**DEPARTMENT CIRCULAR NO. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**PROMULGATING THE REVISED RULES GOVERNING THE PROCESSING AND EVALUATION OF DIRECT CONNECTION APPLICATIONS OF INDUSTRIAL, COMMERCIAL AND OTHER ELECTRICITY END-USERS**

**WHEREAS**, Republic Act No. 7638, otherwise known as the “Department of Energy Act of 1992”, mandates the Department of Energy (DOE) to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation, among others;

**WHEREAS**, Republic Act No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001 or EPIRA”, states that it is the policy of the State to: (i) ensure the quality, reliability, security, and affordability of the supply of electric power; (ii) ensure transparent and reasonable prices of electricity in a regime of free and fair competition and full public accountability to achieve greater operational and economic efficiency and enhance the competitiveness of Philippine products in the global market; (iii) protect the public interest as it is affected by the rates and services of electric utilities and other providers of electric power; and, (iv) encourage the efficient use of energy and other modalities of demand side management;

**WHEREAS**, Section 37 of the EPIRA mandates the DOE, among others, to: (i) supervise the restructuring of the electric power industry; (ii) formulate rules and regulations as may be necessary to implement the objectives of the EPIRA; and, (iii) exercise such other powers as may be necessary or incidental to attain the objectives of the EPIRA;

**WHEREAS**, Section 9 of the EPIRA states that the National Transmission Corporation (TransCo) or its Buyer/Concessionaire shall provide open and non-discriminatory access to its transmission system to all electricity users;

**WHEREAS**, Section 23 of the EPIRA states that Distribution Utilities (DU) shall provide universal service within their franchise, over a reasonable time from the requirement thereof, in a manner that shall sustain the economic viability of the utility, subject to the approval by the Energy Regulatory Commission (ERC) in the case of private or government-owned utilities;

**WHEREAS**, on 08 May 2014, the ERC endorsed to the DOE all direct connection applications in compliance with the Supreme Court (SC) ruling in the Mactan Electric Company, Inc. (MECO) vs. NPC, et al. (G.R. No. 172960), citing that the DOE has jurisdiction over the dispute relative to the distribution of energy resource, specifically direct supply of electricity, and was not within the authority of ERC to resolve nor the Regional Trial Court;

**WHEREAS**, The Supreme Court’s decision in the case of National Power Corporation and Fine Chemicals (Phils.), Inc. versus The Court of Appeals and the Manila Electric Company G.R. 84695 promulgated May 08, 1990, the court ruled:

“x x x Exclusivity is given by law with the understanding that the company enjoying it is self-sufficient and capable of supplying the needed service or product at moderate or reasonable prices. It would be against public interest where the firm granted a monopoly is merely an unnecessary conduit of electric power, jacking up prices as a superfluous middleman or an inefficient producer which cannot supply cheap electricity to power intensive industries. It is in the public interest when industries dependent on the heavy use of electricity are given reliable and direct power at the lowest costs thus enabling the sale of nationally marketed products at prices within the reach of the masses. x x x” (Alger Electric, Inc. v. Court of Appeals, 133 SCRA 45-46 [1985]

**WHEREAS**, the Republic Act No. 11032 otherwise known as the “Ease of Doing Business and Efficient Government Service Delivery Act of 2018”, states that, all offices and agencies which provide government services are mandated to regularly undertake cost compliance analysis, time and motion studies, undergo evaluation and improvement of their transaction systems and procedures and reengineer the same if deemed necessary to reduce bureaucratic red tape and processing time;

**WHEREAS**, the Republic Act No. 11234 otherwise known as the “Energy Virtual One-Stop Shop Act”, states that, an Energy Virtual One-Stop Shop (EVOSS) shall be established under the supervision of the DOE and shall operate and maintain an effective information technology infrastructure system, which shall be updated regularly;

**WHEREAS**, on 09 January 2020, the DOE promulgated the Department Circular DC2020-01-0001 entitled “Prescribing the Rules Governing the Review and Evaluation of Direct Connection Applications of Industrial, Commercial and Other Electricity End-users”;

**WHEREAS**, on 10 May 2022, the DOE also promulgated the Department Circular DC2022-05-0014 entitled “Amending Department Circular No. DC2022-01-0001 on Rules Governing the Review and Evaluation of Direct Connection Applications of Industrial, Commercial and Other Electricity End-users”;

**WHEREAS**, the DOE deemed it necessary to provide supplementary guidelines to address the issues and concerns on the process and requirements of the Application for Direct Connection and to facilitate the compliance and participation of Directly Connected Customers (DCC) to the existing laws and regulations.

