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**MINUTES of the
LEYTE ELECTRIC COOPERATIVE II
(LEYECO II)
43rd ANNUAL GENERAL
MEMBERSHIP ASSEMBLY (AGMA)
July 27, 2025 at 1:00 o'clock
in the afternoon,
Babatngon Municipal Gymnasium,
Babatngon, Leyte**

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THEME:

**“Beyond Power: Electric
Cooperatives Empowering
Communities, Changing
Lives”**

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2 LEYTE II ELECTRIC COOPERATIVE, INC. (LEYECO II)
3 43rd ANNUAL GENERAL MEMBERSHIP ASSEMBLY (AGMA)
4 July 27, 2025 at 1:00 o'clock in the afternoon at
5 Babatngon Municipal Gymnasium, Babatngon, Leyte
6
7

8 Theme:

9
10 "Beyond Power: Electric Cooperatives
11 Empowering Communities, Changing Lives."
12
13
14

15 Attendees:

- 16
17 • Engr. Fernan Paul R. Tan, PhD., REE
18 General Manager-LEYECO II
19
20 • Board of Directors of LEYECO II
21
22 Director Feliciano E. Elizon, Jr.
23 District V-Babatngon, Leyte
24 President
25
26 Director Librado L. Baysa
27 District II-Tacloban City (Areas 1 & 2)
28 Vice-President
29
30 Director Ronnie G. Dayon
31 District IV – Tacloban City (Areas 5 & 6)
32 Secretary
33
34 Director Joy F. Osmeña
35 District I-Palo, Leyte
36 Treasurer
37
38 • All Employees of LEYECO II
39
40 • LEYECO II Member-Consumer-Owners
41 Total Pre-registered: 9,843
42 Total Number of Actual Attendees: 1,798
43 Total Registration: 10,499
44

45 **Part I. PRELIMINARIES**

46
47 The Program commenced with an Invocation by the Sinag Koro
48 Ensemble and it was followed by the Parade of Colors by the BSP Color
49 Bearers, the Philippine National Anthem by the Sinag Koro Ensemble as
50 well, the LEYECO II Hymn (AVP) and the NEA Hymn (AVP) and to
51 welcome the attendees and to formally commence the program, the
52 Welcome Address and Opening Remarks was given by General Manager,
53 Engr. Fernan Paul R. Tan.

54
55 In addition, solidarity messages were delivered by the Municipal
56 Administrator of Babatngon, Leyte, Atty. Lito Odon on behalf of Hon.
57 Eleanor R. Lugasin their Municipal Mayor and Hon. Remedios "Matin L.
58 Petilla, Mayor of Palo, Leyte (AVP). An intermission number again from
59 the Sinag Koro Ensemble and the raffle of prizes started. Thereafter, more
60 solidarity messages were shown through audio-video presentations of
61 Atty. Janeene Depay-Colingan, Executive Director & General Manager,
62 PHILRECA; Congressman Sergio C. Dagooc, Representative, APEC
63 Partylist and Mr. Antonio Mariano "Nani" C. Almeda, the NEA
64 Administrator.

65
66 Another intermission number was performed by the Sinag Koro
67 Ensemble, and another round of winners of prizes from the raffle were
68 drawn. Next, Arch. Librado L. Baysa, Vice President, LEYECO II Board of
69 Directors, introduced the Guest Speaker, Atty. Alexander Paul T. Rivera,
70 Manager, Institutional Development Department, NEA, who shared an
71 inspiring speech to the attendees.

72
73 Thereafter, the Plaques of Appreciation were awarded to the guest
74 speaker, Atty. Rivera and as well as to all the other guests who imparted
75 their solidarity messages.

76
77 The Sinag Koro Ensemble rendered another beautiful song to
78 entertain the attendees.

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80
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82 **Part II. BUSINESS PROPER**

83
84
85 **Introduction**

86
87 The Moderator, Mr. Eduardo A. Sañagan was requested to read and
88 discuss the House Rules for the orderly conduct of the business proper.

90 **Call to Order**

91

92 The Business Proper of the 2025 43rd Annual General Membership
93 Assembly was called to order at 2:30 o'clock in the afternoon on July 27,
94 2025 by the Presiding Officer, Dir. Feliciano E. Elizon, Jr. on the bases of
95 the provisions of LEYECO II Amended By-Laws and sanctioned by the
96 NEA Institutional Advisory No. 2 dated January 10, 2024 as well as Board
97 Resolution No. 081-06-2025, Series of 2025, entitled " A Resolution
98 Setting the Date of the 2025 Annual General Membership Assembly on
99 July 27, 2025 to be held in the Municipality of Babatngon, Leyte."

100

101

102 **Determination of Quorum**

103

104 As regards the quorum, the Member-Consumer-Owners, the Total
105 Pre-registered: 9,843, Total Number of Actual Attendees: 1,798 and Total
106 Registration: 10,499, who registered and present MCOs during the
107 meeting. Pursuant to Section 4, Article III of the LEYECO II Amended By-
108 Laws, it requires the presence of at least five percent (5%) of all members
109 or one hundred (100) whichever is lesser for the transaction of business.
110 According to the Presiding Officer, Dir. Feliciano E. Elizon, Jr., there being
111 more than one hundred (100) Member-Consumer-Owners who
112 registered and were present, hence, a quorum was declared.

113

114

115 **Notice of Meeting and Proof of Notice**

116

117 As per information from the Board Secretary, Dir. Ronnie G. Dayon,
118 the Notice of the Meeting was properly served to the Member-Consumer-
119 Owners as required by LEYECO II Amended By-Laws and Policy on the
120 general assembly upon the Certification issued by the OIC-ISD Manager,
121 Mr. Nelson S. Go, that from July 6, 2025 to July 7, 2025 they have served
122 copies of the Notice of AGMA to the MCOs via bill insert, local media,
123 posting at the bulletin board of the Main Office and area offices of LEYECO
124 II and at the bulletin boards of LGUs in the City of Tacloban, Municipality
125 of Palo and the Municipality of Babatngon.

