

[REPUBLIC ACT NO. 11322, April 17, 2019]

AN ACT GRANTING A LEGISLATIVE FRANCHISE TO COTABATO ELECTRIC COOPERATIVE, INC.-PPALMA (COTELCO-PPALMA) TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END USERS IN THE MUNICIPALITIES OF PIKIT, PIGCAWAYAN, ALEOSAN, LIBUNGAN, MIDSAYAP AND ALAMADA, PROVINCE OF COTABATO, AND ITS NEIGHBORING SUBURBS

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Nature and Scope of Franchise.* - Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to the Cotabato Electric Cooperative, Inc.-PPALMA (COTELCO-PPALMA), hereunder referred to as the grantee, its successors or assignees, a franchise to construct, install, establish, operate and maintain for public interest, a distribution system for the conveyance of electric power to the end users in the municipalities of Pikit, Pigcawayan, Aleosan, Libungan, Midsayap and Alamada, Province of Cotabato, and its neighboring suburbs.

SEC. 2. *Manner of Operation of Facilities.* ~ All electric distribution facilities, lines, and systems for electric services owned, maintained, operated, or managed by the grantee, its successors or assignees, shall be operated and maintained at all times in the best manner, and it shall be the duty of the grantee¹, its successors or assignees, whenever required to do so by the Energy Regulatory Commission (ERC) or its legal successor, or the Department of Energy (DOE) or its legal successor, or the National Electrification Administration (NEA) or its legal successor, or any other government agency concerned, to modify, improve and change such facilities or systems in such a manner and to such extent, as the progress in science and improvements in the electric power service industry may render reasonable and proper.

Whenever practicable and for purposes of maintaining order, safety and aesthetics along highways, roads, streets, alleys, or easements, the grantee may allow the use of its poles, facilities, or easements by interested parties upon reasonable compensation. The ERC or the NEA shall resolve cases of dispute or disagreement between parties.

SEC. 3. *Authority of the Energy Regulatory Commission (ERC) and the National Electrification Administration (NEA).* - The grantee shall secure from the ERC or the NEA, or any other government agency which has jurisdiction over the operation of the herein grantee, the necessary certificate of public convenience and necessity and other appropriate permits and licenses for the construction and operation of its electric distribution system.

SEC. 4. *Excavation and Restoration Works.* — For the purpose of erecting and maintaining poles and other supports for wires or other conductors for laying and maintaining underground wires, cables, pipes or other conductors, the grantee, its successors or assignees, is authorized to make excavations or lay conduits in any of the public places, roads, highways, streets, lanes, alleys, avenues, sidewalks, or bridges of said province, cities and/or municipalities, subject to prior approval of the Department of Public Works and Highways (DPWH) or the local government units (LGUs) concerned: *Provided, however,* That any

public place, road, highway, street, lane, alley, avenue, sidewalk, or bridge disturbed, altered, or changed by reason of erection of poles or other supports or the underground laying of wires, other conductors or conduits, shall be repaired or replaced in workmanlike manner at the expense of the grantee, its successors or assignees, in accordance with the standards set by the DPWH or the LGU concerned. Should the grantee, its successors or assignees, after the ten (10)-day notice from the said authority, fail, refuse or neglect to repair or replace any part of public place, road, highway, street, lane, alley, avenue, sidewalk, or bridge disturbed, altered, or changed by the said grantee, its successors or assignees, then the DPWH or the LGU concerned shall have the right to have the same repaired or replaced in good order and condition and charge the grantee, its successors or assignees, at double the amount of the costs and expenses for such repair or replacement.

SEC. 5. Responsibility to the Public. - The grantee shall supply electricity to its captive market in the least costly manner. In the interest of the public good and as far as feasible and whenever required by the ERC, the grantee shall modify, improve or change its facilities, poles, lines, systems, and equipment for the purpose of providing efficient and reliable service and reduced electricity costs. The grantee shall charge reasonable and just power rates for its services to all types of consumers within its franchised areas.

The grantee shall have the obligation to provide open and nondiscriminatory access to its distribution system and services to any end user within its franchise area consistent with Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001". The grantee shall not engage in any activity that will constitute an abuse of market power such as unfair trade practices, monopolistic schemes, and any other activities that will hinder competitiveness of business and industry.

SEC. 6. Rates for Services. - The retail rates and charges for the distribution of electric power by the grantee to its end user shall be regulated by and subject to the approval of the ERC or its legal successor.

The grantee shall identify and itemize in its electricity bill to the end users the components of the retail rate pursuant to Republic Act No. 9136. Such rates charged by the grantee to the end users shall be made public and transparent. The grantee shall implement lifeline rate to marginalized end users as mandated under Republic Act No. 9136.

SEC. 7. Protection of Consumer Interests. — The herein grantee shall establish a consumer desk that will handle consumer complaints and ensure adequate protection of consumer interests. The grantee shall act with dispatch on all complaints brought before it.

SEC. 8. Commitment to Provide and Promote the Creation of Employment Opportunities. - The grantee shall create employment opportunities and shall allow on-the-job trainings in their franchise operation: *Provided*, That priority shall be accorded to the residents where their principal office is located: *Provided, further*, That the grantee shall follow the applicable labor standards and allowance-entitlement under existing labor laws, rules and regulations, and similar issuances: *Provided, finally*, That the employment opportunities or jobs created shall be reflected in the General Information Sheet (GIS) to be submitted to the Securities and Exchange Commission annually.

SEC. 9. Right of the Government. - A special right is hereby reserved to the President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order: to temporarily take over and operate the distribution system of the grantee; to temporarily suspend the operation of any station or facility in the interest of public safety, security and public welfare; or to authorize the temporary use and operation thereof by any agency of the government, upon due compensation to the grantee, for the use of said distribution system during the period when these shall be so operated.

SEC. 10. Right of Eminent Domain. - Subject to the limitations and procedures prescribed by law, the grantee is authorized to exercise the right of eminent domain insofar as it may be reasonably necessary for