

**[DOE DEPARTMENT CIRCULAR NO. 98-04-006,
April 22, 1998]**

**REPEALING ENERGY REGULATIONS NO. 1-97, ENTITLED "RULES
AND REGULATIONS GOVERNING BULK POWER SUPPLY OF
INDUSTRIES FROM THE NATIONAL POWER CORPORATION"**

WHEREAS, pursuant to Republic Act No. 7683, the Department of Energy (DOE) is mandated, among others, to encourage and guide the operations of both government and private entities involved in electricity distribution;

WHEREAS, pursuant to this mandate, the DOE promulgated Energy Regulations No. 1-97 on February 5, 1997, which provided policy guidelines governing the sale of electric power in bulk by the National Power Corporation (NPC) to industrial enterprises through the "Direct Connection" scheme whereby the generation and transmission of electric power service were provided exclusively by the NPC to the concerned industrial enterprise, subject to certain limitations on the size of the load and the voltage requirements in particular grids of the NPC;

WHEREAS, on April 17, 1998 President V. Ramos promulgated Executive Order No. 478 which now required the segregation and unbundling of electrical power tariff components of the NPC and the franchised electric utilities to rationalize the economic and efficient generation, transmission and distribution of electricity;

WHEREAS, EO 478 directed the Energy Regulatory Board, within a period of sixty (60) days from the effectivity of said Executive Order, to formulate and adopt the necessary guidelines to identify the different types of services that are being provided and the corresponding tariffs that are being charged to customers by the NPC and franchised electric utilities;

WHEREAS, the foregoing development shall pave the way for the provision of power supply to customers or end-users at rates reflecting true costs and for the implementation of transmission wheeling arrangements, which will allow the transport by franchised electric utilities of electricity generated by the NPC to the concerned end-users, thereby helping ensure the economic and efficient transmission and distribution of NPC bulk power supply;

WHEREAS, the DOE considers it imperative to repeal Energy Regulations No. 1-97 in order to allow the full implementation of Executive Order No. 478 thereby providing an environment that will allow the provision of NPC bulk power supply at rates reflecting true costs and the pursuit of transmission wheeling arrangements, consistent with the mandate of the NPC under Republic Act No. 6395, as amended, to sell electric power in bulk as well as the franchise rights of electric utilities;

NOW, THEREFORE, notice is hereby being given to the public that Energy Regulations No. 1-97 is hereby deemed repealed.