

[Commonwealth Act No. 120, November 03, 1936]

AN ACT CREATING THE "NATIONAL POWER CORPORATION," PRESCRIBING; ITS POWERS AND ACTIVITIES, APPROPRIATING THE NECESSARY FUNDS THEREFOR, AND RESERVING THE UNAPPROPRIATED PUBLIC WATERS FOR ITS USE.

Be it enacted by the National Assembly of the Philippines:

SECTION 1. For the purpose of undertaking the development of hydraulic power and the production of power from other sources and for other purposes specified in this Act, there is hereby created a public corporation which shall be known as the "National Power Corporation." The words "Corporation" and "Board" appearing in this Act shall respectively refer to the National Power Corporation and the National Power Board, hereinafter created.

SEC. 2. The powers, functions, rights and activities of the said corporation shall be the following:

- a. To have continuous succession under its corporate name until otherwise provided by law;
- b. To prescribe its by-laws;
- c. To adopt and use a seal and alter it at its pleasure;
- d. To sue and be sued in any court;
- e. To conduct investigations and surveys for the development of water power in any part of the Philippines;
- f. To take water from any public stream, river, creek, lake, spring or waterfall in the Philippines, for the purposes specified in this Act; to intercept and divert the flow of waters from lands of riparian owners and from persons owning or interested in waters which are or may be necessary for said purposes, upon payment of due compensation therefor; to alter, straighten, obstruct or increase the flow of water in streams or water channels intersecting or connecting therewith or contiguous to its works or any part thereof;
- g. To construct, operate and maintain power plants, auxiliary plants, dams, reservoirs, pipes, mains, transmission lines, power stations and substations, and other works for the purpose of developing hydraulic power from any river, creek, lake, spring and waterfall in the Philippines and supplying such power to the inhabitants thereof; to acquire, construct, install, maintain, operate and improve gas, oil, or steam engines, and/or other prime movers, generators and other machinery in plants and/or auxiliary plants for the production of electric power; to establish, develop, operate, maintain and administer power and lighting systems for the use of the Government and the general public; to sell electric power and to fix the rates and provide for the collection of the charges for any service rendered: Provided, That the rates of charges shall not be subject to revision by the Public Service Commission;
- h. To acquire, promote, hold, transfer, sell, lease, rent, mortgage, encumber and otherwise dispose of anything incident to, or necessary, convenient or proper to carry out the purposes for which the corporation was created;
- i. To construct works across, or otherwise, any stream, watercourse, canal, ditch, flume, street, avenue, highway or railway of private and public ownership, as

the location of said works may require: Provided, That said works be constructed in such a manner as not to endanger life or property: And provided, further, That the stream, water-course, canal, ditch, flume, street, avenue, highway or railway so crossed or intersected be restored as near as may be to their former state, or in a manner not to impair unnecessarily their usefulness, Every person or entity whose right-of-way is crossed or intersected by said works shall not obstruct any such crossings or intersections and shall grant the Board or its representative, the proper authority for the execution of such work. The Corporation is hereby given the right-of-way to locate, construct and maintain such works over and throughout the lands owned by the Commonwealth of the Philippines or any of its branches and political subdivisions. The Corporation or its representative may also enter upon private property in the lawful performance or prosecution of its business and purposes : *Provided*, That the owner of such private property shall be indemnified for any actual damage caused thereby;

- j. To exercise the right of eminent domain for the purposes of this Act in the manner provided by law for instituting condemnation proceedings by the national, provincial, and municipal governments;
- k. When essential to the proper administration of its corporate affairs or necessary for the proper transaction of its business or to carry out the purposes for which it was organized, to contract indebtedness and issue bonds subject to the approval of the President of the Philippines upon the recommendation of the Secretary of Finance. The bonded indebtedness of the Corporation, of all classes, shall not at any time exceed twenty million pesos and the issue thereof shall be subject to the conditions set forth in section four of this Act; and
- l. To exercise such powers and do such things as may be reasonably necessary to carry out the business and purposes for which it was organized, or which, from time to time, may be declared by the Board to be necessary, useful, incidental or auxiliary to accomplish the said purposes.

SEC. 3. All corporate powers of the National Power Corporation shall be vested in a board to be known as the National Power Board, composed of five members who shall all be appointed by the President of the Philippines with the consent of the Commission on Appointments of the National Assembly. The members of the Board shall hold office for a term of three years. The Board shall immediately organize by electing a chairman from among its members and by adopting its rules of procedure and fixing the time and place for holding regular meetings.

The members of said Board who are not in the employ of the Government of the Commonwealth of the Philippines shall each receive a per diem of not to exceed twenty- five pesos for each day of meeting of the Board actually attended by them.

It shall appoint its secretary and fix his salary which shall not exceed four thousand pesos per annum.

The Board shall render reports to the President of the Philippines and the National Assembly as provided in section five hundred and seventy-four to five hundred and seventy-seven, inclusive, of Act Numbered Twenty-seven hundred and eleven.

SEC. 4. Whenever the Board may deem it necessary for the Corporation to incur an indebtedness or to issue bonds to carry out the purposes for which the Corporation