

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



COMMITTEE REPORT NO. 5

Submitted by the Committee on Legislative Franchises on 23 SEP 2025.

Re: House Bill No. 4746

Recommending its approval in substitution of House Bill Numbered 3083

Sponsor: Representatives John Geesnell "Baba" Yap and Jeffrey P. Ferrer

Mr. Speaker:

The Committee on Legislative Franchises to which was referred House Bill No. 3083, introduced by Rep. John Geesnell "Baba" Yap, entitled:

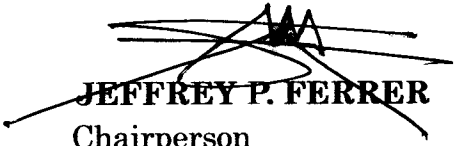
"AN ACT
GRANTING BOHOL LIGHT COMPANY, INC. A FRANCHISE TO
ACQUIRE, ESTABLISH, OPERATE, AND MAINTAIN, FOR
COMMERCIAL PURPOSES AND IN THE PUBLIC INTEREST, A
DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC
POWER TO THE END USERS IN THE CITY OF TAGBILARAN,
PROVINCE OF BOHOL, AND ENSURING THE CONTINUOUS AND
UNINTERRUPTED SUPPLY OF ELECTRICITY IN THE FRANCHISE
AREA"

has considered the same and recommends that the attached House Bill No. 4746,
entitled:

“AN ACT
GRANTING BOHOL LIGHT COMPANY, INC. A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE, OWN, MANAGE
AND MAINTAIN A DISTRIBUTION SYSTEM FOR THE
CONVEYANCE OF ELECTRIC POWER TO THE END-USERS IN
THE CITY OF TAGBILARAN, PROVINCE OF BOHOL, AND
ENSURING THE CONTINUOUS AND UNINTERRUPTED SUPPLY
OF ELECTRICITY IN THE FRANCHISE AREA”

be approved in substitution of House Bill No. 3083 with Reps. John Geesnell “Baba” Yap, Maria Vanessa C. Aumentado, Kristine Alexie B. Tutor, Presley C. De Jesus, Sergio C. Dagooc, Eleandro Jesus F. Madrona, Alfredo Maranon III, Cheeno Miguel D. Almario, Celso G. Regencia, Gil “Kabarangay Jr.” Acosta, Jose Manuel “JM” Floirendo Lagdameo, Ferdinand L. Beltran, Nelson Legacion, Sancho Fernando “Ando” F. Oaminal, Antonino B. Roman III, Edwin Ongchuan, John Tracy F. Cagas, and Jeffrey P. Ferrer as authors thereof.

Respectfully submitted:


JEFFREY P. FERRER

Chairperson

Committee on Legislative Franchises

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY

Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **4746**

(in substitution of House Bill No. 3083)

Introduced by:

REPRESENTATIVES JOHN GEESNELL “BABA” YAP, MARIA VANESSA C.
AUMENTADO, KRISTINE ALEXIE B. TUTOR, PRESLEY C. DE JESUS,
SERGIO C. DAGOOC, ELEANDRO JESUS F. MADRONA, ALFREDO
MARANON III, CHEENO MIGUEL D. ALMARIO, CELSO G. REGENCIA, GIL
“KABARANGAY JR.” ACOSTA, JOSE MANUEL “JM” FLOIRENDO
LAGDAMEO, FERDINAND L. BELTRAN, NELSON LEGACION, SANCHO
FERNANDO “ANDO” F. OAMINAL, ANTONINO B. ROMAN III, EDWIN
ONGCHUAN, JOHN TRACY F. CAGAS, AND JEFFREY P. FERRER

AN ACT

**GRANTING BOHOL LIGHT COMPANY, INC. A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE, OWN, MANAGE AND
MAINTAIN A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF
ELECTRIC POWER TO THE END-USERS IN THE CITY OF
TAGBILARAN, PROVINCE OF BOHOL, AND ENSURING THE
CONTINUOUS AND UNINTERRUPTED SUPPLY OF ELECTRICITY IN
THE FRANCHISE AREA**

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

1 SECTION 1. *Nature and Scope of Franchise.* - Subject to the provisions of the
2 Constitution and applicable laws, rules and regulations, there is hereby granted to
3 Bohol Light Company, Inc., hereunder referred to as the Grantee, its successors or
4 assignees, a franchise to construct, install, establish, operate, own, manage and
5 maintain in the public interest and for commercial purposes, a distribution system
6 for the conveyance of electric power to end-users in the City of Tagbilaran, Province
7 of Bohol.

