

[REPUBLIC ACT NO. 2046, June 23, 1957]

**AN ACT CREATING A PUBLIC CORPORATION TO BE KNOWN AS
THE CAVITE ELECTRICITY DISTRIBUTING AUTHORITY.**

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

SECTION 1. *Creation of the Cavite Electricity Distributing Authority; its general purposes; zone and extent of jurisdiction; domicile and place of business of the corporation.*—For the purpose of consolidating and centralizing the generation and distribution of electric light, heat and/or power in the Province of Cavite, under one control direction, management and supervision, there is hereby created a public corporation to be known as the Cavite Electricity Distributing Authority, which shall be organized immediately after the approval of this Act.

The Cavite Electricity Distributing Authority shall own and/or have jurisdiction and supervision over all electric systems within the boundaries of cities and municipalities in Cavite.

The domicile and place of business of the Authority shall be determined by the Board of Directors.

SEC. 2. *Powers and General Functions of the Authority.*—The powers, functions and activities of the Cavite Electricity Distributing Authority shall be the following:

- a. To have the continuous succession under its corporate name until otherwise provided by law;
- b. To prescribe its by-laws;
- c. To adopt and use a seal and alter it at pleasure;
- d. To sue and be sued in court;
- e. To construct, maintain, and operate distribution lines for the purpose of supplying electric light, heat and/or power to the inhabitants of its zone, both for domestic and other purposes; regulate the control and use, and prevent the wastage and pilferage of electricity; to fix electric rates and provide for the collection of fees therefor;
- f. To acquire, purchase, hold, transfer, sell, lease, rent, mortgage, encumber, and otherwise dispose of real and personal property, including rights and franchises, within its jurisdiction, as authorized by the purposes for which the Authority was created and reasonably and necessarily required for the transaction of the lawful business of the same, unless otherwise provided in this Act;
- g. To underwrite, purchase, own, sell, mortgage or otherwise dispose of stocks, bonds, debentures, securities and other evidences of indebtedness issued for and in connection with its functions;

- h. To construct works across, or otherwise, any stream, watercourse, canal, ditch, flume, street, avenue, highway, or railway, as the location of said works may require: *Provided*, That such works be constructed in such manner as to afford security for life and property: *And, provided, further*, That the stream, watercourse, canal, ditch, flume, street, avenue, highway, or railway so crossed or intersected be restored to their former state as near as may be, or in a manner not to impair unnecessarily their usefulness. Every person or entity whose right of way is crossed or intersected by said works shall not obstruct the forming of such crossing or intersection and shall grant the Authority the proper authority, upon payment of just compensation, for the execution of such work. The Authority is hereby given the right of way to locate, construct and maintain such works over and through any of the lands which are now or may be the property of the Government of the Republic of the Philippines or any of its branches and political subdivisions;
- i. To exercise the right of eminent domain for the purpose for which the Authority was created, in the manner provided by law for condemnation proceedings by the national, provincial, and municipal governments;
- j. When essential to the proper administration of its corporate affairs or when necessary for the proper transaction of its business or for carrying out the purposes for which it was organized, to contract indebtedness and issue bonds, subject to the approval of the Provincial Governor of Cavite and the Secretary of Finance. The bonded indebtedness of the Authority, of all classes, shall not at any time exceed ten million pesos, and the issue thereof shall be subject to the conditions set forth in section five of this Act;
- k. To issue such regulations as may be necessary for the proper distribution of electric light, heat and/or power, and for the protection of its distribution systems, as soon as established, any violation of which shall be punished by a fine of not more than five hundred pesos or by imprisonment for not more than six months, or both such fine and imprisonment in the discretion of the court; and
- l. To transact the business for which it was organized and do such things as may be reasonably necessary to carry out the purposes for which it was established.

SEC. 3. *Exercise of corporate power; conduct of affairs and current business; officers and employees of the Authority, their appointment and qualifications, their salaries and functions.*—Unless otherwise provided by law, all corporate powers of the Cavite Electricity Distributing Authority shall be exercised, its business managed, and its properties kept and preserved; by a Board of Directors to be composed of five members, a chairman and four other members.

The affairs and current business of the Cavite Electricity Distributing Authority shall be conducted under the direction of the Board, by a general manager, a chief engineer, a treasurer, an auditor, and such additional officers and employees as the Board may provide.

The duties and powers as well as the compensation of said officers and employees

shall be such as may be defined and prescribed or fixed by the Board which shall not be inconsistent with the provisions of this Act and other existing laws.

- a. **Chairman-General Manager.**—The Chairman shall be appointed by the Provincial Governor of Cavite, with the consent of the Public Utilities Commission, and may be removed for cause by the Provincial Governor of Cavite. He shall, as *ex officio* General Manager of the Authority, represent the Authority in all its business matters; shall submit to the Board an annual report and such partial reports as may be required by it or he may see fit to render from time to time, regarding the condition of the business, or of any part of the business of the Cavite Electricity Distributing Authority; and shall perform such other executive duties as may be prescribed by law or may be required of him by resolution of the Board.
- b. **Board Member-Chief Engineer.**—One member of the Board shall at least be an electrical engineer, who shall be appointed by the Provincial Governor of Cavite with the consent of the Board of Directors of the National Power Corporation, and may be removed for cause by the Provincial Governor of Cavite. He shall, as *ex officio* Chief Engineer of the Authority, perform such duties as may be required of him by the Board or by the General Manager. He shall act as general manager in case of the temporary disability or absence of the general manager.
- c. **Board Member-Treasurer.**—One member of the Board shall possess knowledge of business management and finance, who shall be appointed by the Provincial Governor of Cavite, with the consent of the Board of Directors of the Rehabilitation Finance Corporation, and may be removed for cause by the Provincial Governor of Cavite. He shall, as *ex officio* treasurer of the Authority, perform such duties as may be required of him by the Board or by the General Manager.
- d. The two other members of the Board, who shall represent the consumers, shall be appointed by the Provincial Governor of Cavite, upon election by the city and municipal mayors of Cavite in meeting assembled, and shall hold office for two years unless otherwise removed for cause by the Provincial Governor of Cavite: *Provided*, That at any time existing conditions may warrant, the Board may change the purpose and procedure of selecting the board members mentioned in this paragraph.
- e. **Auditor.**—The Provincial Auditor of Cavite, who is hereby designated as *ex officio* Auditor of the Cavite Electricity Distributing Authority, shall be the representative of the Auditor General. He shall be the chief of its auditing and accounting department. He shall audit, examine and settle all accounts of the Cavite Electricity Distributing Authority according to existing law and regulations, and shall perform such other duties as the Auditor General or the Board may require of him from time to time.
- f. **Other officers and employees of the Authority.**—All other officers and employees of the Authority shall be appointed by the Chairman-General Manager with the approval of the Board, subject to the Civil Service Law and Rules.