

Republic of the Philippines  
PROVINCE OF ZAMBOANGA DEL SUR  
Municipality of San Pablo

OFFICE OF THE SANGGUNIANG BAYAN

EXCERPT FROM THE MINUTES OF THE 6<sup>TH</sup> REGULAR SESSION OF THE 7<sup>TH</sup> MUNICIPAL COUNCIL OF SAN PABLO, ZAMBOANGA DEL SUR, HELD AT THE SESSION HALL ON July 7, 2010.

RESOLUTION NO. 201007033

**" A RESOLUTION OPPOSING THE PRIVATIZATION OF ALL HYDRO ELECTRIC POWER PLANTS IN MINDANAO OWNED BY THE NATIONAL POWER CORPORATION"**

WHEREAS, pursuant to the provisions of Republic Act 9136 or the Electric Power Industry Reform Act. ( EPIRA), all power generation assets of the government owned and operated by the National Power Corporation ( NAPOCOR) shall be disposed of and privatized;

WHEREAS, in the case of Mindanao, the said law provides that the hydro electric plants of NAPOCOR in Pulangi and Agus complexes can only be disposed of after ten years from the effectivity of the EPIRA Law which will be on June 2011;

WHEREAS, because of the implementation of the said law, Power Barge 117 and 118 was privatized by the Government thru the power Sector Asset and Liabilities Management Corporation (PSALM) last February 25,2010 resulting to a shocking and exorbitant increase in electricity rate in the island of Mindanao starting April 2010 billing;

WHEREAS, the reason of said increase is due to the amount being recovered by the new owner which is approximately triple to the amount of acquisition cost surprising the people in Mindanao particularly the residential electricity consumers who absorb all the passed-on charges;

WHEREAS, the only reason why the cost of electricity in Mindanao is very much lower compared to Luzon and Visayas is the hydro Electric Plants of Agus and Pulangi complexes which produces more than fifty percent of the total power requirement of Mindanao;

WHEREAS, there is need to preserve the competitive advantage of Mindanao compared to Luzon and Visayas in terms of cheaper power and to avoid the very controversial rate increase last April this year due to the change of ownership or privatization of government power generating facilities like the two power barges;

WHEREAS, it is very clear that for the last nine years of implementation of EPIRA Law, the scenario it created is the reverse of the objective and intent of the law which is to lower the cost of electricity and to ensure power supply reliability of the country, because what is happening after the privatization of power plants in the country is a consistent increase in the cost of electricity and the frequent rotating brownouts due to power supply shortage not only in Mindanao but of the whole country;

WHEREFORE, on motion of Hon. Jorge R. Gonzales duly seconded by Hon. Jeffrey P. Cordero, be it

RESOLVED, as it is hereby resolved, to oppose the privatization of all hydro electric power plants in Mindanao owned by the National power Corporation.

Certified correct:

Verified:



NOELI. REQUILLO  
Member

JONATHAN B. MEDICO  
Member

ALI A. PALWA  
Member

JEFFREY P. CORDERO  
Member

JORGE R. GONZALES  
Member

MERLOU A. DELA PEÑA  
Member

ROBERTO M. AGUILAR  
Member

JOSE C. RETUYA  
Member

GUILLERMO N. LUCERO  
Member/ABC President

NELITA P. SUMBI  
Sanggunian Secretary

Attested:

DANILO A. TAUCAN  
Municipal Vice Mayor

Approved:

BELMAN B. MANTOS  
Municipal Mayor