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OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

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SENATE
P. S. R. No. 280

RECEIVED BY. *ji*

Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY,
IN AID OF LEGISLATION, ON THE REPORTED BILLIONS OF PESOS' DEBTS OF
ELECTRIC COOPERATIVES

WHEREAS, Republic Act No. 9136, also known as the Electric Power Industry Reform Act of 2001 or EPIRA, Section 2 states: "It is hereby declared the policy of the State:

(a) To ensure and accelerate the total electrification of the country;

(b) To ensure the quality, reliability, security and affordability of the supply of electric power;

(c) To ensure transparent and reasonable prices of electricity in a regime of free and fair competition and full public accountability to achieve greater operational and economic efficiency and enhance the competitiveness of Philippine products in the global market;

(d) To enhance the inflow of private capital and broaden the ownership base of the power generation, transmission and distribution sectors in order to minimize the financial risk exposure of the national government;

(e) To ensure fair and non-discriminatory treatment of public and private sector entities in the process of restructuring the electric power industry;

(f) To protect the public interest as it is affected by the rates and services of electric utilities and other providers of electric power; x x x

(j) To establish a strong and purely independent regulatory body and system to ensure consumer protection and enhance the competitive operation of the electricity market; x x x"

WHEREAS, a news report entitled "DoE aids indebted electric coops," which was posted on the Inquirer.net on 24 September 2013, stated that Secretary of Energy Jericho Petilla reportedly said that the Department of Energy (DoE) was aiding indebted electric cooperatives to ensure continued power supply for the public;

WHEREAS, Petilla reportedly said that the DoE is focusing on the financial and social aspects of the problem to come up with a solution, while "isolating" the political issue because he believes that "behind every ailing cooperative is a politician";

WHEREAS, 12 out of 120 or more electricity distribution utilities were reportedly "ailing" and burdened with large debts amounting to some P30 billion;

WHEREAS, the Albay Electric Cooperative (Aleco) briefly experienced a power outage a few months ago because of its inability to pay its P3.6 billion debt;

WHEREAS, in a news report posted on the Inquirer.net last 26 August 2013, entitled "Execs of debt-ridden electric co-op resign," the Northern Samar Electric Cooperative (Norsamelco), is reportedly saddled with accumulated debts of P580 million; Norsamelco serves 24 towns in Northern Samar and has 55,578 customers;

WHEREAS, there is a need to review existing laws on the power sector to ensure that electric cooperatives practice sound fiscal management, weed out corrupt and abusive practices, and ensure the quality, reliability, security and affordability of the supply of electric power throughout the country;

WHEREFORE, be it hereby resolved by the Philippine Senate to direct the proper Senate committee to conduct an inquiry, in aid of legislation, on the reported billions of pesos' debts of electric cooperatives.

Adopted,


MIRIAM DEFENSOR SANTIAGO
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