



HOUSE OF REPRESENTATIVES

H. No. 8620

BY REPRESENTATIVES DAGOOC, DE JESUS, ADIONG, 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 LANA DEL
SUR 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 Lanao del Sur Electric Cooperative, Inc. (LASURECO)
3 to 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 LASURECO from the payment of said interests,
6 surcharges, and penalties: Provided, That the amount paid by the LASURECO in the
7 sum of Ninety-Five Million Nine Hundred Sixty-Two Thousand Five Hundred Nine
8 Pesos and Fifteen Centavos (₱95,962,509.15), covering the accumulated interests,
9 surcharges, and penalties shall be applied to and deducted from the principal
10 obligation of the LASURECO.

11 **SEC. 2.** A one-time restructuring program is hereby authorized to be adopted
12 by the PSALM Corporation in favor of the LASURECO 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 LASURECO on the principal obligations, the LASURECO 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 he said rules and regulations shall not entail
11 additional requirements that shall negate the purpose of this Act: *Provided, That*
12 subject to the LASURECO's individual circumstances, the PSALM Corporation
13 shall be empowered to determine the guidelines on which LASURECO is eligible
14 to request for condonation and shall further require it to submit a Performance
15 Improvement Plan to ensure payment compliance: *Provided, further, That* the
16 failure of the PSALM Corporation to promulgate the said rules and regulations
17 shall not prevent the implementation of this Act sixty (60) days after its effectivity:
18 *Provided, finally, That* the implementation of this Act shall be suspended
19 until LASURECO has complied with the conditions provided in Section 2.

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

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25 repealed or modified accordingly.

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

Approved,