



REPUBLIKA NG PILIPINAS
 REPUBLIC OF THE PHILIPPINES
KAGAWARAN NG EDUKASYON, KULTURA AT SPORTS
DEPARTMENT OF EDUCATION, CULTURE AND SPORTS
 DECS Complex, Marikina Avenue
 Pasig City, Philippines



*Sama-Sama
 sa DECS*

*Tanggapan ng Kalihim
 Office of the Secretary*

September 28, 2000

DECS MEMORANDUM
 No. 433, s. 2000

**NATIONAL SEMINAR-WORKSHOP ON THE PROPOSED REFORMS IN POWER
 INDUSTRY AND OFFICIAL LAUNCHING OF THE ESSAY WRITING CONTEST**

To: Bureau Directors
 Regional Directors
 Schools Division/City Superintendents
 Private Secondary Schools Principals

1. In line with the national government's efforts to institute reforms in the power industry, the Department of Energy, National Power Corporation, the Department of Education, Culture and Sports, and the U. S. Agency for International Development (USAID) will conduct three (3) seminar-workshops on the proposed reforms on the following dates and venues:

Date	Venue	Participants
October 4, 2000	Ecotech Center Lahug, Cebu City	Regions VI – VIII
October 6, 2000	Regional Educational Learning Center (RELC) Cagayan de Oro City	Regions IX – XII CARAGA and ARMM
October 9, 2000	National Power Corporation Head Office, Diliman Quezon City	Regions I – V, CAR and NCR

During said activity, the National Essay Writing Contest shall be formally launched. The essay shall be entitled "Electricity Reforms Today: Our Hope for a Brighter Tomorrow".

2. The activities aim to:

- a. enable the regional and divisional supervisors to disseminate accurate and updated information relative to the role of electricity in nation-building;
- b. provide the participants with enough information materials on the proposed power industry reforms;
- c. develop lesson exemplars to be used by the teachers in the field to effect widest information drive regarding the topic; and
- d. launch formally the National Essay Writing Contest to be participated in by the junior and senior high school students nationwide.

E-Mail Address:
 OSEC @SKYNET.NET

"Together Let Us Build This Nation Through Education"

Tel. # 02-633-7228 or 7208
 Fax # 02-632-0606

3. Participants to the said seminar-workshop are the regional and division supervisors in Social Studies. They are expected to register on the evening of October 3 for Visayas, evening of October 5 for Mindanao and on the evening of October 8 for the Luzon cluster.

For inquiries and confirmation of attendance, please contact Ms. Corazon L. Echanon or Mr. Edward D. Garcia, Curriculum Development Division, Bureau of Secondary Education at tel no. (02) 632-77-46.

4. Please refer to Enclosure Nos. 1 to 4 of this Memorandum for the contest mechanics, official entry form, briefing material, and the Memorandum of Agreement.

5. Travel, per diem, and other incidental expenses of the participants shall be charged against local funds subject to the usual accounting and auditing rules and regulations. Board and lodging of all participants shall be charged to the National Power Corporation, subject to the necessary government accounting and auditing rules. The Philippine Association of Schools Superintendents (PASS) Dormitory, DECS Compound, Pasig City shall be the board and lodging venue for Luzon participants.

6. The board, lodging, travel, per diem, honorarium, and other incidental expenses of the facilitators, speakers and members of the Technical Working Group relative to the conduct of this workshop shall be borne by the National Power Corporation funds subject to the usual accounting and auditing rules and regulations.

7. Immediate and wide dissemination of this Memorandum is desired.

Andrew Gonzalez
ANDREW GONZALEZ, FSC
Secretary

Encs.:
As stated

Reference: None

Allotment: 1--(D.O. 50-97)

To be indicated in the Perpetual Index
under the following subjects:

~~CONTESTS~~
~~OFFICIALS~~
~~SEMINARS~~
~~WORKSHOPS~~

NATIONAL ESSAY WRITING CONTEST

Proponents:

- Department of Energy (DOE)
- National Power Corporation (NPC)
- Department of Education, Culture and Sports (DECS)
- US Agency for International Development (USAID)

Objectives:

1. To inform and educate high school students, teachers and their families on the role of electricity in their lives.
2. To increase public awareness of the electricity industry and its need for urgent reforms.
3. To influence the general public to favorably view the proposed power industry reforms.

