



HOUSE OF REPRESENTATIVES

H. No. 7647

BY REPRESENTATIVES GARIN, AYON, FERRER (J.) AND SALCEDA

AN ACT FURTHER AMENDING SECTIONS 1, 16, AND 21 OF REPUBLIC ACT NO. 11212, AS AMENDED BY REPUBLIC ACT NO. 11918, ENTITLED "AN ACT GRANTING MORE ELECTRIC AND POWER CORPORATION A FRANCHISE TO ESTABLISH, OPERATE, AND MAINTAIN, FOR COMMERCIAL PURPOSES AND IN THE PUBLIC INTEREST, A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END USERS IN THE CITY OF ILOILO, PROVINCE OF ILOILO, AND ENSURING THE CONTINUOUS AND UNINTERRUPTED SUPPLY OF ELECTRICITY IN THE FRANCHISE AREA"

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

SECTION 1. Section 1 of Republic Act No. 11212, as amended by Republic Act No. 11918, is hereby further amended to read as follows:

"SECTION 1. Nature and Scope of Franchise. – Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to MORE Electric and Power Corporation, hereunder referred to as the Grantee, its successors or assignees, a franchise to establish, operate, and maintain, for commercial purposes and in the public interest, a distribution system for the conveyance of electric power to end users in the cities of Iloilo and Passi and the municipalities of Alimodian, Leganes, Leon, New Lucena, Pavia, San Miguel, Santa Barbara, Zarraga, Anilao, Banate, Barotac Nuevo, Dingle, Dueñas, Dumangas, [and] San Enrique, **GUIMBAL, IGBARAS, MIAGAO, OTON, SAN JOAQUIN, TIGBAUAN AND TUBUNGAN, ALL** in the Province of Iloilo.

"As used in this Act, distribution system refers to the system of wires and associated facilities including subtransmission lines belonging to or used by a franchised distribution utility extending between the delivery point on the national transmission system or generating facility and the metering point or facility of the end-user."

1 **SEC. 2.** Section 16 of Republic Act No. 11212, as amended by Republic Act No. 11918,
2 is hereby amended to read as follows:

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4 **"SEC. 16. Dispersal of Ownership.** – In accordance with the constitutional
5 provision to encourage public participation in public utilities, the grantee shall offer
6 to the public, specifically Filipino citizens at least thirty percent (30%) or a higher
7 percentage that may hereafter be provided by law of its outstanding capital stock
8 in any securities exchange in the Philippines within five (5) years from the
9 commencement of its operations **IN THE EXPANDED FRANCHISE AREA**
10 **UNDER THIS AMENDMENT COVERING GUIMBAL, IGBARAS, MIAGAO,**
11 **OTON, SAN JOAQUIN, TIGBAUAN AND TUBUNGAN[:];** *Provided,* That in
12 cases where a public offer of shares is not applicable, other methods of
13 encouraging public participation by citizens and corporations operating public
14 utilities must be implemented.

15
16 In the event the required dispersal of ownership is not implemented within five (5)
17 years, the holdings of persons, natural or juridical, including directors, officers,
18 stockholders, and related interests in the Grantee and its respective holding
19 company, if any, shall not exceed twenty-five percent (25%) of the voting shares
20 of stock, unless the utility or the company holding the shares or its controlling
21 stockholders are already listed in the Philippine Stock Exchange.

22
23 Non-compliance therewith shall render the franchise *ipso facto* revoked.

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25 **SEC. 3.** Section 21 of Republic Act No. 11212, as amended by Republic Act No. 11918,
26 is hereby further amended to read as follows:

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28 **"SEC. 21. Market Abuse or Anti-Competitive Behavior.** – The ERC, in the
29 exercise of its function, shall determine if there is any market abuse or anti-
30 competitive behavior by any party to any existing power sales agreement covering
31 the cities of Iloilo and Passi and the municipalities of Alimodian, Leganes, Leon,
32 New Lucena, Pavia, San Miguel, Santa Barbara, Zarraga, Anilao, Banate, Barotac
33 Nuevo, Dingle, Dueñas, Dumangas, [and] San Enrique, **GUIMBAL, IGBARAS,**
34 **MIAGAO, OTON, SAN JOAQUIN, TIGBAUAN AND TUBUNGAN,** in the
35 Province of Iloilo, the ERC shall order the amendment of any contract which, after
36 due determination, is found to be grossly disadvantageous.

37
38 "Notwithstanding any ERC action, the parties of any affected power sales
39 agreement may, in accordance with the dispute resolution clause of these power
40 sales agreement or such other applicable clause, enter into a negotiation for the
41 reduction of any tariff or rates under the power sales agreement.

42
43 "Any amendment of the power sales agreement under this clause shall not,
44 however, diminish or impair a party's financial investment entered into pursuant
45 to the said agreement."

1 **SEC. 4.** All laws, decrees, orders, rules and regulations or other issuances or parts
2 thereof inconsistent with the provisions of this Act are hereby repealed and modified
3 accordingly.

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5 **SEC. 5.** If any portion or provision of this Act is declared unconstitutional, the remainder
6 of this Act or any provision not affected thereby shall remain in force and effect.

7
8 **SEC. 6.** This Act shall take effect fifteen (15) days after its publication in the *Official*
9 *Gazette* or in a newspaper of general circulation.

Approved,