

[Act No. 2361, February 28, 1914]

**AN ACT GRANTING A FRANCHISE TO CHARLES M. SWIFT TO
CONSTRUCT, MAINTAIN, AND OPERATE A HYDROELECTRIC
PLANT AND ELECTRIC LIGHTING, HEATING, AND POWER
SYSTEM AND ELECTRIC TRANSMISSION LINES IN THE ISLAND
OF LUZON.**

By authority of the United States, be it enacted by the Philippine Legislature, that:

SECTION 1. A franchise is hereby granted to Charles M. Swift, as assignee of the Manila Suburban Railways Company, to use and develop the public waters of the Caliraya River and its tributaries, for the generation, development, and distribution of electrical energy; to occupy from time to time such parts of the public domain, including land necessary for the construction of storage reservoirs, or other purposes, as may be necessary for the enjoyment of this franchise, to erect, maintain, and operate hydroelectric plants, with all necessary or convenient equipment and appurtenances, and to erect, construct, maintain, and operate any and all necessary or proper buildings, poles, wires, power-transmission lines, and all other necessary or proper constructions, excavations, erections, apparatus and appurtenances of every kind and nature whatsoever, for the development of water power and for the generation, development, transmission and distribution of electrical energy for light, heat, power, and other purposes: *Provided*, That the general surveys and plans of the grantee shall first be submitted to and approved by the Governor-General after having heard the provinces, municipalities, and any other entities and persons interested in or affected by said surveys and plans, before the grantee shall be empowered to commence work thereunder, and that after such approval all extensions and changes in the routes or lines of the grantee, and in the construction of his works may be made with the approval of the Governor-General after having heard the provinces, municipalities, and any other entities and persons interested in or affected by said surveys and plans: *And provided further*, That subject to the direction of the Governor-General, the grantee shall adopt such measures as may be necessary for maintaining in navigable condition those portions of the Bumbungan and Lumbang Rivers which are at present navigable, and which might otherwise be injured by the deviation of the waters of the Caliraya River authorized in this Act.

SEC. 2. A right of way through the public lands of the Philippine Government is hereby given and granted to the grantee for the construction, operation and maintenance of lines for the transmission of electrical energy as herein authorized to the extent of one hundred feet in width where it may pass through the public domain, together with all necessary lands for power stations and other structures, reservoirs, and dams, necessary for the maintenance and operation of any hydroelectric power plant or transmission lines: *Provided*, That the same be approved by the Board of Public Utility Commissioners: *And, provided further*, That the Philippine Government shall survey and define at the expense of the grantee the public lands so occupied: *And provided further*, That this paragraph shall only apply to public lands available for homestead settlement or for sale under the Public Land Act, or to timber lands of the Philippine Government, and shall not apply to lands used and assigned for other public purposes, nor to lands known as friar lands. The grantee shall have the right, with the approval of the Governor-General, to cross

and occupy such parts of public roads, alleys, avenues and squares, and acquire title to such other municipal or provincial lands as may be necessary, on terms to be agreed upon by the grantee and the proper provincial or municipal authorities, as the case may be, and in case of failure to agree upon the terms thereof, such terms shall be fixed by the Governor-General.

The grantee shall also have the right to acquire from corporations or private individuals, by purchase, contract, lease, grant, or donation any lands which may be necessary or useful for the construction, maintenance and operation of any and all power plants, lines for the transmission of electrical energy, or other works incident to the exercise of the powers granted by this franchise.

The grantee shall also have the power of eminent domain -eminent domain, and may acquire by condemnation any lands, waters and easements therein, or in either thereof, or other property or rights necessary or convenient for the exercise of this franchise. In the exercise of the power of eminent domain the grantee shall be entitled to all the rights, powers and privileges of immediate entry or otherwise granted to railway corporations in the exercise of such power under any existing or future laws of the Philippine Islands: *Provided*, That no land or part of any land acquired under this Act shall be used for purposes other than those specified herein.