CONTEST MECHANICS

A. National Level:

1. The National Essay Writing Contest shall be under the auspices of the Department of Energy, NPC and DECS.
2. Time table shall be as follows:
 - Submission of winning entries to the National Committee - November 24, 2000
 - Submission of winning entries to the Regional Committee - November 15, 2000
 - Submission of winning entries to the Division Committee - November 3, 2000
3. The contest is open to all 3rd and 4th year high school students of Filipino citizenship from public and private schools nationwide for SY 2000-2001.
4. The essay contest shall be entitled "Electricity Reforms Today: Our Hope for a Brighter Tomorrow"
5. The essay contest shall be judged according to the following criteria:
 - 5.1. Relevance to the Theme and Appropriateness 30%
 - The relevance, depth and specificity of supporting information and applicability of recommended actions.
 - 5.2. Originality, Substance of the Content 30%
 - The extent to which the ideas and concepts presented are complete, intensive and first hand produced.

5.3. Clarity of Message	20%
The clarity with which the central idea or point of view is slated and maintained; the coherence of the discussion and the quality of the writer's reasoning; the logical sequence of the writer's ideas.	
5.4. Usage	10%
The extent to which the writer addresses the topic; uses vocabulary/language, creativity of expression, care and precision in word choice; and expresses his/her purpose.	
5.5. Mechanics	10%
The extent to which the writing is free of error in syntax, paragraph and sentence structure.	
TOTAL	100%

6. The following shall compose the Board of Judges who will select the top three winners.

- a. Pres. Federico Puno, NPC
- b. DECS, Undersecretary/Programs and Projects
- c. DOE, Undersecretary
- d. Foundation for Economic Freedom (FEF) Representative
- e. Consumer Organization Representative

7. The three grand finalists will be asked to write an essay (on-the-spot) about a related topic on the theme. Result shall be the basis of determining the ranking of the 3 grand finalists.

8. The following are the prizes to be given to the winners:

Prize	Student	Official Coach	School
First Prize	P25,000 + gold medal	P10,000 + plaque	P 15,000 + trophy
Second Prize	P20,000 + silver medal	P 7,000 + plaque	P 10,000 + trophy
Third Prize	P15,000+bronze medal	P 5,000 + plaque	P 5,000 + trophy
SUB-TOTAL	P60,000	P22,500.00	P 30,000.00
TOTAL			P112,500.00

9. Other incentives shall follow depending on the sponsorship solicited by NPC.

10. Announcement of grand prize winners shall be made at the closing ceremonies of the National Energy Week on December 8, 2000, Friday. Winners shall be notified thru telegram and announced thru print ads.

11. Transportation, board and lodging expenses of the 3 national grand prize winners and their official coaches shall be taken care of by the NPC.

12. All winning/non-winning entries shall be the property of the NPC.

13. Winning entries (division level/regional winners) will be published in major newspapers and will form part of information dissemination materials for the power industry reforms.

B. Regional Level

1. The DECS Regional offices shall be responsible in the dissemination of the contest information among target schools.

2. A regional board of judges shall be composed of:
ES II, Social Studies --Chairman
ES II, English
ES II, THE (Technology and Home Economics)
ES II, Science
Head, NPC Regional Office

3. The criteria set forth in the national level shall be followed in the regional level.

4. Regional winner shall qualify for the Grand National Finals.

5. Regional Coordinators shall submit the winning entries to:
National Essay Writing Contest
c/o Public Affairs Department
National Power Corporation
Quezon Ave. Corner BIR Road Diliman, Quezon City
Tel. 924-5209 Fax: 921-3379
E-mail: pad@napocor.com.ph

6. The sixteen (16) regional student finalists shall automatically receive a cash prize of P5,000.00 each in check to be sent directly to the winners thru their high school principals.

C. Division Level:

1. The DECS Division Offices shall be responsible for the dissemination of contest information to all public and private schools in their respective jurisdiction.