**NOW THEREFORE**, in consideration of the foregoing, the DOE hereby issues, and adopts existing provisions and applicable amendments to the DOE Department Circulars No. DC2020-01-0001, and promulgates the following rules and regulations:

**RULE 1**

**GENERAL PROVISIONS**

**Section 1. Title and Scope.** This Circular shall be known as the “Revised Rules Governing the Review and Evaluation of Direct Connection Applications of Industrial, Commercial and Other Electricity End-users” and shall hereinafter be referred to as the “*DCC Rules*”.

**Section 2. Purpose.** The *DCC Rules* sets the general rules and procedures to properly guide the *End-users* and all other concerned stakeholders such as the Distribution Utility and the Transmission Network Provider, in facilitating their application for renewal or approval of new *Direct Connection* arrangement.

**Section 3. General Principles.** The following principles shall be adopted in the review and evaluation of applications for *Direct Connection*:

1. The privilege of direct connection may be afforded to the following:
   * 1. Existing DCC as follows:
        1. Previously waived by the DU unless such waiver has been revoked;
        2. Previously approved by the ERC or confirmed by an order by the court as duly qualified End-user to be directly connected to the TNP; and
        3. DCC by virtue of an original supply agreement with the National Power Corporation (NPC) or the Power Sector Assets and Liabilities Management Corporation (PSALM)
     2. Where the franchise DU waived or deemed waive its right as DU, or have yet to have the capability to provide the required facility and/or services. These would include any of the ff:
        1. High demand and energy-intensive New End-users with at least 5 MW monthly projected demand for at least three (3) consecutive months, and a load factor of at least seventy percent (70%), requiring delivery voltage of 69 kV, which technical facilities cannot be provided by the DU;
        2. Manufacturing End-users whose production are sensitive to sudden power fluctuations regardless of the demand;
        3. Government Entities operating critical infrastructures such as but not limited to irrigation, mass transportation system, telecommunications, hospitals, water treatment facilities; and
        4. Any other entities applying for direct connection and has been waived by the franchised DU.
2. The approval of the Direct Connection shall not compromise the stability and reliability of the Grid;
3. The approval of the Direct Connection shall be on the basis of DU’s issuance of a waiver or DU’s failure to provide the required services of an End-user subject to sufficient documentation by the latter, or an exemption granted by the DOE in accordance with this Circular;
4. The Applicant’s connection facility requirements shall not form part of the regulatory asset base of the Transmission Network Provider (TNP);
5. All DCC that has successfully acquired approval from the DOE shall continue to enjoy its DCC status until such time that the DU revokes the issued waiver, as provided in Section 12 of the DCC Rules;
6. All DCC shall comply with the applicable provisions of the Philippine Grid Code and other requirements of the TNP;
7. Any dispute arising from seeking Direct Connection status shall not result in disconnection of any End-user. A dispute concerning the reliability of services of a DU shall be referred to the ERC. Notwithstanding the application shall be evaluated by the DOE in accordance with these guidelines; and
8. The *DCC Rules* shall not apply to Ecozone Developer and/ or Operator as defined in Section 2 (o) of Implementing Rules and Regulations of Republic Act No. 7916 or “The Special Economic Zone Act of 1995” (as amended). This shall not however prevent any electricity End-user within an Economic Zone to apply for Direct Connection.

