

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.

House Bill No. 4529

EXPLANATORY NOTE

Last June 8, 2001, President Gloria Macapagal-Arroyo signed into law Republic Act 9136, or the Electric Power Industry Reform Act of 2001. Section 73 of this law states that:

Section 73. Lifeline Rate. - A socialized pricing mechanism called a lifeline rate for the marginalized end-users shall be set by the ERC, which shall be exempted from the cross subsidy phase-out under this Act for a period not exceeding ten (10) years, until or unless expressly rescinded by law. The level of consumption and the rate shall be determined by the ERC after due notice and hearing.

This section was placed in order to cushion the blow of the hefty power rate increases to low-income end-users. This subsidized electricity rates will continue to be given to low-income end-users who cannot afford to pay at full cost. The threshold consumption levels and the lifeline rates determined and approved by the ERC shall be exempted from the cross-subsidy removal under the Act for a period of ten (10) years. This 10-year period will expire on June 8, 2011.

MERALCO customers consuming up to 100 kWh per month are presently enjoying the lifeline rate discounts. Customers with an average monthly consumption of 0 to 50 kWh are getting 50% discount, those with 51

to 70 kWh average monthly consumptions are getting 35% discount, and those who consume 71 to 100 kWh are getting 20% discount. .

of the Filipino people with regard to high electric rates still continue. It is therefore necessary to extend the period of effectivity of the lifeline rates for another 10 years..

It is in this light that the immediate passage of this bill is earnestly sought.



RUFUS B. RODRIGUEZ



MAXIMO B. RODRIGUEZ, JR.

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

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House Bill No. **4529**

AN ACT

AMENDING REPUBLIC ACT 9136, OTHERWISE KNOWN AS THE
ELECTRIC POWER INDUSTRY REFORM ACT OF 2001, BY EXTENDING
THE PERIOD WHEREIN THE LIFELINE RATES SHALL APPLY BY TEN
MORE YEARS

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

SECTION 1. Section 73 of Republic Act 9136 is hereby amended to read as
follows:

Section 73. Lifeline Rate. - A socialized pricing
mechanism called a lifeline rate for the marginalized
end-users shall be set by the ERC, which shall be
exempted from the cross subsidy phase-out under
this Act for a period not exceeding [ten (10) years]
TWENTY (20) YEARS, until or unless expressly
rescinded by law. The level of consumption and the
rate shall be determined by the ERC after due notice
and hearing.

SEC. 2. **Repealing Clause.** All laws, executive orders, rules and regulations
or parts thereof in conflict with the provision of this Act are hereby repealed or
amended accordingly.

SEC. 3. **Effectivity.** -This Act shall take effect after fifteen (15) days following
its full and complete publication in the Official Gazette or in two (2)
newspapers of general circulation.

Approved.