

AN ACT CREATING A PUBLIC UTILITY COMMISSION AND PRESCRIBING ITS DUTIES AND POWERS, AND FOR OTHER PURPOSES.

Act No. 3108, March 19, 1923

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/ddc5a3195556/>

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. There is hereby created a Commission which shall be designated and known as the Public Utility Commission, and which shall be vested with the powers and duties hereafter specified. Whenever the word "Commission" is used in any section of this Act, it shall be held to mean the "Public Utility Commission." The Public Utility Commission shall consist of a Public Utility Commissioner and an Assistant Public Utility Commissioner, each of whom shall be citizens of the United States or of the Philippine Islands, residents of the Philippine Islands, and not under thirty nor over sixty-five years of age and who shall be appointed by the Governor-General by and with the advice and consent of the Philippine Senate.

SEC. 2. The Public Utility Commissioner and the Assistant Public Utility Commissioner shall hold office until removed as hereafter provided. The Assistant Public Utility Commissioner shall act on such matters as the Public Utility Commissioner may designate, and in case of the absence, illness, or incapacity of the Public Utility Commissioner, the Assistant Public Utility Commissioner shall perform his functions. In the exercise of his functions through designation by the Public Utility Commissioner, the Assistant Public Utility Commissioner shall have the power to preside over hearings of cases so designated and to render decisions thereon, and his action in such cases shall be considered to all purposes and intent with the same effect and validity as though the Public Utility Commissioner himself shall have acted thereon. All the powers herein vested upon the Public Utility Commission shall be considered vested upon the Public Utility Commissioner and the Assistant Public Utility Commissioner, as the case may be. The Public Utility Commissioner and the Assistant Public Utility Commissioner may be removed from office by the Governor-General, with the approval of the Philippine Senate, after due investigation, for the following reasons and no others: for physical incapacity, misconduct, incompetency, negligence and irregularity in the performance of their duties, or any act constituting a misdemeanor.

SEC. 3. The Public Utility Commissioner shall receive an annual compensation of twelve thousand pesos and the Assistant Public Utility Commissioner shall receive an annual compensation of ten thousand pesos, to be paid monthly by the Insular Treasurer.

SEC. 4. The Public Utility Commissioner, the Assistant Public Utility Commissioner, and all other officials and employees of the Public Utility Commission shall enjoy the same privileges and rights as the officers and employees of the classified civil service of the Philippine Government. They shall also be entitled to receive from the Government of the Philippine Islands their necessary traveling expenses while traveling on the business of the Commission, which shall be paid on proper voucher therefor, approved by the Secretary of Justice, out of funds appropriated for the contingent expenses of the Commission.

SEC. 5. With the approval of the Secretary of Justice, the Public Utility Commissioner shall appoint a secretary, an auditor, an electrical engineer, an assistant electrical engineer, a naval engineer, two inspectors, and such other officers and employees as may be necessary and fix their duties. The salaries of these officers and employees shall be fixed by the Public Utility Commissioner, with the approval of the Council of State.

SEC. 6. The secretary shall perform such duties as may be required of him, and shall be the official reporter of the proceedings of the Commission.

SEC. 7. The Commission shall furnish its secretary such If of its findings and decisions as in its judgment, may be of general public interest; the secretary shall compile the same for the purpose of publication in a series of volumes to be designated "Reports of the Public Utility Commission of the Philippine Islands," which shall be published in such form and manner as may be best adapted for public information and use, and such authorized publications shall be competent evidence of the reports and decisions of the Commission therein contained without any further proof or authentication hereof.

SEC. 8. The Commission is hereby authorized to purchase, with the approval of the Emergency Board, such furniture, stationery, maps, supplies, office appliances, materials, equipment, apparatus, and standard measuring instruments, as it may deem necessary.

SEC. 9. No member or employee of the Commission shall have any official or professional relation or connection with, or hold any stock or securities in, any public utility as herein defined, or hold any other office of profit or trust under the Government of the Philippine Islands or of the United States.

SEC. 10. The Commission shall have its office in the City of Manila at such place as may be designated, and may hold hearings on any proceedings at such times and places, within the Philippine Islands, as it may provide by order in writing.

SEC. 11. The Commission shall have the power to make needful rules for its government and other proceedings not inconsistent with this Act and shall adopt a common seal; and judicial notice shall be taken of such seal.

SEC. 12. The Commission shall report annually, as soon as practicable after the first of January of each year, to the Secretary of Justice, making such recommendations as it may deem proper, which report shall be laid before the Legislature.