126

127

128 **Approval of AGENDA**

129

130 These are the agenda that were listed on the Notice of Meeting that
131 were duly served to the Member-Consumer-Owners. These are the
132 following:

133

- 134 • President's Report

- 135 • General Manager's Report
136 • External Auditor's Report
137 • Presentation and Approval of CAPEX Projects, and
138 • Other Business

139

140 MCO Carmen Dondoyano from Babatngon, Leyte moved for the
141 approval of the Agenda and the motion was seconded by MCO Jenny
142 Gacutara also from Babatngon, Leyte. Hence, the motion for the approval
143 of the agenda for today's AGMA was approved.

144

145

146 **Reading and Approval of the Minutes of the Previous Meeting**

147

148 MCO Genevieve Merro from Tacloban City averred that considering
149 that copies of the Minutes of the previous assembly were distributed and
150 made available and to save material time, moved to dispense with the
151 reading of the full text of the Minutes of the previous Meeting held on July
152 28, 2024, which Motion was duly seconded by MCO Riche Campo from
153 Palo, Leyte. Thus, the motion to dispense the reading of the full text of the
154 Minutes is hereby approved.

155

156 The Board President inquired if there were any corrections to the
157 minutes of the meeting sought to be approved, there being no
158 manifestations for the correction and with that MCO Reynalda Mesa from
159 Babatngon, Leyte moved to approve the Minutes of the previous Meeting
160 held on July 28, 2024 as published and so MCO Benedicto Divino, Jr. also
161 from Babatngon, Leyte, thereafter, seconded the motion, thereby
162 approving the said motion.

163

164

165 **Next order of Business are (1) The President's Report, (2) The**
166 **General Manager's Report, (3) The External Auditor's Report and**
167 **(4) The Presentation and Approval of CAPEX Projects**

168

169 **(1) The President's Report**

170

171 The President's Report was delivered by Director Feliciano E.
172 Elizon, Jr.:

173

174 *Maupay nga kulop ha iyo ngatanan! San-o ko ipadnagat*
175 *iton LEYECO II Board's Report, gusto ko anay igpahibaro ha iyo*
176 *ngatanan nga ini na aton katitirok yana usa ini nga panahon nga*
177 *diin kita nga mga member-consumers in derekta maka*
178 *participate hit desisyon hiton aton kooperatiba siring pa ni Sir*

179 Sañagan aton ini kooperatiba, MCO, Member-Consumers-
180 Owners. May ada liwat kamo katungod hini nga panahon naton
181 yana, katungod mahibaro siring ni Sir Sañagan, so katungod
182 naton yana mahibaro kun ano an operation, kun ano an
183 kabutang han aton kooperatiba han last year, year 2024.
184 Maaram ako, damo ha iyo iton gusto mahibaruan, mahibaro hit
185 operation hiton aton kooperatiba salit gin-eenganyo ta kamo to
186 please actively participate hini nga aton katitirok yana. Maaram
187 ako siring ko pa kanina interesado kita ngatanan mahibaro so,
188 ayaw kamo pag-alang pagpakiana siring pa han aton Municipal
189 Administrator, iton aton Mayor nakapansin it mga poste kun kay
190 ano daw hasta hapagkayana natindog pa ito sakob hit karsada
191 from Tacloban to Babatngon. But iton aton taga NEA may
192 assurance nga igpapa-follow up pero mas maupay iton niyan ma
193 klaro ito ha aton hit aton General Manager. Inuutro ko ayaw
194 kamo pag-alang pagpakiana niyan hiton aton Open Forum kay
195 katungod ini naton yana mahibaro kun ano it kabutangan hiton
196 aton kooperatiba LEYECO II. Maaram ako damo't iyo gusto
197 igpakiana, pakiana sugad hit kun kay ano, nagkaada man hin
198 brownout dida han kabutngaan year 2024 year 2025 dida han
199 New Year's Day or bisan ano nga mga pakiana basta parte la hin
200 kuryente. Inu-utro ko, ayaw kamo pag-alang pagpakiana kay
201 sigurado ako, mababaton iton hiton aton macho guwapo nga
202 general manager, as chief executive officer hiton aton
203 kooperatiba. Nahihinumdoman ko pa dida han aton last nga
204 asembliya, may ada hadto usa na participants nagpakiana kun
205 kay ano daw iton nga aton kooperatiba iton LEYECO II diri man
206 nakuha hin kuryente ha Tongonan nga aanhi man la ito ha aton
207 nga banda iton source of power inuutro ko an baton hadto hiton
208 aton General Manager. Iton LEYECO II iton aton kooperatiba
209 nakuha gihap hin kuryente ha Tongonan although diri la
210 ngatanan nga demand hit kuryente hit at kooperatiba in tikang
211 ha Tongonan kundi, damo it ginkukuhaan hin source of power.
212 Sunod na gusto ko igpahibaro ha iyo labi na ha iyo mga igkasi
213 ko miyembro tagakunsumo hit kuryente hit Babatngon area.
214 Gusto ko igpasabot ha iyo nga iton aton kooperatiba it LEYECO
215 II in naka schedule for Board of Directors election sunod nga
216 tuig, tentative schedule hit June 2026, a month before hit aton
217 sunod nga asembliya. Maaram ako mayda dinhi ha iyo
218 nahhipa-usa kun kay ano advance man ini nga akon pag
219 impormar ha iyo bahin han Board of Directors election, iton
220 mahitungod nga gusto ko ig encourage it kadam-an nga mga

