



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4822

Introduced By
Representative Ustadz Yusop T. Alano
PHILRECA Party-List Representative Presley C. De Jesus
APEC Party-List Representative Sergio C. Dagooc

EXPLANATORY NOTE

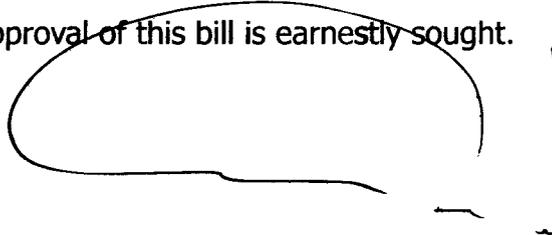
Basilan Electric Cooperative, Inc. (BASELCO) has been the power customer of the National Power Corporation (NPC) since 1989. For the period covering September 1999 to June 2025, BASELCO has accumulated a total billing amounting to Php 8.196 billion with Php 5.057 billion representing the principal obligation and Php 2.605 billion representing interest charges.

In the same time span, BASELCO was able to pay NPC a total amount of Php 3.821 billion. NPC's Credit and Collection Policy provides that payments shall be applied first to the most onerous account. Thus, of the 3.821 billion total payment of BASELCO, Php 2.584 billion was applied to the incurred interest charges and only Php 1.078 billion was applied to the principal obligation. The enormous amount of interest charges that has accumulated throughout the years resulted in BASELCO's payment being applied only to interest charges. This significantly renders the payment of the outstanding principal obligation extremely difficult for BASELCO, which in turn affects BASELCO's capacity to provide efficient services for its consumer. As of June 2025, the total amount paid by BASELCO which was applied to interest payments amounted to Php 2.584 billion.

Thus, it is sought that the total amount paid by BASELCO be applied to the principal obligation due and that all the interests, surcharges, penalties and universal charges incurred by BASELCO be condoned.

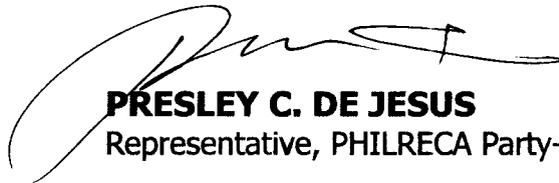
Said proposed measure was filed during the 19th Congress and was referred to the proper committee pending action.

In view of foregoing, the approval of this bill is earnestly sought.



YUSOP T. ALANO

Representative, Lone District of
Basilan



PRESLEY C. DE JESUS

Representative, PHILRECA Party-List



SERGIO C. DAGOOC

Representative, APEC Party-List



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AN ACT
FOR THE CONDONATION OF UNPAID INTERESTS, PENALTIES,
SURCHARGES, AND UNREMITTED UNIVERSAL CHARGES ON THE
OVERDUE OBLIGATIONS OF THE BASILAN ELECTRIC COOPERATIVE,
INC. TO THE NATIONAL POWER CORPORATION

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. All accumulated interests, surcharges, penalties and universal charges on the principal obligations incurred by the Basilan Electric Cooperative, Inc. (BASELCO) to the National Power Corporation (NPC), beginning from the year 1999 until the effectivity of this Act, are hereby condoned, thereby perpetually relieving BASELCO from the payment of said interests, surcharges penalties and universal charges. Moreover, the amount paid by BASELCO in the sum of Three Billion Eight Hundred Twenty One Million Sixty One Thousand Three Hundred Forty and Twenty Eight Centavos (Php 3,821,061,340.28), of such accumulated interests, surcharges, and penalties, shall be applied to and deducted from the principal obligation of BASELCO.

SECTION 2. A one-time restructuring program is hereby authorized to be adopted by the NPC in favor of BASELCO over their unpaid principal obligations; Provided, That once a staggered payment scheme shall have been adopted between BASELCO and the NPC on the principal obligations, BASELCO shall

regularly submit to NPC their performance improvement programs and the status of their implementation.

SECTION 3. *Implementing Rules and Regulations.* Within sixty (60) days from the effectivity of this Act, NPC shall, in coordination with the National Electrification Administration, promulgate the necessary rules and regulations for the effective implementation of this Act. Taking into account the legislative intent to authorize the condonation of interests, surcharges, penalties and universal charges and the one-time restructuring program, the said rules and regulations shall not entail additional requirements that shall negate the purpose of this Act; Provided, That subject to BASELCO's circumstances, NPC shall be empowered to determine the guidelines on which BASELCO is eligible to request for condonation and shall further require BASELCO to submit a Performance Improvement Plan to ensure payment compliance: Provided, further, That the failure of the NPC to promulgate the rules and regulations shall not prevent the implementation of this Act sixty days after its effectivity.

SECTION 4. *Separability Clause.* If any provision of this Act is declared unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

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

SECTION 6. *Effectivity.* This Act shall take effect fifteen (15) days following the completion of its publication in the Official Gazette or in a newspaper of general circulation.

Approved,