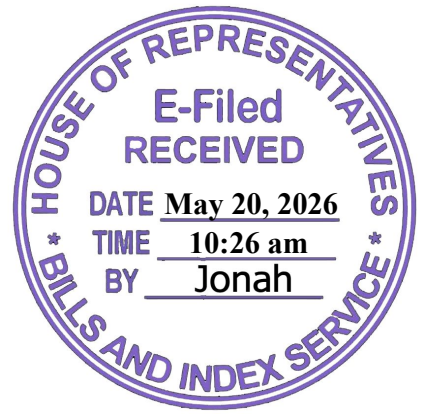


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9349



Introduced by **HON. JORGE DANIEL S. BOCOBO**

EXPLANATORY NOTE

Do not have two differing weights in your bag—one heavy, one light. Do not have two differing measures in your house—one large, one small. You must have accurate and honest weights and measures, so that you may live long in the land the Lord your God is giving you.

- Deuteronomy 25:13–15

The 1987 Philippine Constitution mandates consumer protection through explicit provisions promoting welfare, safety, and fair trade practices. Meanwhile, Article XIII, Section 12 directs the State to recognize consumers' right to health and safety, quality standards, information, choice, representation, redress, education, and a healthy environment. Finally, Article XVI, Section 9 requires the State to protect consumers from trade malpractices and substandard or hazardous products.

These constitutional guarantees are given statutory effect under Republic Act No. 7394, as amended, or the Consumer Act of the Philippines. The law provides for the protection of consumers against hazards to health and safety, deceptive and unfair sales acts and practices, and other forms of abuse in the marketplace. It also sets standards on product quality, warranties, and labeling, and provides remedies such as refund or replacement at no additional cost.

In the context of residential utilities, consumer protection remains limited in scope. The clearest existing example is the Magna Carta for Residential Electricity Consumers issued by the Energy Regulatory Commission (ERC) under ERC Resolution No. 10, Series of 2004, as amended. However, this applies only to residential electricity customers under approved rate schedules. To date, there is still no single and comprehensive charter of rights for household consumers across essential utility services.

This gap is significant because electricity, water, and internet services are indispensable to the daily lives of Filipino households. These services are closely tied to the fulfillment of basic needs and to the welfare and well-being of families. Electricity is necessary for lighting, food storage, communication, and other essential household activities. Water is vital for sanitation, hygiene, health, and everyday domestic use. Internet access has likewise become increasingly important for communication, learning, access to information, online transactions, and participation in daily life.

However, many Filipino households still encounter obstacles in obtaining reliable utility services. They struggle with high expenses, frequent service disruptions, subpar quality, and ineffective complaint systems. Most consumers are either unaware of their rights or vulnerable to utility providers who function with minimal oversight and accountability.

This bill seeks to address these issues by empowering residential consumers through the creation of a Magna Carta that provides a clear and comprehensive framework governing the rights and duties of residential utility consumers and the obligations of utility providers. It introduces mechanisms for complaint resolution, defines service quality standards, and enhances regulatory supervision of electricity, water, and internet providers. Through this measure, the bill reinforces the State's duty to safeguard public welfare by guaranteeing fair access to essential utilities, fostering accountability and transparency, and preventing unjust and exploitative practices.

By reaffirming the State's responsibility to safeguard the well-being of its people, this measure goes beyond a legal framework; it represents a commitment to honor God by defending the rights of every Filipino, strengthening communities through access to essential, high-quality services, and advancing the nation by embedding principles of equity, accountability, and empowerment.

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


JORGE DANIEL S. BOCOBO

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AN ACT
PROVIDING FOR THE MAGNA CARTA OF RESIDENTIAL UTILITY CONSUMERS

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

CHAPTER I – GENERAL PROVISIONS

SECTION 1. Short Title. — This Act shall be known as the “Magna Carta of Residential Utility Consumers Act.”

SECTION 2. Declaration of Policy. — It is the policy of the State to promote and safeguard the welfare of residential electricity, water, and internet consumers. These household utilities are basic necessities essential to everyday life and must be provided in a manner that is affordable, reliable, safe, and transparent. The State shall promote fair business practices, responsive service delivery, and meaningful access to redress for grievances. The State shall ensure that all Filipino households, regardless of geography or socioeconomic status, are protected from abuse, inefficiency, and discriminatory practices in utility services.

SECTION 3. Scope and Application. — This Act shall apply to residential consumers of electricity, water, and internet services nationwide, and to all utility providers engaged in the distribution and delivery of such services, whether privately-owned, cooperatives, or government-owned or operated.