8

9 As used in this Act, "distribution system" refers to the system of wires and
10 associated facilities including subtransmission lines belonging to or used by a
11 franchised distribution utility extending between the delivery point on the national
12 transmission system or generating facility and the metering point or facility of the
13 end-user.

14

15 SEC. 2. *Manner of Operation of Facilities.* — All electric distribution facilities, lines
16 and systems for electric services constructed, installed, established, operated,
17 owned, managed and maintained by the Grantee, its successors or assignees, shall
18 be operated and maintained at all times in a superior manner, and it shall be the
19 duty of the Grantee, its successors or assignees, whenever required to do so by the
20 Energy Regulatory Commission (ERC) or its legal successor, or the Department of
21 Energy (DOE) or its legal successor, or any other government agency concerned to
22 modify, improve and change such facilities or systems in such manner and to such
23 extent as the progress in science or technology and improvements or innovations in
24 the electric power services may render reasonable and proper.

25

26 Whenever practicable, and for purposes of maintaining order, safety and
27 aesthetics along the highways, roads, streets, alleys or rights-of-way, the Grantee
28 may allow the use of free spaces in its poles, facilities, or rights-of-way by interested
29 parties upon payment of reasonable compensation to the Grantee, considering the
30 costs incurred to accommodate and administer the use of the Grantee's facilities by
31 such parties. The ERC shall decide in case of dispute or disagreement between the
32 parties.

33

34 SEC. 3. *Authority of the Energy Regulatory Commission and Other Government*
35 *Agencies.* — The Grantee shall secure from the ERC or any other government agency
36 having jurisdiction over its operations, the Certificate of Public Convenience and
37 Necessity (CPCN) and any other license, permit, or authority indispensable for the
38 construction and operation of the electric power distribution system.

39

1 SEC. 4. *Excavation and Restoration Works.* — For the purpose of erecting and
2 maintaining the poles or other supports for said facilities, wires, or other conductors
3 or for the purpose of laying and maintaining said facilities, wires, cables or other
4 conductors, it shall be lawful for the Grantee, its successors or assignees, with the
5 prior approval of the Department of Public Works and Highways (DPWH) or the
6 local government unit concerned, as may be appropriate, to make excavations or lay
7 conduits in any of the public places, highways, roads, streets, lanes, alleys, avenues,
8 sidewalks, or bridges of the province, cities, or municipalities: *Provided, however,*
9 That a public place, highway, road, street, lane, alley, avenue, sidewalk, or bridge
10 disturbed, altered, or changed by reason of erection of poles or other supports or the
11 underground laying of wires, other conductors, or conduits shall be repaired and
12 replaced in workmanlike manner by the Grantee, its successors or assignees, in
13 accordance with the standards set by the DPWH or the local government unit
14 concerned. Should the Grantee, its successors or assignees, after the ten (10)-day
15 notice from the grant of authority, fail, refuse, or neglect to repair or replace any
16 part of public place, highway, road, street, lane, alley, avenue, sidewalk, or bridge
17 altered, changed, or disturbed by the said Grantee, its successors or assignees, then
18 the DPWH or the local government unit concerned shall have the right to have the
19 same repaired or replaced in good order and condition and charge the Grantee, its
20 successors or assignees, double the amount of the cost and expenses for such repair
21 or replacement.

22

23 SEC. 5. *Responsibility to the Public.* — The Grantee shall supply electricity to its
24 captive market in the least costly manner. In the interest of the public good and as
25 far as feasible and whenever required by the ERC, the Grantee shall modify,
26 improve, or change its facilities, poles, lines, systems and equipment for the purpose
27 of providing efficient and reliable service and reduced electricity costs. The Grantee
28 shall charge reasonable and just power rates for its services to all types of
29 consumers within its franchise areas in order that businesses and industries shall
30 be able to compete.

31 The Grantee shall have the obligation to provide open and nondiscriminatory
32 access to its distribution system and services for any end-user within its franchise
33 area consistent with Republic Act (RA) No. 9136, otherwise known as the “Electric
34 Power Industry Reform Act of 2001”. The Grantee shall not engage in any activity
35 that will constitute an abuse of market power such as unfair trade practices,
36 monopolistic schemes, and other activities that will hinder competitiveness of
37 businesses and industries.

1 SEC. 6. *Rates for Services.* — The retail rates and charges for the distribution of
2 electric power by the Grantee to its end-users shall be regulated by and subject to
3 the approval of the ERC or its legal successor.

