

**[PRESIDENTIAL DECREE NO. 380, January 22,
1974]**

**AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED
SIXTY-THREE HUNDRED NINETY-FIVE, ENTITLED "AN ACT
REVISING THE CHARTER OF THE NATIONAL POWER
CORPORATION"**

WHEREAS, under Republic Act No. 6395, it has been declared that: (1) the comprehensive development, utilization and conservation of Philippine water resources for all beneficial uses, including power generation, and (2) the total electrification of the Philippines through the development of power from all sources to meet the needs of industrial development and dispersal and the needs of rural electrification are primary objectives of the nation which shall be pursued coordinately and supported by all instrumentalities and agencies of the Government, including its financial institutions;

WHEREAS, under Presidential Decree No. 40, dated November 7, 1972, certain basic policies for the attainment of the objectives for the speedy electrification of the country, more particularly the rural areas, have been established;

WHEREAS, under the basic policies for the electric power industry established under Presidential Decree No. 40, the National Power Corporation (NPC) is also given the responsibility for the setting up of transmission line grids and the construction of associated generation facilities in Luzon, Mindanao, and major islands of the country, including the Visayas, and to own and operate as a single integrated system all generating facilities supplying electric power to the entire area embraced by any grid set up by the NPC;

WHEREAS, the additional responsibilities and expanded activities of NPC under Presidential Decree No. 40 will more than treble the capital requirements needed for the expansion of generation and transmission facilities, in addition to the funds necessary for the acquisition of existing generation facilities in areas embraced by grids set up by NPC; and

WHEREAS, in order to attain expeditiously the declared objectives of total electrification of the country and to implement the basic policies established under Presidential Decree No. 40, certain sections of Republic Act Numbered Sixty-Three Hundred Ninety-Five should be amended;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, do hereby amend certain sections or provisions of the Charter of the National Power Corporation, Republic Act Numbered Sixty-Three Hundred Ninety-Five, to wit:

SECTION 1. Section 3(g) of the Charter of the National Power Corporation, Republic Act Numbered Sixty-Three Hundred Ninety-Five, is hereby amended to read as follows:

"(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 machinery in plants and/or auxiliary plants for the production of electric power; to establish, develop, operate, maintain and administer power and lighting system for the transmission and utilization of its power generation; to sell electric power in bulk to (1) industrial enterprises, (2) city, municipal or provincial systems and other government institutions, (3) electric cooperatives, (4) franchise holders, and (5) real estate subdivisions: *Provided*, That the sale of power in bulk to industrial enterprises and real estate subdivisions may be undertaken by the Corporation when the power requirement of such enterprises or real estate subdivisions is not less than 100 kilowatts, when in the judgment of the Board of Power and Waterworks the cooperative supplying electric power or franchise holder of the area is not in a position by itself, or fails or refuses to adequately supply such power requirement, unless the electric cooperative or franchise holder consents thereto: *Provided, further*, That no restriction shall apply to sale of power in bulk to enterprises registered with the Board of Investments, wherein the cost of power, based on the Corporation's then prevail-tariffs, is more than ten percent (10%) of the total production cost of the goods or commodities produced: *Provided, finally*, That the Corporation shall continue to sell electricity to industrial enterprises under existing contracts, and provide for the collection of charges for any service rendered."

SEC. 2. Section 3(i) of the Charter of the National Power Corporation, Republic Act Numbered Sixty-Three Hundred Ninety-Five, is hereby amended to read as follows:

"(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, watercourse, canal, ditch, flume, street, avenue, highway or railway so crossed or intersected be restored as near as possible to their former state, or in a manner not to impair unnecessarily their usefulness. Every person or entity whose right of way or property is lawfully crossed or intersected by said works shall not obstruct any such crossings or intersection and shall grant the Corporation 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 Republic 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 or purposes, including the construction of the transmission lines thereon: *Provided*, That the owner of such private property shall be compensated as follows:

"(a) In case only an easement of right of way for a transmission line is acquired, then only a nominal easement fee shall be paid which shall be in an amount equivalent to not

more than ten per cent of the value of the land or portion thereof required for the right of way of the line, based on the tax declaration that is valid and effective at the time of the filing of the complaint for eminent domain or actual entry into the property by the Corporation, whichever is earlier;

"(b) In case the land shall be acquired by purchase, the fair market value thereof, which shall be the value of the land based on the tax declaration that is valid and effective at the time of the filing of the complaint for eminent domain, or the taking of said land by the Corporation, whichever is earlier: and

"(c) In addition, the owner shall be compensated for the improvements, such as houses, buildings, structures and/or agricultural crops and the like, actually damaged during the construction, operation, and maintenance of such works on the land, in amounts based on the value of such improvements appearing on the tax declaration that is valid and effective and/or the prevailing valuation of such agricultural crops and the like made by the appropriate appraisal body authorized by law at the time of filing of the complaint for eminent domain or taking of said improvements by the Corporation, whichever is earlier: *Provided, further.* That any action for compensation and/or damages, under (a), (b), and (c) above, is filed within five years after the rights of way, transmission lines, substations, plants or other facilities shall have been established: *Provided, finally,* That after the said period no suit shall be brought to question the said rights of way, transmission lines, substations, plants or other facilities nor the amounts of compensation and/or damages involved." **SEC. 3.** Section 3, paragraphs (1), (m) and (o) of the Charter of the National Power Corporation, Republic Act Numbered Sixty-Three Hundred Ninety-Five, is hereby amended to read as follows:

"(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 purpose, including the establishment of subsidiaries;

"(m) To cooperate with, and to coordinate its operations with those of the Power Development Council, the National Electrification Administration and public service entities;

x x x

"(o) In the prosecution and maintenance of its projects and plants, the Corporation shall adopt measures to prevent environmental pollution and enhance the conservation, development and maximum utilization of natural resources, including the improvements and beautification of its reservoirs and other areas to promote tourism and related purposes, and to provide for the necessary corporate funds therefor."