

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

Seventeenth Congress  
Third Regular Session

**HOUSE BILL NO. 8970**



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

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EXPLANATORY NOTE

Zamboanga del Sur II Electric Cooperative, Inc. (ZAMSURECO II) is a duly organized cooperative with a franchise to distribute electric light, and power to a total area of 6,370.2 sq. km. in Zamboanga del Sur, with a 1,964.5 distribution line in circuit-kilometers. It serves 89,621 residential household connections, 5,317 commercial connections and 547 industrial connections, and its current status of household energization is at 74.3%.

As of March 31, 2018, the total amount of ZAMSURECO II's outstanding account with the Power Sector Assets and Liabilities Management Corporation (PSALM) is ONE HUNDRED SEVENTY FIVE MILLION FIVE HUNDRED TWENTY FOUR THOUSAND ONE HUNDRED FORTY SEVEN PESOS AND 85/100 (P 175,524,147.85).

ZAMSURECO 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 ZAMSURECO 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 ZAMSURECO 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, ZAMSURECO 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 ZAMBOANGA DEL SUR II  
ELECTRIC COOPERATIVE, INC. (ZAMSURECO 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 Zamboanga del Sur II Electric Cooperative, Inc. (ZAMSURECO 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 ZAMSURECO 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.