SEC. 13. The Commission shall have general supervision and regulation of, jurisdiction and control over, all public utilities, and also over their property, property rights, equipment, facilities and franchises so far as may be necessary for the purposes of carrying out the provisions of this Act. The term "public utility" is hereby denned to include every individual, copartnership, association, corporation, or joint-stock company, whether domestic or foreign, their lessees, trustees, or receivers appointed by any court whatsoever, or any municipality, province, or other department of the Government of the Philippine Islands, that now or hereafter may own, operate, manage, or control within the Philippine Islands any common carrier, railroad, street railway, traction railway, steamboat or steamship line, small water craft, such as bancas, virays, lorchas, and others, engaged in the transportation of passengers or cargo, freight and or passenger motor vehicles, with or without fixed route shipyard, marine railway, marine repair shop, ferry, freight or any other car service, public warehouse, public wharf or dock not under the jurisdiction of the Insular Collector of Customs, ice, refrigeration, cold storage, canal, irrigation, express, subway, pipe line, gas, electric light, heat, power, water, oil, sewer, telephone, wire or wireless telegraph system, plant or equipment, for public use: Provided, That as regards such common carriers, by land or by water, whose equipment is used principally or secondarily in furtherance of their private business, the net earnings of the latter business shall be considered in connection with their common carrier business for the purposes of rate

fixing: Provided, further, That the Commission shall have no jurisdiction over ice plants, cold storage plants, or any other kind of public utilities operated by the Federal in Government exclusively for its own and not for public use: And provided, lastly, That the Public Utility Commission shall not exercise any control or supervision over the Manila Railroad Company so long as the same shall be controlled by the Government of the Philippine Islands, except with regard to its rates.

SEC. 14. The Commission shall have power:

- To investigate, upon its own initiative, or upon complaint in writing, any matter concerning any public utility as herein denned.
- From time to time to appraise and value the property of any public utility as herein denned, whenever in the judgment of said Commission it shall be necessary so to do, for the purpose of carrying out any of the provisions of this Act, and in making such valuation the Commission may have access to and use any books, documents, or records in the possession of any department, bureau, office, or board of the Government of the Philippine Islands or any political subdivision thereof.
- After hearing, upon notice by order in writing, to fix just and reasonable individual rates, joint rates, tolls, charges, or schedules thereof, as well as commutation, mileage, and other special rates which shall be imposed, observed, and followed thereafter by any public utility as herein defined, whenever the Commission shall determine any existing individual rate, joint rate, toll, charge, or schedule thereof of commutation, mileage, or other special rate to be unjust, unreasonable, insufficient, or unjustly discriminatory or preferential.
- To require every public utility as herein defined to file with it complete schedules of every classification employed and of every individual or joint rate, toll, fare or charge made, charged or exacted by it for any product supplied or service rendered within the Philippine Islands, and in the case of public carriers, to file with it a statement showing the itineraries of routes served as specified in such requirement. In case of new public utilities, such itineraries and schedules shall be filed with the Commission before the public utility begins operation.
- After hearing, by order in writing, to fix just and reasonable standards, classifications, regulations, practices, measurements, or service to be furnished, imposed, observed, and followed thereafter by any public utility as herein defined.
- After hearing, by order in writing, to ascertain and fix adequate and serviceable standards for the measurement of quantity, quality, pressure, initial voltage, or other condition pertaining to the supply of the product or service rendered by any public utility as herein defined, and to prescribe reasonable regulations for examination and test of such product or service and for the measurement thereof.
- After hearing, by order in writing, to establish reasonable rules, regulations, specifications, and standards, to secure the accuracy of all meters and appliances for measurements.
- To provide for the examination and test of any and or all appliances used for the measuring of any product or service of a public utility as herein defined.
- By its agents, experts, or examiners, to enter upon any premises occupied by any public utility as herein defined,

for the purpose of making the examinations and tests provided for in this Act and to set up and use on such premises any apparatus and appliances necessary therefor.

- To fix the fees to be paid by any consumer or user of any product or service of a public utility as herein defined, who may apply to said Commission for such examination or test to be made, and any consumer or user may have any such appliance tested upon the payment of the fees fixed by the Commission, which fees shall be repaid to the consumer or user if the appliance be found defective or incorrect to the disadvantage of the consumer or user, and in that event, paid by the public utility.

- After hearing, upon notice, by order in writing, to direct any railroad or street railway company to establish and maintain at any junction or point of connection or intersection with any other line of said road, or with any line of any other railroad, street railway, or traction company, such just and reasonable connections as shall be necessary to promote the convenience of shippers of property, or of passengers, and in like manner to direct any railroad, street railway, or traction company engaged in carrying merchandise, to construct, maintain, and operate, upon reasonable terms, a switch connection with any private sidetrack, which may be constructed by any shipper to connect with the railroad or street railway where, in the judgment of the Commission, such connection is reasonable and practicable, and can be put in with safety, and will furnish sufficient business to justify the construction and maintenance of the same.

- To permit any street railway or traction company to change its existing gauge to standard steam railroad gauge, upon such terms and conditions as said Commission shall prescribe.

