

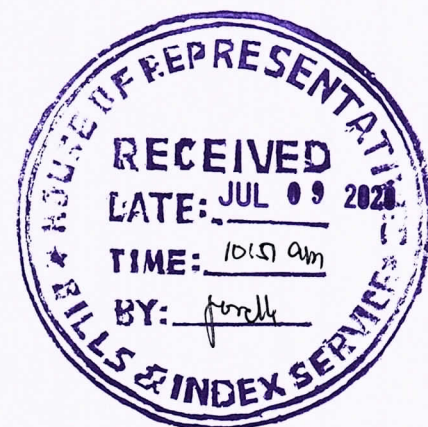


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS

Second Regular Session

House Bill No. 7073



Introduced by

Philreca Party-List Representative Presley C. De Jesus,
APEC Party-List Representative Sergio C. Dagooc,
Ako Padayon Pilipino Party-List Representative Adriano A. Ebcas,
RECOBODA Party-List Representative Godofredo N. Guya

EXPLANATORY NOTE

The Coronavirus Disease-19 (COVID-19) Pandemic has shown to us the economic and social repercussions of a prolonged state of calamity: among those are the contractual obligation of paying utility bills.

The Constitution guarantees non-impairment of contractual obligations. Section 10 of the Bill of Rights provides that no law impairing obligations of contracts shall be passed. The purpose of the non-impairment clause of the Constitution is to safeguard the integrity of contracts against unwarranted interference by the State.¹ However, the Supreme Court held in numerous cases and reiterated in the case of *SURNECO vs. ERC* that “it has long been settled that police power legislation, adopted by the State to promote the health, morals, peace, education, good order, safety, and general welfare of the people prevail not only over future contracts but even over those already in existence, for all private contracts must yield to the superior and legitimate measures taken by the State to promote public welfare.”²

¹ *Golden Way Merchandising Corporation vs. Equitable PCI Bank*, G.R. No. 195540, March 13, 2013

² *Surigao del Norte Electric Cooperative vs. Energy Regulatory Commission*, G.R. No. 183626, October 4, 2010

It is the sacrosanct responsibility of the state to uphold and maintain the general welfare of its people and to give them speedy assistance, both economically and socially, after the occurrence of natural or man-made calamities, including pandemics.

This measure seeks to provide a moratorium on all electric, water and telephone bills during the entire duration of a state of calamity. This measure also provides for an installment scheme on all amounts which fell due during the moratorium period in order to promote social justice and insure the economic security of the people.

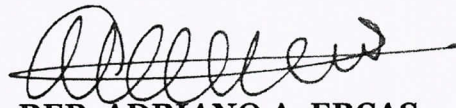
In view of the foregoing, the passage of this bill is earnestly sought.



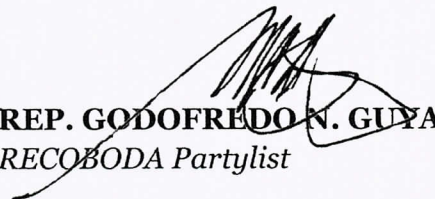
REP. PRESLEY C. DE JESUS
PHILRECA Partylist



REP. SERGIO C. DAGOOC
APEC Partylist



REP. ADRIANO A. EBCAS
Ako Padayon Pilipino Partylist



REP. GODOFREDO N. GUIA
RECOBODA Partylist



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS

Second Regular Session

House Bill No. **7073**

Introduced by

Philreca Party-List Representative Presley C. De Jesus,
APEC Party-List Representative Sergio C. Dagooc,
Ako Padayon Pilipino Party-List Representative Adriano A. Ebcas,
RECOBODA Party-List Representative Godofredo N. Guya

AN ACT
INSTITUTIONALIZING INSTALLMENT PAYMENT SCHEME ON BASIC
UTILITY BILLS, AND FOR OTHER PURPOSES

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

Section 1. Title. – This Act shall be referred to as the "Three-Gives Law".

Sec. 2. Declaration of Policy. – It is hereby declared the policy of the State to promote the general welfare of the Filipino people in times of calamity, natural or man-made including occurrence of pandemics that affects the normal economic flow of the State.

Sec. 3. Coverage. – The law shall cover all residential customers of electric, water, internet, cable, and telephone bills, and shall apply when a state of calamity is declared by the President of the Republic of the Philippines or any authorized Local Government Official having jurisdiction over the area under a state of calamity.

Sec. 4. *Moratorium on Residential Utility Bills.* – There shall be a moratorium in the payment or collection of all residential utility bills during the entire duration of a state of calamity. Holders of public utility franchises and all service providers are prohibited from exacting payment or from disconnecting the service due to non-payment during the entire duration of the moratorium. *Provided that* nothing in this law shall prevent voluntary payment by customers.

Sec. 5. *Moratorium on Remittance of Collections to Government Instrumentalities and Bills due to Generation Companies, Transmission Concessionaires.* – In the case of electric distribution utilities and electric cooperatives, there shall be a corresponding moratorium in the payment or collection of all bills due to generation companies and power transmission concessionaires and remittances of collections, such as Universal Charges, to government instrumentalities during the entire duration of a state of calamity. All specialized regulatory agencies enumerated under Section 10 hereof shall immediately issue advisories and guidance to the respective utilities under their jurisdiction.

Sec. 6. *Installment Payment for the Deferred Liability.* – Any amount due and demandable during the moratorium period shall be payable in three (3) equal monthly installments, without interest, penalties or surcharges after the lapse of thirty (30) days from the cessation of a state of calamity.

The same payment scheme as provided in the preceding paragraph shall be extended to the public utility franchise holders and service providers by their suppliers. Provided however, that any actual voluntary payment received during the said period are still required to be immediately or paid proportionately and remitted the concerned entities.

Sec. 7. *Power Supply Agreements under a State of Calamity* - When an area is placed under a State of Calamity, the Force Majeure clause shall be mandatorily enforced on the Power Supply Agreements between distribution utilities and its Power suppliers specifically to adjust the minimum energy offtake and contracted capacity. *Provided*, that this section can be waived upon the discretion of the Distribution Utility of an area under State of Calamity.

Sec. 8. *Expenses on Short-Term Loans covered by Electric Cooperatives Emergency and Resiliency Fund* – In the event that electric cooperatives resort to short-term loan borrowings to settle obligations during the duration of the state of calamity, all borrowing costs including interest, front-end fee, documentary tax, and other related expenses shall be covered by the Electric Cooperatives Emergency and Resiliency Fund (ECERF) under Republic Act No. 11039.

Sec. 9. *Penalty.* – Public utility franchise holders and service providers found in violation of this law shall be punishable with a fine of not less than One Million Pesos (P1,000,000.00) per infraction and a maximum of Fifteen Million Pesos (P15,000,000.00) depending on the gravity of the offense and the size of the public utility franchise holder to be determined by their respective regulatory agency.

Sec. 10. *Implementation.* – This law shall be implemented by the public utility regulatory agencies concerned, such as the Metropolitan Waterworks and Sewerage System, Local Water Utilities Administration, National Telecommunications Commission, Energy Regulatory Commission and the National Electrification Administration.

Sec. 11. *Repealing Clause.* – All laws, decrees, executive orders, proclamations, rules and regulations, and issuances, or parts thereof which are inconsistent with the provisions of this Act are hereby amended or modified accordingly.

Sec. 12. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall remain in force and effect.

Sec. 13. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or a newspaper of general circulation.

Approved.