



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 8730



Introduced by **MAGBUBUKID PARTY-LIST Representative FERDINAND “B1” L. BELTRAN**

EXPLANATORY NOTE

Ang akses sa maaasahang kuryente ay pundasyon ng kaunlaran sa mga kanayunan. Nagsisilbi itong susi sa pag-angat ng lokal na ekonomiya, serbisyong panlipunan, at pangkalahatang kalidad ng pamumuhay. Mahalaga rin ito para sa agrikultura—mula irigasyon hanggang post-harvest—na direktang nakatutulong sa kabuhayan ng ating mga magbubukid.

Isinusulong ng panukalang batas na ito ang pagbibigay ng prangkisa sa Capiz Electric Cooperative, Inc. (CAPELCO) upang maghatid ng kuryente sa Roxas City at mga bayan ng Capiz. Itinatakda rin ang mga pamantayan para sa maayos na pakikipagtulungan sa pamahalaan tungo sa ganap na elektripikasyon o kuryente para sa lahat.

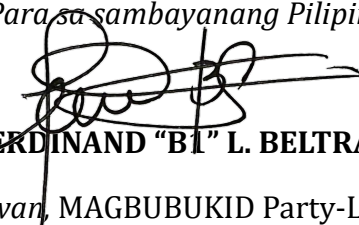
Ang CAPELCO ay isang non-stock, non-profit na kooperatiba na itinatag noong 1971. Ito ay pinagkalooban ng 50-taong prangkisa ng National Electrification Administration (NEA) noong 1978, na magtatapos sa 2028.

Sa kasalukuyan, pinaglilingkuran ng CAPELCO ang 16 na bayan at 1 lungsod, na sumasaklaw sa 475 barangay at mahigit 180,000 koneksyon. Napatunayan na nito ang kanilang kakayahan sa pagbibigay ng maaasahang serbisyo sa kuryente, kabilang ang pagbawas ng system loss at patuloy na pakikiisa sa Sitio Electrification Program.

Para sa pagpapaunlad ng mga kanayunan at masuportahan ang sektor ng agrikultura, ang panukalang ito ay titiyak ng sapat, maaasahan, at abot-kayang kuryente para sa ating mga kababayan sa Capiz.

Dahil dito, hinihiling ang agarang pag-apruba ng panukalang batas na ito.

Para sa sambayanang Pilipino,


HON. FERDINAND “B1” L. BELTRAN

Kinatawan, MAGBUBUKID Party-List



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Introduced by **MAGBUBUKID PARTY-LIST Representative FERDINAND “B1” L. BELTRAN**

AN ACT

**GRANTING THE CAPIZ ELECTRIC COOPERATIVE, INC. (CAPELCO) A
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, OWN,
MANAGE AND MAINTAIN DISTRIBUTION SYSTEMS FOR THE
CONVEYANCE OF ELECTRIC POWER TO THE END-USERS IN THE CITY
OF ROXAS AND MUNICIPALITIES OF CUARTERO, DAO, DUMARAO,
DUMALAG, IVISAN, JAMINDAN, MAAYON, MAMBUSAO, PANAY,
PANITAN, PILAR, PONTEVEDRA, PRESIDENT ROXAS, SAPIAN, SIGMA,
AND TAPAZ, ALL IN THE PROVINCE OF CAPIZ**

Be it enacted by the Senate and the House of Representatives of the Republic 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, there
3 is hereby granted to the Capiz Electric Cooperative, Inc. (CAPELCO) hereunder
4 referred to as the Grantee, its successors or assigns a franchise to construct,
5 install, establish, operate, own, manage and maintain in the public interest
6 and commercial purposes, a distribution system for the conveyance of electric
7 power to the end-users in the City of Roxas and Municipalities of Cuartero,
8 Dao, Dumarao, Dumalag, Ivisan, Jamindan, Maayon, Mambusao, Panay,
9 Panitan, Pilar, Pontevedra, President Roxas, Sapien, Sigma, and Tapaz, all in
10 the Province of Capiz.

11 As used in this Act, distribution system refers to the system of wires and
12 associated facilities including sub-transmission lines belonging to a franchised
13 distribution utility extending between the delivery point on the national
14 transmission system or generating facility and the metering point/facility of
15 the end-users.

16 **SEC. 2. Manner of Operation of Facilities.** – All electric distribution
17 facilities, lines and systems for electric services installed, owned, maintained,
18 operated, managed by the Grantee, its successors or assigns shall be operated

1 or maintained at all times in a superior manner, and it shall be the duty of the
2 Grantee, its successors or assigns, whenever required to do so by the Energy
3 Regulatory Commission (ERC), or its legal successor, or the Department of
4 Energy (DOE), or its legal successor, or any other government agency
5 concerned to modify, improve and change such facilities or systems in such
6 manner and to such extent as the progress in science or technology and
7 improvements or innovations in the electric power services may render
8 reasonable and proper.

