



P. 2 25
2

HOUSE OF REPRESENTATIVES

H. No. 2139

INTRODUCED BY HONORABLE BAGATSING (A.) DE VENECIA, JR., TINGA, ZAMORA, ALBANO, ANDAYA (R.), ERMITA, ABAYA, ABLAN, JR., ABUEG, JR., ACOSTA, ADASA, JR., ANDAYA, JR., ANDOLANA, ANTONINO, ASPIRAS, AUMENTADO, BAGUIO, BARBERS, BELMONTE, JR., BONDOC, BORJA-AGANA, BULUT, CABILAO, CANDAZO, CAPPLEMAN, CARMONA, CATANE, CEZAR, CLAUDIO, DAMASING, DANGWA, DATUMANONG, DEL MAR, DEQUINA, DIAZ (A.), DIAZ (R.), DOMINGUEZ, DUREZA, DY, JR., ECLEO, PONCE ENRILE, ENVERGA, ESPINOSA, ESTRELLA III, FAJARDO, FIGUEROA, FUGOSO, GARCIA (M.), GARCIA (P.), GILLEGO, GOLEZ, GULLAS, JAAFAR, KHO, LACSON, LARA, LAVIDES, LEVISTE, LIZARDO, LOPEZ (E.), LOPEZ (J.), LOPEZ-VITO, LORENZO, MADRONA, MAMBA, MARCOS, JR., MARTINEZ, JR., MATTI, MENDOZA, MONTEJO, NATIVIDAD, NAZARENO, JR., OCAMPO, PALMA-GIL, PANCHE, PANES, PAREDES, JR., PEREZ, JR., PEREZ (L.), PIMENTEL, PLAZA, PONCE DE LEON, RAMIREZ, RECTO, RESPICIO, REYES, ROLDAN, ROXAS, JR., RUIZ, SANCHEZ, SARMIENTO (A.), SERAPIO, SILVERIO, SINGSON, STARKE, SUAREZ, TAJON, TAMMANG, TILANDUCA, TIRADOR, TUGUNG, TULAWIE, TY, URRO, VELOSO, VENEGAS, VERCELES, JR., VERGARA, VILLAR, JR., VILLAROSA, VIOLAGO, YULO, ZAPATA, ZUBIRI, JR., PARAS, DURANO III, YAP (R.), APOSTOL, PUNZALAN, JR., ESCUDERO III, PAYUMO, PUEY, ALFELOR, FUENTEBELLA, AQUINO (H.), ROMUALDO, ZARRAGA, TEVES, MASTURA, MERCADO AND HENSON, PER COMMITTEE REPORT NO. 13

AN ACT PROVIDING FOR THE PAYMENT IN PART OF THE SUBSCRIPTION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES TO THE CAPITAL

**STOCK OF THE NATIONAL POWER CORPORATION
OUT OF THE OIL PRICE STABILIZATION FUND,
AMENDING FOR THE PURPOSE PRESIDENTIAL
DECREE NUMBERED NINETEEN HUNDRED FIFTY-
SIX, AS AMENDED**

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

1 **SECTION 1.** The subscription of the Government of the
2 **Republic of the Philippines** to the capital stock of the National
3 **Power Corporation**, as provided for in Republic Act No. 6395,
4 **otherwise known as the Revised Charter of the National Power**
5 **Corporation**, as amended by Presidential Decree Nos. 758, 1360 and
6 **1443**, shall be paid in part out of the Oil Price Stabilization Fund in
7 **the amount of Two billion pesos (P2,000,000,000) in accordance**
8 **with Section 2 of this Act.**

9 **SEC. 2.** Section 8 of Presidential Decree No. 1956, as amended
10 **by Executive Order No. 137**, is hereby further amended to read as
11 **follows:**

12 **"SEC. 8.** There is hereby created a Trust Account in the books
13 **of accounts of the [Ministry of Energy] OFFICE OF ENERGY**
14 **AFFAIRS to be designated as the Oil Price Stabilization Fund**
15 **(OPSF) for the purpose of minimizing frequent price changes**
16 **brought about by exchange rate adjustments and/or changes in**
17 **[W]world market prices of crude oil and imported petroleum**

1 products. The Oil Price Stabilization Fund (OPSF) may be sourced
2 from any of the following:

