

LAWNUM: RA07578

DATE : 05/27/92

TITLE : AN ACT GRANTING THE IBAAN ELECTRIC AND ENGINEERING CORPORATION A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ELECTRIC LIGHT, HEAT AND POWER SYSTEM IN THE MUNICIPALITY OF IBAAN, PROVINCE OF BATANGAS, AND FOR OTHER PURPOSES

TEXT :

H. No. 34877

Republic of the Philippines
Congress of the Philippines
Metro Manila

Fifth Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second day of July, nineteen hundred and ninety-one.

[REPUBLIC ACT NO. 7578]

AN ACT GRANTING THE IBAAN ELECTRIC AND ENGINEERING CORPORATION A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN AN ELECTRIC LIGHT, HEAT AND POWER SYSTEM IN THE MUNICIPALITY OF IBAAN, PROVINCE OF BATANGAS, AND FOR OTHER PURPOSES

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 the provisions of laws, orders or issuances not inconsistent herewith, the Ibaan Electric and Engineering Corporation, hereunder referred to as the grantee, its successors or assigns, is hereby granted a franchise to construct, operate and maintain an electric light, heat and power system for the purpose of generating and/or distributing electric light, heat and power system for sale in the Municipality of Ibaan, Province of Batangas, for a period of twenty-five (25) years from the date of effectivity of this Act.

SEC. 2. The grantee shall have the right and privilege to install, lay and maintain on all streets, public thoroughfares, bridges and public places within the territory covered by this franchise, poles, wires, transformers, capacitors, overhead protective devices, pole line hardware and other equipment necessary for the safe distribution of electric current to the public.

The grantee shall have the corresponding duty to restore to their original condition the public place or places so affected by such installation and/or construction.

SEC. 3. At such time that the National Power Corporation shall have established its line in the areas adjacent to or over the territory covered by this franchise, it shall 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 aforesaid corporation may make available to adjacent areas or within the territory covered by this franchise.

SEC. 4. The grantee shall undertake the electrification of all unenergized barangays in the Municipality of Ibaan, Province of Batangas, within the radius of five kilometers (5 km.) from its existing lines within five (5) years and the remaining unenergized barangays in the said municipality within fifteen (15) years from the effectivity of this Act.

Should there be applications for connections within an unenergized barangay from more than one hundred (100) households, the grantee is obligated to accelerate the electrification and to provide electric service within a year of application.

SEC. 5. The rates for the sale of electricity, heat and power by the grantee to its consumers shall be subject to the regulations of the Energy Regulatory Board.

The Energy Regulatory Board (ERB) may also impose fines or penalties to the grantee should the latter fail to live up to its business expansion plan indicated in Section 4 herein.

SEC. 6. In the event that the Government should desire to operate and maintain for itself the system herein authorized, the grantee shall surrender its franchise and shall turn over to the Government all its equipment at fair market value.

SEC. 7. In consideration of the franchise and privileges herein granted, the grantee, its successors or assigns shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or assigns, shall pay a franchise tax equivalent to two percent (2%) of all gross receipts of the electric business transacted under this franchise or earnings thereof- Provided That the grantee, its successors or assigns shall be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant to Section 2 of Executive Order No. 72 unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto.

The grantee shall file the return with and pay the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representative in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.

SEC. 8. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or entity, nor merge with any other corporation or entity without the prior approval of the Congress of the Philippines. Neither shall the controlling interest in the grantee be transferred, whether as a whole or in parts and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines. Any person or entity to which this franchise is validly sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitations of this Act.

SEC. 9. This franchise herein granted shall be subject to amendment, alteration or repeal by the Congress of the Philippines when the public interest so requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.

SEC. 10. The grantee shall submit an annual accomplishment report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and on its operations within sixty (60) days from the end of every year.

SEC. 11. This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation in the Philippines.

Approved,

NEPTALI A. GONZALES
President of the Senate

RAMON V. MITRA
Speaker of the House
of Representatives

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on February 4, 1992 and January 30, 1992, respectively.

ANACLETO D. BADOY, JR.
Secretary of the Senate

CAMILO L. SABIO
Secretary General
House of Representatives

Approved: May 27, 1992

CORAZON C. AQUINO
President of the Philippines