221 Member-Consumers *hit* Babatngon to file their candidacy for
222 Board of Directors representing Babatngon area *para liwat*
223 *matagan hin* fresh mandate *iton mga* member-consumers *hiton*
224 Babatngon. *Pamati ko nagtitika halaba na ini nga* akon
225 *pagyinakan nga diri pa ako nakapag-padangat hiton akon*
226 Board's Report. *Pero anyway inuutro ko, ako nagpagpasalamat*
227 *nga nag attender kamo hini nga aton aktibidades yana hini nga*
228 *aton asembliya dara nga usa nga qualification para hiton*
229 Board's candidacy is the AGMA attendance. *Siring ko pa*
230 *kanina, iton Report hiton Board haliput la. An aton LEYECO II*
231 Board *in nakag-himo hin* board resolutions *hin mga* *sobra dos*
232 *sientos (200) nga* board resolutions *han* year 2024, to be exact
233 242 board resolutions. *Dara hin kadamo hini nga mga* board
234 resolutions, *so diri ko ini ha iyo mairereport ha iyo patag-usa usa*
235 *kay sigurado ako kakapuson kita hin oras, pero as* President of
236 this cooperative, *gusto ko la igpahibaro ha iyo nga iton LEYECO*
237 II Board *in naghihimo la hin mga* resolutions mostly in
238 compliance to NEA and ERC orders and issuances, *ito*
239 *mahitungod nga iton aton kooperatiba in* regulated by ERC and
240 under supervision by NEA. *Diri karuyag sidngon nga kun ano it*
241 *desisyon hit* LEYECO II Board *amo na iton masusunod*. No, *diri*
242 *ito amo, because* board resolutions *hit mga* electric cooperatives
243 registered with NEA, is still subject for NEA's approval. *Parehas*
244 *guihaon iton hini nga aton katitirok yana, hini nga aton*
245 *asembliya yana, kun ano iton desisyon hinin aton pagbubuhaton*
246 *yana nga asembliya, diri karuyag sidngon nga amo na iton it*
247 *masusunod, no, diri amo, kay* all AGMA's resolutions is still
248 subject to NEA's confirmation *karuyag sidngon* final approval
249 *hiton desisyon hini nga aton aktibidades yana* is with NEA. *Amo*
250 *ito ka unique iton aton kooperatiba. Waray kita hiton mahihimo*
251 *kay balaod. So, as* President of this cooperative, *iton akon la*
252 *ginhahangyo ha iyo, to please respetuhon ta it balaod. Sundon*
253 *ta it balaod para diri kita magkaproblema ha urhi nga mga adlaw*
254 *Amo la iton an mare-Report han* Board. Thank you and God
255 bless us all!

256

257 **(2) The General Manager's Report**

258

259 The General Manager's Report, was delivered by Engr. Fernan Paul
260 R. Tan through an audio-video presentation that he had prepared:

261

262 Maupay nga kulop ha aton ngatanan nga mga miyembro-
263 tagkonsumo nga aanhi yana pati na gihapon hadton mga aadto ha ira
264 tagsa-tagsa nga panimalay nga nagkikita pinaagi han Facebook Live.
265 Para ngadto han aton mga tinahod nga bisita nga aanhi, aton LEYECO II
266 Board of Directors, ngan an aton mga partners ha rural electrification,
267 salamat han paghatag han iyo panahon para hini nga aton tinuig nga
268 katitirok. Para ha akon, komo iyo general manager, usa nga
269 prebilihiyo an makaghatag hin report parte han mga nahimo han
270 aton kooperatiba upod na gihapon an mga hihimuon pa nga mga
271 plano o proyekto han LEYECO II. Han tuig 2024, usa na ka tuig
272 nga puno hin pag-uswag, pagpadayon, ngan paglaum hin
273 maupay nga serbisyo. Titikangan ko it akon report ha TECHNICAL
274 PERFORMANCE. Dida han 2024 an aton peak demand umabot hin 65.34
275 megawatt kontra han dida han 2023 nga umabot la hin 59.54.
276 Nagpapasabot la ini nga durudamo na nga miyembro-tagkonsumo yana it
277 na konsumo yana hin kuryente nga amo an kinahanglan nga pag andaman
278 han LEYECO II para han ikakaupay hit ngatanan nga miyembro-
279 tagkonsumo. An aton systems loss dida han 2024 amo in 6.92%,
280 nagpapasabot ini nga an ngatanan han aton naipapasa nga taripa ngadto
281 hiton aton miyembro-tagkonsumo inin gutiay la an systems loss
282 mahitungod han mga pag upgrade han aton ginhihimo han aton mga
283 pasilidad han LEYECO II. Samtang an aton reliability indices han 2024
284 asya an 15.37 para han saifi kun diin gin-aallow kita kutob 25 ka-beses
285 kada tuig kada konsumidor. An aton liwat saidi umabot hin 12.55 hrs. an
286 gintutugot ha mga electric utilities is 45 hours kada tuig. Para maatubang
287 naton an nagtitikadako nga demand, magpapadayon an pag-upgrade han
288 mga linya ha distribusyon ngan han pagtindog hin bag-o nga usa nga
289 sub-station dinhi ha Babatngon. An detalye hini irereport ha iyo
290 niyan ha new business. Upod guihap hit aton future plans an
291 pagtagad han posibilidad han renewable energy sugad han solar
292 power. Agud masiguro an masasarigan nga supply han
293 kuryente ngan mas maupay pa an aton serbisyo nagpapadayon
294 an pakig-hirisgot ngan koordinasyon han LEYECO II upod an
295 mga tawo han NGCP, NEA ngan DOE. Nganhi naman kita han
296 aton FINANCIAL PERFORMANCE. An LEYECO II para han tuig
297 2024, an aton mga konsumidor hin na-billan hin total customers
298 nga 84,150, nga ito na total nga customers billed an aton
299 collection efficiency umabot hin 98.53% usa ini nga
300 improvement kay dida han 2023 umabot la hin 97.6% an aton
301 collection efficiency. Samtang an aton average residential rate in
302 naabot hin ₱10.03. Para liwat han aton INSTITUTIONAL
303 PERFORMANCE. An aton Institutional Performance under han
304 aton Institutional Service Department nakig-urusa paghatag hin
305 atensyon ngadto han mga komunidad nga ginseserbisyohan han
306 aton kooperatiba nga an LEYECO II. Han nakalabay nga tuig