**Section 4. Coverage.** The evaluation of applications for *Direct Connection* of an End-user which has secured a waiver from its franchised DU or whose application has been deemed waived or qualified for exemption as indicated in these Rules, shall cover the following:

* 1. Any existing *DCC* which has not secured prior approval from the DOE but has an authorization from the ERC or previous customer of NPC/PSALM, intending to renew its Transmission Service Agreement (TSA) with the TNP;
  2. Any End-user already connected to the transmission facility of the TNP but has not secured prior approval from the DOE, ERC, or was not a customer of NPC/PSALM; and
  3. A New *End-user* requiring delivery voltage of 69 kV and above and is willing to shoulder the cost of associated infrastructure as determined by the TNP, if not yet available;
  4. DU;
  5. TNP; and
  6. ERC

**Section 5. Definition of Terms.** For the purpose of this Circular, the following terms are defined, as follows:

1. **Action** refers to a final decision (approval or disapproval) on an application by a DU-authorized personnel involved in the application process;
2. **Applicant** refers to an End-user or its duly authorized representative who submitted application for renewal or approval of new direct connection;
3. **Deemed Waive** refers to a provision wherein the DU lost its right to serve the End-user;
4. **Directly Connected Customer (DCC)** refers to an End-user, who is supplied electricity through the Grid or sub-transmission assets operated by the TNP;
5. **Direct Connection** refers to an arrangement for the supply of energy to an End-user directly connecting to the Grid or sub-transmission assets that are operated by the TNP. Said arrangement shall be based on (1) Earlier approval by the ERC, (2) Earlier contract with NPC or PSALM, or (3) Approval by the DOE;
6. **Distribution Utility (DU)** refers to an Electric Cooperative, private corporation, government-owned utility, or existing local government unit that has an exclusive franchise to operate a Distribution System. This includes Ecozone Utilities under Philippine Economic Zone Authority (PEZA) as defined under Section 2 of the Implementing Rules and Regulations of the Republic Act No. 7916;
7. **End-user** refers to any person or entity requiring the supply and delivery of electricity for its own use;
8. **Grid** refers to the high voltage backbone system of interconnected transmission lines, substations and related facilities, located in each of Luzon, Visayas and Mindanao, or as may otherwise be determined by the ERC in accordance with Section 45 of the EPIRA;
9. **Subtransmission Asset** refers to the facility related to the power delivery service below the transmission voltages and based on the functional assignment of assets, including but not limited to the step-down transformers, used solely by load customers, associated switchyard/substation, control and protective equipment, reactive compensation equipment to improve customer power factor, overhead lines and the land such facilities/equipment are located. For this purpose, this includes the TransCo or its Buyer/Concessionaire assets linking the transmission system and the distribution system which are neither classified as a generation nor transmission asset;
10. **Transmission Network Provider (TNP)** refers to the party that is responsible for maintaining adequate Grid Capacity, in accordance with the provisions of the Philippine Grid Code; and
11. **Waiver** refers to a duly notarized document stating that the franchised DU does not pose any objection to the application for Direct Connection of the End-user, executed by any duly authorized representative of the DU board, supported by a notarized Secretary’s Certificate.

**Rule 2**

**Evaluation of Application**

**Section 6. Requirements for Application.** An *Applicant* intending to avail of or to renew a *Direct Connection* arrangement shall submit an application through DOE’s EVOSS System with complete documentary requirements indicated under Annex A for each applicable case of application.

1. An application is considered as new if the applicant has:
   1. Not secured prior approval from the DOE, ERC, or was not a customer of NPC/PSALM, but is currently served by the TNP as directly connected;
   2. The applicant is a new End-user seeking electricity connection; or
   3. The applicant is an existing electricity End-user currently being served by its franchised DU.
2. All applications are treated as renewal if the DCC has prior approval from DOE, ERC, or was a previous customer by NPC/PSALM. As such, all concerned End-users shall apply with the DOE the renewal of their DCC status not later than six (6) months from the expiration of the TSA with TNP.

Failure of the DCC to seek approval with the DOE for the renewal of its DCC status within the said period shall result to the non-renewal by the TNP of the TSA and subsequent disconnection of its service. Provided, however, that the TNP may allow extension of the TSA for a period not exceeding 90 days or on a date determined by the DU, within which the DU shall be able to connect and provide the required services of the End-user. Failure of the DU to fulfill this obligation shall result to the reinstatement of the DCC status, subject to the filing of the application for renewal at the EVOSS.

