



HOUSE OF REPRESENTATIVES

H. No. 8087

BY REPRESENTATIVES ALANO, DAGOOC, DE JESUS, ALVAREZ (J.), EMANO, VERGARA, SINGSON-MEEHAN, ACOSTA, ONGCHUAN, SALVAME, ARENAS, VILLA, YU (J.K.), SALVACION, YAP (A.), LAGBAS, LUMAYAG, BAUTISTA (J.M.), COLLANTES, SANTOS (M.A.), CRUZ (A.), SAGARBARRIA, GONZALES (R.), RODRIGUEZ (E.) AND NAZAL

AN ACT

GRANTING THE CONDONATION OF THE UNPAID INTERESTS, PENALTIES, AND SURCHARGES ON THE OVERDUE OBLIGATIONS OF THE BASILAN ELECTRIC COOPERATIVE, INC. TO THE NATIONAL POWER CORPORATION

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

- 1 SECTION 1. All accumulated interests, surcharges, and penalties on the principal
2 obligations incurred by the Basilan Electric Cooperative, Inc. (BASELCO) to the
3 National Power Corporation (NPC) amounting to Two billion six hundred five million
4 (₱2,605,000,000.00), beginning from the year 1999 until the effectivity of this Act, are
5 hereby condoned, thereby perpetually relieving BASELCO from the payment of said
6 interests, surcharges, and penalties: *Provided*, That the amount paid by BASELCO
7 covering accumulated interests, surcharges, and penalties, shall be applied to and
8 deducted from the principal obligation of BASELCO.
- 9 SEC. 2. A one-time restructuring program is hereby authorized to be adopted by the
10 NPC in favor of BASELCO over the unpaid principal obligations: *Provided*, That once
11 a staggered payment scheme shall have been adopted between BASELCO and the

1 NPC on the principal obligations, BASELCO shall regularly submit to NPC its
2 performance improvement programs and the status of its implementation.

3 SEC. 3. Within sixty (60) days after the effectivity of this Act, NPC shall, in coordination
4 with the National Electrification Administration, promulgate the necessary rules and
5 regulations or the account restructuring program for the effective implementation of
6 this Act. Taking into account the legislative intent to grant the condonation of interests,
7 surcharges, and penalties and the one-time restructuring program, the said rules and
8 regulations shall not entail additional requirements that shall negate the purpose of
9 this Act: *Provided*, That subject to BASELCO's circumstances, NPC shall be
10 empowered to determine the guidelines on which BASELCO is eligible to request for
11 condonation and shall further require BASELCO to submit a Performance
12 Improvement Plan to ensure payment compliance: *Provided, further*, That the failure
13 of the NPC to promulgate the rules and regulations shall not prevent the
14 implementation of this Act sixty days after its effectivity: *Provided, finally*, That should
15 BASELCO neglect to pay its obligations on the restructured agreement, BASELCO
16 shall be penalized in accordance with the provision of the restructuring agreement with
17 NPC.

18 SEC. 4. Upon the effectivity of this Act, imposition of interests, penalties, and
19 surcharges shall be suspended, and all payments in accordance with the account
20 restructuring agreement shall be applied solely to principal amount until after all the
21 outstanding principal debt is fully settled.

22 SEC. 5. If any provision of this Act is declared unconstitutional or invalid, the other
23 parts or provisions hereof which are not affected thereby shall continue to be in full
24 force and effect.

25 SEC. 6. All laws, decrees, executive orders and issuances, rules and regulations, or
26 parts thereof inconsistent with the provisions of this Act are hereby repealed or
27 modified accordingly.

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

Approved,