2. Each school is entitled to send only one (1) entry to the division elimination round.

3. Board of judges shall be organized with the following membership
ES I - Social Studies
NPC/ DOE
ES I - THE (Technology and Home Economics)

4. The criteria given in the national level be followed in the division level.
5. The entry of the DECS division winner should be forwarded not later than November 15, 2000 to:
Chief, Secondary Education Division
DECS Regional Office
Attention: NPC Essay Writing Contest Coordinator

D. Miscellaneous:

1. Entry forms (attached to the Memorandum) should be signed by the contestant, official coach and school principal. The form shall be part of the DECS Memorandum and can be reproduced for the purpose of submitting entries.
2. Entries should be typewritten/computerized, double-spaced and contain a maximum of 800 words and a minimum of 500 words.
3. The essay should not bear the contestant's name, school, or grade level. However, a separate sealed envelop containing the entry form shall be attached. Both entries and the envelope shall be coded by the Division Coordinator before it will be submitted for judging. Entries for the Regional and National level shall also be coded.
4. The DECS ranking system in the selection of essay contest winners shall be used.
5. The school principal should forward the school's winning entry to the respective DECS-DO not later than October 20, 2000.
6. English shall be the medium to be used.
7. Relatives of NPC/DOE employees in the first degree of consanguinity shall be disqualified from joining the contest.
8. Parents of the three (3) national finalists shall sign a waiver allowing their children to go to Manila to participate in the grand national finals.

Inclosure 2 to DECS Memorandum 433 , s. 2000

National Essay WRITING CONTEST
Theme: "Electricity Reforms Today: Hope for a Brighter Tomorrow:"

OFFICIAL ENTRY FORM

National Essay Writing Contest on Electricity Industry Reforms

Name of Student and Signature	
Address	
Year Level	
Age	
Sex	
Citizenship	
Name of School	
Address	
Division	
Region	
Name and Signature of School Principal	
Name and Signature of Official Coach	

Important: Please take note of the following dates:

- Submission of school entry to respective DECS Division Committee -- November 3, 2000
- Submission of Division Winners to the Regional Committee -- November 15, 2000
- Submission to Regional Winners the national Committee -- November 24, 2000

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MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS

This Memorandum of Agreement (MOA), is made by and among,

The **DEPARTMENT OF EDUCATION, CULTURE AND SPORTS (DECS)** with office address at DECS Compound Meralco Ave. Pasig City as herein represented by its Secretary **BRO ANDREW B. GONZALEZ, FSC**

And

The **DEPARTMENT OF ENERGY (DOE)** with office address at the Energy Center Fort Bonifacio Metro Manila herein represented by its Secretary **TIEN MARIO V TIAOQUI**

And

The **NATIONAL POWER CORPORATION (NPC)** a government owned and controlled corporation duly organized and existing under and by virtue of Republic Act No 6705 as amended with its principal office at NPC Office Building Complex corner Quezon Avenue and Agham Road, East Triangle, Diliman Quezon City Philippines herein represented by its President Mr **FEDERICO L. PUNO**

And

The **UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)**, a federal government agency of the United States of America created under the Foreign Assistance Act with Philippine Mission Office at Ramon Magsaysay Building 1690 Roxas Boulevard, Malate Manila, herein represented by its Mission Director **PATRICIA K. BUCKLES**

Witnesseth That

WHEREAS the restructuring and modernization of the Philippine electric power industry is a complex dynamic and long term process requiring the coordination and collaboration of the activities of government agencies donors technical assistance contractors industry participants and users, NGOs civil society and academic institutions to optimize the benefits from their separate but interrelated efforts and to integrate them into a coherent and cohesive development program

WHEREAS the Department of Energy is mandated and committed to restructure and modernize the Philippine electricity industry and to privatize the National Power Corporation

WHEREAS the consumers and civil society in general must be made aware of the compelling need for the restructuring and modernization of the electric power industry and of its benefits impact and implications in their lives

WHEREAS the DECS is mandated and committed to promote the education of all members of society and with its nationwide and distinct network to reach all members of society is in a strategic position to assist DOE in fostering awareness and acceptance of the restructuring and modernization program of the government

WHEREAS the USAID Mission in the Philippines is mandated and committed to support the Philippine government's program to restructure and modernize the electric power industry and to support its efforts to educate the consumers and civil society of the need for and the benefits and impacts of this program

NOW THEREFORE, the parties hereto agree as follows:

That the parties to this agreement shall jointly conduct information dissemination efforts on the issues regarding the government plans to reform the electricity industry sector, which shall include the holding of regional seminar workshops as well as the conduct of an essay writing contest.

