

AN ACT GRANTING TO GERONIMO LASALA AND EMIGDIO BORJA FRANCHISE TO INSTALL, OPERATE AND MAINTAIN AN ELECTRIC LIGHT, HEAT, AND POWER SYSTEM IN THE MUNICIPALITY OF SORSOGON, PROVIN...

Act No. 2986, February 24, 1921

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Be it enacted by the Senate and House of Representatives of the Philippines 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 Geronimo Lasala and Emigdio Borja, their 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 an electric light, heat, and power system, for the purpose of generating and distributing electric light, heat, and power for sale in the municipality of Sorsogon, Province of Sorsogon, its surroundings and barrios. The grantees shall further have the right and privilege to install, lay, and maintain on all the streets, public thoroughfares, bridges, and public places of said municipality, its surroundings and barrios, poles, conductors, interrupters, transformers, cables, wires, and other overhead appliances, and all other necessary apparatus and appurtenances for the furnishing and distribution of electric current, and to supply, sell, and furnish such current to any person, corporation or public or private concern to produce light, heat or power, and for any other use to which electricity may be put, and to furnish electric light, heat, and power within said municipality for provincial, 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 and conventional rates for the use of same: Provided, That this franchise shall not take effect until the grantees 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: Provided, further That if the grantees do 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 grantees and their successors or assigns shall accept in writing and make part of this concession the following condition, to wit:

"That the grantees and their successors or assigns state in writing that they are 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 grantees and their successors or assigns bind themselves 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 grantees and their successors or assigns shall further bind themselves to exact a similar engagement from their administrators, agents, successors, and assigns."

SEC. 3. The poles erected by the grantees 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 for the same, in accordance with a plan approved by the provincial or municipal authorities concerned, represented by the provincial governor of Sorsogon or the municipal president of Sorsogon, as the case may be, and said grantees 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 grantees, to be determined by the electrical engineer of the Public Utility Commission on the application of said grantees, and should the demand for electric power, heat, and light at any time increase beyond the capacity of the plant of said grantees to supply the same, the capacity of said plant shall be increased by said grantees to meet such demand, in accordance with the decision of the Public Utility Commission or its legal successor: Provided, however, That in case the point at which the electric light, heat or power is to be supplied, is more than thirty meters from the lines or wires operated by said grantees, the latter shall not be obliged to furnish said service.

SEC. 4. All apparatus and appurtenances used by the grantees or thereafter by their successors or assigns shall be modern and first class in every respect, and the electrical transmission wires shall be insulated and carefully connected and fastened so as not to come in direct contract 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 public thoroughfares, nor cause any injury to the public, danger of fire, or damage and inconvenience to the owners of property: Provided, That in the maintenance and operation of their plant and system for the transmission and distribution of electric current, the grantees shall always be subject to such reasonable regulations as the municipal council of Sorsogon and the provincial board of Sorsogon may promulgate in the premises, and also to the regulations prescribed by the National Electrical Code of Fire Underwriters Rules of America: Provided, further, That the grantees and their successors or assigns shall, whenever the Philippine Legislature or its successors, upon recommendation of the Public Utility Commission or its legal successors, so direct, place said wires in underground pipes or conduits at their own expense, and without any cost or prejudice to the municipality of Sorsogon.

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 public streets or thoroughfares or dig up the ground near the sidewalks or corners of the public streets or thoroughfares, then the said grantees shall, after said poles are erected, without delay replace said pavement or sidewalks in the proper manner, removing 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 Sorsogon, to change the location of said poles, such change shall be made by the grantees, their successors or assigns, at their expense, without delay, and said poles shall be placed where directed by said provincial board or said municipal council.

SEC. 6. Whenever any person has obtained permission to use any of the streets or public thoroughfares of the municipality of Sorsogon for the purpose of removing any building or in the prosecution of any municipal work or for any other just cause, whatsoever, 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 grantees, upon written notice by the municipal president concerned, served upon said grantees 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 has been moved or the construction undertaken, shall pay one-half of the actual cost of removing or raising and of replacing the poles, wires or other overhead or underground conductors. The notice shall be served in the usual form, and in case of the refusal or failure of the grantees to comply with such notice, the municipal president of Sorsogon, after obtaining the proper approval of the municipal council of Sorsogon, shall order such poles or wires to be raised or removed at the expense of said grantees, for the purposes aforesaid: Provided, however, That the grantees may appeal from any such decision to the provincial board of Sorsogon, whose decision shall be final.

