

REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE SEVENTH
SANGGUNIANG PANLUNGSOD NG ORMOC HELD AT THE HONORABLE
PLACIDO ENECIO HALL, SANGGUNIANG PANLUNGSOD
BUILDING ON NOVEMBER 16, 1995



PRESENT:

Hon. Benjamin F. Tugonon,	Vice-Mayor & Presiding Officer
Hon. Celso P. Adolfo,	Majority Floor Leader, Kagawad
Hon. Benjamin B. Lladoc,	Kagawad
Hon. Sotero M. Pepito,	Kagawad
Hon. Alfredo F. Capahi,	Kagawad
Hon. Manuel T. Fiel,	Kagawad
Hon. Jose C. Alfaro, Jr.,	Kagawad
Hon. Gregorio A. Yrastorza, Jr.,	Kagawad
Hon. Mariano Y. Corro,	Minority Floor Leader, Kagawad
Hon. Fernando P. Parrilla,	Chapter Pres., Liga ng mga Barangay ng Ormoc, Ex-Officio, Kagawad
Hon. Angelyn R. Paca,	SK Federation President, Ex-Officio, Kagawad

ABSENT:

Hon. Claudio P. Larrazabal,	(O.B. - Cagayan),	Asst. Majority
		Floor Leader, Kagawad
Hon. Jose B. Conejos,		Kagawad

RESOLUTION NO. 95-120

A RESOLUTION SUPPORTING THE STAND OF LEYECO V IN OPPOSING
THE APPLICATION FOR THE RENEWAL OF CONTRACT (CONTRACT
ON DIRECT CONNECTION) BETWEEN THE NATIONAL POWER
CORPORATION (NPC) AND THE PHILIPPINE ASSOCIATED
SMELTING AND REFINING CORPORATION (PASAR).

WHEREAS, this Sanggunian is in receipt of an undated letter from
the General Manager, LEYECO V, this city, the full text of same is
hereunder cited as follows:

LEYECO V ELECTRIC COOPERATIVE, INC.
Brgy. San Pablo, Ormoc City
Telephone No. 2244

THE PRESIDING OFFICER
Sangguniang Panlungsod
City of Ormoc

Thru:

HON. EUFROCINO M. CODILLA
City Mayor
City of Ormoc

G r e e t i n g s :

This is in connection with the application for the
renewal of "Contract on Direct Connection" between the
National Power Corporation (NPC) and Philippine Associated
Smelting and Refining Corporation (PASAR) which will expire
on November 25, 1995.

This direct connection policy deprives LEYECO V of valuable loads which can significantly improve the system load factor and lower its cost per kilowatt-hour to benefit nearly 40,000 LEYECO V member-consumers, and provide a more viable and steady source of revenue which in turn could be used in improving the coop's operation and equipments needed to serve efficiently and effectively the coop's coverage area.

LEYECO V is a grantee of a franchise to operate, maintain, furnish and extend electric service to the public within a specific area coverage which includes among others Isabel, Leyte, where PASAR operates its industrial plant, and this direct connection to NPC by PASAR is a clear infringement and encroachment upon the franchise rights of LEYECO V.

In view of the foregoing the management of LEYECO V humbly request the Honorable Sangguniang Bayan of your municipality thru your intercession to adopt a resolution supporting the stand of LEYECO V in opposing the application for the renewal of said contract between NPC and PASAR. (Underscoring Supplied.).

Thank you. I beg to remain.

Very truly yours,

(SGD) JOVENAL R. ALESNA
General Manager

WHEREAS, the Honorable MEMBERS of the SANGGUNIANG PANLUNGSOD, in SESSION, through the representation of the Honorable Chairman, Committee on Energy Development & Conservation, have considered very reasonable the aforesaid underlined request of LEYECO V for the reason based on Par. 3 of said letter of LEYECO V which reads:

"LEYECO V is a grantee of a franchise to operate, maintain, furnish and extend electric service to the public within a specific area of coverage which includes among other Isabel, Leyte, where PASAR operates its industrial plant, and this direct connection to NPC by PASAR is a clear infringement and encroachment upon the franchise rights of LEYECO V",

therefore, the said request of LEYECO V must be accorded with due course of action;

WHEREAS, also of significance to state in here is that during the Pre-Session Caucus of this august Body on 6 November 1995, among other things, the General Manager of LEYECO V gave assurances about LEYECO V's technical and financial capabilities to undertake and maintain the direct connection between LEYECO V and PASAR; and

