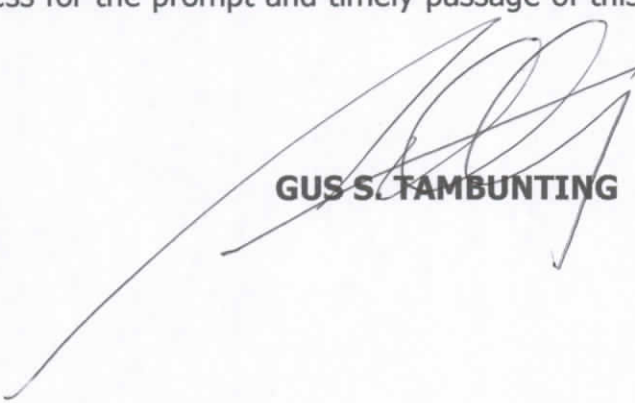




minerals. It also owns 30% participating interest in Service Contract 72, the Recto Bank Block, which is a claim over a natural gas field in the West Philippine Sea. Monte Oro has the track record for big business and is backed up by the impressive financial resources of its stockholders group. MORE is managed by reputable, experienced and competent executives and officers who will apply their expertise and devotion towards giving the people of the City of Iloilo the electrical distribution company that they need and deserve.

Considering that MORE Minerals Corporation possesses the required capability, it is apt for the Congress to grant MORE Minerals Corporation franchise to establish, operate, and maintain a distribution system for the conveyance of electric power to end users in the City of Iloilo.

The Support of the Members of Congress for the prompt and timely passage of this measure is earnestly sought.



GUS S. TAMBUNTING

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 8132

Introduced by **HON. GUS S. TAMBUNTING**

AN ACT
GRANTING MORE MINERALS CORPORATION A FRANCHISE TO ESTABLISH,
OPERATE, AND MAINTAIN, FOR COMMERCIAL PURPOSES AND IN THE
PUBLIC INTEREST, A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF
ELECTRIC POWER TO END USERS IN THE CITY OF ILOILO, IN THE
PROVINCE OF ILOILO

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

SECTION 1. *Nature and Scope of the Franchise.* — Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to MORE Minerals Corporation, hereinafter referred to as the Grantee, its successors or assigns, a franchise to establish, operate, and maintain, for commercial purposes and in the public interest, a distribution system for the conveyance of electric power to end users in the City of Iloilo.

As used in this Act, Distribution system refers to the system of wires and associated facilities including sub-transmission lines belonging to or used by a franchised distribution utility extending between the delivery point on the national transmission system or generating facility and the metering point/facility of the end-user.

SECTION 2. *Manner of Operation of Facilities.* — The electric distribution system, including distribution facilities, lines and systems for electric services owned, maintained, or operated by the Grantee shall be operated and maintained at all times in a superior manner. It shall be the duty of the Grantee, whenever required to do so by the Energy Regulatory Commission (ERC) or its legal successor, Department of Energy 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 free spaces in its poles, facilities, or easements by interested parties upon reasonable compensation. The ERC shall resolve disputes or disagreements between parties concerned.

SECTION 3. *Certificate of Public Conveyance and Necessity.* – The Grantee shall secure from the ERC, or any other government agency which has jurisdiction over the operations of the Grantee, the necessary certificate of public conveyance and necessity and other appropriate permits, licenses for the construction and operation of its electric distribution system.

SECTION 4. *Excavation and Restoration Works.* – For the purpose of erecting, maintaining or replacing poles and other support for wires or other conductors, the Grantee is authorized to enter and make excavations or lay conduits in any of the public places, roads, highways, streets, lanes, alleys, avenues, sidewalks, or bridges in its franchise area, subject to prior approval of the Department of Public Works and Highways (DPWH) or the City Government of Iloilo. *Provided, however,* That any public place, road, highway, street, lane, alley, avenue, sidewalk, or bridge distributed, altered, or changed by the reason of the 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 in accordance with the standard set by the DPWH or the City Government of Iloilo. Should the Grantee after the 10-day notice from the DPWH or the City Government of Iloilo, fail to repair or replace any part of public place, road, highway, street, lane, alley, avenue, sidewalk, or bridge disturbed, altered, or changed, the DPWH or City Government of Iloilo shall have the right to have the same repaired or replaced in good order and condition and charge the Grantee for such repair or replacement.