307 nagdumara an LEYECO II hin election, pinaagi han aton Institutional
308 Service Department, para han aton duha (2) nga Distrito, amo an
309 Districts 1 ngan 3 kun diin na re-elect hi Dir. Joy F. Osmeña komo Board of
310 Director han District 1. An election liwat para han District 3 igin-deklarar
311 nga failure of elections tungod nga waray may nagpasa hin Certificate of
312 Candidacy. Nagkaada hin special election an District 3 nga gin-schedule
313 dida han Setyembre 1, 2024. Ini nga Special Election subay han NEA
314 Memorandum 2014-019 pero nagdeklara gihapon hin failure hin parehas
315 nga rason nga waray may nag-file han ira kandidatura. Ha pagka yana
316 bakante an District 3 pero mayda gin-tudlok nga caretaker an mga Board
317 para han District 3, ini amo hi Director Librado L. Baysa an aton unta
318 directiba para han District 2 samtang waray pa nalingkod nga Board of
319 Director hini nga distrito. Padayon guihaapon an pagdumara han
320 ISD hin information dissemination ngan pangampanya ha mga
321 eskwelahan ngan barangay para han edukasyon parte ha
322 enerhiya ngan elektripikasyon, kaupod dida an paghatag hin
323 mga update nga may kalabutan han mga aktibidades han
324 LEYECO II. Ha katapusan, para han akon Report hiton 2024
325 Operational Performance han LEYECO II, an Overall
326 Performance and Categorization nga gin-issue han NEA dida
327 han bulan han Mayo yana nga tuig, an LEYECO II in nagmintinar
328 hin Triple A ngan Mega Large Categorization asya ini an
329 pinakahitaas nga grado nga ginbahatag hit NEA para ngadto hit
330 mga kooperatiba. Karuyag sidngon maupay an pagdumara
331 ngan pagpalakat han mga empleyado han operasyon han iyo
332 kooperatiba. Ngadto liwat kita yana han COMPETITIVE
333 SELECTION PROCESS. Han tuig 2024, an LEYECO II
334 nagdumara hin Competitive Selection Process para han
335 kadugangan nga power supply. Ini nga proseso gindumara
336 sumala han gin-issue nga Department Circular han Department
337 of Energy ngan han regulasyon han Energy Regulatory
338 Commission, nga may panuyo nga makapili an kooperatiba hin
339 power supplier nga may barato ngan masasarigan nga serbisyo.
340 An Technical Working Group nagbuhat hin masusi nga
341 evaluation han mga bids nga nakuha tikang han mga
342 kwalipikado nga generation company. An resulta han CSP
343 naghatag hin competitive nga power rate para han mga
344 member-consumers, ngan nagpakita hin panindugan han
345 LEYECO II para han patas ngan abre nga transaksyon para
346 maproteksyonan an interes han mga konsumidor han kuryente.
347 Yana magpapasamwak an LEYECO II parte han bag-o nga
348 prangkisa nga gin grant han Malacañang ngadto han aton
349 kooperatiba nga LEYECO II pinaagi han Republic Act 12017.
350 Han tuig 2024, natapos an pito (7) ka tuig nga koordinasyon,
351 konsultasyon, nagbunga gihap an paningkamot naton. An aton

352 hinyap nga magka-mayda hin bag-o nga prangkisa an aton
353 kooperatiba nga LEYECO II natuman pinaagi han pagpirma ni
354 Presidente Bongbong Marcos dida han Agosto 09, 2024 han
355 Republic Act 12017. San-o nakakuha an aton kooperatiba hin
356 bag-o nga prangkisa damo nga mga challenges an gin atubang
357 han aton kooperatiba upod dida an documentary requirements,
358 an compliances nga kinahanglan anay masiguro nga kompleto
359 ugsa kami matagan hin dokumento nga may kalabotan han
360 amon application. Sugad han akon gin-report han AGMA han
361 2024, an application para han bag-o nga prangkisa han LEYECO
362 II nagtikang pa dida han 2017, ini nga kahalawig nga panahon
363 nga ipinakita han paningkamot han kooperatiba nga masiguro
364 an padayon nga serbisyo han kuryente. An Republic Act 12017
365 asya an naghatag hin bag-o nga 25-ka tuig nga prangkisa ha
366 LEYECO II para mapadayon nga magserbisyo ha Ciudad han
367 Tacloban ngan mga bungto han Palo and Babatngon. An pag-
368 apruba han Republic Act 12017 nagpapakita han dako ga
369 pagtapod han gobyerno ha kapasidad han kooperatiba ngan an
370 padayon nga panindugan han LEYECO II nga maghatag han
371 serbisyo ha mga molupyo nga matatapuran, masasarigan ngan
372 barato nga taripa hin kuryente ha tagsa-tagsa ha aton. Ini nga
373 aton naangkon nga pagdarag-an an Republic Act 12017, diri
374 mananabo kun waray an kooperasyon han Board of Directors,
375 an mga empleyado, an mga LGU nga nasasakupan han LEYECO
376 II, ngan kamo nga mga miyembro-tagkonsumo dinhi ha aton
377 kooperatiba. Para naman han aton mga miyembro-tag-konsumo,
378 dako an amon pagpasalamat ha iyo nga nagpapadayon kamo
379 pag suporta han mga Board of Directors, an mga taga
380 Department of Energy, an mga taga National Electrification
381 Administration, an mga taga LGU han Munisipyo han Palo, an
382 mga taga LGU dinhi ha Munisipyo han Babatngon, an LGU han
383 Tacloban ngan iba pa nga iginkaupod namon ha elektropikasyon,
384 salamat han iyo giya ngan bulig ha LEYECO II. Ha amon mga
385 empleyado, an iyo dedikasyon ngan kasing-kasing para ha
386 kooperatiba nga kusog han LEYECO II, damo nga salamat. Akon
387 iginpapatapod ha iyo nga an LEYECO II mag papadayon ha
388 pagserbisyo nga puno hin pagsarig, integridad, ngan paglaum
389 para han mas malamrag nga kabubuwason han aton
390 kooperatiba. Hinaot unta nga padayon kita nga magka-urusa
391 para pagtukod hin mas makusog ngan mas malinampuson nga
392 kooperatiba. Damo nga salamat.

