

[REPUBLIC ACT NO. 4406, June 19, 1965]

AN ACT GRANTING THE BANAAG ELECTRIC A FRANCHISE FOR AN ELECTRIC LIGHT, HEAT AND POWER SYSTEM IN THE MUNICIPALITY OF PINAMALAYAN, PROVINCE OF ORIENTAL MINDORO.

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 and thirty-two, there is granted to the Banaag Electric for a period of twenty-five years from the date of approval of this Act, the right, privilege and authority to construct, operate and maintain an electric light, heat and power system for the purpose of generating and distributing electric light, heat and/or power for sale within the Municipality of Pinamalayan, Province of Oriental Mindoro.

SEC. 2. In the event that the grantee shall purchase and secure electric heat and power from the National Power Corporation, the latter is hereby authorized to negotiate and transact for the benefit and in behalf of the public consumers with reference to rates.

SEC. 3. In consideration of the franchise and rights hereby granted, the grantee shall pay into the Treasury of the Philippines a franchise tax equal to two *per centum* of the gross earnings for electric current sold under this franchise. Provision of law to the contrary notwithstanding, the franchise tax equal to two *per centum* of the gross earnings of the grantee as provided for in the original franchise granted by the Municipality of Pinamalayan, Province of Oriental Mindoro, shall be respected. Effective upon the date the original franchise was granted, no other tax upon its capital stock, franchise, right of way, earnings and all other property owned or operated by the grantee under this concession or franchise shall be levied or assessed on the herein grantee except the franchise tax of two *per centum* of the gross earnings mentioned in the said original franchise.

SEC. 4. Upon approval of this Act, the municipal franchise granted to the Pinamalayan Electric shall terminate and this franchise shall take its place.

SEC. 5. This Act shall take effect upon its approval.

Approved, June 19, 1965.
