

**PRIVILEGE SPEECH**

15<sup>th</sup> Council Session  
Sangguniang Panlungsod  
May 12, 2009  
Davao City

**GOOD NEWS FOR ELECTRICITY CONSUMERS**

By Councilor Pilar C. Braga, PhD

Madam President, as you will recall, on several occasions, especially at the height of the energy crisis, that I have always advocated for the repeal or amendment of the EPIRA Law (Energy Power Reform Act), it being the “culprit” in many of the problems relating to electricity consumption and electricity charges. We have passed several resolutions regarding this matter address to Congress.

Here’s a piece of good news for electricity consumers – which is practically all of us, from the poor to the rich.

Electricity rates should go down in the near future, if amendments to the EPIRA Law are passed by Congress and the Senate. In the Senate, no less than the Senate President, Senator Juan Ponce Enrile is a strong advocate for this.

The most important amendment is the lifting of Value Added Tax (VAT) on power generation, transmission and distribution. The government collects VAT from power not only once but at least three times, at every step of the way. Distributors pass off

this VAT to its customers, in fact, not only VAT but all sorts of taxes like real estate and income taxes, which should be paid by the company itself, are passed on by power distributors to subscribers. That is why there is a long list of charges at the back of our electric bill. We are paying for all those charges, which are not related at all to our electric consumption. Even if we do not consume a single watt of electricity, we will have to pay for all those miscellaneous charges. If we come down to the nitty-gritty, power distributors are not paying a single peso of its own money for taxes. Everything is passed on to its consumers.

But that is not the fault of power distributors. The law allows it. Not anymore, Enrile said, if his amendments to the EPIRA are passed by Congress at the soonest possible time.

Thank you, Madam President.

**PILAR C. BRAGA, PhD**  
City Councilor

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