

Republic of the Philippines
City of Davao
OFFICE OF THE CITY COUNCIL

RESOLUTION NO. _____
Series of 2008

A RESOLUTION REQUESTING THE CONGRESS OF THE PHILIPPINES TO REVIEW AND AMEND THE ELECTRIC POWER INDUSTRY REFORM ACT OF 2001 (EPIRA) WITH THE AIM OF PUTTING IN CONSUMER-FRIENDLY PROVISIONS THAT ARE PROTECTIVE OF CONSUMERS' INTERESTS IN THE LIGHT OF PRESENT-DAY ECONOMIC DIFFICULTIES

WHEREAS, so-called “systems loss” of power utilities should not be passed on to consumers because why should power distributors pass on to their customers systems as well as administrative losses:

WHEREAS, because “systems loss charge” is among the list of charges that the law allows power distributors to charge their customers, thus, making power companies free from risks.

WHEREAS, legally “systems loss” are legal because they are allowed under the EPIRA Law or the Electric Power Industry Reform Act of 2001, but they are more beneficial to the power companies than the end-users or consumers that they have vowed to serve since power companies are supposed to have corporate social responsibility;

WHEREAS, under the Public Service Act public utilities are “among the most profitable companies in the country” and there is a need to limit the profit of corporations engaged in public service including shipping, water and power distribution;

WHEREAS, because of these two reasons, the EPIRA along with the Public Service Act should be reviewed by Congress with the aim of putting in provisions that would be consumer-friendly and protective of their interests in the light of present-day economic difficulties;

WHEREAS, during the past two to three weeks, national media have been replete with fault-finding between NAPOCOR (National Manpower Corporation) and MERALCO on high power rates and who has been getting the more profit from its business at the expense of the consumers – which according to SENATOR Joker Arroyo might just lead to the EPIRA fiasco because even until after seven (7) years has not reduce power rates and cut NAPOCOR loans but has instead done the opposite – increased the power rate;

WHEREAS, consumers in Luzon and in regions and cities throughout the country including Davao City, have been clamoring for reduction of power rates – it is a collective sentiment among power consumers that power rates are higher now than when EPIRA started and NAPOCOR’s loans are bigger now than in 2001 before EPIRA;

WHEREAS, the move to conduct a probe on MERALCO and NAPOCOR is in the right direction because it will lay the ground work for Congress to look into the “excessive profits of other franchise holders like power utilities and mobile phone providers;

THEREFORE BE IT RESOLVED, AS IT IS HEREBY RESOLVED that this Body request the CONGRESS OF THE PHILIPPINES to review and amend the ELECTRIC POWER INDUSTRY REFORM ACT OF 2001 (EPIRA) with the aim of putting in consumer-friendly provisions that are protective of consumers' interests in the light of present-day economic difficulties;

RESOLVED FURTHER, that copies of this resolution be furnished the Speaker of the House of Representatives, Congressman Prospero Nograles and the two other Congressmen of Davao City, Congressman Vincent Garcia and Congressman Isidro Ungab for their information.

PILAR C. BRAGA, PhD
Proponent

May 20, 2008 Regular Session (Suspended Rules)