393

394 In view of the above, MCO Dalmacio Grafil from Tacloban City
395 moved for the approval of the President's Report and the General

396 Manager's Report and was seconded by MCO Jocelyn Fuentes from Palo,
397 Leyte. Thus, the Motion was approved.

398
399
400 **(3) External Auditor's Report**

401
402 For this year's External Auditor's Report, an audio-video
403 presentation was introduced by the representative of the Machica Tan-
404 Cruz and Company:

405
406 Good day everyone! On behalf of Machica Tan-Cruz and Company,
407 we extend our warmest congratulations to the management and board of
408 directors of LEYECO II on the successful completion of the audit
409 engagement for the year ended December 31, 2024. Our agenda for today
410 includes the presentation and discussion of the following financial
411 statements. The balance sheet, income statement, statement of
412 comprehensive income, statement of changes in members' equity, and
413 statement of cash flows. I will also be presenting to you our audit findings
414 for the year. Based on our audit, we issued an unqualified opinion of the
415 financial statements as a whole, indicating that they present fairly in all
416 material respects the financial position and performance of the
417 cooperative. However, we have emphasized a matter disclosing our
418 report that as of December 31, 2024, the cooperative's pension benefit
419 obligation remains underfunded in the amount of ₱265 million, which is
420 5% higher from that in 2023, and is representing 54% of the total non-
421 current liabilities of the current year. Now, let's go to the financial
422 highlights of the 2024 and 2023 audited financial statements. So, for
423 2024, the total assets have increased from ₱1.86 billion to ₱1.94 billion.
424 That is actually a net increase of ₱82.32 million or 4.42% from 2023. This
425 increase was mainly due to the increase in accounts and other receivables
426 by around ₱58 million, representing an increase by 13% from the
427 previous year. Members' equity have also increased by ₱34.79 million or
428 3.38%. This increase is mostly attributable to the increase in
429 reinvestment for sustainable capital expenditures, amounting to ₱51
430 million. This increase actually represents 6.44% as compared with last
431 year. Reinvestment fund for sustainable capex shall be used to finance
432 the cooperative's counterpart cost system expansion, rehabilitation, or
433 upgrading of existing power, add-ons, and institutional development to
434 provide member-consumers with efficient electricity. Total liabilities
435 have also increased by around ₱47.5 million or 5.72% from 2023. This is
436 mainly attributable to the increase of the due to power suppliers,
437 resulting from high price fluctuations of the cost of power. Another
438 important thing to note would be the increase in the retirement benefit
439 obligation by ₱12.8 million or an increase of 5.09%. As for the statement
440 of profit or loss, the cooperative experienced an increase in the revenues

441 amounting to ₱405 million or a 15.33% increase compared to last year's
442 2.6 billion. The cooperative now has 3 billion revenues. As a consequence,
443 the direct costs have also increased from 2.6 billion to nearly around ₱3
444 billion, an increase of 419.4 million, or 15.94%, resulting to a gross profit
445 of ₱123.7 million. This actually represents the decrease or a decrease of
446 around ₱50.2 million or 25.88%. Gross profit amounted to 123.7 million,
447 whereas the general expenses amounted to ₱172.2 million, resulting to a
448 negative operating profit of ₱48.5 million. Other income, on the other
449 hand, amounted to 50.6 million, resulting to a net profit for the year of
450 ₱2.01 million. Comprehensive income for the year ended amounted to
451 negative ₱15.75 million, compared to last year's positive 3.05 million.
452 There had been a decrease of ₱18.8 million, which was mostly due to the
453 minimum movement of remeasurement gains and losses. As for the
454 statement of changes in members' equity, there had been a lot of
455 transactions affecting our equity during the year. However, it is notable
456 that one among them had greatly fluctuated during the year, and that is
457 the reinvestment for sustainable capex, amounting to ₱51.58 million. As
458 for the statement of cash flows, cash stood at 237.4 million at the end of
459 the year. As compared to last year, at 236.85 million of cash, there had
460 been a net increase of around 547,000. This increase was likely due to
461 the significant movements in the accounts mentioned earlier, namely, due
462 to power suppliers and the reinvestment for sustainable capex. Now, we
463 go to the audit findings in the 2024 financial statements. We have noted
464 minor deficiencies. First is the discrepancy of cash on hand amounting to
465 ₱4 million. This was mainly due to migration errors relating to system
466 transition on previous year on reconciled balances. However, the
467 management of LEYECO II created a task force within the accounting
468 department to reconcile these balances. We have also noted and
469 reconciled general ledger and the aging schedule balances for consumer
470 accounts receivable with the discrepancy amounting to 4 to ₱6.9 million,
471 representing a total of 12% of the recorded amount. Again, the reason is
472 due to migration errors relating to system transition and previous year
473 on reconciled balances. LEYECO II management, however, committed to
474 gradually reconcile this related discrepancy. Third is the underfunded
475 retirement benefit obligation. As discussed earlier, the cooperative has
476 an unfunded retirement benefit obligation amounting to ₱265 million.
477 This materially represents 54% of the total non-current liabilities. And
478 lastly, discrepancy in the materials and supplies inventory. There was a
479 discrepancy noted amounting to ₱903,000.00, representing 2% of the
480 total materials and supplies inventory. This was mainly due to the timing
481 differences due to lengthy procurement and inspection process. LEYECO
482 II, however, conducts periodic inventory counts and reconciliation to
483 reconcile these discrepancies. And that concludes our presentation of the
484 financial highlights and audit findings for LEYECO II for the year ended

485 December 31, 2024. On behalf of Machica Tan-Cruz and Company, we
486 thank you for your attention and continued trust.
487

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489

490

(4) Presentation of LEYECO II CAPEX PROJECTS

491

492 The Capital Expenditure Projects or the CAPEX Projects was
493 presented by Atty. Jenny Longjas, the LEYECO II Corporate Planning, ICT
494 & Energy Trading Department Manager, particularly the Construction of
495 69-kV Subtransmission line and Construction of Babatngon Substation
496 and was likewise made through an audio-video presentation:
497

