

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

Seventeenth Congress  
Third Regular Session

**HOUSE BILL NO. 8943**



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Introduced by  
**Representative Carlos Roman L. Uybarreta**

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EXPLANATORY NOTE

Surigao del Sur II Electric Cooperative, Inc. (SURSECO II) is a was organized as a private, non-stock, non-profit membership and service-oriented cooperative on September 10, 1979. It was registered as the 115th electric cooperative in the country. The coop originally has 13 municipalities to form the coverage area namely: San Agustin, Marihatag, Cagwait, Bayabas, San Miguel, Tago, Tandag, Cortes, Lanuza, Carmen, Madrid, Cantilan, Lianga and Carrascal.

As of September 30, 2017, the total amount of SURSECO II's outstanding account with the Power Sector Assets and Liabilities Management Corporation (PSALM) is TEN MILLION THREE HUNDRED EIGHT THOUSAND EIGHT HUNDRED FIFTY EIGHT PESOS AND 33/100 (P 10,308,858.33), to wit:

<b>Billing Amount</b>			
<b>Power Bill</b>	<b>VAT</b>	<b>Interest</b>	<b>Total</b>
P 9,997,847.02	311,011.31	-	<b>P 10,308,858.33</b>

SURSECO II's power obligation to PSALM, including its unpaid bills to other suppliers, which accumulated over the years has blown out of proportion that it has become virtually impossible for SURSECO II to focus on the improvement of their electricity-distribution services. At present, the said cooperative can no longer make new investments and acquire additional assets that would provide better, cheaper, and more efficient means of harnessing and distributing reliable power throughout the area covered, primarily because the funds intended for these uses are solely being directed towards the payment of its monetary obligations.

It is for this reason that we take measures in order to apply leniency to non-stock, non-profit electric cooperatives like SURSECO II by condoning all its unpaid power obligations to PSALM, including all interests, surcharges and other penalties from the commencement of the liability. This way SURSECO II will be able to return to its former condition of competent, successful and debt-free operation. Condoning its unpaid obligations to PSALM allows the cooperative to remain financially viable for local as well as foreign investors.

In consideration of the foregoing, the immediate passage of this bill is earnestly requested.



**CARLOS ROMAN L. UYBARRETA**

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**AN ACT CONDONING THE OBLIGATION OF SURIGAO DEL SUR II  
ELECTRIC COOPERATIVE, INC. (SURSECO II) PAYABLE TO THE POWER  
SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION  
(PSALM)**

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

**Section 1. Title.** – This Act shall be known as the Condonation of the Obligation of Surigao del Sur II Electric Cooperative, Inc. (SURSECO II) Act.

**Section 2. Declaration of Policy.** – It is hereby declared the policy of the State to ensure and accelerate the total electrification of the country; ensure the quality, reliability, security and affordability of the supply of electric power in the country; and enable the electric cooperatives to cope with the changes brought about in the industry by emerging technologies.

**Section 3. Condonation of Obligation.** – The principal obligation of SURSECO II payable to PSALM as well as the interest and other surcharges as there may be are hereby condoned.

**Section 4. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.