AN ACT GRANTING TO THE SANTA CRUZ ELECTRIC LIGHT CO. INC., A FRANCHISE TO INSTALL, OPERATE, AND MAINTAIN AN ELECTRIC LIGHT, HEAT, AND POWER SYSTEM IN THE MUNICIPALITY OF SANTA C...

Act No. 2844, March 08, 1919

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Be it enacted by the Senate and House of Representatives of the Philippine in Legislature assembled and by the authority of the same:

SECTION 1. Subject to the conditions established in this Act and the provisions of Act Numbered Twenty-three hundred and seven and amendments thereof, applicable thereto, there is hereby granted to the Santa Cruz Electric Light Co. Inc., its successors or assigns, for a period of fifty years from the approval of this Act, the right, privilege, and authority to construct, maintain, and operate in all streets, public thoroughfares, and public places within the limits of the municipality of Santa Cruz, Province of Laguna, Philippine Islands, poles, wires, and all necessary apparatus and appurtenances for the transmission and distribution of currents for electric power, heat, and light, and for any other use to which electricity may be put, and to furnish electric power, heat, and light within said municipality of Santa Cruz, Province of Laguna, Philippine Islands, for municipal, domestic, or manufacturing uses and for any other use to which electricity may be put, and to charge and collect a schedule of prices for the use of the same: Provided, That said prices shall always be subject to rules provided by Act of the Philippine Legislature or by the entities or authorities authorized by law, and shall in no case exceed thirty centavos per kilowatt hour; Provided, further, That this franchise shall not take effect until the grantee shall have obtained from the Public Utility Commission a certificate showing the public necessity and convenience of the same, in accordance with the purpose of section twenty-three of Act Numbered Twenty-three hundred and seven, as amended, and shall have filed such certificate with the Secretary of Commerce and Communications upon accepting this franchise: And provided, further, That if the grantee does not file the proper application for said certificate with the Public Utility Commission within three months from the date of the approval of this Act, this franchise shall become null and void.

SEC. 2. The concession of the right, privilege, and authority mentioned in the preceding section shall not take effect unless the grantee shall accept in writing and make part of this concession the following condition, to wit:

> "That the grantee state in writing that it is informed of the message of the President of the United States addressed to the Filipino people and communicated to said people by the Governor-General of the Philippine Islands on the sixth day of October, nineteen hundred and thirteen, and of the reply message of the Philippine Assembly made in the name of the Filipino people and approved and sent on October sixteenth, nineteen hundred and thirteen; that said grantee binds itself not to engage in or aid, by means of contribution in cash or otherwise, any propaganda directed against the policy of the Government of the United States outlined in such message of the President and the aspirations of the Filipino people set forth in said reply message of the Philippine Assembly, whether under the pretext of vested interests or under any other pretext, and that said grantee shall further bind itself to exact a similar engagement from its administrators, agents, successors, and assigns."

SEC. 3. The poles erected by the grantee shall be of such a height as to maintain the wires stretched on the same at a distance of at least twenty feet above the level of the ground, and shall be of such appearance as not to disfigure the streets, and shall be placed with due regard for the public safety so as not to be a danger to the same, in accordance with a plan approved by the municipal authorities, represented by the municipal president, and said grantee shall supply electric power, heat, and light to any applicant for the same, within fifteen days after the date of his application, and as between such applicant and other like applicants, in the order of the date of his application, up to the limit of the capacity of the plant of said grantee, to be determined by the district engineer on the application of said grantee, and should the demand for electric power, heat, and light at any time increase beyond the capacity of the plant of said grantee to supply the same, the capacity of said plant shall be increased to meet such demand, upon authorization by the municipal council of Santa Cruz: Provided, That the point at which the electric power, heat, or light is to be supplied, shall not be more than thirty meters from the lines or wires operated by said grantee.

SEC. 4. All apparatus and appurtenances used by the grantee shall be modern and first class in every respect, and said wires shall be insulated and carefully connected and fastened so as not to come in direct contact with any object through which a "ground" could be formed, and shall be stretched so as not to interfere with the free use of said streets and thoroughfares: Provided, That the grantee herein shall, whenever the Philippine Legislature or its successors so direct, place said wires in underground pipes or conduits at its own expense and without any cost or damage to the municipality of Santa Cruz.

