



REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE ELEVENTH
SANGGUNIANG PANLUNGSOD NG ORMOC HELD AT THE HONORABLE
PLACIDO ENECIO HALL, SANGGUNIANG PANLUNGSOD
BUILDING ON SEPTEMBER 27, 2007

PRESENT:

Hon. Fernando P. Parrilla,	Temporary Presiding Officer (City Councilor)
Hon. Claudio P. Larrazabal,	City Councilor, Floor Leader
Hon. Sotero M. Pepito,	City Councilor, Assist. Floor Leader
Hon. Demosthenes F. Tugonon,	City Councilor
Hon. Mariano Y. Corro,	City Councilor
Hon. Fe S. Lladoc,	City Councilor
Hon. Filomeno P. Maglasang,	City Councilor
Hon. Rafael C. Omega, Jr.,	City Councilor
Hon. Jose C. Alfaro, Jr.,	City Councilor

ABSENT:

Hon. Nepomuceno P. Aparis I,	(Acting City Mayor), Vice Mayor & Presiding Officer
Hon. Ruben R. Capahi,	(O.B. - Tacloban), City Councilor
Hon. Cheryl A. Arcuino,	(O.B. - Cebu City), Ex-Officio City Councilor, SK Federation President

RESOLUTION NO. 2007-080

A RESOLUTION RESPECTFULLY REQUESTING THE DEPARTMENT OF
ENERGY TO ENLIGHTEN THE MEMBERS OF THIS SANGGUNIANG ON
THE PNOC-EDC COMPUTATION OF THE ROYALTY FEE RECEIVED BY
LGU-ORMOC CITY.

WHEREAS, this Sanggunian on August 02, 2007 passed Resolution No. 2007-031 entitled: "A RESOLUTION RESPECTFULLY REQUESTING HON. PAUL AQUINO, PRESIDENT OF PNOC-EDC TO FURNISH THE SANGGUNIANG PANLUNGSOD NG ORMOC, THE BASIS AND COMPUTATION OF THE ROYALTY FEE RECEIVED BY THE CITY GOVERNMENT OF ORMOC FROM PNOC-EDC FOR ITS DEVELOPMENT AND OPERATION OF GEOTHERMAL PLANTS WITHIN THE TERRITORIAL JURISDICTION OF ORMOC CITY", a photocopy of which is hereto attached for ready reference;

WHEREAS, in reply to the aforementioned Resolution, Ms. Agnes C. De Jesus, Sr. Vice President of PNOC-EDC, wrote a letter dated August 21, 2007 addressed to the Secretary of the Sangguniang Panlungsod ng Ormoc enclosing therein the computation for the 3rd quarter Royalty Fee amounting to ₱2,719,814, photo copies of both, are hereto attached for ready reference;

WHEREAS, the members of this Sanggunian are at loss on how the computation of the Royalty Fee due the City Government of Ormoc was arrived at; hence, they requested a personnel of the local office of PNOC-EDC to enlighten them on the figures appearing therein. Unfortunately, he was not able to explain the details of the data contained therein. Instead, he suggested that the matter be referred to the Department of Energy which is responsible in the preparation and computation of the Royalty Fee due LGU-Ormoc City;

WHEREAS, Art. 388 of the RRILGC provides: "Share of the Local Government units from any government owned or controlled corporations - LGU's shall have a share based on the preceding fiscal year from the proceeds derived by any NGA or GOCC engaged in the utilization and development of the national wealth based on the following formula whichever will produce a higher share for the LGU:

- (a) One percent (1%) of the gross sales or receipt of the preceding calendar year; or
- (b) Forty percent (40%) of the mining taxes, royalties, forestry and fishery charges and such other taxes, fees or charges, including related surcharges, interest, or fines the NGA or GOCC would have paid if it were not otherwise exempt."

WHEREAS, Art 389 of the RRILGC, in part provides; "Allocation of Shares - the share in the immediately preceding article shall be distributed in the following manner;

(a) x x x

- (b) where the natural resources are located in a highly urbanized or independent component city:

City - Sixty-five percent (65%)
Barangay - Thirty-five percent (35%)

WHEREAS, Art. 388 of the RRILGC provides two methods of computing the share of LGU. We shall appreciate it very much if we will be informed on the method used in computing the share of LGU - Ormoc City, and further, to show the comparative methods in computing the share of LGUs from the proceeds derived in the utilization and development of national wealth located therein, for our better understanding and appreciation, and finally, to show the legal basis for DOE sharing 60% of the royalty fee as shown in the PNOC-EDC computation, considering that nowhere in the LGC is there a provision which gives a share of the royalty fee to DOE;

FOREGOING PREMISES CONSIDERED, on MASS MOTION of the Body; be it

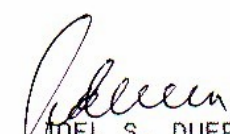
RESOLVED, AS IT IS HEREBY RESOLVED, to pass a resolution RESPECTFULLY REQUESTING THE DEPARTMENT OF ENERGY TO ENLIGHTEN THE MEMBERS OF THIS SANGGUNIAN ON THE PNOC-EDC COMPUTATION OF THE ROYALTY FEE RECEIVED BY LGU-ORMOC CITY;

ADOPTED, September 27, 2007.

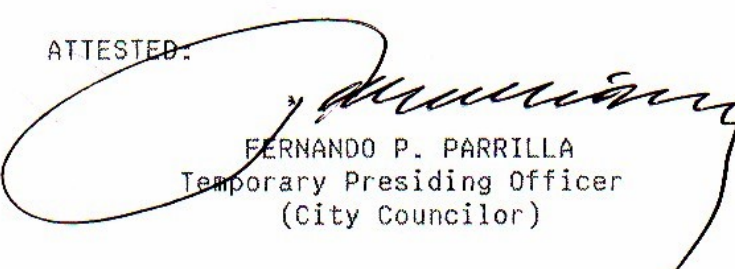
RESOLVED, FURTHER, to furnish copies of this resolution each to the Department of Energy, PNOC-EDC, the Honorable City Mayor, Eric C. Codilla, the City Administrator, the City Treasurer, and others concerned, -all in Ormoc City;

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolution.


JOEL S. DUERO
Secretary to the
Sangguniang Panlungsod

ATTESTED:


FERNANDO P. PARRILLA
Temporary Presiding Officer
(City Councilor)