SEC. 7. The grantees shall be liable to the municipality of Sorsogon 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 omission to keep the said poles and wires in a safe condition.

SEC. 8. Said grantees shall file their written acceptance of this franchise with the Secretary of Commerce and Communications within one hundred and twenty days from the date when they obtained the certificate required by section one of this Act, and shall commence work under the supervision and subject to the approval of the electrical engineer of the Public Utility Commission, 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 grantees, their successors or assigns shall pay quarterly into the municipal treasury of Sorsogon one per centum of the gross earnings of their business during the first twenty years, and two per centum during the remaining thirty years of the life of this franchise.

SEC. 9. Upon the acceptance of this franchise, the grantees shall deposit in the Insular Treasury or with any of its agents in the Province of Sorsogon, 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 they will begin the electric light, heat, and power business and may be completely provided with the necessary equipment therefor and ready to begin operation in accordance with the terms of this franchise: Provided, however, That if such deposit is in cash, it may be made in some official depository of the Government in the name of the grantees 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 cash deposit or of the bonds or securities, if any, shall belong to the grantees.

In case such grantees, their successors or assigns 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 after 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 Sorsogon, as damages for the breach of the implied contract involved in the acceptance of this franchise. In case the grantees, their successors or assigns begin to operate the electric light, heat, and power service, or are ready for operation under this franchise, within the time

limits specified the deposit provided for in this section shall, upon recommendation by the Public Utility Commission or its legal successor, be returned by the Insular Treasury to said grantees: Provided, That the time during which such grantees, their successors or assigns have 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 Sorsogon shall have the privilege, without compensation, of using the poles of the grantees for the purpose of installing, maintaining, and operating a telephone or fire and police alarm system; but the wires of such telephone or fire and police alarm system shall be placed and stretched in such manner as to cause no interference with or damage to have the wires of the electric service of the grantees.

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 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 which were the owners thereof upon the date on which this franchise was granted, and all property of the grantees, their successors or assigns used in connection with this franchise shall become the property of the Insular Government.

SEC. 12. The grantees of this franchise are 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.

SEC. 13. The books and accounts of the grantees shall always be open to the inspection of the provincial treasurer or his authorized representative, and it shall be the duty of the grantees 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 grantees shall pay on their real estate, building, plant, machinery, and other personal property the same taxes as now or may hereafter be required by law from other persons.

SEC. 15. The grantees herein may, with the approval of the Public Utility Commission first had, sell, lease, donate, convey, or give up in usufruct this franchise and all property and rights acquired thereunder to any person or corporation: Provided, That for the purpose of such sale, lease, donation, conveyance or giving in usufruct, it shall be necessary to file in the office of the Secretary of Commerce and Communications an agreement in writing by which the person or corporation in whose favor such sale, lease, donation, conveyance or giving in usufruct is made, shall bind himself to comply with all the terms and conditions imposed upon the grantees by this franchise, and to accept the same subject to all existing terms and conditions.

SEC. 16. The Public Utility Commission or its legal successor, after hearing the interested parties, upon notice and order in writing, shall have the power to declare the forfeiture of this franchise and all rights and privileges inherent in the same failure on part of the grantees to comply with any of the terms and conditions thereof, unless such failure shall have been directly and primarily caused by act of God, the public enemy, or force majeure. Against such declaration of forfeiture by the Public Utility Commission or its legal successor, the grantees may apply for the remedies provided in sections thirty and thirty-one of Act Numbered Twenty-three hundred and

seven, as amended.

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 grantees shall sell all of their plants, 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 grantees, 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. The rates for the light service, flat rate as well as meter rate, fixed by the grantees, shall always be subject to regulation by act of the Philippine Legislature or by the entities authorized by law, and shall in no case be in excess of thirty centavos per kilowat hour: Provided, That only subscribes who have more than eight outlets installed in one building shall be entitled to be furnished with a meter.

SEC. 19. Wherever in this franchise the term "grantees" is used, it shall be understood to mean Geronimo Lasala and Emigdio Borja, their representatives, successors, or assigns.

SEC. 20. This Act shall take effect on its approval.

Approved, February 24, 1921.

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