

[REPUBLIC ACT NO. 150, June 14, 1947]

AN ACT EXTENDING UNDER CERTAIN CONDITIONS THE TERM OF THE FRANCHISE GRANTED BY THE MUNICIPAL BOARD OF THE CITY OF MANILA TO CHARLES M. SWIFT, AND LATER TAKEN OVER BY THE MANILA ELECTRIC COMPANY, TO CONSTRUCT, MAINTAIN, AND OPERATE AN ELECTRIC LIGHT, HEAT, AND POWER SYSTEM IN THE CITY OF MANILA AND ITS SUBURBS.

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

SECTION 1. Subject to the provisions of the Constitution of the Philippines and of this Act, and subject further to the Philippine Trade Agreement of 1946, the term of the franchise granted in pursuance to the authority under Act Numbered Four hundred eighty-four of the Philippine Commission by the Municipal Board of the City of Manila to Charles M. Swift, and later assumed and taken over by the Manila Electric Company, as contained in Ordinance Numbered Forty-four, Parts Two and Three, of the said Municipal Board of the City of Manila, as amended, to construct, maintain and operate an electric light, heat and power system for the purpose of generating and distributing for sale electric light, heat and power throughout the City of Manila and its suburbs, is hereby extended, under the same terms and conditions therein provided, for a period of twenty years from the date of its expiration.

SEC. 2. During the period from November first, nineteen hundred and forty-five, up to the end of a five-year period counted from the date of the approval of this Act, the grantee shall spend and/or invest an amount of not less than forty million pesos for the repairs, reconditioning, rehabilitation and replacement of, and new additions to, its electric light, heat and power system, including but not limited to shop equipment, electric generating, transmission and distribution systems and equipment, power plants, sub-stations, real estate, buildings, furniture and office equipment needed in connection with, its business.

SEC. 3. At any time during the remainder of the life of the existing franchise and during the term of the extension herein granted, or at the termination thereof due to expiration or for any cause whatsoever, the Government of the Republic of the Philippines may purchase, and the grantee shall sell, all its entire property including its lines, power plants, sub-stations, transmission and distribution systems, real estate buildings, plants, rights and other properties used by it in the operation of its electric light, heat and power system under its franchise at the fair valuation thereof appearing in the books of the grantee and approved by the Public Service Commission, excluding therefrom the money value of the earning capacity of the business for the unexpired period of the franchise, and deducting therefrom the balance of the accrued depreciation appearing in the books of the grantee based on rates of depreciation approved by the Public Service Commission: *Provided*, That in