SEC. 15. The Commission shall have power, after hearing, upon notice, by order in writing to require every public utility:

- To comply with the laws of the Philippine Islands and with any provincial resolution or municipal ordinance relating thereto and to conform to the duties imposed upon it thereby or by the provisions of its own charter, whether obtained under any general or special law of the Philippine Islands.

- To furnish safe, adequate, and proper service as regards the manner of furnishing the same as well as the maintenance of the necessary material and equipment: Provided, however, That the inspection and regulation, for the purposes of sanitation and safety, of the vessels operated within the Philippine Islands, shall be under the jurisdiction and authority of the Insular Collector of Customs or his duly authorized agents.

- To establish, construct, maintain, and operate any reasonable extension of its existing facilities, where, in the judgment of said Commission, such extension is reasonable and practicable and will furnish sufficient business to justify the construction and maintenance of the same, and when the financial condition of the said public utility reasonably warrants the original expenditure required in making and operating such extension.

- To keep its books, records, and accounts so as to afford an intelligent understanding of the conduct of its business and to that end to require every such public utility of the same class to adopt a uniform system of accounting. Such system shall conform to any system approved and confirmed by the Auditor for the Philippine

Islands.

- To make specific answers with regard to any point on which the Commission requires information, and to furnish annual reports of finances and operations. Such reports shall set forth in detail the capital stock issued, the amounts of said capital stock paid up and the form of payment thereof; the dividends paid, the surplus, if any, and the number of stockholders; the consolidated and pending obligations, and the interest paid thereon; the cost and value of the property of the carrier, concessions or franchises and equipments; the number of employees and salaries paid to each class; the accidents to passengers, employees, and other persons, and the causes thereof; the annual expenditures on improvements, the manner of their investment and nature of such improvements; the receipts and profits in each of the branches of the business and of whatever source; the operating and other expenses; the balance of profits and losses; and a complete statement of the annual financial operations of the carrier, including an annual balance sheet. Such reports shall also contain any information which the Commission may require concerning freight and passenger rates, or agreements, compromises or contracts affecting the same. Said reports shall cover a period of twelve months, ending on December thirty-first of each year, and shall be sworn to by the officer or functionary of the public utility authorized therefor;

- To carry, whenever, in the judgment of the Commission, it may reasonably be required, for the protection of stockholders, bondholders, or creditors, a proper and adequate depreciation account in accordance with such rules, regulations, and forms of account as the Commission may prescribe. The Commission shall from time to time ascertain and determine, and by order in writing, after hearing, fix proper and adequate rates of depreciation of the property of each public utility, in accordance with such regulations or classifications, which rates shall be sufficient to provide the amounts required over and above the expense of maintenance to keep such property in a state of efficiency corresponding to the progress of the industry. Each public utility shall conform its depreciation accounts to the rates so ascertained, determined, and fixed, and shall set aside the moneys so provided for out of earning and carry the same in a depreciation fund. The income from investments of moneys in such fund shall likewise be carried in such fund. This fund shall not be expended otherwise than for depreciation, improvements, new constructions, extensions or additions to the property of such public utility.

- To give such notice to the Commission as the Commission may, by rule, require of any and all accidents which may occur within the Philippine Islands upon the property of any public utility as herein defined or directly or indirectly arising from or connected with its maintenance or operation, and to investigate, any such accident and to make such order or recommendation with respect thereto as in its judgment may be just and reasonable.

- When any public utility as herein defined proposes or to increase or reduce any existing individual rates, joint rates, tolls, charges, or schedules thereof, as well as commutation, mileage, and other special rates, or change or alter any existing classification, it shall send written notice thereof to the Public Utility Commission thirty days prior to the date on which the proposed increase, reduction, change or alteration is to take effect, unless the Commission, by means of an order, consent to a shorter notice, and upon receipt of said notice, the Commission shall be authorized, either upon complaint in writing or by virtue of its office, to see and determine whether said increase, reduction, change or alteration is just and reasonable. The burden of proof to show that the said increase, reduction, change or alteration is just and reasonable shall be upon the public utility making the same. The

Commission shall have power pending such hearing and determination to order the suspension of the said increase, reduction, change or alteration until the said Commission shall have approved said increase, reduction, change or alteration, not exceeding three months.

