

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



23 MAR -1 P3 :17

SENATE
P.S. Res. No. 512

RECEIVED BY:

Introduced by: **Senator Raffy T. Tulfo**

RESOLUTION

DIRECTING THE APPROPRIATE COMMITTEE OF THE SENATE TO UNDERTAKE AN INQUIRY IN AID OF LEGISLATION ON THE ALLEGED VIOLATION OF SAN FERNANDO ELECTRIC LIGHT AND POWER COMPANY INC. (SFELAPCO) IN INCLUDING THE POWER SUPPLY AGREEMENT IN THE RETAIL RATES WITHOUT THE APPROVAL OF THE ENERGY REGULATORY COMMISSION(ERC)

1 **WHEREAS**, San Fernando Electric Light and Power Co., Inc. (SFELAPCO) is a distribution
2 facility in San Fernando City, Pampanga serving around 35 barangays in San Fernando
3 City and 2 barangays in Bacolor City, Pampanga.

4

5 **WHEREAS**, the SFELAPCO sent a letter to the Municipal Government of San Fernando,
6 Pampanga dated January 10, 2023 which stated that their contract with the generation
7 company expired last December 2022. Therefore, SFELAPCO imposed an increase in the
8 electricity rates charged to consumers due to the 400% hike in coal price and peso
9 devaluation against the dollar. The aforementioned increase started in February 2023.

1 **WHEREAS**, The generation charge for February 2023 of SFELAPCO is higher than of
2 MERALCO. Charging a generation rate of Php 7.90032 and Php 6.915, respectively.

3

4 **WHEREAS**, San Fernando Electric Light and Power Co., Inc. only has 1 pending
5 application for approval of a Power Supply Agreement (PSA) with AP Renewables, Inc.
6 (APRI) . According to the ERC, as to date, no provisional or final approval has been issued
7 for the increase of rates.

8

9 **WHEREAS**, Notwithstanding the absence of any approval of the ERC, the SFELAPCO
10 implemented the said PSA with APRI in January 2014 which violated Section 1, Article VI
11 of the Guidelines for the Recovery Costs for the *Generation Component of Distribution*
12 *Utilities Rates*.

13

14 **WHEREAS**, the ERC issued a Show Cause Order (SCO) against SFELAPCO , directing
15 them to submit an explanation why no administrative penalty should be imposed on them
16 upon possible violation of the subject Guidelines.

17

18 **WHEREAS**, the ERC ordered SFELAPCO not to charge its consumers rates higher than
19 the Time of Use rate in Luzon pursuant to the ERC's order dated February 16 2009 for its
20 unapproved Power Supply Agreement (PSA) with AP Renewables, Inc. (APRI).

21

22 **WHEREAS**, San Fernando Electric Light and Power Co., Inc. sent a verified explanation
23 which stated that they did not violate aforesaid guidelines and ensured that their actions
24 are aligned with the mandate of the ERC.

25

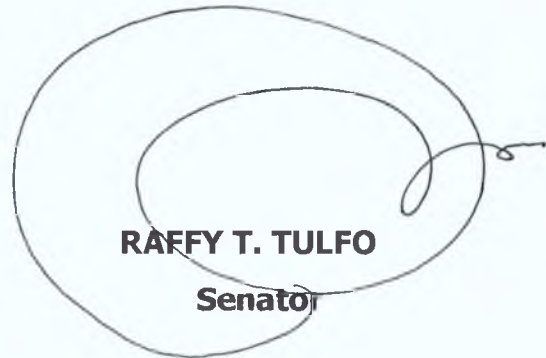
26 **WHEREAS**, Based on the Initial Verification of the Uniform Reportorial Requirement
27 submitted to the ERC, as of November 2022, APRI still continues to supply electricity to
28 SFELAPCO.

1 **WHEREAS**, San Fernando Electric Light and Power Co., Inc. continues to charge its
2 consumers with generation costs arising from an ineligible supply contract with APRI.

3

4 **NOW, THEREFORE, BE IT RESOLVED**, as it is hereby resolved, to direct the Senate
5 Committee on Energy to conduct an investigation, in aid of legislation, on the alleged
6 continued violation of Sec.1, Article VI of the Guidelines for the Recovery Costs for the
7 Generation Component of Distribution Utilities' Rates in connection with Sec.23, Chapter
8 II of R.A. 9136 or the Electric Power Industry Reform Act (EPIRA) by the San Fernando
9 Electric Light and Power Co., Inc. (SFELAPCO).

Adopted,



RAFFY T. TULFO
Senator