

[Act No. 2039, February 03, 1911]

AN ACT TO PROVIDE FOR THE GRANTING OF A FRANCHISE TO CONSTRUCT, MAINTAIN, AND OPERATE GAS SYSTEMS FOR THE FURNISHING OF GAS FOR HEAT, LIGHTING, AND POWER IN THE CITY OF MANILA AND THE PROVINCE OF RIZAL, PHILIPPINE ISLANDS.

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

SECTION 1. There is hereby granted, for a period of fifty years from and after the passage of this Act, upon the considerations and conditions herein contained, to Thomas D. Aitken, the right and authorization to construct, maintain, and operate in the city of Manila and municipalities of the Province of Rizal a plant for the manufacture of gas, together with the necessary pipes, house installation, and meters requisite or convenient for the proper maintenance of a modern gas plant or system designed for the furnishing of gas for heat, lighting, and power.

SEC. 2. The said Thomas D. Aitken shall hereafter be referred to as the grantee.

SEC. 3. (a) The grantee shall have the right and authority, and is hereby authorized, subject to the laws and ordinances now in force, or that hereafter may be in force, not inconsistent herewith, to make in the manner and in the locations designated by the city engineer in the city of Manila and by the district engineer in the Province of Rizal all needful excavations and constructions in or upon any of the streets, thoroughfares, bridges, and public places designated in the next succeeding paragraph for the purpose of laying, placing, removing, and repairing gas mains and connections for the manufacture, generation, conduction, and distribution of gas for said gas system and in the manner and locations approved by the proper authorities, and for building, maintaining, and operating houses, works, and storage tanks therefor.

(b) The streets, thoroughfares, bridges, and public places upon which the grantee is authorized to make such excavations and place etc' mains are as follows:

On all streets, thoroughfares, and public places wherein it shall be deemed necessary or convenient by the grantee for the maintenance and conduct of a complete gas service : *Provided, however,* That the laying and installing of the mains and pipes shall be compulsory on the part of the grantee on any and all streets, thoroughfares, or public places along which a consumption of thirty cubic meters of gas per annum per meter of main pipe shall be guaranteed, and subscriptions for said amount shall be deemed a sufficient guaranty for the purpose of this section: *And provided further,* That the grantee shall, within the time provided for the beginning of the operation of the plant by section eleven hereof, have constructed and in operation at least fifty kilometers of main pipe lines. Plans for the use of the streets and laying of mains and conduits shall be subject to the approval of the city engineer in the city of Manila and of the district engineer in the Province of Rizal.

Mains may be placed on or under such bridges in the said city of Manila

as may be indicated by the city engineer, and on or under such bridges in the Province of Rizal as may be indicated by the district engineer.

(c) All reasonable or necessary and proper changes in the routes of the pipe lines of the grantee may be made by the grantee with the approval and consent of the city engineer of the city of Manila, or of the district engineer of the Province of Rizal, as the case may be.

(d) The grantee shall hold the city of Manila, the Province of Rizal, and the municipalities of the said province harmless from any and all claims, accounts, demands, or actions which may arise out of accidents or injuries, whether to property or persons, caused by the construction, installation, or operation of the plant, and shall place all streets, thoroughfares, roads, and public places upon which excavations have been made or pipes laid, in the same condition in which they were before making said excavations or laying said pipes.

SEC. 4. The gas manufactured shall be produced by the use of Manufacture of coal, crude oil, or water, or any combination of these elements, but the grantee shall have the right and authority to modify, improve, and "change such method in such manner as the progress of science and improvements in the manufacture of gas may make reasonable and proper: *Provided, however,* That the service shall be in with the laws and ordinances now in force, or that hereafter may be in force.

SEC. 5. There shall be installed in each house, building, or place using gas of the grantee's manufacture or production, one or more meters, as may be necessary, at the grantee's expense.

The meter system employed may be either the ordinary system or that known as the prepayment meter system at the option of the consumer.

SEC. 6. The quality of the gas furnished to consumers shall not Quality of gas.be less than five thousand French calories for one cubic meter of

7. (a) The price charged by the grantee shall not be more than ten centavos per cubic meter: *Provided, however,* That those consumers using the prepayment meter, by a payment of two centavos a cubic meter of gas used in addition to the ten centavos aforesaid, and guaranteeing the grantee an annual consumption of at least two hundred cubic meters of gas, shall have furnished and installed, in addition to the first installment of pipes made by the grantee, a cooking stove and first installation of incandescent burners without extra cost: *And provided further,* That until the grantee has been reimbursed the cost of the installation and piping in the consumers' premises including the meter, the grantee may charge in addition to the above, a rental for the ordinary (not prepayment) meters, as follows:

Where three lights are installed, twenty centavos per month.

Where five lights are installed, thirty centavos per month.

Where ten lights are installed, fifty centavos per month.

Where twenty lights are installed, seventy-five centavos per month.

Where fifty lights are installed, one peso per month.

Where one hundred lights are installed, one peso and fifty centavos per month.

Where two hundred lights are installed, two pesos per month.

The books and records of the grantee shall be so kept as to enable the Auditor to ascertain the facts with reference to such cost and reimbursement.

The meters used shall be first approved by the city engineer of the city of Manila or district engineer for the Province of Rizal, as the case may be, and may be tested by such persons at any time, for which purpose the testing apparatus of the grantee shall at all times be available to these officers. Costs incurred in inspecting and repairing the said meters after installation shall be paid by the grantee unless such repairs may have been necessitated by the carelessness or design of the consumer.

(b) It is further provided that instead of the maximum rate of ten centavos per cubic meter as above provided, the following scale of charges shall be imposed as a maximum rate upon all consumers using quantities as herein provided:

Amount used in cubic meters.	Maximum charge in cubic meters.					
	First 500.	Excess of 500 up to and including 1,000	Excess of 1,000 up to and including 2,000.	Excess of 2,000 up to and including 5,000	Excess of 5,000 up to and including 10,000	Excess of over 10,000
501 to 1,000	P 0.10	P 0.09				
1,001 to 2,000	0.10	0.09	P 0.84			
2,001 to 5,000	0.10	0.09	0.84	P 0.08		
5,001 to 10,000	0.10	0.09	0.84	0.84	P 0.74	
10,001 and over	0.10	0.09	0.84	0.84	0.74	P0.07

The word consumer as used above shall be interpreted to mean single individuals, corporations, firms, partnerships, or combinations of individuals, where but one meter is used. The quantities of gas passing through more than one meter can not be combined in order to receive the benefit of the above rates.

(c) If, during three consecutive years, the average net earnings of the grantee exceed ten per centum per annum on his invested capital, the maximum rate for the ensuing year or years shall be reduced one-half centavo per cubic meter, and thereafter if in any year the net earnings of the grantee exceed ten per centum on his invested capital, the said maximum rate shall for the succeeding year or years be reduced one-half centavo per cubic meter, and this shall continue until one uniform rate of seven centavos per cubic meter shall have been reached: *Provided*, That in no year shall such reduction be made unless the excess has been sufficient so that the reduction of one-half centavo would not have reduced the net earnings of the grantee for the previous year below ten per centum.