CHAPTER II – DEFINITION OF TERMS

SECTION 4. Definition of Terms. — As used in this Act, the following terms are hereby defined, as follows:

- a) **“Bill Deposit”** refers to a refundable amount collected by a utility service provider from a consumer as a guarantee for future payment of utility services.
- b) **“Billing Adjustment”** refers to the amount charged to the consumer for the unbilled utility service consumed resulting from a stoppage or defect, conspicuous or otherwise, in the device, provided that there is no evidence of tampering thereon.
- c) **“Differential Billing”** shall mean the amount to be charged to the consumer for the unbilled consumption of utility service caused by illegal means, as determined through the use of reasonable methodologies of the concerned utility service provider or as prescribed by law.

- d) **“Disconnection”** means the discontinuance of a utility service due to lawful causes.
- e) **“High Billings” or “Unusual Consumption”** refers to monthly billings or consumption that are more than two hundred percent (200%) of the consumers’ immediately preceding billing.
- f) **“Meter”** refers to a device that measures and records the amount of electrical energy or the volume of water consumed by a consumer over a specific period, for usage tracking and determination of applicable charges.
- g) **“Modem”** shall refer to a device that connects directly to an Internet Service Provider (ISP), translating internet signals into a format usable by consumer devices, thereby enabling internet connectivity
- h) **“Registered Customer”** shall mean the customer who has a valid service contract with the utility service provider.
- i) **“Residential Utility Consumer, Customer or End-user”** shall mean any person who is the registered customer of the electric, water, or internet utility service or any person authorized by the registered customer to occupy the premises and enjoy the said service.
- j) **“Retirement of Service”** shall mean the removal of all facilities necessary for the provision of electric, water, or internet service.
- k) **“Router”** shall refer to a device that receives internet signals from a modem and distributes such signals to multiple consumer devices within a premises through wired or wireless connections.
- l) **“Service Contract”** refers to the agreement between the consumer and provider governing utility use and services.
- m) **“Termination of Service Contract”** shall mean the cancellation of the service contract whereby the utility service provider and the registered consumer are released from their respective obligations in the contract, without prejudice to the performance of existing obligations prior to termination.
- n) **“Utility Service Provider”** means any entity that has an exclusive franchise or is authorized by law to provide electricity, water, or internet services to residential consumers.

For purposes of this Act, the terms "meter", "modem", and "router", as herein defined, shall collectively be referred to as "device."

CHAPTER III – RIGHTS AND OBLIGATIONS OF CONSUMERS

SECTION 5. Basic Rights. — All residential consumers shall be entitled to the following basic rights:

- a) To have quality, affordable, safe, reliable, and uninterrupted utility services;
- b) To be provided with accurate, fair, timely, and transparent billing, including a transparent and reasonable price for utility service;

- c) To be accorded courteous, prompt, and non-discriminatory service, including quality, accessible, and effective customer service;
- d) To file complaints and be accorded prompt and speedy resolution of complaints within a reasonable time;
- e) To be given adequate access to information on matters affecting the electric service of the consumer concerned; and
- f) To be provided with safe installation services and proper maintenance of service equipment, and to have a quality, reliable, accurate, and functioning device installed.

SECTION 6. Basic Obligations. — Every consumer must comply with the following obligations and responsibilities:

- a) To observe the terms of the contract, including, among other things, paying monthly bills promptly and honestly;
- b) To allow the faithful and accurate recording of consumption to be reflected in the appropriate device, if applicable;
- c) To grant access to the consumer's premises to employees or authorized representatives of the utility for lawful and valid purposes, including, but not limited to, reading or inspection of devices, service lines, or wires.
- d) To take proper care of the devices and service lines that the utility service provider has installed within the premises;
- e) To inform the utility service provider of any improvements made or renovations to be undertaken on the consumer's premises, if such changes would affect compliance with the conditions set forth under Section 9 of this Act. In cases where proper and timely notice is given, the relocation of the device shall be at no cost to the consumer. However, failure to provide such notice shall render the consumer liable for the full cost of the relocation; and
- f) To inform the utility service provider, upon discovery, of any theft, pilferage of, or any damage caused to the devices installed.

SECTION 7. Right to Service Connection; Presumption. — Consumers shall have the right to apply for utility services, subject only to reasonable and standardized requirements. For purposes of this section, the utility service provider shall act on the application within five (5) days from the submission of complete requirements. Failure to do so shall give rise to the presumption that the application has been unreasonably denied or unduly delayed. In such cases, the consumer may file a complaint with the appropriate government agency exercising regulatory or supervisory authority over the utility service provider, which shall take appropriate action to address the delay or denial and impose sanctions, if warranted, in accordance with law.

