

[REPUBLIC ACT NO. 3583, June 21, 1963]

AN ACT GRANTING THE ILOCOS NORTE ELECTRIC COMPANY A FRANCHISE TO INSTALL, MAINTAIN AND OPERATE AN ELECTRIC LIGHT, HEAT AND POWER SYSTEM IN THE MUNICIPALITIES OF LAOAG AND SAN NICOLAS, BOTH IN THE PROVINCE OF ILOCOS NORTE, AND TO SELL AND DISTRIBUTE LIGHT, HEAT AND POWER THEREIN.

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 and thirty-six, as amended by Commonwealth Act Numbered One hundred and thirty-two, there is granted to the Ilocos Norte Electric Company, for a period of fifty years from the approval of this Act, the right, privilege and authority to install, maintain and operate electric light, heat and power system for the purpose of generating and distributing electric light, heat and Power for sale in the municipalities of Laoag and San Nicolas, both in the Province of Ilocos Norte, and to collect and charge a schedule of prices, which schedule of prices and rates shall at all times be subject to regulation by the Public Service Commission: *Provided*, That electric and power services to the Ablan Memorial and the Ilocos Norte Waterworks reservoir at Ermita Hill including all government buildings established in said area, be charged only at costs.

SEC. 2. In the event that the National Power Corporation shall have established its lines 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 negotiation with and through the Ilocos Norte Electric Company, or with the authority and consent of the grantee. The National Power Corporation is hereby authorized to negotiate and transact for the benefit and in behalf of the public consumers with reference to rates as approved by the Public Service Commission subject to the exception in the next preceding paragraph.

SEC. 3. In consideration of this 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. Provisions 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 franchises granted by the municipalities of Laoag and San Nicolas, both in the Province of Ilocos Norte, 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.