

[REPUBLIC ACT NO. 4141, June 20, 1964]

AN ACT GRANTING THE ARAYAT ELECTRIC PLANT A FRANCHISE TO INSTALL, OPERATE AND MAINTAIN AN ELECTRIC LIGHT, HEAT AND POWER SYSTEM IN THE MUNICIPALITY OF ARAYAT, PROVINCE OF PAMPANGA.

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

SECTION 1. Subject 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, and to the provisions of the Constitution, there is hereby granted to the Arayat Electric Plant, for twenty-five years from the approval of this Act, the right, privilege and authority to construct, operate and maintain an electric light, heat and power system in the Municipality of Arayat, Province of Pampanga, for the purpose of generating and distributing electric light, heat and/or power for sale within the said municipality.

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. It is expressly provided that in the event the Government should desire to maintain and operate for itself the system and enterprise herein authorized, the grantee shall surrender its franchise and turn over to the Government all serviceable equipment therein, at cost less reasonable depreciation.

SEC. 4. 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 all taxes and assessments of whatever authority upon privileges, earnings, income, franchise, and poles, wires, transformers, and insulators of the grantee, from which taxes and assessments the grantee is hereby expressly exempted. Effective upon the date the original municipal 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.

SEC. 5. Upon approval of this Act, the municipal franchise granted to the Arayat Electric Plant shall terminate and in lieu thereof, this franchise shall take its place.

SEC. 6. This Act shall take effect upon its approval.