



Republic of the Philippines
House of Representatives
Quezon City



TWENTIETH CONGRESS

First Regular Session

House Bill No. **3078**

Introduced by

Presley C. De Jesus, PhilRECA Party-List Representative

Sergio C. Dagooc, APEC Party-List Representative

EXPLANATORY NOTE

The Camarines Sur I Electric Cooperative, Inc. (CASURECO I) was organized and registered pursuant to the provisions of Presidential Decree No. 269. CASURECO I was placed under the supervisory authority of the National Electrification Administration (NEA) and was mandated to perform electrification in the Municipalities of Libmanan, Cabusao, Sipocot, Lupi, Ragay, Pamplona, San Fernando, Gainza, and Camaligan, all in the province of Camarines Sur.

Since it was granted a franchise, the CASURECO I has provided excellent service in powering and electrifying one hundred percent (100%) of the barangays within its franchise area. Moreover, CASURECO I has been consistently categorized as a Triple A “AAA” electric cooperative for eight years since 2015 – the highest categorization of an electric cooperative granted by the National Electrification Administration.

This bill seeks to grant a congressional franchise to CASURECO I to provide an electric power distribution system to the people of the Municipalities of Libmanan, Cabusao, Sipocot, Lupi, Ragay, Pamplona, San Fernando, Gainza, Pasacao, and Camaligan. Furthermore, it seeks to set the standards that the grantee must attain in order to secure an effective partnership between the State and the grantee.

The enactment of this bill will ensure the continuous delivery of electricity from CASURECO I to the nine municipalities, creating a path towards success

and progress that would extend towards the whole province of Camarines Sur.
In view of the foregoing, the approval of this bill is earnestly sought.



REP. PRESLEY C. DE JESUS
PhilRECA Party-List



REP. SERGIO C. DAGOO
APEC Party-List



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AN ACT

EXTENDING THE EXISTING FRANCHISE OF CAMARINES SUR I ELECTRIC COOPERATIVE, INC. (CASURECO I) TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, OWN, MANAGE AND MAINTAIN A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END-USERS IN THE MUNICIPALITIES OF LIBMANAN, CABUSAO, SIPOCOT, RAGAY, LUPI, PAMPLONA, PASACAO, SAN FERNANDO, GAINZA AND CAMALIGAN, PROVINCE OF CAMARINES SUR

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

1 **SECTION 1. Nature and Scope of Franchise.** - Subject to the
2 provisions of the Constitution and applicable laws, rules and regulations,
3 there is hereby granted to the Camarines Sur I Electric Cooperative, Inc.
4 (CASURECO I), hereunder referred to as the Grantee, its successors or assigns
5 a franchise to construct, install, establish, operate, own, manage and
6 maintain in the public interest and commercial purposes, a distribution
7 system for the conveyance of electric power to the ends users in the
8 municipalities of Libmanan, Cabusao, Sipocot, Ragay, Lupi, Pamplona,
9 Pasacao, San Fernando, Gainza, and Camaligan, Province of Camarines Sur.

10 **SEC. 2. Manner of Operation of Facilities.** - All electric distribution
11 facilities, lines, and systems for electric services installed, owned, operated,
12 managed or maintained by the grantee, its successors or assigns shall be
13 operated or maintained at all times in a superior manner, and it shall be the

1 duty of the grantee, its successors or assigns, whenever required to do so by
2 the Energy Regulatory Commission (ERC), or its legal successor, or the
3 Department of Energy (DOE), or its legal successor, or the National
4 Electrification Administration (NEA) or its legal successor, or any other
5 government agency concerned to modify, improve and change such facilities
6 or systems in such manner and to such extent as the progress in science or
7 technology and improvements or innovations in the electric power service
8 industry may render reasonable and proper.

9 Whenever practicable, and for purposes of maintaining order, safety
10 and aesthetics along highways, roads, streets, alleys, or right-of-way, the
11 grantee may allow the use of free spaces in its poles, facilities, or right-of-way
12 by interested parties upon reasonable compensation to the grantee
13 considering the costs incurred to accommodate and administer the use of the
14 grantee's facilities by such parties. The ERC shall decide in case of dispute or
15 disagreement between the parties.

16 **SEC. 3. Authority of the ERC and NEA.** – The Grantee shall secure
17 from the ERC or NEA any government agency having jurisdiction over their
18 operations, the Certificate of Public Convenience and Necessity and any other
19 license, permit or authority indispensable for the construction and operation
20 of the electric power distribution system.