WHEREAS, during the Pre-Session Caucus on 13 November 1995, the General Manager of LEYECO V, Mr. Jovenal R. Alesna, together with his Consultant, has assured the august Body that the City of Ormoc is assured of lower electric rates as a result of the direct connection of PASAR to LEYECO V;

WHEREFORE, all the foregoing premises considered, on motion of Kagawad Gregorio A. Yrastorza, Jr., Chairman, Committee on Energy Conservation & Development, duly seconded by Kagawad Benjamin B. Lladoc; be it

RESOLVED, to pass a resolution SUPPORTING THE STAND OF LEYECO V IN OPPOSING THE APPLICATION FOR THE RENEWAL OF CONTRACT (CONTRACT ON DIRECT CONNECTION) BETWEEN THE NATIONAL POWER CORPORATION (NPC) AND THE PHILIPPINE ASSOCIATED SMELTING AND REFINING CORPORATION (PASAR);

ENACTED, November 16, 1995.

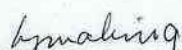
RESOLVED, FURTHER, to furnish copies of this resolution, one each, to the Distinguished Chairman, Committee on Direct Power Connection, Department of Energy, Manila; Honorable Eufrocino M. Codilla, Sr., City Mayor, Ormoc City; Mr. Jovenal R. Alesna, General Manager, LEYECO V, Ormoc City, and other Offices concerned;

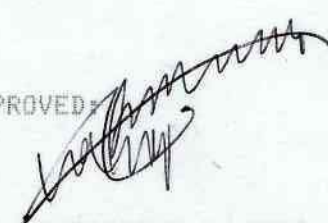
CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolution.


BENJAMIN B. LLADOC
Vice Mayor & Presiding Officer

ATTESTED:


HERMOGENIA P. SUMALINOG
Secretary to the
Sangguniang Panlungsod

APPROVED: 

EUFROCINO M. CODILLA, SR.
City Mayor

(Date)



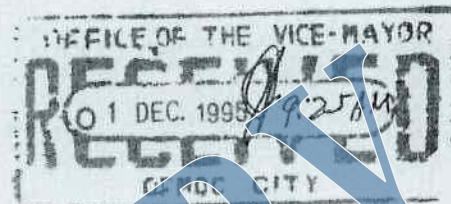
Republic of the Philippines
OFFICE OF THE CITY MAYOR
Ormoc City, Leyte



November 24, 1995

Hon. Benjamin F. Tugonon
Vice-Mayor and Presiding Officer
7th Sangguniang Panlungsod

Hon. Members of the 7th SP



Dear Gentlemen:

I am returning to you unsigned S.P. Resolution No. 95-120, entitled A Resolution Supporting The Stand Of Leyeco V In Opposing The Application For The Renewal Of Contract (Contract On Direct Connection) Between The National Power Corporation (NPC) And The Philippine Associated Smelting And Refining Corporation (PASAR) for the following reasons:

First, SP Resolution No. 95-120 is not consistent with this office policy of attracting investors and move ahead towards industrialization by developing our industrial site because it unduly ties them down to purchase electric power from LEYECO V which offers a very much higher power rate than when one purchases electric power directly from the National Power Corporation (NPC).

One of our strongest selling points to prospective investors is our low power rates. However, SP Resolution No. 95-120 would seem to send the wrong signals to prospective investors since the resolution itself ties down PASAR and existing industrial plant to purchase its power from LEYECO V at a much higher rate.

Second, it has been my open public commitment to all Ormocanons that I will work for the promotion of their welfare. I firmly believe that I will be reneging on such promise and commitment if I sign SP Resolution No. 95-120 because instead of industrial investors coming in and generating more jobs and income for the Ormocanons, they will be scared.

Third, there is a case pending between LEYECO V and PASAR before the NEA and I firmly believe that we should let the proceeding take its natural course without the City Government of Ormoc being dragged into the case.



Republic of the Philippines
OFFICE OF THE CITY MAYOR
Ormoc City, Leyte

In view of the foregoing, I am not signing SP Resolution No. 95-120.

Thank you.

Very truly yours,

EUFROCINO M. CODILLA, SR.
City Mayor

CC:

PASAR, Isabel Leyte

LEYECO V, Ormoc City

NPC, Ormoc City