SEC. 5. Whenever it shall be necessary in the erection of said poles to take up any portion of the pavement or sidewalks of the streets or public thoroughfares or dig up the ground near the sides or the corners of the public streets or thoroughfares, then the said grantee shall, after said poles are erected, without delay replace said pavement or sidewalks in the proper manner and remove from the same all rubbish, dirt, refuse, or other material which may have been placed there, taken up, or dug up in the erection of said poles, leaving them in as good condition as they were before the work was done; and whenever it shall become necessary, by reason of the extension of streets or plazas determined upon by the municipal council of Santa Cruz, to change the location of said poles, such change shall be made by the grantee, its successors or assigns, at their expense, without delay, and said poles shall be placed where directed by the said municipal council.

SEC. 6. Whenever any person has obtained permission to use any of the streets or public thoroughfares of the municipality for the purpose of removing any building or in the prosecution of any municipal work, making it necessary to raise or remove any of said poles or electric wires which may obstruct the removal of said building or hinder the prosecution of said work, the said grantee, upon written notice from the municipal president, served upon said grantee at least forty-eight hours in advance, shall raise or remove any of said poles or wires which may hinder the prosecution of such work or obstruct the removal of said building so as to allow the free and unobstructed passage of said building and the free and unobstructed prosecution of said work, and the person or entity at whose request the building was removed or the construction work undertaken, shall be required to pay one half of the actual cost of replacing the poles and raising or removing the wires or other overhead or underground conductors. Such notice shall be served in the usual form; and in case of the refusal or failure of said grantee to comply with such notice, the municipal president, with the proper approval of the municipal council first had, shall order such poles or wires to be raised or removed at the expense of said grantee, for the purposes aforesaid: Provided, however, That the grantee may appeal from any such decision to the provincial board, whose decision shall be final.

SEC. 7. The grantee shall be liable to the municipality of Santa Cruz for any injury arising from any claims caused by accidents to person or property by reason of the construction under this franchise or of any neglect or

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omission to keep the said poles and wires in a safe condition.

SEC. 8. Said grantee shall file its acceptance of this franchise with the Secretary of Commerce and Communications within one hundred and twenty days from the date when it obtained the certificate required by section one of this Act, and shall commence work, which shall be carried on under the supervision and subject to the approval of the proper district engineer, within six months' time from and after the date of filing such acceptance, unless prevented by act of God or force majeure, usurped or military power, martial law, riot, or civil commotion or other inevitable cause and shall complete the system and have the same in operation within eighteen months from the date of such acceptance, and shall thereafter maintain a first-class electric light, heat, and power service: Provided, That in consideration of the franchise hereby granted, the grantee shall pay quarterly into the municipal treasury of Santa Cruz one per centum of the gross earnings of the enterprise during the first twenty years, and two per centum during the remaining thirty years of the life of this franchise.

SEC. 9. At the time of filing the acceptance mentioned in the last preceding section, the grantee shall deposit in the Insular Treasury or with any of its agents in the Province of Laguna, one thousand pesos, or negotiable bonds of the United States or other securities approved by the Secretary of Commerce and Communications, of the face value of one thousand pesos, as an earnest of good faith and a guarantee that it will begin the electric light, heat, and power business and may be completely provided with the necessary equipment therefor and ready to begin operation under this franchise: Provided, however, That if such deposit is in cash, it may be deposited in some official depository of the Government in the name of the grantee and subject to the order of the Insular Treasurer, who shall retain the evidence of the deposit so made. In this case, as well as in the case of the deposit being made in negotiable bonds or other securities, as provided in this section, the interest of the deposit or of the bonds or securities, if any, shall belong to the grantee.

