

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



13 AUG 28 P2:23

SENATE
S.B. No. 1376

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Introduced by Senator **JINGGOY EJERCITO ESTRADA**

EXPLANATORY NOTE

The number of Filipinos below poverty line continues to bloat each year, which makes the revision and strict implementation of government policies on social protection, critical, to address poverty in the next few years.

The problem on poverty has been attributed to different reasons, and one of those is the cost of basic human needs, which never fails to burden the Filipino consumers every year.

Electricity is an indispensable part of our everyday life. According to the study conducted by International Energy Consultants, and reported out by Meralco and the Philippine Chamber of Commerce (PCCI), our country has the most expensive electricity in the whole of Asia. It was further revealed that with average retail rate of electricity of 18.1 US cents per kilowatt/hour in the Philippines, it has eased out Japan at the top of having the most expensive electricity. The study also found that household consumers in the Philippines pay highest at an average of P10 per kilowatt/hour, shouldering the biggest burden of high electric rates. The high cost of electricity in the Philippines was traced by the group to the fact that all costs — from producing power to distribution and taxes — are passed on to consumers.

It is noteworthy that under our law, systems loss obtained from illegal use/theft or failure in the administration or distribution of electricity, is passed on to consumers, which obviously is due to inefficiency of electric providers, hence, must be borne by them.

With this, it becomes necessary to reconsider Republic Act No. 7832, otherwise known as "Anti-Electricity and Electric Transmission lines/materials Pilferage Act of 1994," which bears the provision on the recovery of system losses by electric providers.

Approval of this measure is earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator



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AN ACT
AMENDING REPUBLIC ACT NO. 7832, OTHERWISE KNOWN AS "ANTI-ELECTRICITY AND ELECTRIC TRANSMISSION LINES/MATERIALS, PILFERAGE ACT OF 1994", AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of the Representatives of the Philippines in Congress Assembled:

SECTION 1. – Sections 10 and 11 of RA 7832 are hereby repealed, thereby totally removing the recoverable rate of system losses allowed to private electric utilities and rural cooperatives. The subsequent Sections shall then be numbered accordingly.

SEC. 2. A new paragraph shall be inserted after paragraph b of Section 4 to read as follows:

"FOR THE PURPOSE OF THIS ARTICLE, SUBSTANTIAL DECREASE IN THE MONTHLY ELECTRIC CONSUMPTION OF A SPECIFIC HOUSEHOLD SHALL NOT CONSTITUTE A PRIMA FACIE EVIDENCE OF ILLEGAL USE OF ELECTRICITY AND SHALL NOT WARRANT THE IMMEDIATE DISCONNECTION OF THEIR ELECTRIC UTILITY.

"HOWEVER, IT SHALL BE SUBJECT TO AN INVESTIGATION, WHEREBY THE HOUSEHOLD OWNERS SHALL BE GIVEN A NOTICE AND AN OPPORTUNITY TO BE HEARD AND CONTROVERT THE SUSPECTED VIOLATION."

SEC. 3. Section 5 is hereby amended to read as follows:

"Incentives. - An incentive scheme by way of a monetary reward in [the minimum amount of Five thousand pesos (P5,000)] **AN AMOUNT NOT LESS THAN EIGHT THOUSAND PESOS (P8,000)** shall be given to any person who shall report to the NPC or police authorities any act which may constitute a violation of Section 3 hereof. The Department of Energy (DOE), in consultation with the [NPC] ERC AND TRANSCO, shall issue the necessary guidelines for the proper implementation of this incentive scheme within thirty (30) days from the effectivity of this Act."

SEC. 4. Implementing Rules and Regulations. The Department of Energy, Energy Regulatory Board and the TRANSCO, shall jointly formulate the necessary

amendment to the existing Rules and Regulations implementing RA 7832, within 15 days from the effectivity of this Act.

SEC. 5. *Repealing Clause.* – All laws or regulations inconsistent with the provisions of this Act are hereby amended or repealed accordingly.

SEC. 6. *Effectivity Clause.* – This Act shall take effect after the fifteen (15) days following its publication in at least two (2) newspaper of general circulation.

Approved,