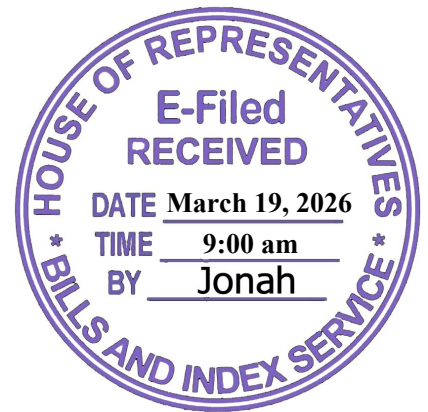




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 8706



**Introduced by Representatives Ferdinand Martin G. Romualdez,
Yedda Marie K. Romualdez, Andrew Julian K. Romualdez and Jude A.
Acidre**

AN ACT

**PROHIBITING THE COLLECTION OF RECONNECTION FEES FOR
DISCONNECTED ACCOUNTS OF PUBLIC UTILITY SERVICES,
INCLUDING ELECTRICITY, WATER, TELECOMMUNICATIONS,
AND INTERNET SERVICES, AND PROVIDING PENALTIES FOR
VIOLATIONS THEREOF**

EXPLANATORY NOTE

Electricity, water, telecommunications, and internet services are no longer optional conveniences. They are basic lifelines that keep households safe, productive, and connected to schooling, work, healthcare, and government services. When these services are cut off, the immediate cost is not only discomfort—it is lost income, disrupted learning, heightened health risks, and deeper social exclusion.

The reality is that many Filipino families live one emergency away from disconnection. Government data show that poverty incidence fell to 15.5% in 2023, translating to about 17.5 million Filipinos who remain unable to consistently meet basic needs. Even among families above the poverty line, a large number remain economically vulnerable and experience irregular income, making them highly susceptible to arrears in utility payments.

At the same time, the cost of essential services remains a persistent household burden. In the power sector alone, the Department of Energy reported a national average electricity rate of ₱10.13 per kWh as of March 2024, underscoring the continuing pressure on family budgets already strained by the rising cost of living.

In this setting, the practice of charging reconnection fees after disconnection due to nonpayment becomes a poverty trap. A family that has struggled to raise money to settle past-due bills is required to pay yet another fee before service is restored. In effect, the poorest consumers pay more—precisely at the moment they are most financially distressed. This added charge delays reconnection, prolongs hardship, and increases the likelihood of repeated disconnections.

This burden is even more serious today because connectivity has become essential to participation in modern society. The 2024 National ICT Household Survey reported that 48.8% of households had internet access at home in 2024, a steep rise from 2019—meaning more families now rely on connectivity for school requirements, digital payments, online public services, and livelihood opportunities. When internet and phone service remain disconnected due to added reconnection charges, the poor are pushed further behind—locked out of the very tools that can help them recover economically.

Moreover, while government continues to expand electrification, significant gaps remain. DOE reporting shows national household electrification at 91.15% (25.27 million of 27.73 million households) as of the referenced period, which reflects progress but also indicates millions still face energy access challenges. For families already connected, policies that delay restoration after payment undermine the public interest served by these utilities.

This bill advances a simple, pro-poor rule: once the consumer has paid what is due, reconnection should not be conditioned on an added fee. The measure does not excuse nonpayment. It does not remove lawful interest or penalties already allowed by regulation. It merely removes an additional charge that disproportionately punishes poverty and prolongs deprivation.

Consistent with caring governance, this proposal seeks to make our utility system more humane and more responsive to lived realities—where families do not miss payments out of neglect, but out of scarcity. It affirms that public utilities, by their nature and public impact, must operate not only with efficiency, but also with fairness and social responsibility.

In view of the foregoing, approval of this bill is earnestly requested.



FERDINAND MARTIN G. ROMUALDEZ



YEDDA MARIE K. ROMUALDEZ



ANDREW JULIAN K. ROMUALDEZ



JUDE A. ACIDRE



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*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 “No Reconnection
Fee Act.”

SEC 2. *Declaration of Policy.* — It is hereby declared the policy of the State to
protect consumers from excessive, unreasonable, and burdensome charges
imposed by public utility providers, and to ensure access to essential services such
as electricity, water, telecommunications, and internet connectivity.