- No public utility as herein defined shall operate in the Philippine Islands without having first secured from the Commission a certificate, which shall be known as Certificate of Public Convenience, to the effect that the operation of said public utility and the authorization to do business will promote the public interests in a proper and suitable manner. Every public utility existing on the date of the approval of this Act shall pay the fees herein prescribed for the issuance of the proper certificate of public convenience or public necessity and convenience, as the case may be, in the same manner as said fees shall be payable by any new public utility subject to the provisions of this Act, within sixty days from the date of the approval of this Act: Provided, however, That in the case of a public utility for the operation of whose business it is necessary to obtain a franchise from either a municipal government, or a provincial government, under the provisions of Act Numbered Six hundred and sixty-seven, as amended by Act Numbered Ten hundred and twenty-two, or from the Philippine Legislature, such public utility shall secure a certificate to be known as Certificate of Public Necessity and Convenience, as required by section twenty-two of this Act. The duty to secure such certificates of public convenience or certificates of public necessity and convenience by public utilities or to pay the fees herein prescribed by public utilities already existing is of a mandatory character and noncompliance herewith may, in the judgment of the Public Utility Commission, be sufficient ground for the revocation and cancellation of any vested right and for the imposition of the penalty provided for in this Act.

III

SEC. 16. No public utility as herein defined shall:

- Make, impose, or exact any unjust or unreasonable, unjustly discriminatory or unduly preferential individual or joint rate, commutation rate, mileage, and other special rate, toll, fare, charge, or schedule for any product or service supplied or rendered by it within the Philippine Islands.

- Adopt or impose any unjust or unreasonable classification in the making or as the basis of any individual or joint rate, toll, fare, charge, or schedule for any product or service rendered by it within the Philippine Islands.

- Adopt, maintain, or enforce any regulation, practice, or measurement which shall be unjust, unreasonable, unduly preferential, arbitrarily or unjustly discriminatory, or otherwise in violation of law, nor shall any public utility as herein defined provide or maintain any service that is unsafe, improper, or inadequate, or withhold or refuse any service which can reasonably be demanded and furnished when ordered by said Commission.

- Make or give, directly or indirectly, by itself or through its agents, attorneys or freight brokers, or any of them, discounts or rebates on authorized freight rates, or any undue or unreasonable preference or advantage to any person or corporation or to any locality or to any particular description of traffic in any respect whatsoever, or subject any particular person or corporation or locality or any particular description of traffic to any prejudice or disadvantage in any respect whatsoever.

- Hereafter issue any stocks, stock certificates, bonds, or other evidences of indebtedness payable in more than one year from the date of issuance thereof until it shall have first obtained authority from the Commission for such proposed issue. It shall be the duty of the Commission, after hearing, to approve of any such proposed issue maturing in more than one year from the date thereof, when satisfied that the same is to be made in accordance with the law and the purpose of such issue be approved by said Commission.

- Capitalize any franchise to be a corporation; capitalize any franchise in excess of the amount, exclusive of any tax or annual charge, actually paid to the Government of the Philippine Islands or any political subdivision thereof as the consideration of such franchise; capitalize any contract for consolidation, merger, or lease; issue any bonds or other evidence of indebtedness against or as a lien upon any contract for consolidation, merger, or lease, unless permitted so to do by the Commission in writing; Provided, however, That the provisions of this section shall not prevent the issuance of stock, bonds, or other evidence of indebtedness subject to the approval of the Commission by any lawfully merged or consolidated public utilities not in contravention of the provisions of this section.

- Hereafter, directly or indirectly, without previous authority of the Commission, issue, give or tender any free ticket, free pass or free or reduced rate of transportation for passengers, except to its officers, agents, employees, attorneys, physicians and surgeons, and members of their families; inmates of hospital or charity institutions, and persons engaged in charitable work; to indigent, destitute and homeless persons and to such persons when transported by charitable societies or hospitals, and the necessary agents employed in such transportation; to the necessary caretakers, going and returning, of live stock, poultry, fruit, and other freight under uniform and nondiscriminatory regulation; to employees of sleeping car corporations, express corporations, and telegraph and telephone corporations; railway and marine mail service employees, when traveling in the course of their official duty, post-office inspectors, customs officers and inspectors, and immigration inspectors when engaged in inspection; to witnesses attending any legal investigation in which the carrier is an interested party, persons injured in accidents or wrecks, and physicians and nurses attending such persons; to peace officers, to officers and men of regularly constituted fire departments; but nothing herein contained shall prevent the entry into any public conveyance or in or upon the property of any such public utility as herein denned of any officer or employee of the Government of the Philippine Islands, or any political subdivision thereof, in the pursuit of his public duties. Nothing in this Act shall be construed to prevent the interchange between said public utilities and common carriers of passes or franks for their employees, officers, agents, surgeons, physicians, attorneys-at-law and their families. All public utilities engaged in the business of carrying passengers shall furnish transportation free of charge to members of the Commission and the secretary and other employees of the Commission when traveling on official business: Provided, however, That carriers by water, in furnishing such free passage, shall not be obliged to furnish subsistence free of charge, unless the object of the travel be such that the carrier is directly interested.

