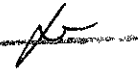


THIRTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session

'04 SEP -7 A9:25

SENATE  
P.S. Res. 80

RECEIVED BY: 

*Introduced by Senator Magsaysay, Jr.*

**RESOLUTION**

**URGING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE 98-CENTAVOS INCREASE IN NATIONAL POWER CORPORATION'S GENERATION RATE PROVISIONALLY GRANTED BY THE ENERGY REGULATORY COMMISSION VIS-À-VIS ITS IMPLICATIONS TO BUSINESS AND INDUSTRIAL COMPETITIVENESS, TO THE PLIGHT OF THE POWER CONSUMERS AND TO THE PEOPLE AS A WHOLE CONSIDERING THE DISPARITY IN RATE INCREASES IMPOSED IN THE THREE MAJOR GEOGRAPHICAL SUBDIVISIONS OF THE COUNTRY**

Whereas, the 1987 Philippine Constitution mandates that government and the leadership must assist the people in the achievement of basic social services as it provides, "[t]he State shall promote a just and dynamic order that will be ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, rising standard of living, and an improved quality of life for all";

Whereas, an efficient electricity system is significant for people to enjoy sound economic life;

Whereas, the Energy Regulatory Commission has recently approved the petition of the National Power Corporation (Napocor) for a provisional rate increase of an average of 97.98 centavos per kilowatt-hour;

Whereas, accordingly, the said power increase would have the effect of creating disparities in the electricity rates in the three main political or geographical subdivisions of the country with the following increases imposed correspondingly: Php 1.23 in Luzon, P 0.2202 in Visayas and P 0.2665 for Mindanao;

Whereas, while it can be claimed that the Napocor's tariff adjustment would help cut the Php 33 billion in its projected net loss of P116 billion in 2005 and that it will help in the protection of small power consumers, the disparity in the imposition appear questionable as Luzon shoulders 94 % (Php 31 billion) of the Php 33 billion adjustment, while Visayas and Mindanao will pay Php 868 million and Php 1.8 billion respectively;

Whereas, the said increase has a paramount effect to the business sector, in particular to those corporations which are power-sensitive including semi-conductor companies, telecommunication entities, contact and call centers, those engaged in manufacturing business, among others;

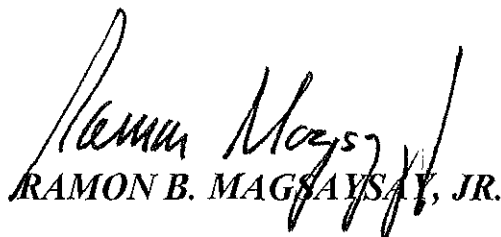
Whereas, it is being claimed that such arrangement is politically motivated favoring Visayas for obvious reasons and punishing power consumers in Luzon;

Whereas, the same concern should be addressed as it is a basic issue for the people: Now therefore be it



**RESOLVED BY THE SENATE OF THE PHILIPPINES** To urge the Senate Committee on Energy to conduct an inquiry, in aid of legislation, on the 98-centavos increase in National Power Corporation's generation rate provisionally granted by the Energy Regulatory Commission vis-à-vis its implications to business and industrial competitiveness, to the plight of the power consumers and the people as a whole considering the disparity in rate increases imposed in the three major geographical subdivisions of the country.

Adopted,

  
RAMON B. MAGSAYSAY, JR.