**Section 7. Submission of Application.**

The DOE shall only accept applications with complete documentary requirements as provided in Annex A of these Rules;

The *Applicant* shall submit to the EPIMB the proof of payment of the processing fee in accordance with the Schedule of Fees and Charges in compliance with Administrative Order No. 31 dated 01 October 2012 and its Implementing Rules and Regulations;

The EPIMB may conduct a site inspection on the facilities: (1) intended for *Direct Connection,* (2) TNP connection point, and/or (3) the DU proposed connection point in case of objection, to verify the assertions of the *Applicant* and to gather any other relevant information necessary for the review and evaluation;

For instances where the site inspection will not be feasible due to force majeure (i.e. typhoons, tsunamis, earthquakes, volcanic eruption) or other cases where it may jeopardize the safety of the personnel, the EPIMB can stall the processing of the application for Direct Connection or may request for a virtual site inspection as it may deem necessary.

After the conduct of site inspection, the evaluation period of the EPIMB shall commence and shall be completed no later than fifty (50) calendar days culminating to the issuance of decision letter signed by the Secretary or his/her designated representative;

The DOE may render disapproval and/or termination of evaluation of the application on the basis of the following:

* + 1. Submission of tampered or falsified data/documents;
    2. Non-existing location and/or facilities; and

In all instances, the DOE shall approve or deny any application for *Direct Connection* based on the completeness of documents submitted by the *Applicant* and other information gathered thru site inspection, including the issuance of the Decision Letter, within fifty (50) calendar days from the day of site inspection in accordance with the procedure enrolled under EVOSS.

In case that there are additional requirements to be completed by the *Applicant* as advised by the DOE, the same shall have the effect of stalling the running of the 50 calendar day period for the DOE to complete the evaluation and issue a decision letter. The remainder of the time frame shall commence to run as soon as the additional requirement is completed by the *Applicant*.

**Section. 8. Evaluation of Application.**

* 1. Applications with complete documentary requirements shall be evaluated in respect of the veracity of the submitted documents as indicated under Annex A;
  2. Applications without DU waiver or falling under the deemed waive provision, shall be evaluated in respect of the veracity of the documents proving that the DU has either failed to take action on the End-user’s application or has not completed the committed connection within 90 days or the agreed period with the End-user. The End-user shall provide the complete documentation to support its claim that the DU was unable to comply with Section 10 of these Rules;
  3. An application for Direct Connection of a DU-existing End-user claiming unreliable services by the DU, who has not secured a waiver, may file a petition to the ERC to provide resolution to its case that the DU was unable to render reliable services and is recommended for Direct Connection.

Should the ERC decides in favor of the End-user, the End-user may submit its application for Direct Connection, with the complete documentary requirements as provided in Annex A.

This provision, however, is without prejudice to the ERC’s authority to compel the DU to provide the reliable services to the End-user, subject to corresponding approval of capital expenditure requirements by the DU. NPC/PSALM

* 1. Applications for renewal;

All existing DCC that has secured an earlier approval from the DOE, ERC, or was a previous customer of NPC/PSALM, may apply for renewal of its Direct Connection Status not later than six (6) months before the expiration of its Transmission Supply Agreement with the TNP.

The End-user, in the filing of the application for renewal of their Direct Connection status shall submit a notarized attestation (refer to Annex B), copy furnished and duly received by the DU, that the DU has not revoked nor modified the previous waiver.

In case the DU submitted a written claim to the DOE that it is revoking or modifying the previous waiver agreement, the DOE shall provide seven (7) working days for the DU to submit its final decision thru a notarized attestation on its action on the waiver which shall include among others, work plan to provide the required service of the End-user which shall be no later than six (6) months from the issuance of the said attestation. During this period, the TNP shall continue to serve the existing DCCs.

