

# [ **PRESIDENTIAL DECREE NO. 1360, April 25, 1978** ]

## **FURTHER AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED SIXTY-THREE HUNDRED NINETY-FIVE ENTITLED "AN ACT REVISING THE CHAPTER OF THE NATIONAL POWER CORPORATION," AS AMENDED BY PRESIDENTIAL DECREE NOS. 380, 395, 758 AND 938.**

**WHEREAS,** the accelerated power expansion program of the National Power Corporation involving as it does the construction of generation facilities in Luzon, Visayas and Mindanao and the setting up of transmission line grids require a greater degree of corporate flexibility in the implementation of said power program as well as in corporate management;

**WHEREAS,** in pursuing said accelerated power expansion program for generation and transmission facilities, the present capitalization of P8 Billion and the ceiling of foreign borrowing pegged at \$4 Billion would be rendered insufficient by the year 1987 and, therefor, a corresponding increase thereon is necessary in order that such programs would be successfully completed;

**NOW, THEREFORE, I, FERDINAND E. MARCOS,** President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree as follows:

**SECTION 1.** Section 5 of Republic Act Numbered Sixty-Three Hundred Ninety-Five, as amended, is hereby amended with the first and second paragraphs thereof duly revised to read as follows:

**"SECTION 5. *Capital Stock of the Corporation***—The authorized capital stock of the Corporation shall be Fifty Billion Pesos (P50,000,000,000.00) divided into Five Hundred Million (500,000,000) shares having a par value of One Hundred Pesos each, which shares are not to be transferred, negotiated, pledged, mortgaged, or otherwise given as security for the payment of any obligation. The sum of Three Hundred Million Pesos of said capital stock has been subscribed and paid wholly by the Government of the Philippines in accordance with the provisions of Republic Act Numbered Four Thousand Eight Hundred Ninety-Seven.

"The remaining Forty-Nine Billion Seven Hundred Million Pesos shall be subscribed by the Government of the Republic of the Philippines and shall be paid as follows:

"(a) The sum of Twenty-Nine Million Two Hundred Sixty-Seven Thousand Six Hundred Pesos representing outstanding cost and interest of reparation goods procured by the Corporation pursuant to the provisions of Republic Act Numbered Seventeen Hundred Eighty-Nine, shall be additional paid-in subscription of the Government of the Philippines for Two Hundred Ninety-Two Thousand Six Hundred Seventy-Six shares of stock of said capital stock.

"(b) The balance of said subscription shall be paid by the conversion into equity capital of the existing bonded indebtedness, cost of reparations goods that may be allocated in the future, and surpluses of the Corporation and in the absence thereof, from an annual appropriation of Two Hundred Million Pesos which is hereby appropriated out of any funds in the National Treasury not otherwise appropriated, be they collections from any or all taxes accruing to the general fund or proceeds from loans, the issuance of bonds, treasury bills or notes which are hereby authorized to be incurred or to be issued by the Secretary of Finance for the purpose, such annual appropriation to be programmed and released by the Budget Commission in accordance with the schedule of cash requirements to be submitted by the Corporation; *Provided*, that this annual appropriation of Two Hundred Million Pesos and the programming and release thereof shall remain in force until the balance of the unpaid subscription of the Government to the capital stock of the Corporation shall have been paid in full."

**SECTION 2.** Section 6 of the same Act is hereby amended to read as follows:

**"SECTION 6.** *The National Power Board; its composition; compensation of members; qualifications; powers and duties:*—The corporate powers of the Corporation shall be vested in and exercised by a Board of seven members consisting of a Chairman, Vice-Chairman and five directors who shall be appointed by the President of the Philippines.

"The President of the Corporation shall be the ex-officio Vice-Chairman of the Board.

"The said members of the Board shall serve for terms of three years, except that any person appointed to fill a vacancy shall serve only for the unexpired term of the member whom he succeeds.

"The Board shall meet as often as may be necessary upon call of the Chairman of the Board or upon call by a majority of all the Board members.

The members of said Board shall receive a per diem of not to exceed Five Hundred Pesos for each regular or special meeting of the Board actually attended by them, and upon approval of the Secretary of Energy, shall receive such other allowances as the Board may prescribe, any provision of law to the contrary notwithstanding.

"A majority of the members of the Board shall constitute a quorum for the transaction of business.

"The Board, shall, moreover, have the following specific powers and duties:

"(a) To formulate and adopt policies and measures for the management and operation of the Corporation;

"(b) To adopt an annual and supplemental budget of receipts and expenditures of the Corporation according; to its requirements;

"(c) To organize, reorganize and determine the Corporation's organization structure and staffing pattern; abolish and create offices and positions; fix the number of its officers and personnel; transfer and re-assign such officers and personnel; fix their compensation, allowances and benefits, the provisions of Presidential Decree No. 985 to the contrary notwithstanding;

"(d) To fix the compensation of the President of the Corporation who shall be appointed by the President of the Philippines; and to appoint and fix the compensation of other corporate officers;

"(e) For cause, to suspend or remove any corporate officer appointed by the Board;

"(f) To adopt and set down guidelines for the employment of personnel on the basis of merit, technical competence and moral character;

"(g) To take care that in fixing the rates and fees to be charged by the Corporation considerations of adequacy, reliability and sustained power service at the least possible cost to the public and of limited return on investments as proscribed in section 5 hereof, shall be taken;

"(h) Any provision of law to the contrary notwithstanding to write off bad debts."

**SECTION 3.** Section 7 of the same Act is hereby amended, to read as follows:

**"SECTION 7.** *The President of the Corporation, his powers and duties; and other Corporate Officers and employees of the Corporation:—*The President of the Corporation who shall be the Chief Executive Officer of the Corporation, shall be assisted by such number of Corporate Officers and employees as may be deemed necessary by the Board of Directors of the Corporation.

"The President of the Corporation shall have the following powers and duties:

"(a) To execute and administer the policies and measures approved by the Board, and have the responsibility for the efficient discharged of management functions;

"(b) To submit for the consideration of the Board such policies and measures which he deems necessary to carry out the purposes and provisions of this Act;

"(c) To direct and supervise the operation and internal administration of the Corporation and, for this purpose, may