- Without the approval of the Public Utility Commission first had, sell, alienate, mortgage, encumber, or lease its property franchises, privileges or rights, or any part thereof; nor merge or consolidate its property, franchises, privileges or rights, or any part thereof, with that of any other public utility as herein denned. The approval herein required shall be given, after notice to the public and after hearing the persons interested at a public hearing, if it be shown that there are just and reasonable grounds for making the sale, alienation, mortgage, or encumbrance for liabilities of more than one year maturity, lease, merger, or consolidation to be approved, and that the same are

not detrimental to the public interest, and in case of a sale, the date on which the same is to be consummated shall be fixed in the order of approval: Provided, however, That the sale, alienation, mortgage or encumbrance, and lease of the property of public utilities which, on account of the nature and conditions of their business, are, in the judgment of the Commission, of little importance to the public interest, shall be exempt from the requisite of the approval of the Commission; but the public utilities shall in every case give notice of these transactions to the Commission. Any sale, alienation, mortgage or encumbrance, lease, fusion or consolidation made without the approval herein required shall be null and void: Provided, further, That nothing herein contained shall be construed to prevent the sale, alienation, or lease by any public utility of any of its property in the ordinary course of its business.

SEC. 17. No public utility as herein defined incorporated; under the laws of the Philippine Islands shall sell, nor shall any such public utility make or permit to be made upon its books any transfer of any share or shares of its capital stock, to any other public utility, unless authorized to do so by the Commission. Nor shall any public utility incorporated under the laws of the Philippine Islands sell any share or shares of its capital stock or make or permit any transfer thereof to be made upon its books, to any corporation, domestic or foreign, result of which sale or transfer in itself or in connection with other previous sales or transfer shall be to vest in such corporation a majority in interest of the outstanding capital stock of such public utility corporation, unless authorized to do so by the Commission. Every assignment, transfer, contract, or agreement for assignment or transfer by or through any person or corporation to any corporation in violation of any of the provisions hereof shall be void and of no effect, and no such transfer shall be made on the books of any public utility corporation. Nothing herein contained shall be construed to prevent the holding of stock heretofore lawfully acquired.

SEC. 18. No railroad company shall, without first obtaining the approval of the Commission, abandon any railroad station or stop the sale of passenger tickets, or cease to maintain an agent to receive and discharge freight at any station now or hereafter established in the Philippine Islands, at which passenger tickets are now or may hereafter be regularly sold, or at which such agent is now or may hereafter be maintained, nor shall any public carrier by land or water within the Philippine Islands or any public utility, without the approval of the Commission first had, make any permanent change in its time tables and sailing schedules or in its service, or fail to continue to call at any of its regular points or ports of call.

SEC. 19. No highway shall be constructed across the tracks of any railroad company at grade, nor shall the tracks of any railroad company, street railway, or traction company be laid across any highway, so as to make a new crossing at grade, nor shall the tracks of any railroad or street railway or traction company be laid across the tracks of any other railroad or street railway or traction company without first obtaining therefor permission from the Commission: Provided, however, That this section shall not apply to the replacement of lawfully existing tracks.

SEC. 20. Whenever it appears to the Commission that a public highway and a railroad cross one another, or that a public highway and a street railway cross one another, or that a railroad and a street railway cross one another at the same level, and that conditions at such grade crossing make it necessary for the protection of the traveling public at such grade crossing that gates be erected or that some other reasonable provision for the protection of the traveling public at such grade crossing should be adopted, the Commission may order and direct such railroad company, or such street railway company, or either or both of them, to install such protective device or devices or adopt such other reasonable provision for the protection of the traveling public at such crossing as in the discretion of the Commission shall be necessary.

SEC. 21. Said Commission shall have power to require every public utility as herein defined to file with the Commission a statement in writing, verified by the oaths of the president and secretary thereof, respectively,

setting forth the name, title of office or position, and post-office address, and the authority, power, and duties of every officer, member of the board of directors, trustees, executive committee, superintendent, chief or head of construction and operation, or department, division, or line of construction and operation thereof, in such form as to disclose the source and origin of each administrative act, rule, decision, order, or other action of the corporation, and shall, within ten days after any change is made in the title of, or authority, powers or duties appertaining to any such office or position, or the person holding the same, file with the Commission a like statement, verified in like manner, setting forth such change.

SEC. 22. No privilege or franchise hereafter granted to any public utility as herein defined, by any political subdivision of the Philippine Islands, shall be valid until approved by said Commission, such approval to be given when, after hearing, said Commission determines that such privilege or franchise is necessary and proper for the public convenience and properly conserves the public interests, and the Commission shall have the power in so approving to impose such conditions as to construction, equipment, maintenance, service, or operation as the public convenience and interests may reasonably require. Any person endeavoring to obtain from the Philippine Legislature a privilege or franchise of the nature of a public utility shall first secure from the Commission a certificate concerning the public necessity and convenience of such franchise, which certificate shall be submitted to the Legislature together with the petition.