In case such grantee shall fail, refuse, or neglect, unless prevented by fortuitous cause or force majeure, the public enemy, usurped or military power, martial law, riot, civil commotion or other inevitable cause, to commence the work for the electric light, heat and power service within six months from the date of the acceptance of this franchise, or shall fail to provide the necessary equipment and be ready to operate within eighteen months from the date of such acceptance in accordance with the terms of this franchise, then the deposit prescribed in this section and in the possession of the Insular Treasurer, whether in cash, bonds or other securities, shall be forfeited to the municipal government of Santa Cruz, as damages for said failure. In case the grantee begins to operate the electric light, heat, and power service, and is ready for operation under this franchise, within eighteen months after the date of such acceptance, the deposit provided for in this section shall be returned by the Insular Government to said grantee: Provided, That the time during which such grantee has been prevented by any of the causes above referred to from carrying out the terms and conditions of this franchise, shall be added to the time granted by this franchise for the fulfillment of its conditions.

SEC. 10. The municipality of Santa Cruz shall have the privilege, without compensation, of using the poles of the grantee for the purpose of installing, maintaining, and operating a telephone or fire or police alarm system, but the wires of such telephone or fire or police alarm system shall be placed and stretched in such manner as to cause no interference with or damage to the wires of the electric service of the grantee.

SEC. 11. This franchise is granted with the understanding and upon the condition that it shall be subject to amendment, alteration, or repeal by the Congress of the United States as provided in section twenty-eight of the Act of Congress approved August twenty-ninth, nineteen hundred and sixteen, entitled "An Act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those Islands," or by the Philippine Legislature, and that it shall be subject, in all respects, to the limitations upon corporations and the granting of franchises contained in

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said Act of Congress, and that all lands or rights of use or occupation of lands secured by virtue of this franchise shall revert upon its termination to the Insular, provincial, or municipal governments who were the owners thereof upon the date on which this franchise was granted, and all property of the grantee used in connection with this franchise shall become the property of the Insular Government.

SEC. 12. The grantee of this franchise is forbidden to issue stock or bonds under this franchise except in exchange for actual cash or for property at a fair valuation equal to the par value of the stock or bonds issued and upon prior authority of the Public Utility Commission. Nor shall said grantee declare any stock or bond dividend.

SEC. 13. The books of the grantee shall always be open to the inspection of the provincial treasurer or a deputy designated by him for the purpose, and it shall be the duty of the grantee to submit to the provincial treasurer quarterly reports in duplicate showing the gross receipts and the net receipts for the quarter past and the general condition of the business, one of which shall be forwarded by the provincial treasurer to the Insular Auditor, who shall keep the same on file.

SEC. 14. The grantee shall pay on its real estate, buildings, plant, machinery, and other personal property the same taxes as are now or may hereafter be required by law from other persons.

SEC. 15. The grantee may, with the prior approval of the Public Utility Commission, sell, lease, give, grant, convey, or assign this franchise and all property and rights acquired thereunder to any person or corporation : Provided, That for the purposes of the sale, lease, donation, grant, or transfer, it shall be necessary to file in the office of the Secretary of Commerce and Communications an agreement in writing by which the purchaser, lessee, donee or assignee shall bind himself to comply with all the terms and conditions imposed on the grantee by the franchise and shall accept the franchise subject to all its existing terms and conditions.

SEC. 16. The municipal council of Santa Cruz, after hearing the grantee, shall have the power with the approval of the Secretary of Commerce and Communications, to declare the forfeiture of this franchise for failure to comply with any of the terms and conditions thereof, unless such failure shall have been directly and primarily caused by the act of God, the public enemy, or force majeure. Against such declaration of forfeiture the grantee may apply to any court of competent jurisdiction for such relief as to it may seem proper, but if no such application is made within sixty days after the forfeiture has been approved by the Secretary of Commerce and Communications, the right to apply to the courts shall be considered waived.

SEC. 17. At any time after twenty years from the date of this Act, the Government of the Philippine Islands or any political subdivision thereof to which the right may be assigned, may purchase, and the grantee shall sell thereto all of its plant, poles, wires, buildings, real estate, and all other property used in the enjoyment of this franchise, at a valuation based upon the net earnings of the grantee, the valuation to be determined, after hearing evidence, by the Supreme Court of the Islands, sitting as a board of arbitrators, whose decision, by a majority of the members thereof, shall be final.

SEC. 18. Wherever in this franchise the term "grantee" is used, it shall be held and understood to mean and represent the Santa Cruz Electric Light Co. Inc., its representatives, successors, or assigns.

SEC. 19. This Act shall take effect on its approval.

Approved, March 8, 1919.

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