SECTION 5. *Power of Eminent Domain.* – Subject to the limitations and procedures prescribed by law, the Grantee is authorized to exercise the power of eminent domain insofar as it may be reasonably necessary for the efficient establishment, improvement, upgrading, rehabilitation, maintenance and operation of its services, the Grantee is authorized to install and maintain its poles, wires, and other facilities over, under and across public property, including, streets, highways, parks and other similar property of the Government of the Philippines, its branches, or any of its instrumentalities. The Grantee may acquire such private property as is actually necessary for the realization of the purposes for which this franchise is granted, including but not limited to poles, wires, cables, transformers, switching equipment and stations, buildings, infrastructures, machineries and equipment previously used, or actually used without legal authority or franchise, or intended to be used, or have been abandoned, unused or underutilized, or which obstructs its facilities, for the operation of a distribution system for the conveyance of electric power to end users in its franchise area;

Provided, that proper expropriation proceedings shall have been instituted and just compensation paid.

Provided further, that upon the filing of the petition for expropriation or at any time thereafter and after due notice to the owner of the property to be expropriated and the deposit in a bank located in the franchise area subject to the order of the court of an amount equivalent to the assessed value of the property for purposes of taxation, the Grantee shall be entitled to immediate possession, operation, control, use and

disposition of the properties sought to be expropriated, including the power of demolition, if necessary, notwithstanding the pendency of the issues before the court. This is without prejudice to the authority of the court to determine the amount of just compensation of the property expropriated after due notice and hearing.

SECTION 6. *Responsibility to the Public.* – The Grantee shall supply electricity in its franchise area 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 end users within its franchise area.

The Grantee shall provide open and non-discriminatory access to its distribution system and services to any end user within its franchise area consistent with Republic Act (RA) 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 in its industry.

SECTION 7. *Service Rates.* – The retail rates and charges for the distribution of electric power by the Grantee to end users shall be regulated by and subject to the approval of the ERC or its legal successor.

The Grantee shall identify and itemize in the electricity bills it issues to end users the components of its retail rate pursuant to RA No. 9136. The rates charged by the Grantee to end users shall be made public and transparent. The Grantee shall implement the lifeline rate to marginalized end users, as mandated by RA No. 9136.

SECTION 8. *Customer Complaints.* – The Grantee shall establish and maintain a customer desk that will handle complaints from end users and ensure adequate protection of their interests. The Grantee shall act with dispatch on all such complaints brought before it.

SECTION 9. *Right of the Government During Emergencies.* – A special right is hereby reserved to the President of the Philippines, in times of war, rebellion, public peril, disturbance of peace and order, calamity, disaster, or emergency to temporarily take over and operate the distribution system of the Grantee, to temporarily suspend its operations, or authorize the temporary use and operation thereof by any agency of the government, with the payment of due compensation for the use of the said distribution system during the period when it shall be so used.

SECTION 10. *Term of the Franchise.* – This franchise shall be for a term of twenty five (25) years from the effectivity of this Act, unless sooner revoked or cancelled by Congress for any violation of the terms and/or provisions of this franchise.

SECTION 11. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of the Franchise.* – The Grantee shall not sell, lease, transfer, grant the usufruct of, nor

assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation, or other commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer the controlling interest of the Grantee, whether as a whole or in parts, and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity, without the prior approval of the Congress of the Philippines. 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 franchise. The sale, lease, transfer, grant of the usufruct, or assignment of this franchise or the merger of the Grantee with another entity or the transfer of its controlling interest without the prior approval of the Congress shall render the transaction null and void and shall be a ground for the revocation of this franchise.

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

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

SECTION 14. *Annual Report to the Congress.* – 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 Senate, on its compliance with the terms and conditions of the franchise and on its operations on or before the thirtieth of April of every year. Such report shall include an update of the development or expansion of the Grantee's business, the Grantee's audited financial statements, as certified by the Securities and Exchange Commission, and the Grantee's latest general information sheet.

SECTION 15. *Compliance with Existing Laws.* – The Grantee shall comply with and be subject to the relevant provisions of Commonwealth Act No. 146, otherwise known as the *Public Service Act*, as amended, and RA No. 9136.

SECTION 16. *Repealability and Non-Exclusivity.* – This franchise shall be subject to the amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires and shall not be interpreted as an exclusive grant of the privileges provided herein.

SECTION 17. *Separability Clause.* – If for any reason, any of the sections or provisions of this Act is declared unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 18. *Repealing Clause* – All laws, decrees, executive orders and issuances, rules and regulations, and other issuances, or parts thereof, that are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 19. *Effectivity Clause*. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,