21 **SEC. 4. Excavation and Restoration Works.** – For the purpose of
22 erecting and maintaining the poles or other supports for said facilities, wires
23 or other conductors or for the purpose of laying and maintaining said
24 facilities, wires, cables or other conductors, it shall be lawful for the Grantee,
25 its successors, or assignees, in coordination with the Department of Public
26 Works and Highways (DPWH) or the local government unit (LGU) concerned,
27 as may be appropriate, to make excavations or lay conduits in any of the
28 public places, highways, road, streets, lanes, alleys, avenues, sidewalks, or
29 bridges of the province, cities or municipalities: *Provided, however,* That a
30 public place, highway, road, street, lane, alley, avenue, sidewalk, or bridge
31 disturbed, altered, or changed by reason of erection of poles or other supports
32 or the underground laying of wires, other conductors or conduits, shall be
33 repaired and replaced in workmanlike manner by the Grantee, its successors
34 or assignees, in accordance with the standards set by the DPWH or the local
35 government unit concerned. Should the Grantee, its successors or assignees,
36 after the ten (10)-day notice from the grant of authority, fail, refuse or neglect
37 to repair or replace any part of public place, highway, road, street, lane, alley,
38 avenue, sidewalk, or bridge altered, changed or disturbed by the said Grantee,
39 its successors or assignees, then the DPWH or the local government unit
40 concerned shall have the right to have the same repaired and replaced in good

1 order and condition and charge the Grantee, its successors or assignees,
2 double the amount of the cost and expenses for such repair or replacement.

3 **SEC. 5. Responsibility to the Public.** – The grantee shall supply
4 electricity to its captive market in the least costly manner. In the interest of
5 the public good and as far as feasible and whenever required by the ERC, the
6 grantee shall modify, improve or change its facilities, poles, lines, systems,
7 and equipment for the purpose of providing efficient and reliable service and
8 reduced electricity costs. The grantee shall charge reasonable and just power
9 rates for its services to all types of consumers within its franchised areas in
10 order that business and industries shall be able to compete.

11 The grantee shall have the obligation to provide open and
12 nondiscriminatory access to its distribution system and services for any end-
13 user within its franchise area consistent with Republic Act No. 9136,
14 otherwise known as the "Electric Power Industry Reform Act of 2001". The
15 grantee shall not engage in any activity that will constitute an abuse of market
16 power such as unfair trade practices, monopolistic schemes, and other
17 activities that will hinder competitiveness of business and industries.

18 **SEC. 6. Rates for Services.** – The retail rates and charges for the
19 distribution of electric power by the Grantee to its end-users shall be
20 regulated by and subject to the approval of the ERC or its legal successor.

21 The Grantee shall identify and segregate in its electricity bill to the end-
22 users the components of the retail rate pursuant to RA 9136, unless otherwise
23 amended. Such rates charged by the Grantee to the end-users shall be made
24 public and transparent. The Grantee shall implement lifeline rate to
25 marginalized end-users as mandated under RA 9136.

26 **SEC. 7. Promotion of Consumer Interests.** – The Grantee herein shall
27 establish a consumer desk that will handle consumer complaints and ensure
28 adequate promotion of consumer interests. The Grantee shall act with
29 dispatch on all complaints brought before it.

30 **SEC. 8. Commitment to Provide and Promote the Creation of**
31 **Employment Opportunities.** – The Grantee shall create employment
32 opportunities and shall allow on-the-job training in its franchise operation:
33 *Provided*, That priority shall be accorded to the residents where their principal
34 office is located: *Provided, further*, That the Grantee shall comply with the
35 applicable labor standards and allowance entitlement under existing labor
36 laws, rules and regulations, and similar issuances.

37 **SEC. 9. Right of the Government.** – A special right is hereby reserved
38 to the President of the Philippines, in times of war, rebellion, public peril,

1 calamity, emergency, disaster or disturbance of peace and order: to
2 temporarily take over and operate the stations or facilities of the Grantee; to
3 temporarily suspend the operation of any station or facility in the interest of
4 public safety, security, and public welfare; or to authorize the temporary use
5 and operation thereof by any agency of the government, upon due
6 compensation to the Grantee, for the use of the stations or facilities during
7 the period when these shall be so operated.

8 **SEC. 10. Right of Eminent Domain.** – Subject to the limitations and
9 procedures prescribed by law, the Grantee is authorized to exercise the right
10 of eminent domain insofar as it may be reasonably necessary for the efficient
11 maintenance and operation of services. The Grantee is authorized to install
12 and maintain its poles, wires, and other facilities over and across public
13 property, including streets, highways, forest reserves, and other similar
14 property of the Government of the Philippines, its branches, or any of its
15 instrumentalities. The Grantee may acquire such private property as is
16 actually necessary for the realization of the purposes for which this franchise
17 is granted: *Provided*, That proper expropriation proceedings shall have been
18 instituted and just compensation paid.

19 **SEC. 11. Term of Franchise.** – Unless sooner cancelled, the franchise
20 shall be in effect for a period of twenty-five (25) years from the date of
21 effectivity of this Act. This franchise shall be deemed *ipso facto* revoked in the
22 event the Grantee fails to operate continuously for two (2) years.