9 Whenever practicable, and for purposes of maintaining order, safety and
10 aesthetics along the 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
15 or 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 facilities,
24 wires, cables or other conductors, it shall be lawful for the Grantee, its
25 successors, or assignees, in coordination with the Department of Public Works
26 and Highways (DPWH) or the local government unit (LGU) concerned, as may
27 be appropriate, to make excavations or lay conduits in any of the public places,
28 highways, road, streets, lanes, alleys, avenues, sidewalks, or bridges of the
29 province, cities or municipalities: *Provided, however,* That a public place,
30 highway, road, street, lane, alley, avenue, sidewalk, or bridge disturbed,
31 altered, or changed by reason of erection of poles or other supports or the
32 underground laying of wires, other conductors or conduits, shall be repaired
33 and replaced in workmanlike manner by the Grantee, its successors or
34 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
41 order and condition and charge the Grantee, its successors or assignees,
42 double the amount of the cost and expenses for such repair or replacement.

43 **SEC. 5. Responsibility to the Public.** – The Grantee shall supply
44 electricity to its captive market in the least costly manner. In the interest of
45 the public good and as far as feasible and whenever required by the ERC, the
46 Grantee shall modify, improve, or change its facilities, poles, lines, systems

1 and equipment for the purpose of providing efficient and reliable service and
2 reduced electricity costs. The Grantee shall charge reasonable and just power
3 rates for its services to all types of consumers within its franchised area in
4 order that business and industries shall be able to compete.

5 The Grantee shall have the obligation to provide open and
6 nondiscriminatory access to its distribution system and services for any end-
7 user within its franchise area consistent with Republic Act (RA) No. 9136,
8 otherwise known as the “Electric Power Industry Reform Act of 2001”. The
9 Grantee shall not engage in any activity that will constitute an abuse of market
10 power such as unfair trade practices, monopolistic schemes, and other
11 activities that will hinder competitiveness of business and industries.

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

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

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

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

31 **SEC. 9. Right of the Government.** – A special right is hereby reserved
32 to the President of the Philippines, in times of war, rebellion, public peril,
33 calamity, emergency, disaster or disturbance of peace and order: to
34 temporarily take over and operate the stations or facilities of the Grantee; to
35 temporarily suspend the operation of any station or facility in the interest of
36 public safety, security, and public welfare; or to authorize the temporary use
37 and operation thereof by any agency of the government, upon due
38 compensation to the Grantee, for the use of the stations or facilities during the
39 period when these shall be so operated.

40 **SEC. 10. Right of Eminent Domain.** – Subject to the limitations and
41 procedures prescribed by law, the Grantee is authorized to exercise the right
42 of eminent domain insofar as it may be reasonably necessary for the efficient
43 maintenance and operation of services. The Grantee is authorized to install
44 and maintain its poles, wires, and other facilities over and across public

1 property, including streets, highways, forest reserves, and other similar
2 property of the Government of the Philippines, its branches, or any of its
3 instrumentalities. The Grantee may acquire such private property as is
4 actually necessary for the realization of the purposes for which this franchise
5 is granted: *Provided*, That proper expropriation proceedings shall have been
6 instituted and just compensation paid.

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

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

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

21 **SEC. 14. Sale, Lease, Transfer, Usufruct, or Assignment of**
22 **Franchise.** – The Grantee shall not sell, lease, transfer, grant the usufruct, or
23 assign this franchise or the rights and privileges acquired thereunder to any
24 person, firm, company, corporation, or other commercial or legal entity, or
25 merge with any other corporation, or entity, or shall transfer the controlling
26 interest of the Grantee, whether as a whole or in parts, and whether
27 simultaneously or contemporaneously, to any such person, firm, company,
28 corporation, or entity without the prior approval of the Congress: *Provided*,
29 That Congress shall be informed of any sale, lease, transfer, grant of usufruct,
30 sale, or assignment of franchise or the rights and privileges acquired
31 thereunder, or of the merger, or sale of the controlling interest within sixty (60)
32 days after the completion of said transaction: *Provided, further*, That any such
33 transfer, sale, or assignment is in accordance with the constitutional
34 limitations: *Provided, furthermore*, That failure to report to Congress such
35 change of ownership shall render the franchise *ipso facto* revoked: *Provided*,
36 *finally*, That any person or entity to which this franchise is sold, transferred,
37 or assigned, shall be subject to the same conditions, terms, restrictions, and
38 limitations of this Act.

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

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

6 **SEC. 17. *Equality Clause.*** – Any advantage, favor, privilege, exemption,
7 or immunity granted under existing franchises, or which may hereafter be
8 granted, upon prior review and approval of Congress, shall become part of this
9 franchise and shall be accorded immediately and unconditionally to the herein
10 Grantee: *Provided, however,* That the foregoing shall neither apply to nor affect
11 provisions concerning territory covered by the franchise, the life span of the
12 franchise or the type of service authorized by the franchise: *Provided, further,*
13 That the foregoing shall not apply to the sale, lease, transfer, grant of usufruct,
14 or assignment of legislative franchises with prior congressional approval.

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

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

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

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

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

34 **SEC. 23. *Effectivity Clause.*** – This Act shall take effect upon the
35 expiration of the Grantee’s franchise or fifteen (15) days after its publication
36 in the *Official Gazette* or in a newspaper of general circulation, whichever
37 comes later.

38 *Approved,*