

[Act No. 2006, December 19, 1910]

AN ACT TO PROVIDE FOR THE GRANTING OF A FRANCHISE FOR THE USE OF THE WATERS OF THE AGNO RIVER IN THE SUBPROVINCE OF BENGUET, MOUNTAIN PROVINCE, FOR THE GENERATION OF POWER FOR THE MAINTENANCE OF AN ELECTRIC LIGHT, HEAT, AND POWER SYSTEM AND THE SUPPLY OF SUCH LIGHT, HEAT, AND POWER IN AND TO THE CITY OF BAGUIO AND IN THE SUBPROVINCE OF BENGUET, MOUNTAIN PROVINCE.

By authority of the United States, be it enacted by the Philippine Commission, that:

SECTION 1. Authority is hereby granted for the construction, construction of maintenance, and operation of a dam across the Agno River, in the subprovince of Benguet, Mountain Province, at a point to be approved by the Secretary of Commerce and Police, for the use of the waters of said river for the generation and development of the power necessary for the operation of an electric light, heat, and power system an power supply system in the city of Baguio, and in the subprovince of Benguet, in said Mountain Province, and for the erection, maintenance, and operation of an electric light, heat, and power supply system with all necessary buildings, poles, wires, apparatus, and appurtenances for supplying electric current in and to the city of Baguio and in the subprovinee of Benguet, Mountain Province; and the Governor-General is hereby authorized, on behalf of the Governor-General Government of the Philippine Islands, to other for public bidding the franchise set forth in this Act, and to grant said franchise to the best bidder, upon such terms as to percentage of gross earnings, lo be paid in lieu of Insular, provincial, and municipal taxes on the franchise or earnings thereof, which shall in no case be less than one and one-half per centum, and under such terms and conditions as in time of advertisement and manner of bidding, as he may deem proper.

SEC 2. The franchise referred to in section one hereof shall be substantially in the following form :

"FRANCHISE.

"ARTICLE 1. There is hereby granted to for the period of fifty years from and after the passage of this Act and upon the terms and conditions hereinafter set out, the right and privilege to construct a dam across the Agno River, at or near in the subprovice of Benguet, Mountain Province; the right and privilege to use the waters of said river for Purpose, the generation and development of the power necessary for the operation of an electric light, heat, and power supply system in the city of Baguio and in the subprovince of Benguet, in said Mountain Province; the right and privilege to erect, maintain, and operate an electric light, heat, and power supply system at and in the city of Baguio, and in the subprovince of Benguet, in said Right of way. Mountain Province ; and the right and privilege to erect, construct, maintain, and operate in, along, and over any and all streets, thoroughfares, and public places at and in said city and subprovince any and all necessary buildings, poles,

wires, and all other necessary and proper constructions, erections, apparatus, and appurtenances of every kind and nature whatsoever for the transmission and distribution of electric currents for electric light, heat, and power and for any other purpose, excepting wireless telegraphy, for which electricity may be used to properly and fully supply said city of Baguio and subprovince of Benguet and any and all persons, companies, and corporations residing therein with such light, heat, and power: *Provided*, That any and all surveys, plats, and plans under or in accordance with which said dam and any and all buildings, lines for transmission of electricity for any purpose, and constructions and erections of every kind and nature whatsoever are to be constructed, shall first be submitted in and approved by the Director of Public Works and the Secretary of Commerce and Police, before the grantee shall be empowered to commence work thereunder, and that, after such approval, no deviation from said approved surveys, plats, and plans shall be permitted said grantee without prior approval of such and all deviations by said Director of Public Works and Secretary of Commerce and Police: *Provided further*, That upon the expiration of the period of this grant and upon request of the grantee, a renewal hereof for a second period of fifty years may be allowed by the Philippine Commission or its successor upon such terms as to payment as may then seem advisable: *And provided further*, That this grant is expressly made subject to any and all vested rights which may have accrued prior to the passage of this Act.

"ART. 2. The grantee shall file his acceptance in writing of this grant and all the conditions hereof with the Secretary of Commerce and Police within thirty days after he receives notice in writing that the franchise has been awarded to him and, after completion of the dam and electric light, heat, and power supply system, as provided in article three hereof, shall then and thereafter, continuously, during the period of this grant, maintain a first-class electric light, heat, and power service at the places and in the manner herein provided.

"ART. 3. The grantee shall begin the construction of said dam before the expiration of the twelve months next following the date of filing the written acceptance of this franchise, and shall complete the same and all other necessary constructions and be ready to furnish electric light, heat, and power, as aforesaid, within three years from the date of filing said written acceptance. Should said grantee default in the time set for either such beginning or such completion, the grant herein and hereby made shall then and there cease and determine, and any and all construction then begun or completed as the case may be, shall thereupon become the property of the Government of the Philippine Islands: *Provided*, That if such or either default on the part of the grantee as aforesaid shall occur by reason of causes not within the control of or power of prevention by said grantee, the Secretary of Commerce and Police may grant such extension of time for either such beginning or completion as may seem to him necessary and proper.

"ART. 4. The grantee shall have, and he is hereby expressly given, the right to charge and collect tolls, rates, and compensation for the supply

by him of such electric light, heat, and power: *Provided*, That such tolls, rates, and compensation shall not be legal and effective until approved by the Board of Rate Regulation, and after being thus approved shall be and are hereby expressly made subject to regulation and revision by the Philippine Government.

"ART. 5. The grantee shall use only modern and first-class apparatus, appurtenances, and appliances, and all electric installation of every kind and nature shall be so insulated, connected, and fastened as not to come in direct contact with any person or object by which a 'ground' may be caused, and no part of any such apparatus, appurtenances, appliances, and installation shall be so placed as to interfere with the free and unobstructed use by the public of highways, roads, streets, alleys, or public places or as to interfere with any use of any public or private property: *Provided*, That the grantee herein shall, whenever the Philippine Commission or its successor so direct, place said wires in underground pipes or conduits at his own expense and without any cost or damage to the city of Baguio, the subprovince of Benguet or any township thereof, the Mountain Province, or the Government of the Philippine Islands.

"ART. 6. The grantee shall indemnify said city of Baguio, said subprovince of Benguet or any township thereof, said Mountain Province, and the Government of the Philippine Islands for any and all damage or injury which may be caused said city, townships, subprovince, province, and Government of the Philippine Islands, or either of them, arising from any casualty or accident to person or property by reason of any construction, installation, omission, or neglect, had and made by him under the powers herein granted, and for any and all valid claims made against said city, townships, subprovince, province, and the Government of the Philippine Islands, or either of them, by any person or persons by reason of any damage or injury caused by any such construction, installation, omission, or neglect.

"ART. 7. The grantee may sell, grant, convey, assign, give, or sale arconveyance lease this grant and all rights hereunder, as well as all property acquired for the purposes hereof, to any person or persons, company, or corporation competent to construct the plant and conduct the business herein authorized, but no title to this grant, or rights or property acquired hereunder, shall pass to the grantee, nor shall any sale, grant, conveyance, assignment, gift, or lease by the grantee to any person or persons, company, or corporation be or become valid and binding unless and until the acceptance provided for in article two hereof shall have been made and filed as and when provided for in said article: *Provided*, That no transfer of this franchise shall become effective under the provisions of this article until said transfer has been previously approved in writing by the Secretary of Commerce and Police.

"ART. 8. Within thirty days after the date of an application therefor, the grantee shall furnish electric light, heat, and power etc. to any applicant therefor, for use in the said city and subprovince. As between two or more of such applicants, electricity shall be furnished in the order of the