4
5 The Grantee shall identify and segregate in its electricity bill to the end-users
6 the components of the retail rate pursuant to RA No. 9136, unless otherwise
7 amended. Such rates charged by the Grantee to the end-users shall be made public
8 and transparent. The Grantee shall implement a lifeline rate to marginalized
9 end-users, as mandated by RA No. 9136.

10
11 The Grantee shall strictly comply with the systems loss cap prescribed by the
12 ERC.

13
14 SEC. 7. *Promotion of Consumer Interests.* — The Grantee shall establish a
15 consumer desk that will handle complaints and ensure adequate protection of
16 consumer interests. The Grantee shall act with dispatch on all such complaints
17 brought before it.

18
19 The Grantee shall reduce the duration and frequency of interruptions in its
20 network and in that regard shall observe the System Average Interruption
21 Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI)
22 imposed by the ERC.

23
24 SEC. 8. *Election of Independent Directors.* – The Board of the Grantee shall have
25 independent directors constituting at least twenty percent (20%) of its total
26 membership. These directors must be elected by a majority of the outstanding
27 shares entitled to vote.

28
29 An independent director is a person who, apart from shareholdings and fees
30 received from the corporation, is independent of management and free from any
31 business or other relationship which could, or could reasonably be perceived to
32 materially interfere with the exercise of independent judgment in carrying out the
33 responsibilities as a director.

34
35 SEC. 9. *Commitment to Provide and Promote the Creation of Employment*
36 *Opportunities.* – The Grantee shall create employment opportunities and allow
37 on-the-job training in their franchise operation: *Provided*, That priority shall be
38 accorded to the residents in their franchise area: *Provided, further*, That the

1 Grantee shall comply with the applicable labor standards and allowance
2 entitlement under existing labor laws, rules and regulations, and similar issuances.

3

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

12

13 SEC. 11. *Right of Eminent Domain.* – Subject to the limitations and procedures
14 prescribed by law, the Grantee is authorized to exercise the right of eminent domain
15 insofar as it may be reasonably necessary for the efficient maintenance and
16 operation of services. The Grantee is authorized to install and maintain its poles,
17 wires, and other facilities over, under, and across public property, including streets,
18 highways, parks, and other similar property of the Government of the Philippines,
19 its branches, or any of its instrumentalities. The Grantee may acquire such private
20 property as is actually necessary for the realization of the purposes for which this
21 franchise is granted: *Provided*, That proper expropriation proceedings shall have
22 been instituted and just compensation paid.

23

24 SEC. 12. *Term of the Franchise.* – This franchise shall be for a term of twenty-five
25 (25) years upon effectivity, unless sooner cancelled. This franchise shall be deemed
26 *ipso facto* revoked in the event that the Grantee fails to operate continuously for two
27 (2) years from the issuance of a CPCN by the ERC.

28 SEC. 13. *Warranty in Favor of the National and Local Governments.* – The Grantee
29 shall hold the national, provincial, city, and municipal governments of the
30 Philippines free from all claims, accounts, demands, or actions arising from
31 accidents causing injury to persons or damage to properties during the construction,
32 installation, operation, and maintenance of the distribution system of the Grantee.

33 SEC. 14. *Liability for Damages.* – The Grantee shall be liable for any injury to
34 persons and damage to properties arising from accidents by reason of any defective
35 construction under this franchise or of any neglect or omission to keep its poles and
36 wires in safe condition.

1 SEC. 15. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* – The Grantee
2 shall not sell, lease, transfer, grant the usufruct of, or assign this franchise or the
3 rights and privileges acquired thereunder to any person, firm, company,
4 corporation, or other commercial or legal entity, or merge with any other
5 corporation, or entity, or shall transfer the controlling interest of the Grantee,
6 whether as a whole or in parts, and whether simultaneously or contemporaneously,
7 to any such person, firm, company, corporation, or entity without the prior approval
8 of the Congress: *Provided*, That Congress shall be informed of any sale, lease,
9 transfer, granting the usufruct of, or assignment of this franchise or the rights and
10 privileges acquired thereunder, or of the merger, or sale of the controlling interest
11 within sixty (60) days after the completion of said transaction: *Provided, further*,
12 That any such transfer, sale, or assignment is in accordance with the constitutional
13 limitations: *Provided, furthermore*, That failure to report to Congress such change of
14 ownership shall render the franchise *ipso facto* revoked: *Provided, Finally*, That the
15 limitations set forth in this section shall not apply to: (a) any transfer or issuance of
16 shares of stock in the implementation of the requirement for the dispersal of
17 ownership in the Grantee pursuant to Section 16 of this Act; and (b) any sale,
18 transfer, or assignment of shares of the Grantee in favor of an affiliate whose
19 controlling interest is owned by the same parent corporation of the Grantee.

