Submitted by the Committee on Legislative Franchises on September 28, 2021

Re: House Bill No. 10306

Recommending its approval in substitution of House Bills Numbered 10258 and 10271

Sponsors: Representatives Franz E. Alvarez, Braeden John Q. Biron, and Michael B. Gorriceta

Mr. Speaker:

The Committee on Legislative Franchises to which were referred House Bill No. 10258, authored by Rep. Braeden John Q. Biron, entitled:

“AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NO. 11212, ENTITLED: AN ACT GRANTING MORE ELECTRIC AND POWER CORPORATION A FRANCHISE TO ESTABLISH, OPERATE, AND MAINTAIN, FOR COMMERCIAL PURPOSES AND IN THE PUBLIC INTEREST, A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO END USERS IN THE CITY OF ILOILO, PROVINCE OF ILOILO, AND ENSURING THE CONTINUOUS AND UNINTERRUPTED SUPPLY OF ELECTRICITY IN THE FRANCHISE AREA, TO EXPAND ITS FRANCHISE AREA AND FOR OTHER PURPOSES”; and

House Bill No. 10271, authored by Reps. Michael B. Gorriceta and Braeden John Q. Biron, entitled:

“AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NO. 11212, ENTITLED: AN ACT GRANTING MORE ELECTRIC AND POWER CORPORATION A FRANCHISE TO ESTABLISH, OPERATE, AND MAINTAIN, FOR COMMERCIAL PURPOSES AND IN THE PUBLIC INTEREST, A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO END USERS IN THE CITY OF ILOILO, PROVINCE OF ILOILO, AND ENSURING THE CONTINUOUS AND
has considered the same and recommends that the attached House Bill No. 10306 entitled:

“AN ACT AMENDING SECTIONS 1, 15, and 21 OF REPUBLIC ACT NO. 11212, ENTITLED ‘AN ACT GRANTING MORE ELECTRIC AND POWER CORPORATION A FRANCHISE TO ESTABLISH, OPERATE, AND MAINTAIN, FOR COMMERCIAL PURPOSES AND IN THE PUBLIC INTEREST, A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END USERS IN THE CITY OF ILOILO, PROVINCE OF ILOILO, AND ENSURING THE CONTINUOUS AND UNINTERRUPTED SUPPLY OF ELECTRICITY IN THE FRANCHISE AREA’”

Respectfully submitted:

FRANZ E. ALVAREZ
Chairperson
Committee on Legislative
Franchises

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY
AN ACT
AMENDING SECTIONS 1, 15, and 21 OF REPUBLIC ACT NO. 11212, ENTITLED ‘AN ACT GRANTING MORE ELECTRIC AND POWER CORPORATION A FRANCHISE TO ESTABLISH, OPERATE, AND MAINTAIN, FOR COMMERCIAL PURPOSES AND IN THE PUBLIC INTEREST, A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END USERS IN THE CITY OF ILOILO, PROVINCE OF ILOILO, AND ENSURING THE CONTINUOUS AND UNINTERRUPTED SUPPLY OF ELECTRICITY IN THE FRANCHISE AREA’

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

SECTION 1. Section 1 of Republic Act No. 11212 is hereby amended to read as follows:

“SECTION 1. Nature and Scope of Franchise. - Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to MORE Electric and Power Corporation, hereunder referred to as the Grantee, its successors or assignees, a franchise to establish, operate, and maintain, for commercial purposes and in the public interest, a distribution system for the conveyance of electric power to end users in the Cities of Iloilo and Passi and the Municipalities of Alimodian, Leganes, Leon, New Lucena, Pavia, San Miguel, Santa Barbara, Zarraga, Anilao, Banate, Barotac Nuevo, Dingle, Duenas, Dumangas and San Enrique, in the Province of Iloilo.”

