


FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

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SENATE

P. S. Res. No. 957

Introduced by Senator JUAN MIGUEL F. ZUBIRI

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON ENERGY AND OTHER APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE RATE INCREASE IN GENERATION COST OF THE NATIONAL POWER CORPORATION AND THE POWER SECTOR ASSET AND LIABILITIES MANAGEMENT CORPORATION IN THE VISAYAS GRID, DETERMINE THE DAMPENING EFFECT OF A POWER RATE INCREASE ON ECONOMIC ACTIVITIES PURPOSELY UNDERTAKEN TO SURMOUNT THE FINANCIAL AND BUSINESS DOWNTURN, PROTECT PUBLIC INTEREST IN DETERMINATION OF POWER AND FOR OTHER PURPOSES

WHEREAS, on 25 March 2009 the Energy Regulatory Commission issued its decision on ERC Case No. 2009-004 RC authorizing the National Power Corporation (NPC) and the Power Sector Assets and Liabilities Management Corporation (PSALM) to implement a new generation rate adjustment for the Visayas Grid amounting to Php 3.7255 per kilowatt hour or an increase of PhP 0.8376 per kwh;

WHEREAS, the ERC has previously approved a rate increase in February 26, or barely a month ago, which was approved and implemented even before the conclusion of the hearings on the application for rate increases in the Visayas Grid;

WHEREAS, the actions of the ERC in February 26 and March 25 violated Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 specifically Section 2 (c) "To ensure transparent and reasonable prices of electricity in a regime of free and fair competition and full accountability to achieve greater operational and economic efficiency and enhance the competitiveness of Philippine products in the global market " and "(f) To protect the public interest as it is affected by rates and services of electric utilities and other providers of electric power";

WHEREAS, the ERC action violated the provisions of R. A. 9136 Section 43 which states: "All notices of hearings to be conducted by the ERC for the purpose of fixing rates or fees shall be published at least twice for two successive weeks in two newspapers of nationwide circulation";

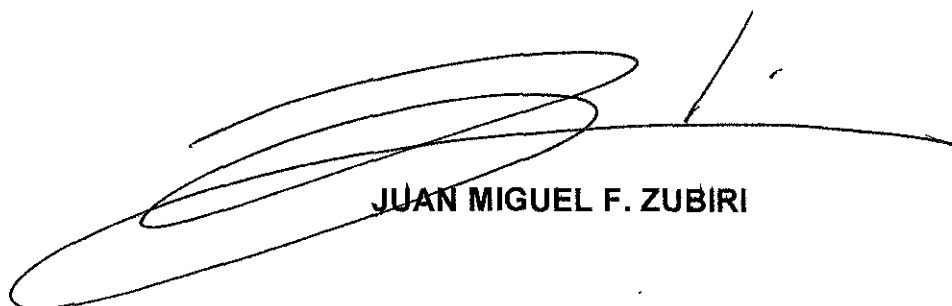
WHEREAS, the extant conditions of financial crisis and business slowdown worldwide constrain government agencies such as the ERC to exercise extreme caution on actions that would tend to further put a brake on regular and expansionary economic activities, drive down the competitiveness of the country's export products and push up prices of consumer goods and services;

WHEREAS, the ERC should examine other measures that would allow it to achieve its mandate as spelled out in R. A. 9136 Section 2 (b) "To ensure the quality, reliability, security and affordability of the supply of electric power";

WHEREAS, the ERC should investigate whether the NPC and PSALM indeed incurred losses allegedly stemming from the various customer incentives schemes implemented in the past such as the Thirty Centavos per kwh (P0.30/kwh) Mandated Rate Reduction and Prompt Payment Discount and whether the NPC and PSALM are entitled to recover thus through a generation rate increase;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Senate direct the Senate Committee on Energy and other appropriate Senate Committees to conduct an inquiry, in aid of legislation, on the rate increase in generation cost of the National Power Corporation and the Power Sector Asset and Liabilities Management Corporation in the Visayas Grid, determine the dampening effect of a power rate increase on economic activities purposely undertaken to surmount the financial and business downturn, protect public interest in determination of power prices and for other purposes.

Adopted,



JUAN MIGUEL F. ZUBIRI