* 1. The End-user, in the filing of the application for Direct Connection shall submit a notarized attestation that any of the applicable instances indicated below may already warrant the acceptance of the application:
     1. The DU has not responded to the application for electric service filed by the End-user within the period prescribed in Section 10.1 of this Circular or has not connected the End-user within a reasonable period agreed upon by the DU and End-user; and
     2. Upon acceptance by the DOE of the application for Direct Connection filed by the End-user, the DU has failed to file its Action or position on the application to the DOE within seven (7) working days.

The DOE shall evaluate the application for Direct Connection within fifty (50) calendar days from the date of site inspection, provided, complete documentary requirements including additional requirements, if any, are submitted by the applicant within the time frame specified under this circular unless an extension is allowed by the DOE.

**Rule 3**

**Other Provisions**

**Section 9. Regulatory Support.** For the proper implementation of the policies set herein, the Energy Regulatory Commission is hereby enjoined to render the necessary regulatory support to ensure the impartial resolution of the disputes arising from the application of direct connection.

In the event that a dispute on the reliability of services of the DU, the concerned parties may file a petition to the Commission pursuant to the applicable Rules on Consumer Complaints of the ERC. The result of the dispute resolution shall be used by the parties as a supporting document on their application for Direct Connection with the DOE.

Should the case be elevated to a higher court, the ERC decision shall prevail until such time that a decision from the higher court will be made and enforceable.

**Section 10. Issuance of Waiver by the Distribution Utilities.** Any End-user seeking Direct Connection may request a waiver or any equivalent document indicating that the DU pose no objection to the application for Direct Connection of the End-user. From the receipt of the request for a waiver or similar document by the End-user to the franchised DU, the DU is given thirty (30) calendar days to act on such request and release its decision. Should the DU require additional time to respond to the said request, the DU must duly notify the End-user of the extension no later than three (3) days before the lapse of the thirty (30) calendar day period. Provided, that the DU shall issue its decision within the additional fifteen (15) calendar days. In any case, failure of the DU to respond to the request within the specified timeline, shall be construed as the DU’s non-objection to the Direct Connection of the End-user. The DU may utilize the no objection template attached as Annex C.

In case the DU objects to the Direct Connection Application, the DU shall ensure the connection of the End-user to its distribution system pursuant to Section 11 of this rules.

**Section 11. Non-Waiver of Obligations by Distribution Utilities.** An End-user seeking Direct Connection but has been refused a waiver by the franchised DU, shall seek the services of the DU in accordance with its required specifications/connections and reliability requirements.

Accordingly, pursuant to the DUs mandate under Section 23 of Republic Act 9136, shall act on the application for connection of the End-user and shall ensure the following:

* 1. Release of its *Action* on the application for DU service of the *End-user* as duly submitted with complete supporting documents, as required by the DU, within thirty (30) working days from the franchised DU’s receipt of the complete application;
  2. A submission is considered complete when the franchised DU accepts the *End-user*’s submission as complete in form and in substance and notifies the *End-user* of such acceptance. The notification of such acceptance or non-acceptance shall be made not later than 30 working days from the franchised DU’s receipt of the application; provided, that, non-acceptance shall be fully explained in writing and the grounds upon which such non-acceptance is based; provided, further, that failure of the franchised DU to issue its notification of acceptance or non-acceptance within the 30 working day period shall be considered as having waived the DU’s right to connect such *End-user.* To be considered a valid waiver, the franchised DU must have expressed in writing that it interposes no objection to the application for Direct Connection of the End-user or it cannot meet the required connection by the latter, and endorses the End-user for DCC Application;
  3. In case of accepted application, the right to serve the End-user shall be deemed waive when the franchised DU failed to complete the connection of an approved application within 90 working days or on a later date in a form of a written agreement by the DU and the *End-user*.

