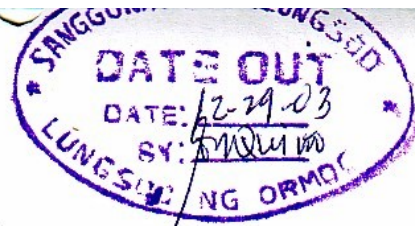




REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE NINTH
SANGGUNIANG PANLUNGSOD NG ORMOC HELD AT THE HONORABLE
PLACIDO ENECIO HALL, SANGGUNIANG PANLUNGSOD
BUILDING ON DECEMBER 23, 2003 IN LIEU
OF DECEMBER 25, 2003

PRESENT:

Hon. Nepomuceno P. Aparis I, City Councilor, Majority Floor Leader
(Temporary Presiding Officer)
Hon. Jose S. Serafica, City Councilor, Minority Floor Leader
Hon. Ruviniu E. Mendola, City Councilor, Assist. Maj. Floor Leader
Hon. Demosthenes F. Tugonon, City Councilor
Hon. Eduardo P. Tan, City Councilor
Hon. Rafael C. Omega, Jr. City Councilor
Hon. Fernando P. Parrilla, City Councilor
Hon. Gregorio A. Yrastorza, Jr. City Councilor, Assist. Minority
Floor Leader
Hon. Jovencio A. Laurente, City Councilor
Hon. Fe. S. Lladoc, City Councilor
Hon. Emeterio Y. Larrazabal, Jr., Ex-Officio City Councilor,
Chapter President, Liga ng mga Barangay ng Ormoc
Hon. Cheryl L. Alfaro, Ex-Officio City Councilor,
SK Federation President

ABSENT:

Hon. Celso P. Adolfo, (Special Leave), Vice Mayor &
Presiding Officer

RESOLUTION NO. 2003-232

A RESOLUTION RETURNING TO THE HONORABLE CITY MAYOR
CARMELO J. LOCSIN HIS REQUEST FOR THE PASSAGE OF A
RESOLUTION ADOPTING THE SCHEMES FOR THE UTILIZATION OF
THE EIGHTY PERCENT (80%) ROYALTY SHARE AND
APPROPRIATING FOR THE SAME, WITH THE INFORMATION THAT
THE PROPOSED NON-SUBSIDY SCHEME IS VIOLATIVE OF THE
PROVISIONS OF REPUBLIC ACT (RA) 7160 PARTICULARLY
SECTION 289 AND 294 THEREOF AND DILG/DOE JOINT CIRCULAR
NO. 95-01 DATED OCTOBER 31, 1995 AND CIRCULAR NO. 98-01
DATED SEPTEMBER 30, 1998.

WHEREAS, on November 10, 2003, the Committee on Finance and
Appropriation received an indorsement dated 6 November 2003 from the
Honorable City Vice Mayor and Presiding Officer of the 9th Sangguniang
Panlungsod of Ormoc relative to the letter request from the Honorable
City Mayor Carmelo J. Locsin, urgently requesting for the passage of a
resolution adopting the schemes for the utilization of the Eighty
Percent (80%) Royalty Share and appropriating the same as enumerated
therein;

WHEREAS, the utilization of the share of National Wealthy is based
on Republic Act 7160 specifically sections 289 - 294 and Articles 388
-392 of its Implementing Rules and Regulations;

WHEREAS, Section 294 of RA 7160 on Development and Livelihood
Projects specifically provides that, "The proceeds from the share
respective to this chapter shall be appropriated by their respective
Sanggunian to finance local development and livelihood projects
provided, however, that at least Eighty Percent (80%) of the proceeds

derived from the development and utilization of hydrothermal, geothermal and other sources of energy shall be applied SOLELY to lower the cost of electricity in the local government unit where such a source of energy is located;

WHEREAS, the Department of the Interior and Local Government (DILG) and the Department of Energy (DOE) issued Joint Circular No. 95-1 dated October 31, 1995 and Joint Circular No. 98-1 dated September 30, 1998 which provides the necessary guidelines and procedures on the utilization of the share of National Wealth Taxes, Fees, Royalties and Charges derived from Energy Resources;

WHEREAS, DILG/DOE Circular No. 95-1 defines non-subsidy scheme as a plan utilizing a method or strategy with the end in view of lowering the cost of electricity per KWH or lowering the electric bill of the consumers within the particular area of the host LGU;

WHEREAS, RA 7160 Section 289 - 294 and DILG/DOE Joint Circular No. 95-1 and 98-1 specifically direct that the output in the utilization of 80% of the share in Royalties whether thru the subsidy scheme or non-subsidy scheme shall result to providing direct benefits to intended electric consumers and shall be applied solely to lower their cost of electricity;

WHEREAS, the proposed projects on the utilization of the 80% share of Royalties under the non-subsidy scheme (92.13% of Total) is as follows:

PROJECT	AMOUNT
1. Electrification unenergized sitios	P 9,429,915.00
2. Metering Brgy. Street lighting all sitios	4,896,838.00
3. Rehab. existing sodium lamps	2,000,000.00
4. Brgy. Street lighting	1,000,000.00
5. Highway Sodium (Boundary to Boundary)	8,478,654.00
6. JICA Riverside Lighting Fixtures	6,357,000.00
T O T A L.....	P32,162,407.00
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WHEREAS, it is clear that the proposed non-subsidy scheme will not result to a lowering of the cost of electricity to the intended consumer beneficiaries but would rather increase their cost of electricity usage;

WHEREAS, the proposed non-subsidy scheme is violative of RA 7160 specifically sections 289 - 294 and DILG/DOE Joint Circulars No. 95-1 and 98-1 and therefore does not stand on solid legal grounds;

WHEREFORE, foregoing premises considered, on motion of City Councilor Rafael C. Omega, Jr., Chairman, Committee on Finance, jointly seconded by City Councilors Fernando P. Parrilla and Ruvini E. Mendola; be it

RESOLVED, AS IT IS HEREBY RESOLVED, to pass a resolution RETURNING TO THE HONORABLE CITY MAYOR CARMELO J. LOCSIN HIS REQUEST FOR THE PASSAGE OF A RESOLUTION ADOPTING THE SCHEMES FOR THE UTILIZATION OF THE EIGHTY PERCENT (80%) ROYALTY SHARE AND APPROPRIATING FOR THE SAME, WITH THE INFORMATION THAT THE PROPOSED NON-SUBSIDY SCHEME IS VIOLATIVE OF THE

PROVISIONS OF REPUBLIC ACT (RA) 7160 PARTICULARLY SECTION 289 AND 294 THEREOF AND DILG/DOE JOINT CIRCULAR NO. 95-01 DATED OCTOBER 31, 1995 AND CIRCULAR NO. 98-01 DATED SEPTEMBER 30, 1998;

ADOPTED, December 23, 2003.

RESOLVED, FURTHER, to furnish copies of this resolution each to His Honor, the City Mayor; the City Administrator, the City Planning & Development Coordinator and others concerned, -all in Ormoc City;

CARRIED by Eight (8) Affirmative Votes, Two (2) Votes against registered by City Councilors Eduardo P. Tan and Gregorio A. Yrastorza, Jr. and One (1) Abstention registered by City Councilor Jose S. Serafica.

I HEREBY CERTIFY to the correctness of the foregoing resolution.

OSCAR F. LASAM
Secretary to the
Sangguniang Panlungsod

ATTESTED:

NEPONUCENO P. APARIS I
City Councilor, Majority Floor Leader
(Temporary Presiding Officer)