

[Act No. 2831, March 06, 1919]

AN ACT TO CREATE A CORPORATION TO BE KNOWN AS THE BOHOL ELECTRIC LIGHT COMPANY, AND TO GRANT TO THE SAME A FRANCHISE TO INSTALL, OPERATE, AND MAINTAIN AN ELECTRIC LIGHT, HEAT, AND POWER SYSTEM IN THE PROVINCE OF BOHOL, AND FOR OTHER PURPOSES.

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. A corporation is hereby created, to be known as the Bohol Electric Light Company, the main office of which shall be in the municipality of Tagbilaran, Bohol, Philippine Islands, and which shall exist for a period of fifty years, from and after the date of the approval of this Act.

SEC. 2. The said corporation shall be subject to the provisions of the Corporation Law in so far as they are not inconsistent with the provisions of this Act, and shall have the general powers mentioned in said law and such other powers as may be necessary to carry out the purposes mentioned in section nine of this Act.

SEC. 3. The capital of said corporation shall be two hundred thousand pesos, Philippine currency, divided into eight thousand shares of stock having a par value of twenty-five pesos each, and no stock of said corporation shall be issued at less than par nor except for cash.

Shares of stock subscribed on or before December thirty-first, nineteen hundred and nineteen, shall be paid as follows : Twenty-five per cent of the value at the time of the subscription; twenty-five per cent of the value on or before August thirty-first, nineteen hundred and nineteen; twenty-five per cent of the value on or before October thirty-first, nineteen hundred and nineteen; and twenty-five per cent of the value on or before December thirty-first, nineteen hundred and nineteen. Shares subscribed after December thirty-first, nineteen hundred and nineteen, shall be paid in the form and manner prescribed by the board of directors.

SEC. 4. The provincial governor of Bohol, on behalf of the Province of Bohol, shall subscribe for not less than fifty-one per cent of said capital stock, and the remainder may be offered to the municipalities of the Province of Bohol, to other public or semi-public entities established by law, or to the public, at a price not less than par which the board of directors shall from time to time determine.

The shares of stock belonging to the Province of Bohol shall not be encumbered without express authorization of the Secretary of the Interior, and the sale, transfer, or disposal of said shares of stock, or any part thereof, except to the Insular Government, is hereby prohibited. The provincial board of Bohol shall be the representative of the Province of Bohol with regard to the shares of stock acquired by it and shall take part in all the proceedings of the corporation, the same as any other stockholder, stating its conformity or nonconformity by means of resolutions passed for said purpose, but when at any meeting of the corporation, the subject of the disposal, alienation, or encumbrance of any property belonging to the corporation shall be considered, no action of the provincial board of Bohol shall be

valid unless it be in the shape of a resolution approved by the Secretary of the Interior.

SEC. 5. The provincial board of Bohol, Philippine Islands, is hereby authorized to appropriate, out of any funds belonging to the Province of Bohol not otherwise appropriated, the sum of one hundred thousand and twenty-five pesos, to purchase one half plus one of the shares of stock of the corporation known as the Bohol Electric Light Company, and in case there shall be no funds available for said purpose in the said treasury, or, in the event of there being such, if the same are not sufficient, the provincial board of Bohol is hereby authorized to contract the necessary loans, with the approval of the Secretary of the Interior first had.

SEC. 6. Said corporation may make use of the services of the provincial fiscal, in his capacity as attorney, of the engineer, of the district auditor, or of the provincial treasurer, for the performance of private work of the corporation, and the designation or appointment of said officers shall be subject to approval, or to revocation at any time, by the proper department head. Aside from the additional compensation for the officer appointed in accordance with the provisions of this section agreed upon between the parties, which compensation such officer may receive, any provision of existing law to the contrary notwithstanding, said corporation shall refund to the Bureau or office concerned such reasonable amount for the services rendered as may be determined by the Insular Auditor, whose decision in the premises shall be binding upon all parties.

SEC. 7. After deduction of the administration expenses, the net profits or gains resulting from the operations of said corporation shall be apportioned annually as follows:

For the creation and maintenance of a reserve fund, a sum equal to twenty per cent of the net profits. The remainder of said profits shall be distributed among the stockholders in the form of dividends, unless a majority of the stockholders should resolve that all or part of the dividends available for distribution be set aside to extend the business of the corporation.

SEC. 8. All profits assigned as dividends to the shares, of the Province of Bohol shall be paid into the treasury of said province, for the funds from which the sums invested by the province in shares of stock were taken, and in proportion to such sums.

SEC. 9. Subject to the conditions established in this Act and to the provisions of Act Numbered Twenty-three hundred and seven, as now or hereafter amended, that may be applicable, the corporation known as the Bohol Electric Light Company, created by this Act, which shall in the following sections be briefly designated as the grantee, is hereby granted the right, privilege, and authority, for a period of fifty years from and after the approval of this Act, to construct, maintain, and operate a dam in the Loboc River, municipality of Loboc, Bohol, for the use of the waters of said river for the generation and development of the necessary power for the operation of an electric light, heat, and power system on all roads, streets, thoroughfares, and public places of the Province of Bohol, Philippine Islands, and its municipalities, and for the placing of poles, wires, and all necessary apparatus and appurtenances for the transmission and distribution of electric currents for electric power, heat, and light in said Province of Bohol, for public, 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 and officers authorized by law: and shall in no case exceed thirty centavos per kilowatt: *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 purposes 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 five months from the date of its organization, this franchise shall become null and void.

SEC. 10. 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 of the municipalities in which they are erected, and shall be placed with due regard for the public safety so as not to be a danger to the same, in accordance with plans approved by the respective municipal authorities, represented by their municipal presidents, 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 exceed 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 councils concerned: *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. 11. 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 municipalities concerned.

SEC. 12. Whenever it shall be necessary in the erection of said poles to take up any portion of the sidewalks 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 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 respective municipal councils, to change the location of said posts, such change shall be made by the grantee, its successors or assigns, at their,' expense, without delay, and said posts shall be placed where directed by the said municipal councils.