IV

SEC. 23. All hearings and investigations before the Commission shall be governed by rules adopted by the Commission, and in the conduct thereof the Commission shall not be bound by the technical rules of legal evidence.

SEC. 24. (a) The Commission may issue subpoenas and subpoenas duces tecum, for witnesses in any matter or inquiry pending before the Commission and require the production of all books, papers, tariffs, contracts, agreements, and all other documents, which the Commission may deem necessary in any proceeding. Such process shall be issued under the seal of the Commission, signed by one of the Commissioners and by the secretary, and may be served by any person of full age. In case of disobedience to such subpoena, the Commission may invoke the aid of the Supreme Court, or of any Court of First Instance of the Philippine Islands in requiring the attendance and testimony of witnesses and the production of books, papers, and documents under the provisions of this chapter, and the Supreme Court or any Court of First Instance of the Philippine Islands within the jurisdiction of which such inquiry is carried on, shall, in case of contumacy or refusal to obey a subpoena, issue to any public utility subject to the provisions of this Act, or to any other person, an order requiring such public utility or other person to appear before the Commission and produce books and papers if so ordered and give evidence touching the matter in question; and any failure to obey such order of the Court may be punished by such court as a contempt thereof.

(b) Upon the application of the Commission to any Court of First Instance, or to the Supreme Court, a subpoena of may be issued directing any person in the Philippine Islands to appear as a witness before said Commission and to produce for the inspection of the Commission or any member thereof, any books, papers, documents, letters or either records or things in his possession. Any witness failing to obey such subpoena shall be liable to punishment by the Supreme Court or Courts of First Instance as the case may be, in the same manner and to the same extent as if he had disobey a subpoena issued out of the Supreme Court or Court of First Instance in a matter pending before either of said courts.

(c) The Public Utility Commissioner and Assistant Commissioner shall have the power to administer oaths to all witnesses who may be called before the Commission.

(d) Any person who shall testify falsely or make any false affidavit or oath before the Commission or before any of its members shall be guilty of perjury, and upon conviction thereof in a court of competent jurisdiction, shall be punished as provided by law.

(e) Witnesses appearing before said Commission in obedience to subpoena or subpoena duces tecum, shall be entitled to receive the same fees and mileage allowance as witnesses attending Courts of First Instance in civil cases.

(f) Any person who shall neglect or refuse to attend or testify or answer any lawful inquiry or produce before the Commission books, papers, tariffs, contracts, agreements, and documents or other things called for by said Commission, if in his power to do so, in obedience to the subpoena or lawful inquiry of the Commission, upon conviction thereof by a court of competent jurisdiction, shall be punished by a fine of not more than five thousand pesos or by imprisonment for not more than six months, or by both such fine and imprisonment, in the discretion of the Court.

(g) Any person who shall obstruct the Commission or either of the Commissioners while engaged in the discharge of official duties, or who shall conduct himself in a rude, disrespectful, or disorderly manner before the Commission or either of the Commissioners, while engaged in the discharge of official duties, shall, for each offense upon conviction thereof in a court of competent jurisdiction, be punished by a fine not exceeding one thousand pesos or by imprisonment not exceeding six months, or both such fine and imprisonment in the discretion of the court.

(h) If upon investigation it shall be found that any rate, toll, charge, schedule, or joint rate or rates is unjust, unreasonable, insufficient, or unjustly discriminatory or preferential, or otherwise in violation of any of the provisions of this Act, or that any regulation, practice, act, or service complained of is unjust, unreasonable, insufficient, preferential, or otherwise in violation of any of the provisions of this Act, or if it be found that any service is inadequate or that any reasonable service cannot be obtained, the public utility found to be at fault may at the discretion of the Commission be charged with the expenses incurred by the Commission upon such investigation, to be recovered by an ordinary action in the courts, brought by the Commission against such public utility.

(i) Any person who shall destroy, injure, or interfere with any apparatus or appliance owned or operated by or in charge of the Commission or its agent shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding one thousand pesos or imprisonment for a period not exceeding six months, or both, in the discretion of the court.

Any public utility permitting the destruction, injury to, or interference with, any such apparatus or appliance, shall forfeit a sum not exceeding four thousand pesos for each offense.

(j) A substantial compliance with the requirements of this Act shall be sufficient to give effect to all the rules, orders, acts, and regulations of the Commission and they shall not be declared inoperative, illegal, or void for any omission of a technical nature in respect thereto.

SEC. 25. The Commission may, in any investigation or hearing, by its order in writing, cause the depositions of witnesses residing within or without the Philippine Islands to be taken in such manner as it may, by rule, prescribe.

SEC. 26. No person shall be excused from testifying or from producing any book, document, or paper in any investigation or inquiry by or upon the hearing before said Commission, when ordered so to do by the Commission, except when the testimony or evidence required of him may tend to incriminate him. No member or

employee of the Commission shall be required to give testimony in any civil suit to which the Commission is not a party, with regard to secrets obtained by him in the discharge of his official duty.

