

[REPUBLIC ACT NO. 5360, June 15, 1968]

AN ACT GRANTING A FRANCHISE FOR AN ELECTRIC LIGHT, HEAT AND POWER SYSTEM TO PANAY ELECTRIC COMPANY, INC. IN THE CITY OF ILOILO, AND IN THE MUNICIPALITIES OF SANTA BARBARA AND PAVIA, BOTH IN THE PROVINCE OF ILOILO.

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 and to the terms and conditions established in Act Numbered Thirty-six hundred thirty-six, as amended by Commonwealth Act Numbered One hundred thirty-two, there is granted to Panay Electric Company, Inc. for a period of twenty-five years from the date of approval of this Act, the right, privilege and authority to construct, maintain and operate an electric light, heat and power system for the purpose of generating and/or distributing electric light, heat and/or power for sale within the City of Iloilo and the municipalities of Santa Barbara and Pavia, both in the Province of Iloilo. The grantee shall further have the right and privilege to install, lay and maintain on all streets, public thoroughfares, bridges and public places within said limits, poles, wires, transformers, capacitors, lead protective devices, and pole line hardware, and other equipment necessary for the safe distribution of electric current to the public.

SEC. 2. In the event that the National Power Corporation shall have established its line in the areas adjacent to or over the territory covered by this franchise, the National Power Corporation may make available its power and heat only after negotiations with and through or with the authority and consent of the grantee which shall be the exclusive distributor of whatever power the aforementioned corporation may make available adjacent or within the territory covered by this franchise.

SEC. 3. The rates for the sale of electric light, heat and/or power shall be subject to the regulation by the Public Service Commission.

SEC. 4. It is expressly provided that in the event the Government should desire to operate and maintain for itself the system and enterprise herein authorized, the grantee shall surrender its franchise and will turn over to the government all equipment therein at fair market value.

SEC. 5. In consideration of the franchise and rights hereby granted, the grantee shall pay a franchise tax equal to two *per centum* of the gross earnings for electric current sold under this franchise: *Provided*, That the said franchise tax of two *per centum* of the gross earnings shall be in lieu of taxes, duties and assessments, licenses and fees of whatever nature and which may be levied by any governmental authority now and in the future upon privileges,