EIGHTEENTH CONGRESS)
OF THE REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

HOUSE OF REPRESENTATIVES
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HOUSE OF REPRESENTATIVES

House Bill No. 7467

Introduced by Representative Virgilio S. Lacson

EXPLANATORY NOTE

Utilities (water electricity, communication services) are essential to the economic and social development of the Philippines and every Filipino. More than adequate quality utilities are vital to the alleviation of the Filipino people from poverty. More responsibility of the State to ensure availability of reliable and inclusive access to such utilities under an effective regulatory framework, the it is also the Responsibility of the State to ensure that all Filipinos, especially those with more finite resources, are protected from unreasonable pricing schemes by limited service providers who control the market.

Recent unexplainable and shocking spikes in electricity costs charged against the common Filipino have made it apparent that there is a need to modify the manner we charged and made accountable for their utilities. The appalling fact that the Filipino consumer is at the mercy of the utility service providers has never been more felt than in the recent months where they were charged up to more than four times their average monthly consumption. This is not even mentioning its untimely coincidence with our economic plight caused by the Covid-19 pandemic, which has left our unemployment rate at an all-time high of

The measure herein provides security for Filipino consumers from the apparent erratic pricing of unreliable services of they are essentially forced to subscribe to, given the current limited players in the industry. This measure also balances the position of the consumer against burdensome utility contracts holding them liable for the whole period subscribed, despite the unsatisfactory service and unreasonable pricing.

VIRGILIO S. LACSON
Manila Teachers, Party List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7467,

Introduced by Representative VIRGILIO S. LACSON

AN ACT

MANDATING WATER, ELECTRICITY, COMMUNICATIONS, AND OTHER BASIC UTILITY SERVICE PROVIDERS TO CREATE AND OFFER YEARLY MOVING AVERAGE RATES FOR CONSUMPTION;

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 "Annual Billing Act of 2020".

Section 2. *Declaration of Policy.* – The State recognizes the right of every Filipino to basic utilities such as water, electricity, and information and communications via the internet and cellular connectivity. In so doing the State recognizes its role in the delivery of efficient and convenient services and utilities, necessary for the continuous and prosperous life of every Filipino. .

Section 3. *Yearly Average Contract.* - All persons, whether natural or juridical, publicly engaged in the service of delivering basic utilities, including electricity, water, and communications, herein referred to as *"utility service providers"* shall offer yearly contracts apparently stating the total service price for such one (1) year period which shall be based on a moving average of the customer's or client's consumption. The customer or client shall have the option to amortize the total amount due thereon for a period of at least twelve (12) months or pay the whole amount after delivery of the service and upon the expiry of the period of service appearing on the contract.

Section 4. *Prohibition against charges on down-time.* – It shall be unlawful for utility service providers to charge full contract price where they unreasonably failed to deliver such service, and without fault of the customer or client. In such case, the utility service providers shall proportionally deduct from the total amount chargeable to the customer or client the amount corresponding to the period unserved. *Provided* that periods of erratic or continuously unreliable service shall be considered failure to deliver the contracted service.

Section 5. *Prohibition against unreasonable lock-in period and other like schemes.* – It shall be unlawful for utility service providers to charge customers or clients the full contract price or to charge against or appropriate any deposit made by the latter, where the customer or client pre-terminated the contract due to failure of the utility service provider to deliver the contracted services as contemplated herein or for some other reasonable cause therefor.

Section 6 *Penal provision.* – Any covered person failing to comply with Section 3 hereof shall suffer the penalty of fine no less than five hundred thousand pesos (P500,000.00) but not more than ten million pesos (P10,000,000.00), at the discretion of the judge.

Section 7. *Implementing Rules.* - Within sixty (30) days from the effectivity of this Act, all concerned government agencies and relevant stakeholders shall issue the appropriate implementing rules and regulations of this Act.

Section 8. *Separability Clause.* - If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

Section 9. *Repealing Clause.* - All laws, decrees, orders, rules and regulations and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

Section 10. *Effectivity.* - This Act shall take effect immediately days after its publication in the *Official Gazette* or in any newspaper of general circulation.