

AN ACT TO FURTHER AMEND COMMONWEALTH ACT NUMBERED ONE HUNDRED TWENTY, AS AMENDED BY REPUBLIC ACT NUMBERED TWENTY-SIX HUNDRED AND FORTY-ONE.

REPUBLIC ACT NO. 3043, June 17, 1961

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

SECTION 1. Section two-A of Commonwealth Act Numbered One hundred twenty, as such section was inserted therein by Republic Act Numbered Twenty-six hundred and forty-one, is hereby amended to read as follows:

"SEC. 2-A. The National Power Corporation shall have an authorized capital stock of two hundred and fifty million pesos divided into two and one-half million shares having a par value of one hundred pesos each, which shares may not be transferred, negotiated, pledged, mortgaged, or otherwise given as security for the payment of any obligation. The said capital stock shall be subscribed wholly by the Government of the Philippines and shall be paid as follows:

"The sum of eighty-two million pesos advanced to the National Power Corporation by the Government of the Philippines pursuant to the provisions of Republic Act Numbered Two hundred sixty-six shall be the paid-in subscription for eight hundred twenty thousand shares of stock of said capital stock;

"The surplus of ten million pesos of the National Power Corporation shall be capitalized, and shall also be an additional paid-in subscription of the Government of the Philippines for one hundred thousand shares of stock of the capital stock; and

"The balance of one hundred and fifty-eight million pesos shall be paid from time to time by conversion of part of existing bonded indebtedness into equity capital and from surpluses of the Corporation, and in the absence thereof, from bond issues upon request of the National Power Corporation for specific projects duly approved by the President of the Philippines. The payment of the interest of the bonded indebtedness incurred by the government to capitalize the National Power Corporation shall be paid by the National Power Corporation out of its net earnings after the completion of the project for which such indebtedness was incurred: Provided, That such interest up to July one, nineteen hundred seventy, shall be capitalized and considered as additional authorized capital of the National Power Corporation: And provided, further, That from July one, nineteen hundred seventy, the National Power Corporation shall begin redeeming the additional capital of one hundred and fifty-eight million pesos herein authorized, at a rate equal to yearly sinking fund as provided in Section four of Commonwealth Act Numbered One hundred twenty."

SEC. 2. The National Power Corporation shall invest thirty percent of the additional capital to be raised under this Act in projects in the Visayas, thirty-five percent in projects in Luzon, and thirty-five percent in projects in Mindanao, Sulu and Palawan.

SEC. 3. The National Power Corporation is hereby authorized to represent and transact for the benefit and in behalf of the public consumers, and it shall in any contract for the supply of electric power to a franchise holder require as a condition that the franchise holder, if it receives at least fifty percent of its electric power and energy from the National Power Corporation, shall not realize a net profit of more than twelve percent annually of its

investments plus two-month operating expenses. The National Power Corporation shall renew all existing contracts with franchise holders for the supply of electric power and energy, in order to give effect to the provisions hereof. In the event that the net profit as verified by the Public Service Commission should exceed the said twelve percent, the Public Service Commission shall order such excess to be returned pro rata to the customers either in cash or as credit for future electric bills.

SEC. 4. All transmission lines from the National Power Corporation's power plant or main substation to the substation serving a power distributor shall be at the expense of the National Power Corporation, and no rent or charge shall be imposed for the use of said power lines without prior agreement of the corporation and the power distributor.

SEC. 5. In the purchase of machineries, equipment, supplies and materials needed to implement projects under this Act, all things being equal, priority shall be given to Filipino companies or entities manufacturing the same.

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

Approved, June 17, 1961.

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