

**[ REPUBLIC ACT NO. 7648, April 05, 1993 ]**

**AN ACT PRESCRIBING URGENT RELATED MEASURES NECESSARY  
AND PROPER TO EFFECTIVELY ADDRESS THE ELECTRIC POWER  
CRISIS AND FOR OTHER PURPOSES**

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

SECTION 1. *Short Title.* - This Act shall be known as the "Electric Power Crisis Act of 1993."

SEC. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to adopt adequate and effective measures to address the electric power crisis that has disrupted the country's economic and social life and assumed the nature and magnitude of a public calamity.

SEC. 3. *Negotiated Contracts.* - Pursuant to the above declared policy and in the public interest and whenever it is advantageous to the Government, the President may enter into negotiated contracts for the construction, repair, rehabilitation, improvement or maintenance of power plants, projects and facilities, subject to the following requirements:

- a. In order to inform competitive contractors, the list of projects to be undertaken under this Act, together with their description, the budgetary estimates involved and other salient features, shall be published in a newspaper of general circulation thirty (30) days after the effectivity of this Act;
- b. Upon perfection of the contract, the terms and conditions of the same, with the name and qualifications of the contractor, shall likewise be published in a newspaper of general circulation two (2) weeks before the signing of the contract;
- c. The contracts shall be awarded only to contractors with:
  - i. proven competence and experience in similar projects;
  - ii. competent key personnel and sufficient and reliable equipment; and
  - iii. sound financial capacity; and
- d. All the awarded projects shall be subject to existing government auditing rules and regulations governing negotiated contracts.

SEC. 4. *Return on Rate Base.* - Further pursuant to the above-declared policy, the President is hereby authorized, whenever it is necessary for the national welfare and in the public interest, to fix the rate of return on rate base of the National Power Corporation (NAPOCOR) to not more than twelve *per centum* (12%) of the rate base as defined in Section 4 of Republic Act No. 6395, as amended. Any increase in