498

499 Good afternoon, fellow member-consumer-owners, partners from
500 the government and private sector, and esteemed guests. As we gather
501 for this 43rd Annual General Membership Assembly, anchored on the
502 theme "Beyond Power: Electric Cooperatives Empowering Communities,
503 Changing Lives," we remain steadfast in our commitment to ensure a
504 resilient, responsive, and future-ready electric distribution system for all.
505 Today, we take a crucial step forward as we present to you the LEYECO II
506 Contingency Capital Expenditures (CAPEX) Projects, a series of strategic
507 investments designed to address unforeseen challenges, mitigate system
508 vulnerabilities, and strengthen our capacity to deliver uninterrupted,
509 quality power services to every home, enterprise, and institution we
510 serve. These projects are not just about infrastructure, they are about
511 preparedness. They are about ensuring that in times of natural disasters,
512 technical disruptions, or rising demand LEYECO II can respond quickly,
513 recover faster, and continue to empower our communities without delay.
514 Through this presentation, we aim to provide transparency,
515 accountability, and a shared understanding of how these initiatives will
516 support our long-term goals and safeguard the gains we've collectively
517 built. Let us now walk you through these critical undertakings that
518 represent our proactive approach to sustainable and inclusive
519 electrification. Contingency CAPEX Projects refer to capital expenditures
520 (CAPEX) that are allocated for unplanned infrastructure needs,
521 particularly to ensure reliability and continuity of electric service in case
522 of unexpected events. As defined in the Distribution Utility Planning
523 Manual, contingency capital expenditures are expenditures that may
524 occur at any given period, which may be resulting from the
525 implementation of national government policies and initiatives, and/or
526 implementation of local government development programs. It has come
527 to the attention of LEYECO II that the Philippine Ports Authority is moving
528 forward with the construction of a new port in Babatngon, Leyte, with the
529 project aiming to establish an Eastern Visayas Regional Transshipment
Hub, a major infrastructure development that is expected to boost local

530 commerce and enhance economic activity in the region. This initiative
531 signals a promising growth trajectory for the municipality, opening new
532 opportunities for trade, transport, and investment, all of which will
533 contribute to the overall progress and competitiveness of Babatngon. As
534 the town moves toward becoming a more strategic economic hub,
535 LEYECO II recognizes the importance of ensuring that its power
536 infrastructure keeps pace with this development to adequately support
537 the increasing demands of businesses, industries, and residents in the
538 area. As part of LEYECO II's commitment to delivering reliable and
539 quality electric service, we are happy to inform you, our dear MCOs, that
540 there will be a Construction of a 69-kilovolt Subtransmission Line, one of
541 our priority Contingency Capital Expenditure (CAPEX) Projects for this
542 year. This project is strategically designed to address the persistent low
543 voltage complaints of our member-consumer-owners residing in the far-
544 flung barangays of Babatngon, where power quality issues have long
545 posed challenges to everyday life and livelihood. Moreover, the 69-kV line
546 will serve as the vital link for the connection of LEYECO II's new
547 substation to the NGCP-Bagahupi Substation, ensuring a more stable and
548 efficient power flow to the area. In addition to enhancing service
549 reliability, this project supports our broader objective of building a
550 resilient and future-ready distribution system, one that safeguards
551 against unforeseen contingencies while meeting the growing demands of
552 our franchise area. Through this project, LEYECO II reaffirms its mission
553 to empower communities and improve lives, one infrastructure at a time.
554 The 69-kV Subtransmission Line Project is one of LEYECO II's strategic
555 Contingency CAPEX undertakings designed to enhance system reliability,
556 stabilize voltage levels, and expand the cooperative's capacity to meet the
557 growing electricity demand in its franchise area. This project spans a total
558 length of 1.050 kilometers, consisting of a 3-phase overhead line that will
559 directly connect the newly proposed Babatngon Substation to the NGCP
560 Babatngon Substation. The line will be constructed using 336.4 MCM
561 Aluminum Conductor Steel Reinforced bare wires, supported by a
562 combination of 65-foot and 90-foot steel poles to ensure adequate ground
563 clearance, structural resilience, and adherence to safety standards. In
564 preparation for this undertaking, LEYECO II has already coordinated with
565 NGCP and completed the site survey of the proposed route. As a result,
566 the staking sheets and proposed bill of materials (BOM) are now available
567 and ready for submission, ensuring the project's readiness for
568 implementation. The total installation cost of the subtransmission line,
569 inclusive of VAT, is estimated at ₱12,658,464.80. Once completed, this
570 infrastructure will significantly improve power quality in remote areas of
571 Babatngon and strengthen LEYECO II's overall distribution network, fully
572 aligned with its mission of empowering communities and transforming
573 lives through reliable electricity service. Our next project is the
574 construction of Babatngon substation. This substation is strategically

575 located in Babatngon, Leyte, one kilometer away from the NGCP-
576 Bagahupi substation and is designed to complement the newly proposed
577 69-kV subtransmission line that will directly connect to the NGCP
578 Substation. Together, these infrastructure developments are expected to
579 significantly improve voltage regulation, minimize its system losses, and
580 address the persistent low voltage issues experienced by our member-
581 consumers, particularly in far-flung areas of Babatngon and neighboring
582 barangays. The construction of this substation is more than just an
583 infrastructure upgrade. It is a long-term investment in system reliability,
584 operational efficiency, and consumer satisfaction. By strengthening our
585 connection to the national grid and enhancing our load capacity, LEYECO
586 II ensures that the growing power demands of our communities are met,
587 both now and in the future. This project stands as a testament to our
588 proactive approach in empowering communities, fulfilling our mandate
589 of rural electrification, and advancing our theme for this year's AGMA:
590 "Beyond Power: Electric Cooperatives Empowering Communities,
591 Changing Lives." This slide presents the historical loading trend of Feeder
592 4 from the Abucay Substation, highlighting a consistent increase in
593 demand over recent periods. The graph and tables displayed illustrate the
594 year-on-year loading levels, clearly showing that the substation has now
595 reached its critical loading threshold. The data underscores the urgent
596 need for load redistribution or capacity augmentation, as the current
597 loading condition poses a risk of system overload, reduced reliability, and
598 potential voltage drops, especially during peak demand periods. This
599 reinforces the necessity of LEYECO II's infrastructure projects, such as the
600 construction of the 69-kV subtransmission line and the Babatngon
601 Substation, which are aimed at relieving the load from Abucay Substation
602 and improving overall system efficiency and reliability. The next slide
603 shows the results of the technical analysis made upon the loading
604 requirements of Feeder 4 in 30 years. The load growth for Feeder 4 of the
605 Abucay Substation, is projected to reach 37,188 kVA. Based on this
606 forecast, a significant upgrade in transformer capacity will be required to
607 sustain the long-term load demand. To accommodate the projected
608 capacity, the following transformer configurations are technically viable.
609 First, five (5) units of 10 MVA power transformers, or second, four (4)
610 units of 15 MVA power transformers, or third, three (3) units of 20 MVA
611 power transformers. In addition to load forecasting, a voltage analysis
612 was conducted to determine the impact of the proposed system
613 improvements. The results indicate that once the 69-kV subtransmission
614 line and Babatngon Substation project is implemented, low voltage issues
615 currently experienced in parts of Feeder 4 will be fully resolved. The
616 enhanced voltage profile will ensure stable and adequate power delivery
617 across the entire feeder, thereby improving system reliability and
618 customer satisfaction. This slide illustrates the present day value of the
619 3-transformer capacity options identified in the technical analysis, each

