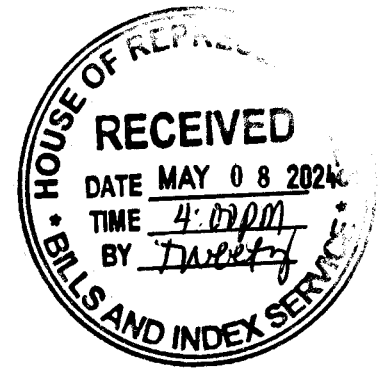


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
Second Regular Session

House Bill No. 10376



**INTRODUCED BY REPRESENTATIVES RALPH WENDEL P. TULFO,
JOCELYN P. TULFO, AND ERWIN T. TULFO**

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

EXPLANATORY NOTE

In 2020, the country was placed under a State of Calamity due to the Corona Virus Disease 2019 (COVID-19) pandemic pursuant to Proclamation No. 929 and Proclamation No. 1021 issued by Former President Rodrigo Duterte. Work operations and business transactions were severely affected which resulted to mass layoffs of employees and lack of income opportunities.

With commerce at a standstill because of the COVID-19 lockdowns, several companies stepped up to offer Filipinos extensions on their payments. These extensions intended to keep them focused on keeping themselves and their families safe and healthy at a time of financial crisis.¹ The Manila Electric Company (MERALCO), for instance, had arranged a four- and six-month installment plan for any unpaid bills to help consumers manage their cash flows.² Likewise, the National Water Resources Board (NWRB) issued Memorandum No. 2020-01 which ordered NWRB-regulated water utilities or water service providers to refrain from disconnecting water supply to individual households due to non-payment of water bills.³

¹ Pamaran, Maan D'Asis, "From electricity and water bills to bank loans, here's a list of deferred due dates due to COVID-19", *ABS-CBN*, 29 Mar. 2020, <https://news2.abs-cbn.com/ancx/culture/spotlight/03/29/20/from-electricity-and-water-bills-to-bank-loans-heres-a-list-of-deferred-due-dates>

² Laraño, Cris, "7 Ways Meralco is helping enterprises ease into the new normal", *Meralco*, Accessed 29 Apr. 2024, <https://corporatepartners.meralco.com.ph/news-and-advisories/helping-enterprises-ease-new-normal#toggle-children>

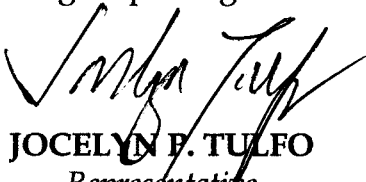
³ "Non-Payment of Water Bills During the State of Public Health Emergency", *National Water Resources Board*, Accessed 29 Apr. 2024, <https://nwr.gov.ph/non-payment-of-water-bills-during-the-state-of-public-health-emergency/>

Given the financial strains resulting from the economic impact of calamities, it is imperative that consumers are provided with manageable arrangements for the payment of basic utility bills. This proposed legislative measure then seeks to institutionalize installment payment scheme on basic utility bills, including electric, water, internet, cable, and telephone bills, upon an official declaration of a State of Calamity either of the President or any authorized local government official. Salient provisions of this bill include a moratorium in the payment or collection of all residential utility bills and a prohibition on holders of public utility franchises and all service providers from exacting payment or from disconnecting the service due to non-payment within such period.

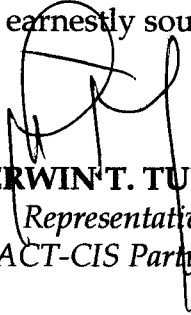
In view of the foregoing, the urgent passing of this bill is earnestly sought.