3 "[a) Any increase in the tax collection from *ad valorem* tax or
4 customs duty imposed on petroleum products subject to tax under
5 this Decree arising from exchange rate adjustment, as may be
6 determined by the Minister of Finance in consultation with the
7 Board of Energy;]

8 "[b)](A) Any increase in the tax collection as a result of the
9 lifting of tax exemptions of government corporations, as may be
10 determined by the [Minister] DEPARTMENT of Finance in consulta-
11 tion with the [Board of Energy] ENERGY REGULATORY BOARD;

12 "[c)](B) Any additional amount to be imposed on petroleum
13 products to augment the resources of the Fund through an appro-
14 priate [O]rder that may be issued by the [Board of Energy]
15 ENERGY REGULATORY BOARD requiring payment of persons or
16 companies engaged in the business of importing, manufacturing
17 and/or marketing petroleum products;

18 "[d)](C) Any resulting peso cost[s] differentials in case the
19 actual peso costs paid by oil companies in the importation of crude
20 oil and petroleum products is less than the peso costs computed
21 using the reference foreign exchange rate as fixed by the [Board of
22 Energy] ENERGY REGULATORY BOARD.

1 **"The Fund herein created shall be used for the following:**

2 **"(1) To reimburse the oil companies for cost increases in**
3 **crude oil and imported petroleum products resulting from exchange**
4 **rate adjustment and/or FROM THE increase in world market prices**
5 **of crude oil;**

6 **"(2) To reimburse the oil companies for possible cost under-**
7 **recovery incurred as a result of the reduction of domestic prices of**
8 **petroleum products. The magnitude of the underrecovery, if any,**
9 **shall be determined by the [Ministry] DEPARTMENT of Finance.**

10 **Cost underrecovery shall include the following:**

11 **"(i) Reduction in oil company take as directed by the [Board**
12 **of Energy] ENERGY REGULATORY BOARD without the correspond-**
13 **ing reduction in the landed cost of oil inventories in the possession**
14 **of the oil companies at the time of the price change;**

15 **"(ii) Reduction in internal [*ad valorem*] SPECIFIC taxes as a**
16 **result of the foregoing government-mandated price reductions;**

17 **"(iii) Other factors as may be determined by the [Ministry]**
18 **DEPARTMENT of Finance to result in cost underrecovery[.]; AND**

19 **"(3) TO COVER THE PAYMENT IN PART OF THE SUBSCRIPTION**
20 **OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES TO**
21 **THE CAPITAL STOCK OF THE NATIONAL POWER CORPORATION IN**
22 **THE AMOUNT OF TWO BILLION PESOS (₱2,000,000,000). SAID**

1 AMOUNT SHALL BE RELEASED TO THE NATIONAL POWER
2 CORPORATION IN TWO (2) EQUAL TRANCHES OF ONE BILLION
3 PESOS (₱ 1,000,000,000) EACH, THE FIRST, UPON THE EFFECTIVITY
4 OF THIS ACT; WHILE THE SECOND, ONE (1) YEAR THEREAFTER:
5 *PROVIDED*, THAT THE SECOND TRANCHE SHALL BE RELEASED ONLY
6 IF, ON THE SAID DATE, THE OPSF TERMINAL BALANCE SHALL NOT
7 BE LESS THAN THREE BILLION PESOS (₱ 3,000,000,000), AS CERTI-
8 FIED BY THE OFFICE OF ENERGY AFFAIRS, AND THE AVERAGE
9 MONTHLY DEPLETION ON ACCRUAL BASIS OF THE OPSF BALANCE
10 DURING THE INTERVENING ONE (1) YEAR SHALL NOT BE MORE
11 THAN THREE HUNDRED MILLION PESOS (₱ 300,000,000): *PROVIDED*,
12 *FURTHER*, THAT THE NATIONAL POWER CORPORATION SHALL
13 UTILIZE THE SAID PAYMENTS ON ITS CAPITAL STOCK TO FINANCE
14 ITS CAPITAL EXPENDITURES FOR ENERGY PROJECTS ONLY.

15 "The Oil Price Stabilization Fund (OPSF) shall be administered
16 by the [Ministry of Energy] OFFICE OF ENERGY AFFAIRS."

17 SEC. 3. All laws inconsistent with this Act are hereby repealed
18 or modified accordingly.

19 SEC. 4. This Act shall take effect upon its publication in two
20 (2) national newspapers of general circulation.

Approved,