



Republic of the Philippines  
**House of Representatives**  
Quezon City

**NINETEENTH CONGRESS**

*First Regular Session*

House Bill No. 6538



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Introduced by

*APEC Party-List Representative Sergio C. Dagooc*  
*PHILRECA Party-List Representative Presley C. De Jesus*  
*Representative Sittie Shahara "Bai Dimple" I. Mastura*  
*Representative Mohamad P. Paglas*

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**AN ACT**

**PROVIDING FOR THE CONDONATION OF THE OVERDUE POWER  
ACCOUNTS BY THE MAGUINDANAO ELECTRIC COOPERATIVE, INC.  
(MAGELCO) FROM THE POWER SECTOR ASSETS & LIABILITIES  
MANAGEMENT CORPORATION (PSALM) INCLUDING THE PRINCIPAL  
AMOUNT, UNPAID INTERESTS, PENALTIES, AND UNREMITTED  
UNIVERSAL CHARGES**

The electric cooperatives in far-flung and distressed areas of Mindanao remain committed to their service as the distribution utility energizing their constituents. Their efforts must therefore be recognized as despite the political, economic, and social situations and conflicts that they face, their resolve to serve their constituents remain.

The bill seeks to provide for the condonation of the Interests, Surcharges, Penalties and Universal Charges incurred by the Maguindanao Electric Cooperatives, Inc. (MAGELCO) payable to the Power Sector Assets and Liabilities Management Corp (PSALM).

It is incumbent upon us to recognize the efforts of MAGELCO in complying with their mandate. MAGELCO faces a potential curtailment of electricity supply.

This is all due to their outstanding obligations with the Power Sector Assets and Liabilities Management Corporation (PSALM).

Accumulating since the year 2009 up until present day, MAGELCO's accounts payable for its power bills now amounts to a total of Three Billion Eighty-Three Million Six Hundred Eighty-two Thousand Seven Hundred Twenty-Five Pesos and Ninety-Three Centavos (Php 3,083,682,725.93). As regards to the Interest accumulated, the interest due contributes to as much as One Billion Four Hundred Fourteen Thousand Four Hundred Forty-Five Pesos and Thirty-Four Centavos (Php 1,414,445.34).

In the same time span, MAGELCO was able to pay PSALM a total amount of Seven Hundred Ninety-Eight Million Sixty-Two Thousand One Hundred Twenty-Four Pesos and Sixty-Seven Centavos (Php 798,062,124.67) which was applied to the incurred interests, surcharges, and penalties.

The outstanding obligation restricted MAGELCO to render efficient service and provide a regular supply of electricity to the province of Maguindanao.

Henceforth, it is sought that the total amount paid by MAGELCO be applied to the principal obligations due and that all the interests, surcharges, penalties on the principal obligation, as well as the universal charges due that have accrued until the effectivity of this act shall be condoned.

In view of the foregoing, the approval of this bill is earnestly sought.



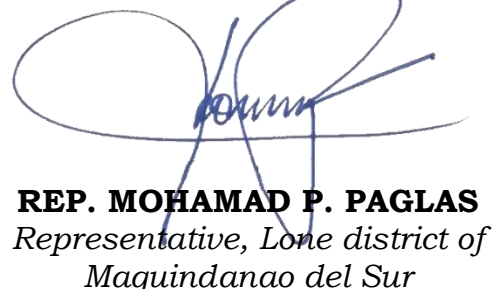
**REP. PRESLEY C. DE JESUS**  
*PHILRECA Party-list Representative*



**REP. SERGIO C. DAGOOC**  
*APEC Party-list Representative*



**REP. SITTIE SHAHARA "BAI  
DIMPLE" I. MASTURA**  
*Representative, Lone district of  
Maguindanao del Norte*



**REP. MOHAMAD P. PAGLAS**  
*Representative, Lone district of  
Maguindanao del Sur*



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UNIVERSAL CHARGES**

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

1           SECTION 1. **Short Title.** – This Act shall be referred to as the  
2 "Maguindanao Electric Cooperative, Inc. (MAGELCO) Condonation Act of 2022".

3           SECTION 2. **Declaration of Policy.** – The State shall pursue a  
4 comprehensive rural electrification program, including the provision of electric  
5 services in *sitios* and remote households, as a strategy to provide more  
6 opportunities for improved quality of life, greater access to basic services, and  
7 better infrastructure for rural development. To further accelerate access to  
8 electricity services by the country's unelectrified communities and strengthen  
9 and integrate efforts on rural electrification, the State shall provide subsidies  
10 and grants to the distribution utilities, particularly the electric cooperatives,  
11 pursuing sitio electrification projects in their coverage area.

1 SECTION 3. **Condonation of Principal Obligation.** – The accumulated  
2 principal obligation payable to the Power Sector Assets and Liabilities  
3 Management Corporation (PSALM) from the year 2009 until the effectivity of this  
4 Act, may be hereby condoned by PSALM or restructured within a period not  
5 exceeding fifteen (15) years.

6 SECTION 4. **Condonation of Interests, Surcharges, Penalties and**  
7 **Universal Charges.** – All interests, including surcharges, penalties on the  
8 principal obligation, as well as the universal charges incurred by the MAGELCO  
9 payable to the Power Sector Assets and Liabilities Management Corp (PSALM)  
10 beginning from the year 2009 until the effectivity of this Act, in whatever  
11 accumulated amount or sum of interest and surcharges as there may be are  
12 hereby condoned, thereby perpetually relieving MAGELCO from payment thereof  
13 of all interests, surcharges, penalties and universal charges that may have been  
14 accumulated.

15 The amount paid in the sum of Seven Hundred Ninety-Eight Million Sixty-  
16 Two Thousand One Hundred Twenty-Four Pesos and Sixty-Seven Centavos (Php  
17 798,062,124.67) which was applied in payment of interests, surcharges, and  
18 penalties, shall be applied to, and deducted from the principal obligation instead.

19 SECTION 4. **Repealing Clause.** – All laws, decrees, executive orders,  
20 proclamations, rules and regulations, and issuances, or parts thereof which are  
21 inconsistent with the provisions of this Act are hereby amended or modified  
22 accordingly.

23 SECTION 5. **Separability Clause.** – If any provision of this Act is declared  
24 invalid or unconstitutional, the remaining provisions not affected thereby shall  
25 remain in force and effect.

26 SECTION 6. **Effectivity Clause.** – This Act shall take effect fifteen (15)  
27 days after its complete publication in the Official Gazette or a newspaper of  
28 general circulation.

29 *Approved.*