Within 90 working days or on a later date as agreed by the parties, from the franchised DU’s acceptance of the application, the DU shall process the electrical connection requirement of the *Applicant*. In case that there are additional processes required to be completed by the *Applicant*, such as obtaining clearance or certificates from other agencies or entities or fulfill other separate processes not within their authority, which include installations of facilities needed by the *Applicant* which are not within the standard connection pursuant to applicable ERC regulations, the same shall have the effect of stalling the running of the 90-day period or the date agreed by the parties to complete the connection. The remainder of the time frame shall commence to run as soon as the separate process is completed by the *Applicant*. For the purpose of these guidelines, the End-user shall ensure proper documentation of all matters concerning its application for connection with the DU as may be relevant to its intent for Direct Connection.

During this period, the DCC status of the applicant shall remain until such time that the franchised DU is now ready to connect the End-user to its DU system;

In such cases, the *Applicant* hereof may already submit its application for *Direct Connection*, together with the proof of franchised DUs disapproval on the *End-user*’s application for connection or proof of DU’s failure to provide or acquire the services and facilities within a period not less than ninety (90) working days or within the reasonable period as agreed upon by the DU and the *End-user;* provided, that the *Applicant* shall also submit a notarized attestation that all the information and documents provided are factual and truthful. Any dispute regarding the length of period within which the connection facilities would be provided shall be raised with the ERC. Further, the DOE may conduct a dialogue between the *Applicant* and the franchised DU to ascertain the claims of both parties*.*

**Section 12. Exemption.** The DOE may consider an exemption to the required DU waiver of an application for Direct Connection of End-users categorized as Government Entities operating hospitals, irrigation systems, telecommunications, mass transportation system, and water treatment facilities, situated within the DUs’ franchised area. The exemption may also be considered for concessionaires under contract with these government entities and operating similar facilities. The application shall still be filed under EVOSS and comply with the requirements specified under Annex A.

The DOE may evaluate the said application in coordination with the ERC on the basis of any of the following:

* 1. The DU failed to meet the Power Quality and Reliability Standard set by the ERC pursuant to the Philippine Distribution Code. In the absence of the information from the ERC, the DOE may require the DUs submission of the necessary information for purposes of evaluation of the readiness and capability of the DU to serve the requirements of the End-user; and
  2. The DU has existing obligations with its power suppliers and is not current with its payables.

**Section 13. Term of the DCC.** The DCC status shall remain in force until such time that:

* 1. The DU determines that it is capable to serve the requirements of the DCC and is intending to revoke the waiver. The DU, at any time, may express its intention in writing to the DCC, copy furnished the DOE. Provided, that the intention to revoke is not made within three (3) months of the DCC’s application for renewal. The letter shall provide, among others, the DUs assessment of the technical requirements and the timeline for the connection of the DCC to the DU system which shall be no earlier than the end of the TSA but not later than six (6) months from its expiration, otherwise, the DCC shall continue to enjoy its privileges as such.

Subject to the DOE’s verification and assessment, the DU shall submit its distribution impact study on the End-user load, work plan, and timetable to provide the connection of the End-user. The DOE, shall inform the DU in writing of its assessment and recommendation on the DU’s intent to connect the DCC.

* 1. The DU acquired the sub-transmission assets to which the DCC is connected.

Upon the franchised DU’s acquisition from the TransCo of the concerned sub-transmission facilities to which the DCC is connected, the franchised DU shall assume the responsibility to continuously serve the DCC and shall impose and collect the corresponding wheeling rates as duly approved by the ERC. Provided, however, that the supply arrangement of DCCs should be respected until its expiration.

* 1. The DU was able to establish that it has the necessary technical and financial capability to serve the DCC, provided that, the DU shall respect the term of the TSA and PSA of the existing DCC and shall respect the privilege of the End-user to choose its supplier, as applicable.

The DCC, however, may opt to reapply for Direct Connection status subject to the requirements provided in these Rules.

**Section 14. Request for Reconsideration.** A party adversely affected by the decision or Resolution of the DOE may, within fifteen (15) calendar days from receipt of the copy thereof, file a request for reconsideration. Otherwise, the decision shall become final and executory.

Should a party file for a Motion for Reconsideration, the parties are given fifteen (15) calendar days to submit all necessary documents to support its claim. Beyond the said period, the DOE shall no longer accommodate any additional submission. The DOE shall resolve the request within sixty (60) calendar days from receipt thereof. After due consideration of the facts submitted by the parties, the decision made by the DOE shall be deemed as final and executory. Pending the DOE decision, the status quo electricity services for the affected End-user shall continue.