That a Technical Working Group composed of representatives from DECS, DOE, NPC, and USAID, and from other agencies/organizations as may be deemed necessary shall be created to plan, manage and monitor the implementation of the contest.

The essay writing contest shall be open to upper level high school students and shall pertain to and be entitled "*Electricity Industry Reforms Today: Our Hope for a Brighter Tomorrow*", the specifics of which shall be formally drawn by the parties herein.

To enhance the informative value of the project, print and broadcast media shall be tapped, in a least cost manner, to widen the publicity of the topic on hand.

Allocation of Responsibilities: The parties herein have designated their individual and collective responsibilities as follows:

The parties, throughout the period of this MOA, shall mutually co-operate and make available to each other such information as may be reasonably be required to enable the DECS, DOE, NPC, and USAID to perform their respective obligations under this MOA.

The DECS shall:

- Through its Secretary, attend and conduct the launching and awarding ceremonies;
- Endorse the above-stated contest to all private and public high schools nationwide through pronouncements and issuance of the required Memorandums to all participating schools;
- Initiate discussion of the issues and benefits of the electricity industry reforms among DECS officials, employees and school principals;
- Undertake the distribution of all promotional materials to participating schools by its Division Offices;
- Conduct the screening of school entries through its Division and Regional Offices, and submit 16 Regional writing entries to NPC;
- Provide technical assistance to NPC during the conduct of two (2) seminar workshops to be attended by DECS Regional and Division Supervisors (Social Studies) to discuss the issues and benefits of the subject on hand and to prepare model lesson exemplars to be used by all teachers in the field.
- Shoulder travel expenses, per diem, and other allowable expenses of DECS participants;
- Designate two focal persons to sit with Technical Working Group

The DOE shall:

- Through its Secretary, attend and conduct the launching and awarding ceremonies;
- Assist in the solicitation of co-sponsors and/or prizes to the essay writing contest;
- Provide resource persons for the seminars mentioned above; and
- Designate focal persons to sit with the technical working group.

The NPC shall:

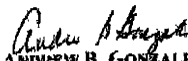
- From its available funds for the purpose, provide the financial requirements of the undertaking;
- Lead in the solicitation of co-sponsors by tapping other companies;
- Cause the production of promotional and informational posters and other materials;
- Provide and reproduce the VHS tape cartridges containing the television advertisement of the electricity industry reforms;
- Distribute contest materials to the different DECS Division Offices nationwide
- Provide resource persons for the above-mentioned electricity industry reforms seminars/workshops;


- Provide resource persons for the above-mentioned electricity industry reforms seminar workshops;
- * • Shoulder expenses for board and lodging, honorarium for speakers and facilitators of the seminar workshop subject to the usual accounting and audit rules
- Provide the content to serve as basis for the development of lesson exemplars and
- Designate local persons to sit with technical working group


The USAID shall, subject to availability of funds

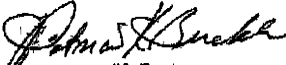
- Provide written and visual materials (e.g. books magazines interactive CDs VHS tapes, documentaries) which aim to build a better understanding and create an awareness of the beneficial and detrimental effects of energy and environment related activities
- Provide resource persons to the above-mentioned electricity industry reforms seminar workshops
- Provide appropriate funds to support the financial requirements of this event

IN WITNESS WHEREOF we have hereunto set our signatures this 25th day of September 2000 at Quezon City Metro Manila Philippines



ANDREW B. GONZALEZ
 Secretary
 Department of Education
 Culture and Sports



FEDERICO E. PUNO
 President
 National Power Corporation


MARIO V. TIAOQUI
 Secretary
 Department of Energy


PATRICIA K. BUCKLES
 Mission Director
 USAID

Witnesses


RAMON C. BACANI
 Undersecretary DECS
 Programs and Project


CYRIL C. DEL CALAR
 Undersecretary
 Department of Energy

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES
 Metro Manila) 88

Before me a Notary Public for and in Metro Manila personally appeared the following with their residence certificates with the following details

Name	CTC No.	Date issued	Place issued
Andrew B. Gonzalez			
Mario V. Tiaoqui			
Federico E. Puno			
Patricia K. Buckles			

known to me and to me know to be the same persons who executed the foregoing instrument referred to as a Memorandum of Agreement consisting of four (4) pages including this page wherein this acknowledgment is written to me known that the same is their own free and voluntary deed.

wherein this acknowledgment is written to me known that the same is their own free act and voluntary deed.

