



HOUSE OF REPRESENTATIVES

H. No. 8619

BY REPRESENTATIVES DAGOOC, DE JESUS, ALVAREZ (J.), EMANO, ACOSTA, ONGCHUAN, VERGARA, SALVAME, ARENAS, YU (J.K.), RODRIGUEZ (R.), YAP (A.), MOMO, LAGON (S.), COJUANGCO (M.), GARCIA (J.A.), COLLANTES, LARA, CAGAS, ROMUALDO, VARGAS-ALFONSO, ROMAN, DEL MAR, LAZATIN, PADIERNOS AND ALANO

AN ACT
GRANTING THE CONDONATION OF THE UNPAID INTERESTS, PENALTIES,
AND SURCHARGES ON THE OVERDUE OBLIGATIONS OF THE
MAGUINDANAO ELECTRIC COOPERATIVE, INC. TO THE POWER SECTOR
ASSETS AND LIABILITIES MANAGEMENT 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 Maguindanao Electric Cooperative, Inc. (MAGELCO) to
3 the Power Sector Assets and Liabilities Management (PSALM) Corporation,
4 beginning from the year 2009 until the effectivity of this Act are hereby condoned,
5 thereby perpetually relieving the MAGELCO from the payment of said interests,
6 surcharges, and penalties: *Provided*, That the amount paid by the MAGELCO, in the
7 amount of Seven Hundred Ninety-Eight Million Sixty-Two Thousand One Hundred
8 Twenty-Four Pesos and Sixty-Seven Centavos (₱798,062,124.67), covering the
9 accumulated interests, surcharges, and penalties shall be applied to and deducted
10 from the principal obligation of MAGELCO.

11 **SEC. 2.** A one-time restructuring program is hereby authorized to be adopted
12 by the PSALM Corporation in favor of the MAGELCO over its unpaid principal
13 obligations upon the effectivity of this Act: *Provided*, That once a staggered

1 payment scheme shall have been adopted between the PSALM Corporation and
2 the MAGELCO on the principal obligations, the MAGELCO shall regularly submit
3 to the PSALM Corporation its performance improvement programs and the status
4 of its implementation within a prescribed period.

5 **SEC. 3.** Within sixty (60) days after the effectivity of this Act, the PSALM
6 Corporation shall, in coordination with the National Electrification Administration,
7 promulgate the necessary rules and regulations for the effective implementation
8 of this Act. Taking into account the legislative intent to grant the condonation of
9 interests, surcharges, and penalties and the one-time restructuring program on
10 the unpaid principal obligations, the said rules and regulations shall not entail
11 additional requirements that shall negate the purpose of this Act: *Provided*, That
12 subject to the MAGELCO's individual circumstances, the PSALM Corporation
13 shall be empowered to determine the guidelines on which the MAGELCO is
14 eligible to request for condonation and shall further require it to submit a
15 Performance Improvement Plan to ensure payment compliance: *Provided, further*,
16 That the failure of the PSALM Corporation to promulgate the said rules and
17 regulations shall not prevent the implementation of this Act sixty (60) days after
18 its effectivity: *Provided, finally*, That the implementation of this Act shall be
19 suspended until MAGELCO has complied with the conditions provided in
20 Section 2.

21 **SEC. 4.** If any provision of this Act is declared invalid or unconstitutional, the
22 remainder of the law or the provisions not otherwise affected shall continue to be
23 valid and in full force and effect.

24 **SEC. 5.** All laws, decrees, executive orders and issuances, rules and
25 regulations, or parts thereof inconsistent with the provisions of this Act are hereby
26 repealed or modified accordingly.

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

Approved,