

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

Seventeenth Congress
Third Regular Session

HOUSE BILL NO. 8944



Introduced by
Representative Carlos Roman L. Uybarreta

EXPLANATORY NOTE

First Bukidnon Electric Cooperative, Inc. (FIBECO) is a duly organized non-stock, non-profit cooperative with a franchise to distribute electric light, and power to twelve (12) Municipalities and one City, and is serving the electric power needs of Southern part of Bukidnon.

As of September 30, 2017, the total amount of FIBECO's outstanding account with the Power Sector Assets and Liabilities Management Corporation (PSALM) is EIGHT MILLION FIVE HUNDRED NINETY ONE THOUSAND SEVEN HUNDRED NINETY ONE PESOS AND 90/100 (P 8,591,791.90), to wit:

Billing Amount			
Power Bill	VAT	Interest	Total
P 8,141,608.36	450,183.54	-	P 8,591,791.90

FIBECO'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 FIBECO 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 FIBECO by condoning all its unpaid power obligations to PSALM, including all interests, surcharges and other penalties from the commencement of the liability. This way FIBECO 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 FIRST BUKIDNON ELECTRIC COOPERATIVE, INC. (FIBECO) 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 First Bukidnon Electric Cooperative, Inc. (FIBECO) 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 FIBECO 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.