

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

AUG 30 2014

SENATE

RECEIVED BY _____

P.S. Res. No. 63

Introduced by Sen. Ramon B. Magsaysay, Jr.

RESOLUTION

DIRECTING THE COMMITTEE ON ENERGY TO INQUIRE AND LOOK INTO IN AID OF LEGISLATION, THE CONTINUOUS SURGE IN THE PRICE OF ELECTRIC POWER USED BY END CONSUMERS FROM THE TIME OF THE PASSAGE OF RA 9136 OR THE ELECTRIC POWER INDUSTRY REFORM ACT OF 2001 (EPIRA), WHICH WAS ORIGINALLY ENVISIONED TO IMPROVE AND MAKE EFFICIENT THE OPERATIONS OF THE POWER INDUSTRY EVENTUALLY PULLING DOWN THE PRICE OF ELECTRIC POWER, WITH THE END IN VIEW OF DETERMINING WHETHER THE PROVISIONS OF EPIRA OR OTHER RELATED LAWS FOR THAT MATTER, PARTICULARLY THOSE PERTAINING TO PASS-ON CHARGES NEEDS TO BE AMENDED IF THE SAME HAVE BEEN FOUND TO BE UNWARRANTED ON THE PART OF THE ELECTRIC CONSUMERS

WHEREAS, after the passage of the Electric Power Industry Reform Act in 2001, wherein unbundling of rates were mandated to be implemented, the cost of power being consumed by the end consumers steadily increases over the years in spite of the law's intention to bring down the price of electricity;

WHEREAS, the unbundled rates in the billing of power distributor consists of pass on charges to consumers showing how much goes to generation, transmission, system loss, distribution, metering, supply, lifeline rate subsidy, interclass subsidy, Power Act reduction, currency exchange rate adjustment, franchise tax and universal charge, have been alternatively being petitioned regularly by power distributors to be increased;

WHEREAS, in many occasions, both the Supreme Court and the Court of Appeals have declared and ordered to set aside the decisions made by the Energy Regulatory Commission to grant Meralco its petitioned rate increase in distribution and some other components in the unbundled charges;

WHEREAS, on top of the mentioned petition for rate increase, Meralco will start charging the consumers starting September 2004 additional rate as a result of an approval of another component in its billing called Generation Rate Adjustment Mechanism (GRAM), which is believed to replace the defunct Power Purchase Adjustment (PPA);

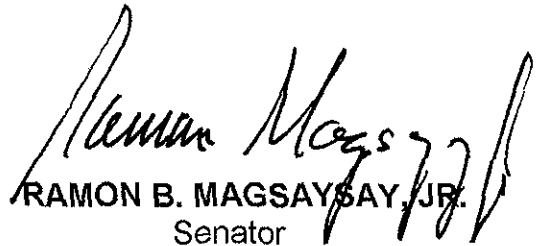
WHEREAS, for the months of November 2003 to January 2004, GRAM will be charging power customers an additional 13.27 centavos per kWh. While for the months covering February to April 2004, Meralco's petition to charge an additional GRAM rate of 17.37 centavos per kwh has again gained an approval from ERC;

WHEREAS, the Committee should likewise look into the other charges in the electric bill like franchise tax, system loss, metering charge and universal charge consisting of missionary and environmental fund, which has been alleged by most consumers that these are unreasonable pass on charges, that instead, it should be treated as part of the operating expenses of power utility companies considering that the same is not part and partial of their power consumption;

WHEREAS, there has also been a question allowing cross-ownerships between power distributors and generating companies in the EPIRA that alleged to have created malicious transactions in the past at the expense of the general consuming public;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved to direct the Committee On Energy To inquire and look into in aid of legislation, the continuous surge in the price of electric power used by end consumers from the time of the passage of RA 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA), which was originally envisioned to improve and make efficient the operations of the power industry eventually pulling down the price of electric power, with the end in view of determining whether the provisions of EPIRA or other related laws for that matter, particularly those pertaining to pass-on charges needs to be amended if the same have been found to be unwarranted on the part of the electric consumers.

ADOPTED,


RAMON B. MAGSAYSAY, JR.
Senator