The State recognizes that these services are indispensable to modern life and are closely linked to the exercise of fundamental rights, economic participation, access to education, healthcare, and public information. The imposition of reconnection fees on consumers whose accounts have been disconnected due to nonpayment imposes additional financial hardship and undermines the accessibility and affordability of essential services.

Towards this end, the State shall prohibit the collection of reconnection fees and ensure that reconnection of services, upon settlement of outstanding obligations, shall be undertaken without additional financial burden on consumers.

SEC 3. *Definition of Terms.* — For purposes of this Act, the following terms shall mean:

- (a) ***Public Utility Provider*** refers to any natural or juridical person, including government-owned or controlled corporations, private corporations, cooperatives, partnerships, or sole proprietorships, authorized by law, franchise, or regulatory agency to provide electricity, water, telecommunications, internet, or similar essential public services to the public;
- (b) ***Reconnection Fee*** refers to any charge, penalty, service fee, or similar imposition collected from a consumer as a condition for restoring service after disconnection due to nonpayment or other similar cause not attributable to consumer fraud or illegal activity;
- (c) ***Consumer*** refers to any residential, commercial, institutional, or industrial end-user of public utility services.

SEC 4. *Prohibition on Collection of Reconnection Fees.* — No public utility provider shall collect, demand, or impose any reconnection fee from any consumer whose service has been disconnected due to nonpayment, provided that the consumer has fully settled the outstanding balance, including any lawful interest or penalties permitted under existing laws and regulations.

Reconnection of service shall be effected within a reasonable period, not exceeding twenty-four (24) hours from confirmation of payment for electricity and water services, and not exceeding forty-eight (48) hours for telecommunications and internet services, unless prevented by *force majeure* or circumstances beyond the control of the provider.

SEC 5. *Exceptions.* — The prohibition under this Act shall not apply to:

- (a) Disconnections resulting from proven illegal use, meter tampering, pilferage, fraud, or other unlawful acts committed by the consumer;
- (b) Voluntary termination of service initiated by the consumer and subsequent request for new installation, which shall be governed by existing installation policies and charges approved by the appropriate regulatory agency;
- (c) Disconnections due to safety hazards or technical violations requiring inspection or corrective measures prior to restoration.

Provided, That any charge imposed under this Section shall be subject to review and regulation by the appropriate regulatory agency to ensure reasonableness and fairness.

SEC 6. *Regulatory Oversight.* — The Energy Regulatory Commission (ERC), the National Water Resources Board (NWRB), the National Telecommunications

Commission (NTC), the Local Water Utilities Administration (LWUA), and other relevant regulatory agencies shall promulgate the necessary rules and regulations to ensure compliance with this Act within ninety (90) days from its effectivity.

Such rules shall include monitoring mechanisms, reporting requirements, and consumer complaint procedures.

SEC 7. *Penalties.* — Any public utility provider found violating the provisions of this Act shall, after due notice and hearing, be subject to the following penalties:

- (a) For the first offense, a fine of not less than Fifty Thousand Pesos (₱50,000.00) but not more than Two Hundred Thousand Pesos (₱200,000.00);
- (b) For the second offense, a fine of not less than Two Hundred Thousand Pesos (₱200,000.00) but not more than Five Hundred Thousand Pesos (₱500,000.00);
- (c) For the third and subsequent offenses, a fine of not less than Five Hundred Thousand Pesos (₱500,000.00) but not more than One Million Pesos (₱1,000,000.00), and possible suspension or revocation of franchise, license, or authority to operate, subject to existing laws and regulations.

If the violation is committed by a corporation, partnership, or cooperative, the responsible officers who knowingly authorized or tolerated the violation shall be held solidarily liable.

SEC 8. *Refund of Illegally Collected Fees.* — Any reconnection fee collected in violation of this Act shall be refunded to the consumer within thirty (30) days

from demand or final determination of violation by the appropriate regulatory agency, without prejudice to the imposition of administrative penalties.

SEC 9. *Consumer Protection and Complaint Mechanism.* — Regulatory agencies shall establish an accessible and expedited mechanism for the filing and resolution of consumer complaints related to violations of this Act, including online and regional complaint centers.

SEC 10. *Non-Diminution of Existing Benefits.* — Nothing in this Act shall be construed to diminish existing consumer protections under Republic Act No. 7394, otherwise known as the Consumer Act of the Philippines, and other applicable laws.

SEC 11. *Separability Clause.* — If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SEC 12. *Repealing Clause.* — All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

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

Approved,