RALPH WENDEL P. TULFO
Representative
2nd District of Quezon City



JOCELYN P. TULFO
Representative
ACT-CIS Partylist



ERWIN T. TULFO
Representative
ACT-CIS Partylist

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**INTRODUCED BY REPRESENTATIVES RALPH WENDEL P. TULFO,
JOCELYN P. TULFO, AND ERWIN T. TULFO**

1 **AN ACT INSTITUTIONALIZING INSTALLMENT PAYMENT SCHEME ON**
2 **BASIC UTILITY BILLS, AND FOR OTHER PURPOSES**
3

4 *Be it enacted by the Senate and the House of Representatives of the Philippines in Congress*
5 *assembled:*
6

7 **SECTION 1. *Short Title.*** – This Act shall be referred to as the “Three-Gives Law”.
8

9 **SEC. 2. *Declaration of Policy.*** – It is hereby declared the policy of the State to
10 promote the general welfare of the Filipino people in times of calamity, natural or man-
11 made, including the occurrence of pandemics that affects the normal economic flow of
12 the State.
13

14 **SEC. 3. *Coverage.*** – The law shall cover all residential customers of electric, water,
15 internet, cable, and telephone bills, and shall apply when a state of calamity is declared
16 by the President of the Republic of the Philippines or any authorized Local Government
17 Official having jurisdiction over the area under a state of calamity.
18

19 **SEC. 4. *Moratorium on Residential Utility Bills.*** – There shall be a moratorium in
20 the payment or collection of all residential utility bills during the entire duration of a
21 state of calamity. Holders of public utility franchises and all service providers are
22 prohibited from exacting payment or from disconnecting the service due to non-

1 payment during the entire duration of the state of calamity: *Provided*, That nothing in
2 this law shall prevent voluntary payment by customers.

3
4 **SEC. 5. *Moratorium on Remittance of Collections to Government Instrumentalities***
5 ***and Bills due to Generation Companies, Transmission Concessionaires.*** – In the case of
6 electric cooperatives, there shall be moratorium in the payment or collection of all bills
7 due to generation companies and transmission concessionaires and remittances of
8 collections, such as Universal Charges, to government instrumentalities during the
9 entire duration of a state of calamity.

10
11 **SEC. 6. *Installment Payment for the Deferred Liability.*** – Any amount due and
12 demandable during the moratorium period shall be payable in three (3) equal monthly
13 installments, without interest, penalties, or surcharges after the lapse of thirty (30) days
14 from the cessation of a state of calamity.

15
16 The same payment scheme as provided in the preceding paragraph shall be extended
17 to the public utility franchise holders and service providers by their suppliers: *Provided*,
18 That any actual voluntary payment received during the said period is still required to
19 be immediately remitted or paid proportionately to the concerned entities.

20
21 **SEC. 7. *Power Supply Agreements under a State of Calamity.*** – When an area is
22 placed under a State of Calamity, the Force Majeure clause shall be mandatorily
23 enforced on the Power Supply Agreements between distribution utilities and its power
24 suppliers: *Provided*, That contracting parties must arrive with a recalibrated agreement,
25 specifically on adjustment of minimum energy offtake (MEOT) and contracted capacity:
26 *Provided, further*, That this section can be waived upon the discretion of the Distribution
27 Utility of an area under the State of Calamity.

28
29 **SEC. 8. *Expenses on Short-Term Loans covered by Electric Cooperatives Emergency***
30 ***and Resilience Fund.*** – In the event that electric cooperatives resort to short-term loan

1 borrowings to settle obligations during the duration of the state of calamity, all
2 borrowing costs including interest, front-end fee, documentary tax, and other related
3 expenses shall be covered by the Electric Cooperatives Emergency and Resiliency Fund
4 (ECERF).

5
6 **SEC. 9. *Penalty.*** – Public utility franchise holders and service providers found in
7 violation of this law shall be punishable with a fine of not more than One Million Pesos
8 (PhP1,000,000.00) per infraction.

9
10 **SEC. 10. *Implementation.*** – This law shall be implemented by the public utility
11 regulatory agencies concerned, such as the Metropolitan Waterworks and Sewerage
12 System, Local Water Utilities Administration, National Telecommunications
13 Commission, Energy Regulatory Commission, and the National Electrification
14 Administration.

15
16 **SEC. 11. *Repealing Clause.*** – All laws, decrees, executive orders, proclamations, rules
17 and regulations, and issuances, or parts thereof which are inconsistent with the
18 provisions of this Act are hereby amended or modified accordingly.

19
20 **SEC. 12. *Separability Clause.*** – If any provision of this Act is declared invalid or
21 unconstitutional, the remaining provisions not affected thereby shall remain in force
22 and effect.

23
24 **SEC. 13. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its
25 complete publication in the Official Gazette or a newspaper of general circulation.

26
27 *Approved,*
28