SEC. 27. For services rendered or documents issued the Commission is hereby authorized and ordered to collect from any public utility the following fixed fees:

(a) For filing:

- Of original applications, not including motions or Mother writings of a temporary or incidental nature, filed in accordance with subsections (h) and (i) of section fifteen, subsections (e), (f), and (h) of section sixteen, and section twenty-two of this Act, twenty-five pesos.

- Of original applications other than those mentioned in subdivision (l), not including motions or other writings of a temporary or incidental nature, fifteen pesos: Provided, however, That no fee shall be collected upon complaint made and filed against public utilities operating in these Islands, neither upon applications filed by public utilities to reduce their rates.

(b) For each certificate of public convenience covering the operation of a steam, motor, or sailing vessel, or of other minor vessels:

- In case of a vessel of more than ten tons gross but less than fifty, ten pesos.

- In case of a vessel of more than fifty tons gross but less than one hundred and fifty tons gross, fifteen pesos.

- In case of a vessel of from one hundred and fifty tons gross to four hundred tons gross, thirty pesos.

- In case of a vessel of a capacity exceeding four hundred tons gross, forty-five pesos.

(c) For each certificate of public convenience covering the operation of a motor vehicle:

- For each three-ton auto-truck, twenty pesos.

- For each two-ton auto-truck, fifteen pesos.

- For each one-ton auto-truck, ten pesos.

- For each automobile or auto-truck of less than one ton, five pesos.

(d) For each certificate of public convenience, or certificate of public necessity and convenience covering the operation of railroad, street railway, traction railway, marine railway, shipyard, marine repair shop, public warehouse, wharf, ice plant, cold storage, pipe line, gas, electric light, heat, power, water, oil, sewer, wire or wireless telephone or telegraph system, equipment or installation, one-fourth of one peso for every thousand pesos of its capital stock subscribed and paid on the date of the issuance of the certificate.

(e) For each permit issued authorizing the increase of capital stock of public utilities mentioned in subdivision (d), one peso for every thousand pesos of the increase of capital stock subscribed and paid on the date of the issuance of the permit.

(f) For the issuance of any other certificate not specifically provided for in the preceding paragraphs, ten pesos.

(g) For certified copies of all official documents and orders filed or deposited in the office of the Commission, for each folio, five centavos.

All fees collected under this section shall be paid into the Insular Treasury.

Copies of all official documents and orders filed or deposited in the office of the Commission, certified by either of the Commissioners, or by the Secretary to be true copy of the original, under the seal of the Commission, shall be evidence in like manner as the originals in all courts of the Philippine Islands.

SEC. 28. The Commission, at any time, may order a rehearing to extend, revoke, or modify any order made by it. Once a case has been decided after the rehearing, any interested party may, if he so desires, take an appeal to the Supreme Court by following the procedure prescribed in section thirty-five of this Act. and in this case the Commission may stay the effects of the order made by it during the pendency of such appeal.

SEC. 29. Every order made by the Commission shall be served upon the person or public utility, as herein defined, affected thereby, within ten days from the time said order is filed, by personal delivery or by mailing a certified copy thereof to any one of the principal officers or agents of the public utility at his usual place of business, and, in case such certified copy is sent by registered mail, the registry mail receipt shall be prima facie, evidence of the receipt of such order by the public utility in due course of mail. All orders of the Commission to continue service or rates in effect at the time said order is made shall be immediately operative; all other orders shall become effective upon the date specified therein.

SEC. 30. In default of compliance with any order of the Commission when the same shall become effective the person or public utility affected thereby shall be subject to a penalty of not exceeding two hundred pesos per day for every day during which such default continues, to be recovered in an action in the name of the Government of the Philippine Islands, and observance of the orders of the Commission may be enforced by mandamus or injunction in appropriate cases, or by action to compel the specific performance of the order or orders so made, or of the duties imposed by law upon such public utility.

SEC. 31. Any person who shall knowingly and wilfully perform, commit, or do, or participate in performing, committing, or doing, or who shall knowingly and wilfully cause, participate, or joint with others in causing any public utility corporation or company to do, perform, or commit, or who shall advise, solicit, persuade, or knowingly and wilfully instruct, direct, or order any officer, agent, or employee of any public utility corporation or company to perform, commit, or do any act or thing forbidden or prohibited by this Act, shall be punished by a fine not exceeding two thousand pesos, or imprisonment not exceeding two years, or both, in the discretion of the court.