SEC. 3. Within thirty days after the passage of this Act the grantee shall be given notice thereof, in writing, and within six months after he receives such notice, the grantee shall file in writing his acceptance of this grant and all the conditions thereof: *Provided, however*, That in such written acceptance the grantee shall include a clause reading as follows:

"The grantee, his administrators, agents, assigns and successors state in writing that they are informed of the message of the President of the United States addressed to the Filipino people and communicated to said people by the Governor-General of the Philippine Islands on the sixth day of October, nineteen hundred and thirteen, and of the reply message of the Philippine Assembly made in the name of the Filipino people and approved and sent on October sixteenth, nineteen hundred and thirteen; that said grantee, his administrators, agents, assigns, and successors bind themselves not to do anything by means of contributions in cash or otherwise, against the policy of the Government of the United States, and the aspirations of the Filipino people set forth in said messages, whether under the pretext of vested interests or under any other pretext."

SEC. 4. The grantee shall, before the expiration of two years next following the date of filing the written acceptance of this franchise, file with the Director of Public Works plans of the work proposed by him under the terms of this franchise. The grantee shall begin work under said plans within six months after the grantee has been empowered to commence work thereunder, as provided in section one of this Act, and the grantee shall complete the construction of said works and commence the operation of the same within five years after the grantee has been empowered to commence work thereon, unless prevented by act of God, public enemy, usurped or military power, martial law, riot, civil commotion, or inevitable cause. Should said grantee, for causes other than those mentioned above, default, in the time set either for such beginning or such completion, the grant herein and hereby made shall Extension of time. Be subject to forfeiture: *Provided*, That the Governor-

General in any event may, in his discretion, extend the time for either such beginning or such completion.

SEC. 5. Within ninety days after the acceptance by the grantee of the conditions of this franchise, as provided by section three, the grantee shall deposit in the Treasury of the Philippine Islands, in favor of the Government of the Philippine Islands, the sum of one hundred thousand pesos in securities approved by the Governor-General, or shall give a bond in a like sum to be approved by the Governor-General as security for the compliance by the grantee with this franchise: *Provided*, That if the grantee shall complete the construction as provided by section four, the said deposit shall be returned to the said grantee or the said bond shall be canceled, as the case may be. But if the grantee within the time mentioned shall fail to comply with his obligations under section four, the Government of the Philippine Islands may, by appropriate action recover the said sum or declare a forfeiture of the bond as liquidated damages.

If the said deposit shall be of interest bearing securities, the interest upon the same shall be collected by the Insular Treasurer and paid to the grantee, provided the said grantee complies with the conditions herein prescribed; otherwise, and in case of forfeiture, the accrued interest shall also be forfeited to the Government of the Philippine Islands.

SEC. 6. The grantee shall operate and maintain a service in the supply of electrical energy subject to the provisions of section ten of this Act, for the benefit of all persons, firms and corporations whom the grantee can reasonably serve, as in this franchise provided, without discrimination or preference, and the grantee shall have all the customary rights, powers, duties and privileges pertaining to similar public service enterprises, and shall be subject to the same supervision and regulation as similar public utilities.

SEC. 7. The grantee shall have, and is hereby expressly given, the right to charge and collect tolls, rates, and compensation for the supply of electrical energy and for other services rendered in the exercise of the powers hereby conferred: *Provided*, That such tolls, rates, and compensation shall be and are hereby expressly made subject to reasonable regulation and revision under the laws of the Philippine Islands.

SEC. 8. The system of water-power development and electrical transmission to be installed by the grantee shall be in conformity with the best American practice, and shall be constructed and maintained in such manner as the progress of science and improvements in the development of motive power may make reasonable and proper.

SEC. 9. The grantee shall hold the Government of the Philippine Islands harmless from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or persons, by reason of the construction and operation of said system and lines for the supply and transmission of electrical energy.

SEC. 10. Within ninety days after the date of an application therefor, the grantee shall furnish electrical energy to any applicant therefor in the territory reached by the power transmission lines of the grantee. As between two or more of such applicants, electrical energy shall be furnished in the order of the date of the