

EXECUTIVE ORDER NO. 86

FIXING THE RATE OF RETURN ON RATE BASE OF THE NATIONAL POWER CORPORATION AT TWELVE PERCENT OF THE RATE BASE AS DEFINED IN SECTION 4 OF REPUBLIC ACT NO. 6395, AS AMENDED

WHEREAS, as enunciated in Republic Act No. 7684, otherwise known as the Electric Power Crises Act of 1993, it is the "declared 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";

WHEREAS, the same law provides, among others, that in pursuance of the said policy, the President is "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"; and

WHEREAS, the Department of Energy has recommended that, considering the gravity of the current electric power crisis, it is necessary for the national welfare and in the public interest that the rate of return on rate base of the NAPOCOR be adjusted from ten percent, (10%) to twelve percent (12%) of the rate base.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby fix the rate of return on rate base of the National Power Corporation from ten percent (10%) to twelve percent (12%) of the rate base as defined in Section 4 of Republic Act No. 6395, as amended.

This Order shall take effect the day following its complete publication in a newspaper of general circulation.

DONE in the City of Manila, this 5th day of May in the year of Our Lord, Nineteen Hundred and Ninety-Three.

(Sgd.) **FIDEL V. RAMOS**
President of the Philippines

By the President:

(Sgd.) **ANTONIO T. CARPIO**
Chief Presidential Legal Counsel