620 evaluated based on the total projected cost of meeting the 30-year
621 forecasted load of 37,188 kVA on Feeder 4. Procuring and installing 10
622 MVA power transformers over time will result in a present-day cost of
623 ₱102,153,535.93. Opting for 15 MVA power transformers leads to a
624 present-day cost of ₱93,404,047.77. While choosing 20 MVA power
625 transformers today results in the lowest present-day cost of
626 ₱84,467,808.01. The financial analysis clearly shows that investing in a
627 20 MVA power transformer now is the most cost-efficient option,
628 providing the required capacity for future demand while minimizing
629 long-term expenditures. This proactive approach supports financial
630 sustainability, avoids incremental upgrade costs, and ensures that the
631 system is prepared for long-term growth. This is now the summary of the
632 key design and financial considerations for the proposed Babatngon
633 Substation Project. The substation will be equipped with one (1) unit of
634 20 MVA power transformer, selected to accommodate the long-term
635 projected demand while ensuring flexibility for future expansion. To
636 efficiently distribute load and enhance system reliability, four (4) new
637 distribution feeders are proposed for construction. The total estimated
638 project cost is ₱48,930,000.00, inclusive of materials, labor, and
639 installation costs. This investment is strategically designed to address
640 current system limitations, support anticipated growth in demand, and
641 ultimately deliver improved voltage quality and service reliability to the
642 member-consumer-owners of Babatngon and neighboring areas. The
643 following activities are the key milestones in the construction of the 69-
644 kV subtransmission line together with the Babatngon Substation Project,
645 highlighting the progress made and the steps ahead. In 2024, the lot for
646 the proposed substation was successfully acquired, marking the first
647 major milestone in the project. Initial coordination with a geodetic
648 engineer was also conducted to assess the suitability of the location for
649 the planned infrastructure. During the first quarter of this year, LEYECO
650 II conducted staking activities together with NGCP personnel to properly
651 identify the location of the poles. The filing of the project application
652 before the Energy Regulatory Commission is targeted for the third
653 quarter of 2025. Upon approval from the Member-Consumer-Owners
654 (MCOs), the procurement process for materials and services will be
655 initiated. Construction will commence immediately following
656 procurement, ensuring the timely implementation of the project. This
657 timeline reflects LEYECO II's proactive planning and readiness to execute
658 the project efficiently, in alignment with regulatory requirements and
659 stakeholder support. As we presented the proposed construction of the
660 69-kV Subtransmission Line and the Babatngon Substation, we
661 respectfully appeal for your support and approval of these critical
662 contingency CAPEX projects. These infrastructure developments are not
663 just technical upgrades, they are long-term solutions that will directly
664 benefit our communities by improving voltage stability in far-flung areas,

665 ensuring system reliability amidst growing demand and preparing our
666 power distribution network for the future. With your affirmative vote,
667 LEYECO II can move forward with implementation, a step that will
668 empower not just our operations, but the lives and livelihoods of the
669 member-consumer-owners we serve. Together, let us invest in a stronger,
670 more reliable, and future-ready LEYECO II. We humbly ask for your
671 approval. Thank you and once again, good afternoon.

672

673 MCO Imelda Lagutan from Tacloban City, also the former Board
674 President commended LEYECO II for this project and moved to approve
675 the CAPEX Projects as presented and then the said motion was seconded
676 by MCO Joey Gabieta likewise from Tacloban City. For this, the motion
677 was duly approved.

678

679

680 **Open Forum**

681

682 The Moderator, Mr. Eduardo A. Sañagan facilitated the open forum.
683 MCO Roy Quintero of Tacloban City before he asked his question he made
684 a suggestion first regarding the Annual Report of the Membership
685 Assembly, as the Minutes from last year did not indicate line numbers and
686 it was somewhat difficult to address the concerns because there were no
687 line numbers, if it would not be too much to ask so he suggested that both
688 page numbers and line numbers be written in the Minutes and the
689 Moderator told him that his suggestion was duly noted. Moreover, MCO
690 Quintero said he will be asking two (2) questions, the first question is
691 about CAPEX, he wondered why the number sixty-nine was used with a
692 side comment that it was a sexy number and why not seventy? The
693 Chairman treated the question to be technical in nature, hence, it was
694 answered by Engr. Fernan Paul R. Tan, General Manager: *"Sir, maupay iton*
695 *na pakiana kay ano waray nala ig sarado hin seventy? Now, iton delivery*
696 *voltage hit aton grid which is operated by the National Grid Corporation*
697 *of the Philippines, damo nga boltahe it gindedeliver. It ira pinaka guti na*
698 *boltahe nga gindedeliver under the NGCP is 69,000 volts, so amo iton nga*
699 *nabunyagan naton hin 69kV line. Mayda liwat hira sinisiring iton nakikita*
700 *didto ha Bagahupi didi ha Babatngon ito ngani baga hiton hin nadupa nga*
701 *tower na steel, that is 138 kV line, 138,000 volts iton. Iton kuryente nga*
702 *ginpapadalagan hit LEYECO, inin nga mga poste nga nakikita naton dinhi*
703 *hit ligid hit karsada, that is 13,200 volts, so iba-iba an boltahe, iba-iba an*
704 *gamit. So, an aton substation na gindedesign kinahanglan nga 69,000*
705 *volts iton incoming voltage that is why ha aton CAPEX nga aton ginpa*
706 *aprubahan was the 69 kV line para han subtransformer type. And the*
707 *second question was regarding the pension fund of the employees which*
708 *is a very big challenge because it has again increased to another eight*
709 *million, it is now P262 million, the target fund to be established for the*

