

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

Seventeenth Congress
Third Regular Session

HOUSE BILL NO. 8975



Introduced by
Representative Carlos Roman L. Uybarreta

EXPLANATORY NOTE

Bukidnon Second Electric Cooperative, Inc. (BUSECO) is a duly organized non-stock, non-profit cooperative with a franchise to distribute electric light, and power to the following municipalities and cities: Malitbog, Manolo Fortich, Libona, Baungon, Talakag, Sumilao, Lantapan, Impasog-Ong, Malaybalay City, and Cabanglasan.

As of September 30, 2017, the total amount of BUSECO's outstanding account with the Power Sector Assets and Liabilities Management Corporation (PSALM) is THIRTY EIGHT MILLION THREE HUNDRED FIFTY NINE THOUSAND SIX HUNDRED TWENTY NINE PESOS AND 89/100 (P 38,359,629.89), to wit:

Billing Amount			
Power Bill	VAT	Interest	Total
P 33,493,220.14	4,866,409.75	-	P 38,359,629.89

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