“As used in this Act, distribution system refers to the system of wires and associated facilities including subtransmission lines belonging to or used by a franchised distribution utility extending between the delivery point on the national
SEC. 2. Section 15 of Republic Act No. 11212 is hereby amended to read as follows:

“SEC. 15. Sale, Lease, Transfer, Grant ofUsufruct, or Assignment of Franchise.
The [g]rantee shall not sell, lease, transfer, grant the usufruct of, nor assign this
franchise or the rights and privileges acquired thereunder to any person, firm,
company, corporation or other commercial or legal entity, nor merge with any other
corporation or entity, nor shall transfer the controlling interest of the [g]rantee,
whether as a whole or in part, and whether simultaneously or contemporaneously,
to any person, firm, company, corporation, or entity without the prior approval of
the Congress[-]of the Philippines and IN compliance with legal requirements
stipulated in other statutes: Provided, That, during the period before the dispersal
of its ownership under Section 16, the [g]rantee shall notify Congress in writing
of any sale, or transfer of its shares less than the controlling interest: Provided,
further, That failure to report to Congress such change of ownership shall render
the franchise ipso facto revoked: [Provided, finally That any person or entity to
which this franchise is sold, transferred, or assigned shall be subject to the same
conditions, terms, restrictions, and limitations of this Act:] PROVIDED,
FURTHERMORE, THAT THE LIMITATIONS SET FORTH IN THIS SECTION
SHALL NOT APPLY TO: (A) ANY TRANSFER OR ISSUANCE OF SHARES OF
STOCK IN THE IMPLEMENTATION OF THE REQUIREMENT FOR THE
DISPERSAL OF THE GRANTEE’S OWNERSHIP PURSUANT TO SECTION 16
OF THIS ACT; (B) ANY TRANSFER OR SALE OF SHARES OF STOCK TO A
FOREIGN OR LOCAL INVESTOR OR INVESTORS WHO WILL NOT
PARTICIPATE IN THE MANAGEMENT OF THE GRANTEE; (C) ANY ISSUANCE
OF SHARES TO ANY FOREIGN OR LOCAL INVESTORS PURSUANT TO OR
IN CONNECTION WITH ANY INCREASE IN THE GRANTEE’S AUTHORIZED
CAPITAL STOCK WHICH SHALL RESULT IN THE DILUTION OF THE
STOCKHOLDINGS OF THE GRANTEE’S THEN EXISTING STOCKHOLDERS;
(D) ANY COMBINATION THEREOF WHERE SUCH TRANSFER, SALE, OR
ISSUANCE IS EFFECTED IN ORDER TO ENABLE THE GRANTEE TO RAISE
THE NECESSARY CAPITAL OR FINANCING FOR THE PROVISION OF ANY
OF THE SERVICES AUTHORIZED BY THIS ACT; AND (E) ANY SALE,
TRANSFER, OR ASSIGNMENT OF SHARES OF THE GRANTEE IN FAVOR OF
AN AFFILIATE WHOSE CONTROLLING INTEREST IS OWNED BY THE SAME
PARENT CORPORATION OF THE GRANTEE; PROVIDED, FINALLY, THAT
ANY SUCH TRANSFER, SALE, OR ISSUANCE IS IN ACCORDANCE WITH ANY
APPLICABLE CONSTITUTIONAL LIMITATIONS.

ANY PERSON OR ENTITY TO WHICH THIS FRANCHISE IS SOLD,
TRANSFERRED, OR ASSIGNED SHALL BE SUBJECT TO THE SAME
CONDITIONS, TERMS, RESTRICTIONS, AND LIMITATIONS OF THIS ACT.”

SEC. 3. Section 21 of Republic Act No. 11212 is hereby amended to read as follows:

“SEC. 21. Equality Clause.- Any advantage, favor, privilege, exemption, or
immunity granted under existing franchises, or which may hereafter be granted to
power distribution franchises, upon prior review and approval of Congress, shall
become part of this franchise and shall be accorded immediately and unconditionally to the herein grantee: Provided, That the foregoing shall neither apply to nor affect provisions [of broadcasting franchises pertaining to] CONCERNING TERRITORIAL COVERAGE, the term, AND the type of service [, or territorial coverage of] AUTHORIZED BY the franchise."

SEC. 4. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,