



HOUSE OF REPRESENTATIVES

H. No. 5664

---

BY REPRESENTATIVES VILLAFUERTE AND ALVAREZ (F.), PER COMMITTEE  
REPORT NO. 243

---

AN ACT GRANTING THE BICOL LIGHT AND POWER CORPORATION  
A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,  
OPERATE, AND MAINTAIN A POWER DISTRIBUTION SYSTEM  
FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END  
USERS IN THE TOWNS OF BAAO, BALATAN, BATO, BUHI,  
BULA, NABUA, AND THE CITY OF IRIGA, PROVINCE OF  
CAMARINES SUR

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

1           SECTION 1. *Nature and Scope of Franchise.* — Subject to the  
2 provisions of the Constitution and applicable laws, rules and regulations, there  
3 is hereby granted to the Bicol Light and Power Corporation, hereunder  
4 referred to as the grantee, its successors or assignees, a franchise to construct,  
5 install, establish, operate, and maintain for public interest, a power distribution  
6 system for the conveyance of electric power to the end users in the towns of  
7 Baao, Balatan, Bato, Buhi, Bula, Nabua, and the City of Iriga, Province of  
8 Camarines Sur.

9           SEC. 2. *Manner of Operation of Facilities.* — All electric distribution  
10 facilities, lines, and systems for electric services owned, maintained, operated,  
11 or managed by the grantee, its successors or assignees, shall be operated and  
12 maintained at all times in the best manner, and it shall be the duty of the

1 grantee, its successors or assignees, whenever required to do so by the Energy  
2 Regulatory Commission (ERC) or its legal successor, or the Department of  
3 Energy (DOE) or its legal successor, or the National Electrification  
4 Administration (NEA) or its legal successor, or any other government agency  
5 concerned, to modify, improve and change such facilities or systems in such a  
6 manner and to such extent as the progress in science and improvements in the  
7 electric power service industry may render reasonable and proper.

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

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

19 SEC. 4. *Excavation and Restoration Works.* — For the purpose of  
20 erecting and maintaining poles and other supports for wires or other  
21 conductors for laying and maintaining underground wires, cables, pipes or  
22 other conductors, the grantee, its successors or assignees, is authorized to  
23 make excavations or lay conduits in any of the public places, roads, highways,  
24 streets, lanes, alleys, avenues, sidewalks, or bridges of said province, cities  
25 and/or municipalities, subject to prior approval of the Department of Public  
26 Works and Highways (DPWH) or the local government units (LGUs)  
27 concerned: *Provided, however,* That any public place, road, highway, street,  
28 lane, alley, avenue, sidewalk, or bridge disturbed, altered, or changed by  
29 reason of erection of poles or other supports or the underground laying of

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

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

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

26       SEC. 6. *Rates for Services.* – The retail rates and charges for the  
27 distribution of electric power by the grantee to its end users shall be regulated  
28 by and subject to the approval of the ERC or its legal successor.

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

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

10       SEC. 8. *Right of the Government.* — A special right is hereby reserved  
11 to the President of the Philippines, in times of war, rebellion, public peril,  
12 calamity, emergency, disaster or disturbance of peace and order: to  
13 temporarily take over and operate the distribution system of the grantee; to  
14 temporarily suspend the operation of any station or facility in the interest of  
15 public safety, security and public welfare; or to authorize the temporary use  
16 and operation thereof by any agency of the government, upon due  
17 compensation to the grantee, for the use of said distribution system during the  
18 period when these shall be so operated.

19       SEC. 9. *Right of Eminent Domain.* — Subject to the limitations and  
20 procedures prescribed by law, the grantee is authorized to exercise the right of  
21 eminent domain insofar as it may be reasonably necessary for the efficient  
22 maintenance and operation of services. The grantee is authorized to install and  
23 maintain its poles, wires, and other facilities over and across public property,  
24 including streets, highways, forest reserves, and other similar property of the  
25 Government of the Philippines, its branches, or any of its instrumentalities.  
26 The grantee may acquire such private property as is actually necessary for the  
27 realization of the purposes for which this franchise is granted: *Provided,* That  
28 proper condemnation proceedings shall have been instituted and just  
29 compensation paid.



1           SEC. 10. *Term of Franchise.* – This franchise shall be for a term of  
2   twenty-five (25) years from the date of effectivity of this Act, unless sooner  
3   cancelled. This franchise shall be deemed *ipso facto* revoked in the event that  
4   the grantee fails to operate continuously for two (2) years.