20

21 Any person or entity to which this franchise is sold, leased, transferred, or
22 assigned, shall be subject to the same conditions, terms, restrictions, and
23 limitations of this Act.

24

25 SEC. 16. *Dispersal of Ownership.* – In accordance with the constitutional provision
26 to encourage public participation in public utilities, the grantee shall offer to the
27 public, specifically Filipino citizens, at least twenty percent (20%) or a higher
28 percentage that may hereafter be provided by law of its outstanding capital stock in
29 any securities exchange in the Philippines within five (5) years from the grant of its
30 CPCN by the ERC: *Provided*, That in cases where a public offer of shares is not
31 applicable, other methods of encouraging public participation by citizens and
32 corporations operating public utilities must be implemented: *Provided, further*,
33 That ownership by the Provincial Government of Bohol ("PGB") of at least twenty
34 percent (20%) of the outstanding capital stock of the Grantee shall be deemed a
35 compliance with the dispersal of ownership requirement.

36

37 In the event the required dispersal of ownership is not implemented within
38 five (5) years from the grant of its CPCN, the holdings of persons, natural or
39 juridical, including directors, officers, stockholders, and related interests in the

1 Grantee and its respective holding company, if any, shall not exceed twenty-five
2 percent (25%) of the voting shares of stock, unless the utility or the company
3 holding the shares or its controlling stockholders are already listed in the Philippine
4 stock exchange: *Provided*, That the ERC may, upon application of the Grantee, and
5 after notice and hearing, allow such reasonable extension of the five (5) - year period
6 within which the Grantee should offer its shares of stock to the public, if the market
7 conditions are not suitable for such listing or in the event that the Grantee cannot
8 comply with the requirements of the Securities and Exchange Commission (SEC) or
9 the Philippine Stock Exchange (PSE) for a public offering, especially the three (3) -
10 year profitability requirement.

11

12 Non-compliance therewith shall render the franchise *ipso facto* revoked.

13 SEC. 17. *Reportorial Requirement.* – The Grantee shall submit an annual report to
14 Congress, through the Committee on Legislative Franchises of the House of
15 Representatives and the Committee on Public Services of the Senate, on its
16 compliance with the terms and conditions of the franchise and on its operations on
17 or before April 30 of every year during the term of the franchise. The reportorial
18 compliance certificate issued by Congress shall be required before any application
19 for permit or certificate is accepted by the ERC.

20 SEC. 18. *Fine.* – The failure of the Grantee to submit the requisite annual report to
21 Congress shall be penalized with a fine in the amount of Five hundred pesos
22 (P500.00) per working day of noncompliance which shall be collected by the ERC.
23 The fine shall be collected separately from the reportorial penalties imposed by the
24 ERC and shall be remitted to the Bureau of the Treasury.

25 SEC. 19. *Equality Clause.* – Any advantage, favor, privilege, exemption, or
26 immunity granted under existing franchises, or which may hereafter be granted,
27 upon prior review and approval of Congress, shall become part of this franchise and
28 be accorded immediately and unconditionally to the herein Grantee: *Provided*,
29 *however*, That the foregoing shall neither apply to nor affect provisions concerning
30 territory covered by the franchise, the term of the franchise, or the type of service
31 authorized by the franchise: *Provided, further*, That the foregoing shall not apply to
32 the sale, lease, transfer, grant of usufruct, or assignment of legislative franchises
33 with prior congressional approval.

34 SEC. 20. *Applicability of Existing Laws.* – The Grantee shall comply with and be
35 subject to the relevant provisions of Commonwealth Act No. 146, or the “Public
36 Service Act”, as amended, and RA No. 9136.

1 SEC. 21. *Repealability and Non-Exclusivity Clause.* – This franchise shall be subject
2 to amendment, alteration, or repeal by Congress when the public interest so
3 requires and shall not be interpreted as an exclusive grant of the privileges herein
4 provided for.

5 SEC. 22. *Separability Clause.* – If any of the sections or provisions of this Act is held
6 invalid, all other provisions not affected thereby shall remain valid.

7

8 SEC. 23. *Repealing Clause.* – All laws, presidential decrees, executive orders, letters
9 of instruction, administrative rules and regulations, or parts thereof which are
10 contrary to or inconsistent with the provisions of this Act are hereby repealed or
11 modified accordingly.

12 SEC. 24. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication
13 in the *Official Gazette* or in a newspaper of general circulation.

14 *Approved,*

15