WITNESS MY HAND AND SEAL on this _____ day of _____ 2000 at
Metro Manila.

Notary Public

Doc. No. _____
Page No. _____
Book No. _____
Series of 2000.

Top 5 Questions about the Electricity Industry Reforms

1 What does 'restructuring' mean? What is 'privatization'?

The restructuring of the electricity industry, calls for the separation of the different components of the power sector, namely, generation, transmission, distribution and supply. On the other hand, the privatization of the National Power Corporation (NPC) involves the sale of the state-owned power firm's generation and transmission assets (e.g., power plants and transmission lines) to private investors. These two reforms are aimed at encouraging greater competition and at attracting more private-sector investments in the power industry. A more competitive power industry will in turn result in lower power rates and a more efficient delivery of electricity supply to end-users.

2 Why is there a need to privatize NPC?

About US\$ 10 billion worth of new investments will have to be channelled to the power sector over the next 10 years to meet the country's growing electricity requirements. Given its present debt stock of about P800 billion, NPC cannot afford to fund anymore the additional power plants that have to be built and the transmission lines that have to be put up to meet this rising demand. It can seek financial assistance from the national government, but government is equally hard-pressed for funds, given its other priority programs like health, education and agriculture.

3

What will now happen to NPC's debts? Are consumers supposed to shoulder these debts?

As mentioned earlier, NPC will sell its generation and transmission assets to private investors through a public bidding that will be conducted with the utmost transparency and in compliance with the standards of the international competitive bidding process. The proceeds of this asset sale, estimated at P220 billion, will then be used to retire part of NPC's debts. At the same time, the future owners of NPC will also be required to assume a sizable portion of NPC's liabilities.

Finally, the national government will also absorb part of the total liabilities. Government has assured that its absorption of part of NPC's debts will not result in the imposition of new taxes or in higher power rates.

As for the consumers, all electricity users -- from big industries to typical households -- are actually already paying for part of NPC's debts. This is because of the average effective rate of P3 per kilowatt-hour now being charged by NPC, roughly P0.50 goes to retiring NPC's liabilities. In short, NPC's existing power rates already reflect the cost of paying its debt burden.

Will power rates go down once NPC is privatized?

Yes! The proposed power reforms are designed to encourage greater competition in the electricity industry, in particular, the generation and supply sub-sectors. The basic principle that deregulating makes an industry more efficient has been proven true when government opened up such key sectors as telecommunications, air transportation, and the shipping industry to private investors.

Now, we have several telecom companies competing for customer attention through cheaper call rates and better services. Airfares likewise went down following the operation of additional airline companies.

Other countries that have pursued the privatization process experienced lower power rates following the introduction of key reforms in the electricity sector. In Argentina, for example, power rates dropped by a dramatic 44 percent as a result of privatization. Australia and New Zealand, on the other hand, also reported power rate reductions of 36 percent and 14 percent respectively. Finally, in the United Kingdom - whose privatization experience is being used as a model by the Philippines - rates went down by 25 percent after the successful completion of power industry reforms.

4

What will happen if the Power Bill is not enacted into law?

Unless and until it is privatized, NPC will have no choice but to resort to more borrowings to be able to fund future power projects. With no financial assistance from the government either, NPC will be forced to recover from its power rates the cost of undertaking these capital-intensive projects. This will mean higher power rates for consumers. On the other hand, failure to install additional generation capacity and to expand existing transmission line networks will lead to a shortfall in power supply. Under such a scenario, the country might experience 8- to 10-hour daily brownouts again as it did in the late 1980s and early 1990s.

5

For further information, please write or call

THE DEPARTMENT OF ENERGY, Energy Industry Administration Bureau, NPC Complex, Neryit Road, Fort Bonifacio, Taguig, Metro Manila
Telephone Nos. (632) 844-10-21 to 10-20; 102-101; (632) 846-08-00 Fax No. (632) 844-65-44