

REPUBLIC ACT NO. 8960

AN ACT FURTHER EXTENDING THE TERM OF THE FRANCHISE GRANTED TO DAVAO LIGHT AND POWER COMPANY, INC. TO CONSTRUCT, OPERATE AND MAINTAIN AN ELECTRIC LIGHT, HEAT AND POWER SYSTEM IN DAVAO CITY AND THE MUNICIPALITIES OF CARMEN, PANABO, DUJALI, AND SANTO TOMAS, PROVINCE OF DAVAO DEL NORTE, FOR A PERIOD OF TWENTY-FIVE (25) YEARS AND FOR OTHER PURPOSES

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

SECTION 1. *Nature and Scope of Franchise.* – The term and franchise granted to Davao Light and Power Company under Act Numbered Thirty-seven hundred and sixty, as extended by the National Electrification Commission in its Resolution No. 134, and the existing franchise as granted by the National Electrification Commission pursuant to its Resolution No. 135 and Decision in Case No. 77-18, is hereby further extended, under the same terms and conditions therein provided and subject to the provisions of the Constitution and Act Numbered Thirty-six hundred and thirty-six, as amended by Commonwealth Act Numbered One hundred and thirty-two, for a period of twenty-five (25) years from the date of effectivity of this Act: *Provided*, That all rights, privileges, benefits and exemptions accorded to existing and future private electric utilities in the country by their respective franchises shall likewise be extended to the grantee.

SEC. 2. *Rates for Services.* – 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.

SEC. 3. *Right of Government.* – In the event that the government should desire to operate and maintain for itself the system and enterprise herein authorized, the grantee shall surrender its franchise and shall turn over to the government all its equipment at fair market value.

SEC. 4. *Tax Provisions.* – The grantee, its successors or assigns, shall be subject to the payment of all taxes, duties, fees or charges and other impositions applicable to private electric utilities under the National Internal Revenue Code of 1997, as amended, and other applicable laws: *Provided*, That nothing herein shall be construed as repealing any specific tax exemptions, incentives, or privileges granted under any relevant law: *Provided, further*, That all rights, privileges, benefits and exemptions accorded to existing and future private electric utilities by their respective franchises shall likewise be extended to the grantee.

The grantee shall file the return with the city or province where its facility is located and pay the taxes due thereon to the Commissioner of Internal Revenue or his duly authorized representatives in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.

SEC. 5. *Sale, Lease, Transfer, Usufruct, etc.* – The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder, to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other person, company or corporation nor shall the controlling interest of 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 approval of the Congress of the Philippines. Any person or entity to which this franchise is sold, transferred or assigned, shall be subject to the same conditions, terms, restrictions and limitations of this Act.

SEC. 6. *Separability Clause.* – If any of the sections or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain valid.

SEC. 7. *Repealability and Nonexclusivity Clause.* – This franchise 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. 8. *Reportorial Requirement.* – The grantee shall submit an annual 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. 9. *Effectivity Clause.* – This Act shall take effect fifteen (15) days from the date of its publication, upon the initiative of the grantee, in at least two (2) newspapers of general circulation in the Philippines.

Lapsed into law on September 7, 2000 without the President's signature, pursuant to Sec. 27(1), Article VI of the Constitution.