23 **SEC. 12. Warranty in Favor of the National and Local**
24 **Governments.** – The Grantee shall hold the national, provincial, city, and
25 municipal governments of the Philippines free from all claims, accounts,
26 demands, or actions arising from accidents causing injury to persons or
27 damage to properties, during the construction, installation, operation, and
28 maintenance of the distribution system of the Grantee.

29 **SEC. 13. Liability for Damages.** – The Grantee shall be liable for any
30 injury to persons and damage to properties arising from accidents by reason
31 of any defective construction under this franchise or of any neglect or
32 omission to keep its poles and wires in safe condition.

33 **SEC. 14. Sale, Lease, Transfer, Usufruct, or Assignment of**
34 **Franchise.** – The Grantee shall not sell, lease, transfer, grant the usufruct,
35 or assign this franchise or the rights and privileges acquired thereunder to
36 any person, firm, company, corporation, or other commercial or legal entity,
37 or merge with any other corporation, or entity, or shall transfer the controlling
38 interest of the Grantee, whether as a whole or in parts, and whether
39 simultaneously or contemporaneously, to any such person, firm, company,

1 corporation, or entity without the prior approval of the Congress: *Provided*,
2 That Congress shall be informed of any sale, lease, transfer, grant of usufruct,
3 sale, or assignment of franchise or the rights and privileges acquired
4 thereunder, or of the merger, or sale of the controlling interest within sixty
5 (60) days after the completion of said transaction: *Provided, further*, That any
6 such transfer, sale, or assignment is in accordance with the constitutional
7 limitations: *Provided, furthermore*, That failure to report to Congress such
8 change of ownership shall render the franchise *ipso facto* revoked: *Provided*,
9 *finally*, That any person or entity to which this franchise is sold, transferred,
10 or assigned, shall be subject to the same conditions, terms, restrictions, and
11 limitations of this Act.

12 **SEC. 15. Reportorial Requirement.** – The Grantee shall submit an
13 annual report to Congress, through the Committee on Legislative Franchises
14 of the House of Representatives and the Committee on Public Services of the
15 Senate, on its compliance with the terms and conditions of the franchise and
16 on its operations on or before April 30 of every year during the term of the
17 franchise. The reportorial compliance certificate issued by Congress shall be
18 required before any application for permit or certificate is accepted by the
19 ERC.

20 **SEC. 16. Fine.** – The failure of the Grantee to submit the requisite
21 annual report to Congress shall be penalized by a fine in the amount of Five
22 hundred pesos (P500.00) per working day of noncompliance which shall be
23 collected by the ERC. The fine shall be collected separately from the
24 reportorial penalties imposed by the ERC and shall be remitted to the Bureau
25 of Treasury.

26 **SEC. 17. Equality Clause.** – Any advantage, favor, privilege,
27 exemption, or immunity granted under existing franchises, or which may
28 hereafter be granted, upon prior review and approval of Congress, shall
29 become part of this franchise and shall be accorded immediately and
30 unconditionally to the herein Grantee: *Provided, however*, That the foregoing
31 shall neither apply to nor affect provisions concerning territory covered by the
32 franchise, the life span of the franchise or the type of service authorized by
33 the franchise: *Provided, further*, That the foregoing shall not apply to the sale,
34 lease, transfer, grant of usufruct, or assignment of legislative franchises with
35 prior congressional approval.

36 **SEC. 18. Applicability of Existing Laws.** – The Grantee shall comply
37 with and be subject to the provisions of Commonwealth Act No. 146 or the
38 “Public Service Act”, as amended, RA 9136, and RA 10531 or the “National
39 Electrification Administration Reform Act of 2013.”

1 **SEC. 19. Existing Powers.** – Existing mandates, powers, functions,
2 and privileges granted to electric cooperatives under existing laws, including
3 Section 10 of RA 10531 shall remain valid and effective, unless expressly
4 repealed by succeeding laws.

5 **SEC. 20. Repealability and Non-Exclusivity Clause.** – This franchise
6 shall be subject to amendment, alteration, or repeal by Congress when the
7 public interest so requires and shall not be interpreted as an exclusive grant
8 of the privileges herein provided for.

9 **SEC. 21. Separability Clause.** – If any of the sections or provisions of
10 this Act is held invalid, all other provisions not affected thereby shall remain
11 valid.

12 **SEC. 22. Repealing Clause.** – All laws, presidential decrees, executive
13 orders, letters of instruction, administrative rules and regulations or parts
14 thereof which is are contrary to or inconsistent with the provisions of this Act
15 are hereby repealed or modified accordingly.

16 **SEC. 23. Effectivity Clause.** – This Act shall take effect fifteen (15)
17 days after its publication in the *Official Gazette* or in a newspaper of general
18 circulation.

19 *Approved,*