SEC. 32. Any person who shall knowingly and wilfully neglect, fail, or omit to do or perform, or who shall knowingly and wilfully cause or join or participate with others in causing any public utility corporation or company to neglect, fail, or omit to do or perform, or who shall advise, solicit, or persuade, or knowingly and wilfully instruct, direct, or order any officer, agent, or employee of any public utility corporation or company to neglect, fail, or omit to do any act or thing required to be done by this Act. shall be punished by a fine not exceeding two thousand pesos or by imprisonment not exceeding two years, or both, in the discretion of the court.

SEC. 33. Any public utility corporation which shall perform, commit, or do any act or thing hereby prohibited or forbidden, or which shall neglect, fail, or omit to do or perform any act or thing hereby required to be done or performed by it, shall be punished by a fine not exceeding twenty-five thousand pesos.

SEC. 34. This Act shall not have the effect to release or waive any right of action by the Commission or by any person for any right, penalty, or forfeiture which may have arisen or which may arise, under any of the laws of the Philippine Islands, and any penalty or forfeiture enforceable under this Act shall not be a bar to or affect a recovery for a right, or affect or bar any criminal proceeding against any public utility as herein defined, or person or persons operating such public utility, its officers, directors, agents, or employees.

SEC. 35. Any order made by the Commission may be reviewed on the application of any person or public utility affected thereby, by certiorari in appropriate cases, or by petition, to the Supreme Court, within thirty day from the date upon which such order becomes elective, as herein provided; said petition shall be filed with the clerk of the Supreme Court and a copy thereof served upon the secretary of the Commission either personally or by leaving same"at the office of said Commission in the City of Manila.

The Supreme Court is hereby given jurisdiction to review said order of the Commission, and to modify or set aside such order when it clearly appears that there was no evidence before the Commission to support reasonably such order, or that the same was without the jurisdiction of the Commission. The evidence presented to the Commission, together with the finding of the Commission and any order issued thereon, shall be certified by the secretary of the Commission to the Supreme Court. The procedure for review, except as herein provided, shall prescribed by rules of the Supreme Court.

SEC. 36. The allowance of a writ of certiorari or the institution of any proceeding to review any order of the Commission by the Supreme Court as aforesaid, shall in no case supersede or stay the order of the Commission, unless the Supreme Court, in banc, shall so direct and the appellant may be required by the Supreme Court to give bond in such form and of .such amount as the Supreme Court shall require.

It shall be the duty of the Attorney-General in the absence of special counsel for the Commission to represent the Commission in all judicial proceedings and to render such opinions as the same may request.

It shall also be the duty of the Attorney-General to institute proceedings before the Commission, in behalf of the public, for the purpose of fixing just and reasonable rates or charges to be followed and observed by a public utility as herein denned, whenever he has reasons to believe that the existing rates or charges of such public utility are unjust and unreasonable, or unjustly discriminatory, or to intervene in any case prosecuted before said Commission relative to rates.

SEC. 37. Any proceeding in any court of the Philippine Islands directly affecting an order of the Commission or to which the Commission is a party, shall have preference over all other civil proceedings pending in such court.

SEC. 38. The Governor-General is hereby authorized and empowered to transfer to the Commission such divisions, parts, or personnel of Bureaus or Offices of the Insular Government as may at present be engaged in the inspection and supervision of marine hulls, all boilers, public warehouses, privately owned automobile lines, and irrigation systems, as he may deem necessary or convenient to carry out the provisions of this Act. In such case, the Insular Auditor is hereby authorized and directed to make proper readjustment of appropriations in order to accomplish such transfer. Provinces or municipalities as at present or hereafter owning and operating plants and apparatus for the examination; test, or measurement of the product or service furnished or rendered by any public utility as herein defined, shall continue so to do under the control and supervision of said Commission, and in proper case, after hearing, upon notice, said Commission is hereby authorized and empowered to order the

discontinuance of such work on the part of such province or municipality, and to take over such plant or apparatus upon paying a reasonable price therefor.

SEC. 39. If, for any reason, any section or provision of this Act shall be questioned in any court, and shall be held to be unconstitutional or invalid, no other section or provision of this Act shall be affected thereby.

SEC. 40. Acts Numbered Twenty-three hundred and seven, Twenty-three hundred and sixty-two, and Twenty-six hundred and ninety-four and any Act or part of Act inconsistent with the provisions of this Act, are hereby repealed.

SEC. 41. The Commission created under this Act shall succeed to the Commission created by Act Numbered Twenty-six hundred and ninety-four in the dispatch, hearing, and determination of all pending matters before the latter; and shall take charge of its archives, books, furniture, equipment, and other properties of whatsoever nature.

SEC. 42. In addition to the amount appropriated for the former Commission, the sum of twenty-five thousand pesos, or so much thereof as may be necessary, is hereby appropriated out of any funds in the Insular Treasury not otherwise appropriated for carrying out the provisions of this Act.

SEC. 43. This Act shall take effect on its approval.

Approved, March 19, 1923

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.