5           SEC. 11. *Acceptance of the Franchise.* – Acceptance of the terms of  
6   this franchise shall be given in writing to the Committee on Legislative  
7   Franchises of the House of Representatives and the Committee on Public  
8   Services of the Philippine Senate, within sixty (60) days after the effectivity of  
9   this Act. Upon giving such acceptance, the grantee shall exercise the  
10   privileges granted under this Act. Nonacceptance shall render the franchise  
11   void.

12          SEC. 12. *Warranty in Favor of the National and Local Governments.*  
13   – The grantee shall hold the national, provincial, city and municipal  
14   governments of the Philippines free from all claims, liabilities, demands or  
15   actions arising out of accidents that cause injury to persons and damage to  
16   properties during the construction, installation, operation, and maintenance of  
17   the distribution system of the grantee.

18          SEC. 13. *Liability to Damages.* – The grantee shall be liable for any  
19   injury to persons and damage to property arising from or caused by accident  
20   by reason of any defective construction under this franchise or of any neglect  
21   or omission to keep its poles and wires in safe condition.

22          SEC. 14. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of*  
23   *Franchise.* – The grantee shall not sell, lease, transfer, grant the usufruct of,  
24   nor assign this franchise or the rights and privileges acquired thereunder to any  
25   person, firm, company, corporation, or other commercial or legal entity, nor  
26   merge with any other corporation or entity, nor shall transfer the controlling  
27   interest of the grantee, whether as a whole or in parts, and whether  
28   simultaneously or contemporaneously, to any such person, firm, company,  
29   corporation or entity without the prior approval of the Congress of the

Philippines: *Provided*, That Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of franchise or the rights and privileges acquired thereunder, or of the merger or transfer of the controlling interest of the grantee, within sixty (60) days after the completion of the said transaction: *Provided, further*, That any such transfer, sale or assignment is in accordance with constitutional limitations: *Provided, furthermore*, That failure to report to Congress such change of ownership shall render the franchise *ipso facto* revoked: *Provided, finally*, That any person or entity to which this franchise is sold, transferred or assigned shall be subject to the same conditions, terms, restrictions and limitations of this Act.

SEC. 15. *Reportorial Requirement.* — The grantee shall submit an annual report to the Congress of the Philippines, through the Committee on Legislative Franchises of the House of Representatives and the Committee on Public Services of the Philippine Senate, on its compliance with the terms and conditions of the franchise and on its operations on or before April 30 of the succeeding year.

SEC. 16. *Equality Clause.* — Except for taxes and customs duties, any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or may hereinafter be granted shall, upon prior review and approval of Congress, become part of previously granted power distribution franchises and shall be accorded immediately and unconditionally to the grantees of such franchises: *Provided, however*, That the foregoing shall neither apply to nor affect provisions concerning territory covered, term, or the type of service authorized by the franchise: *Provided, further*, That the foregoing shall not apply to the sale, lease, transfer, grant of usufruct, or assignment of legislative franchises with prior congressional approval.

SEC. 17. *Applicability of Existing Laws.* — The grantee shall comply with and be subject to the provisions of Commonwealth Act No. 146, or the "Public Service Act", as amended; Republic Act No. 9136; and Republic

1 Act No. 10531 or "An Act Strengthening the National Electrification  
2 Administration, Further Amending for the Purpose Presidential Decree  
3 No. 269, as Amended, Otherwise Known as the 'National Electrification  
4 Administration Decree' ".

5 SEC. 18. *Fine.* — Any grantee who fails to submit the annual report to  
6 Congress shall be penalized by a fine of five hundred pesos (P500.00) per  
7 working day of noncompliance. The fine shall be collected separately by the  
8 ERC distinct from the penalties it imposes for noncompliance of its own  
9 reportorial requirements.

10 SEC. 19. *Repealability and Nonexclusivity Clause.* — This franchise  
11 shall be subject to amendment, alteration, or repeal by the Congress of the  
12 Philippines when the public interest so requires and shall not be interpreted as  
13 an exclusive grant of the privileges herein provided for.

14 SEC. 20. *Separability Clause.* — If any of the sections or provisions  
15 of this Act is held invalid, all other provisions not affected thereby shall  
16 remain valid.

17 SEC. 21. *Repealing Clause.* — All laws, decrees, orders, resolutions,  
18 instructions and rules and regulations or parts thereof, which are inconsistent  
19 with this Act, are hereby deemed repealed or modified accordingly.

20 SEC. 22. *Effectivity.* — This Act shall take effect fifteen (15) days  
21 after its publication either in the *Official Gazette* or in a newspaper of general  
22 circulation.

Approved,

O