710 retirement of the employees, since it kept on increasing what is LEYECO's
711 plan to arrest this or to meet the exorbitant amount which is even more
712 expensive than the CAPEX Project and made it quite clear that he had
713 nothing against the retirement fund but he just wanted to know how
714 LEYECO II will arrest the increasing retirement fund? This time the
715 Chairman regarded the question to be an operations concern, so, the
716 General Manager is the right person to give the answer. Thus, Engr.
717 Fernan Paul R. Tan, General Manager replied that: "Seven years ago,
718 LEYECO II did not have a retirement fund so, *ada man hiya ha balaod na*
719 *ngatanan na empleyado magreretiro ha serbisyo han kooperatiba, dapat*
720 *matagan naton hin separation pay or the retirement pay. So, yana an*
721 *ginhimo han aton kooperatiba, una, nagpa conduct kita hin study which is*
722 *the actuarial evaluation. So, kay ano na mayda kita actuarial evaluation*
723 *para mahibaro an aton kooperatiba, siring pa ni sir kanina, kun aahon ta*
724 *pagtapo hiton na problema kay diri man puede na diri naton adresan kay*
725 *benepisyo ini na iharatag ha empleyado. Now, what are the strategies*
726 *being done by the cooperative? An una nga amon ginhimo is to determine*
727 *the average age of the employees of the cooperative, para makasabot kami*
728 *kun hain iton pagpa fundingan kay siring pa kanina ni sir dako in inga*
729 *kantidad diri makakaya hit aton kooperatiba hin one-time big time. So, an*
730 *ginhimo naton, pinaka siyahan na ginhimo, nag actuarial, ika duha nag*
731 *determine kita han average age kun ano na an edad han mga empleyado,*
732 *nag scheduling kita kun aanhon ta pag pondo kay diri ini outright namon*
733 *nga popondohan mahitungod nga an iba nga empleyado bata pa kaupay*
734 *diri pa ma retire, so, an buot ipasabot na an funding na ginbubutangan*
735 *naton cannot arrest but we can control, kay sigidas man iton. An ma retire,*
736 *mayda liwat masulod, may ma retire, mayda na liwat masulod but rest*
737 *assured nga ginta-target namon nga within the next five years na*
738 *pagpondohan iton retirement through han operations fund, karuyag*
739 *sidngon, we limit the cost hit aton operations, we maximize everything*
740 *para nakaka pondo kami hiton aton retirement but based han report han*
741 *aton external auditor, it has had a significant improvement since Day One*
742 *that we implemented the funds for the retirement. Another follow-up*
743 *question, as of now, how much is the allocated amount or earmarked by*
744 *LEYECO every year to fund the retirement or to control that retirement*
745 *fund, any figure that LEYECO can think of? Engr. Tan relied that they are*
746 *trying to allocate Four Million (4,000,000.00) a month.*

747
748 MCO Paz Nolan from Babatngon, Leyte asked about the Senior
749 Citizen discount which was also answered by Engr. Fernan Paul R. Tan,
750 General Manager: "*Kanina gusto naton masaydan ngatanan kay iyo ini*
751 *katungod nga miyembro- tagkonsumo hit LEYECO II. Mayda discount, yes*
752 *po ma'am mayda discount pero mayda bracket, di ba, diri ngatanan kay*
753 *badaw an sakop o sakop-balay diri na senior citizen, diri puede ngatanan,*
754 *mayda gin aaplyan nga senior citizen, mayda discount nga hatag. Kun*

755 *gusto manginsayod ma'am kun mayda discount kun gusto ka mag avail,*
756 *puede ka bumisita dinhi ha aton Babatngon sub-office para matagan ka*
757 *han proseso kun gin aano pag avail, mayda po, mayda."*

758

759 Another member-consumer-owner asked a question that goes
760 "san-o daw maaprubahan an discount hit mga PWD kay an yana senior
761 citizen pa man la?" This query was likewise answered by Engr. Fernan
762 Paul R. Tan: "Sige, maupay ito nga pakiana kay damo pa ini. Kun diri mag
763 mando it gobierno nganhi hiton mga kooperatiba, diri kita makakag
764 implementar kay ini nga aton gin iimplementar mga balaod ini hit
765 gobierno nga gin iimposar ngadi hit electric cooperative nga ginpapa
766 dangat liwat ngadto hit member-consumer. So, anything kay diri la ito
767 dida ha LEYECO II, once nga mag implementar hin sugad nga discount, it
768 will be implemented to all throughout the Philippines hito na discount.
769 Ha pagkayana waray pa kami notice."

770

771 There being no more questions as the Member-Consumer-Owners
772 were looking forward to the raffle and excited with the prizes, on a lighter
773 note, Engr. Fernan Paul R. Tan emphasized the need for an adjournment
774 of the business meeting so that they will be able to proceed with the raffle.

775

776

777 **Adjournment**

778

779 MCO Romel G. Repunte averred that considering that there was no
780 more matter to be taken up he moved to adjourn the 2025 General
781 Membership Assembly. Thereafter, MCO Jenelyn Basas Gatela seconded
782 the motion.

783

784 Accordingly, the Presiding Officer, Dir. Feliciano E. Elizon, Jr.
785 enunciated that the motion to adjourn having been duly seconded
786 declared that the 43rd Annual General Membership Assembly Meeting of
787 LEYECO II was adjourned.

788

789

790 ***I HEREBY CERTIFY*** the correctness of the foregoing **MINUTES** that I
791 ***prepared during the 43rd Annual General Membership Assembly Meeting of***
792 ***LEYECO II held on 27 July 2025 at 1:00 in the afternoon at the Babatngon***
793 ***Municipal Gymnasium, Babatngon, Leyte, consisting of EIGHTEEN (18)***
794 ***pages including this page, to the best of my knowledge and ability.***

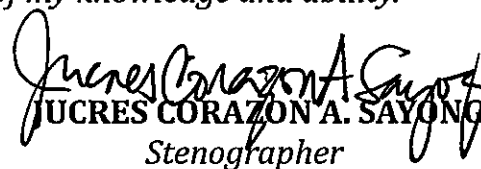
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JUCRES CORAZON A. SAYONG
Stenographer

— **END** —