Any dispute arising from the said decision can be elevated by the parties to the ERC.

Should the parties opt to elevate the case to ERC, the decision of the DOE shall remain in force until a decision from the ERC has been made.

**Section 15. Monitoring of the DCCs.** For proper accounting of the DCCs, the TNP shall submit to the DOE on a quarterly basis, the list of all DCCs and other pertinent information such as:

15.1. Name of the DCC;

15.2. Location of the DCC;

15.3. Forecasted Demand;

15.4. Connection Point;

15.5. Existing Substation Connection;

15.6. Effectivity Date of the TSA; and

15.7. Expiration date of the TSA

Should the TNP extend the TSA of the DCC, the same should be reported to the DOE.

**Section 16. Transitory Provision.** All applications for Direct Connection upon the effectivity of this Circular shall be made in the existing EVOSS process. The Investment Promotion Office shall ensure adjustments in the EVOSS system within six (6) months.

**Section 17. Final Provision.** All existing DCC which has not secured prior approval from the DOE, ERC, or was previously a customer of NPC/PSALM, are hereby directed to seek approval/DOE confirmation of their Direct Connection status by filing an application in accordance with these Rules within sixty (60) calendar days from the effectivity of this Circular. For this purpose, the TNP is hereby directed to advise all concerned Directly Connected Customer to submit their respective application.

Should the existing DCC fail to file said application within the prescribed period, the TNP is hereby directed to suspend provision of service to the DCC until compliance therewith.

**Section 18. Separability.** If for any reason, any section or provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

**Section 19. Repealing.** All previous issuances, rules and regulations inconsistent with the provisions of this Circular are hereby repealed or amended accordingly.

**Section 20. Effectivity.** This Circular shall take effect after fifteen (15) days upon its publication in two (2) newspapers of general circulation.

Let copy of this Circular be furnished the University of the Philippines Law Center-Office of National Administrative Register (UPLC-ONAR).

Issued at Energy Center, Rizal Drive, Bonifacio Global City, Taguig City on \_\_\_\_\_\_\_\_\_\_\_\_\_\_2024.

**RAPHAEL P.M. LOTILLA**

Secretary

**ANNEX A**

**CHECKLIST OF REQUIREMENTS**

| **Documents** | **New Application** | **New Application without waiver** | **Renewal** |
| --- | --- | --- | --- |
| Duly Notarized waiver or equivalent document from the franchised DU stating that the franchised DU waives the right to provide electricity services to the End-user | *✓* |  |  |
| Notarized Attestation from the End-user copy furnished and duly received by the DU  *Please refer to the sample format of the attestation as attached in this Circular* |  | *✓* **\*** | *✓* **\*\*** |
| Corporate or business profile | *✓* | *✓* | *✓* |
| Legal documents:   1. SEC Registration 2. Proof of Ownership/Lease/any other relevant document proving the existence of the site/location of the DCC facility 3. BIR Registration with Latest ITR 4. Business Permits 5. DTI Registration   Or proof of ongoing application for the said permits | *✓* | *✓* | *✓* |
| Secretary’s Certificate designating the authorized representative to transact with the DOE | *✓* | *✓* | *✓* |
| Brief description of the proposal | *✓* | *✓* | *✓* |
| Location map of the facility for which direct supply is sought, including the nearest TNP or DU substation | *✓* | *✓* | *✓* |
| Power demand, delivery voltage, timeline for connection requirement, load forecast, and other relevant technical information | *✓* | *✓* | *✓* |
| Certification from the TNP that the current demand including the five (5) years projected demand can be accommodated by existing transmission facilities and the same shall not adversely compromise the operation of the Grid based on the grid impact study. This shall include the Technical Assessment as provided by the TNP | *✓* | *✓* | *✓* |
| Application Letter addressed to the DOE Secretary  Attention:  Electric Power Industry Management Bureau  Department of Energy  Energy Center, Rizal Drive  Bonifacio Global City, Taguig City, Metro Manila | *✓* | *✓* | *✓* |
| Other Supporting Documents | **As Needed** | *✓* **\*\*\*** | **As Needed** |

*Note:*

\* Attestation that the DU did not respond to the waiver request after thirty (30) calendar days upon receipt of such request, or the DU wasn’t able to provide the required services of the End-user within ninety (90) calendar days from the DU’s certification of complete application for connection of the End-user or on a later date as agreed by both parties.

