

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
NINETEENTH CONGRESS
First Regular Session



HOUSE BILL NO. 7229

Introduced by HON. GUS S. TAMBUNTING

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

EXPLANATORY NOTE

Sec. 10, Art. III of the 1987 Constitution states that “No law impairing the obligation of contracts shall be passed.”

However, the Supreme Court En Banc case of *The Philippine American Life Insurance Company v. The Auditor General*¹ states that the constitutional guaranty of non-impairment of obligations of contract is limited by the exercise of the police power of the State, in the interest of public health, safety, morals and general welfare.

The State must promote the general welfare of the Filipino people in times of calamity, natural or man-made including the occurrence of pandemics that affects the normal economic flow of the State.

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

On behalf of the people of Parañaque City’s Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.


REP. GUS S. TAMBUNTING
2nd District, Parañaque City

¹ *The Philippine American Life Insurance Company v. The Auditor General* G.R. No. L-19255, January 18, 1968, https://lawphil.net/judjuris/juri1968/jan1968/gr_1-19255_1968.html

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

SECTION 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 the occurrence of pandemics that
affects the normal economic flow of the State.

SECTION 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.

SECTION 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 state of calamity. Provided that nothing in this law shall prevent
voluntary payment by customers.

SECTION 5. Moratorium on Remittance of Collections to Government Instrumentalities and Bills due to Generation Companies, Transmission Concessionaires. – In the case of electric cooperatives, there shall be a moratorium in the payment or collection of all bills due to generation companies and transmission concessionaires and remittances of collections, such as Universal Charges, to government instrumentalities during the entire duration of a state of calamity.

SECTION 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 is 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 is still required to be immediately or paid proportionately to remitted to the concerned entities.

SECTION 7. Power Supply Agreements under the 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 their Power suppliers. Provided that contracting parties must arrive at a recalibrated agreement, specifically on adjustment of minimum energy offtake (MEOT) and contracted capacity. Provided further, this section can be waived upon the discretion of the Distribution Utility of an area under the State of Calamity.

SECTION 8. Expenses on Short-Term Loans covered by Electric

Cooperatives Emergency and Resiliency Fund. – If 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).

SECTION 9. Penalty. – Public utility franchise holders and service providers found in violation of this law shall be punishable with a fine for not more than One Million Pesos (P1,000,000.00) per infraction.

SECTION 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.

SECTION 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.

SECTION 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.

SECTION 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,