mean	3.14	Satisfactory		2.56	Satisfactory	
2. Members' Participation/Involvement						
2.1 Annual General Membership Assembly (AGMA)	3.18	Satisfactory	2	2.74	Satisfactory	1
2.2 District Election (Election for the Board of Directors)	3.21	Satisfactory	1	2.56	Satisfactory	2
Composite Mean	3.19	Satisfactory		2.65	Satisfactory	
3. Information, Education and Communication (Ex. Website, Short Messaging System, Hotline for Complaints, Automated Meter Reading, Billing and Collection, On-line tellering)						
	3.22	Satisfactory		2.67	Satisfactory	

Composite Mean	3.18	Satisfactory	2.62	Satisfactory
-----------------------	-------------	---------------------	-------------	---------------------

Lastly, customer service ranks the least with a composite mean of 3.14 and 2.56. All items are satisfactory except for the timeframe in informing customer on scheduled power interruptions and response time to emergency calls which was rated good only. This shows that BATELEC I has deficiency in

these two items for the services they provide to their member-consumers. It can be noted that providing reliable means of electric service to its member-consumers means consistency of service without brownouts or power surges (Laqui & An, 2014).

Table 11. Difference of Responses on Institutional Performance of BATELEC I Between the Employees and Member-Consumer

Indicators Institutional Performance in terms of:	t_c	p-value	Decision	Interpretation
Human Resource	5.143	0.000	Rejected	Highly Significant
Stakeholders	5.902	0.000	Rejected	Highly Significant

Legend: Significant at p-value < 0.05

Based from the result, it was found out that there is a significant difference between the responses of the two groups of respondents on institutional performance. This was observed from the obtained t-values of 5.143 and 5.902 and the resulted p-values which were less than 0.05 level of significance, thus the null hypothesis is rejected. This means that the two groups have different assessment on the performance of BATELEC I. As seen in Table 5.1 and 5.2 although the perception of the two groups of respondents had the same verbal interpretation, the composite mean of the employee is significantly higher than the member-consumer. This is also implies that the perception of employees in human resource and stakeholders as indicators institutional performance of BATELEC I is notably different in member-consumers.

V. CONCLUSIONS AND RECOMMENDATION

BATELEC I obtained a high score based on the Key Performance Standard set by the National Electrification Administration for the year 2012. The employees and member-consumers assessed the institutional performance of BATELEC I as satisfactory. BATELEC I employees perceived the performance of BATELEC I significantly high than the member-consumers.

It is recommended that BATELEC I should continuously implement strictly the Key Performance Standard set by the National Electrification Administration to achieve the highest score. BATELEC I may improve its services based on the institutional parameters to fully satisfy its member-consumers. BATELEC I should strictly implement the qualifications of Board of Directors and Officers as stated in Section 14 and 15 of the Implementing Rules

and Regulation of Republic Act 10531 or the National Electrification Administration Act of 2013 to fully comply with the human resource under institutional performance of BATELEC I. Future research may be conducted using variables not covered by this paper.

REFERENCES

BATELEC I Annual Report 2012, December 2013
 Distribution Management Committee (2013). Setting the Reliability Standards for On-Grid Electric Cooperatives.
 Ek, C. (2009). Electric Reliability and Access to Renewable Power. Congressional Research Service (CRS) Reports and Issue Briefs. 1+
 Fraenkel, J. R., Wallen, N. E. (2007). How to Design and Evaluate Research in Education 6th Edition. McGraw Hill International Edition. New York. p.166.
 Guides for Electric Cooperative Development and Rural Electrification (2012). NRECA International, Ltd. Arlington, Virginia, USA
 Joskow, P. A.(2006). "Lessons Learned from Electricity Market Liberalization". The Energy Journal, Special Issue. The Future of Electricity: Papers in Honor of David Newbery. p. 37.
 Laqui, I. & An, I. L. (2014). Performance of Batangas II Electric Cooperative, Inc. (BATELEC II) in the Wholesale Electricity Spot Market. *Asia Pacific Journal of Multidisciplinary Research*, 2(4), 14-25
 Li, C., Li, P. & Feng, X. (2013). Analysis of Wind Power Generation Operation Management Risk in China. *Renewable Energy*: 64 (Apr. 2013): p266. Academic OneFile

- Manalo, M. (2013). The Performance of BATELEC I Technical Services Department: Basis of a Proposed Action Plan for Fiscal Year 2014. Lyceum of the Philippines University-Batangas.
- McHugh J., McHugh S. and Nickels, W. (2010). Understanding Business. 9th Edition. McGraw-Hill, New York.
- Minnesota Valley Rural Electric Cooperative 2012 Annual Report (2013). Montevideo, Minnesota, USA
- Monthly Financial and Statistical Report, December 2012
- NEA Memorandum No. 2011-020, August 31, 2011
- NRECA Market Research Services. (2011). Vermont Electric Cooperative Residential Member Satisfaction Survey Results. Vermont, USA
- Taimni, K. (2001). Cooperatives in Asia from Reform to Reconstruction, Geneva: International Labour Organization.
- Republic Act No. 6038 retrieved from http://www.lawphil.net/statutes/repacts/ra1969/ra_6038_1969.html, date retrieved: December 2013
- Republic Act No. 9136 retrieved from <http://www.doe.gov.ph/faq's/epira.htm>, date retrieved: December 2013