\*\* Attestation that the DU has not revoked nor modified the previously issued waiver

**\*\*\*** Documents such as but not limited to letters of communication, agreements, chronology of events, and any other relevant documents supporting its claim

**ANNEX B**

**SAMPLE ATTESTATION**

(NAME OF AFFIANT DULY APPROVED BY THE COMPANY) BOARD)

I, **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**, of legal age, Filipino, **single/married**, with office address located at **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** with position as **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** of **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**, a duly organized and existing under Philippine laws, hereby, depose and say that:

(COMPANY NAME)

(AFFIANT’S COMPANY POSITION)

(OFFICE ADDRESS OF AFFIANT)

(Refer to Annex A when listing issues encountered and action taken during the application of Waiver)

1. **COMPANY NAME APPLIED FOR A WAIVER AT DU ON XX JAN 2024 DULY RECEIVED BY DU;**

2.

3.

4.

5.

6

7.

8.

(DISTRIBUTION UTILITY)

A copy of this attestation will be given to **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**, with offices at **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**.

(DU MAIN OFFICE)

(XXth)

**IN WITNESS WHEREOF**, I have hereunto affixed my signature this **\_\_\_\_** dayof **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** at **\_\_\_\_\_\_\_\_\_\_\_\_\_\_**.

(ADDRESS)

(MONTH YEAR)

**JUAN A. DELA CRUZ**

**POSITION**

(XXth)

(MONTH YEAR)

**SUBSCRIDED AND SWORN**, to before me this **\_\_\_** day of **\_\_\_\_\_\_\_\_\_\_\_\_\_** at **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**. Affiant exhibited to me **his/her \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** issued at **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** and valid until **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**.

(ADDRESS)

(AFFIANT’s VALID ID)

(VALID ID EXPIRY DATE)

(VALID ID ISSUANCE LOCATION)

Doc. No. \_\_\_\_\_\_\_\_\_\_\_;

Page No. \_\_\_\_\_\_\_\_\_\_ ;

Book No. \_\_\_\_\_\_\_\_\_\_ ;

Series of \_\_\_\_\_\_.

**ANNEX C**

**CERTIFICATION OF NO OBJECTION TO THE APPLICATION FOR DIRECT CONNECTION**

(NAME OF DU AUTHORIZED REPRESENTATIVE)

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, of legal age, having been duly authorized by the Board of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as "the Distribution Utility") through the attached Board Resolution No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, with office address at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, after having been duly sworn in accordance with law, hereby depose and state the following:

(NAME OF THE DU)

(DU OFFICE ADDRESS)

1. **The Distribution Utility has no objection to the request of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as "the End-User") in relation to the End-user’s Direct Connection Application to the Department of Energy (DOE) for its Transmission Supply Agreement (TSA) with the National Grid Corporation of the Philippines (NGCP).**

(COMPANY NAME OF END-USER)

1. **I further state that (provide additional information as needed)**

Note that this certification is issued solely to facilitate the End-User's application for direct connection with the NGCP. This certification shall remain valid until the expiration of the End-User's Transmission Service Agreement (TSA).

In witness whereof, I have hereunto affixed my signature this \_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_, at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Philippines

DU Representative Name

Representative Position

**Subscribed and sworn to** before me this \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_ at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Philippines, the above affiant exhibiting before me \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, valid until \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, as proof of his identity.

**Doc No.** \_\_\_\_\_\_;

**Page No.** \_\_\_\_\_;

**Book No.** \_\_\_\_\_;

**Series of** \_\_\_\_\_.