SECTION 8. Prompt Connection; Reconnection. — Within five (5) days after approval of the consumer's application, the utility service provider shall ensure proper connection to the system.

In cases of disconnection due to non-payment, the utility service provider shall reconnect the consumer's service upon full payment of the outstanding amount, subject to the following periods:

a) Within three (3) hours from full payment, for smart meters, systems or services with remote reconnection or restoration capability; and

b) Within six (6) hours from full payment, for analog meters, digital meters without remote reconnection capability, or other meters and services requiring physical reconnection.

For purposes of this section, the applicable reconnection period shall be reckoned from the time the utility service provider confirms receipt of full payment.

SECTION 9. Proper Installation of Device. — For electricity and water consumers, their respective meters shall be installed in a clean place, free of vibration, and where it will be easily accessible and visible for reading and testing for both the service utility provider and the consumer: Provided, That for justifiable reasons, such as in areas where the risk of meter tampering is high or if there is no adequate space for the installation of the meter, the service utility provider shall be allowed to install and cluster the meter in an elevated or reasonable space.

For internet consumers, the consumer has the right to choose the place where the modem and router are to be installed within the residence.

SECTION 10. Unjust Disconnection. — No utility service shall be disconnected without due process. For disconnections due to non-payment, a written notice must be served at least forty-eight (48) hours prior to disconnection.

When disconnection is physically carried out by the utility service provider, it shall only be made in the presence of the consumer, his or her duly authorized representative, or someone of suitable age and discretion residing in the premises.

Where disconnection is carried out remotely, the utility service provider shall duly serve the required prior notice, immediately notify the consumer after the remote disconnection is carried out, and maintain a verifiable record thereof.

Disconnection of utility service, whether physically or remotely carried out, shall only be made under the following circumstances:

- a) Non-payment of electric bills within the proper period, if the same is not contested by the consumer or pending investigation by the utility service provider, and only after exhaustion of the bill deposit, and the same is not enough to cover the subject billing;
- b) Illegal use of the utility service;
- c) Upon lawful orders of government agencies and/or the courts;
- d) When public safety so requires; or
- e) Refusal of the consumer, without any justifiable reason, to allow the utility service provider's employees or representatives to enter into the premises to inspect the installed device.

Whenever a utility service provider disconnects a consumer's service, it may opt to retire, remove, or recover its service facilities, meters, lines, equipment, if the service remains disconnected for a period exceeding one hundred eighty (180) days.

SECTION 11. Suspension of Disconnection. — Notwithstanding the service of notice, disconnections of service shall not be made on any weekday beyond three o'clock in the afternoon (3:00 P.M.) to eight o'clock in the morning (8:00 A.M.), or on Saturdays, Sundays, and official holidays, and under the following circumstances:

- a) One of the permanent occupants is sick and dependent on a life support system: Provided, That the customer shall present a medical certificate issued by a duly licensed physician or public health official certifying such fact: Provided, Further, That the suspension shall only be during the dependency of the patient on the life support system but which shall not exceed one (1) month from such suspension;
- b) During the funeral wake of a deceased who was a resident of the premises: Provided, That the consumer shall present a copy or a duly certified true copy of the death certificate of the deceased issued by the Local Civil Registry of the city or municipality concerned: Provided, Further, That the suspension shall only be during the period of the wake which shall not exceed seven (7) days from the suspension;
- c) One of the permanent occupants is either a newborn child less than six (6) months old or a senior citizen: Provided, That the suspension shall only be for a period of five (5) days;
- d) The customer tenders payment of the unpaid bill to the agent or employee of the utility service provider who is to effect the disconnection;
- e) The customer indubitably proves that he or she did not receive a Statement of Account and/or a Disconnection Notice, unless the non-receipt is caused by the refusal of the customer to accept such bill or notice;
- f) The customer is being billed in a single statement for consumption covering several months due to the failure of the utility to issue a timely monthly billing statement to the consumer; and
- g) There is a pending case or unresolved complaint between the consumer and the utility service provider involving differential billings, billing adjustments, disputed estimated consumptions, or other billing errors of similar nature, until the final resolution of the case.

SECTION 12. Refund. — Consumers are entitled to refunds in cases of overbilling, billing errors, or payments made for services not delivered.

Any bill deposit existing, if not yet returned or consumed, shall also be refunded within one (1) month from the termination of service, provided that all obligations due have been paid.

SECTION 13. Exemption from Payment of Meter Deposits or Installation Fee. — All consumers shall be exempt from the payment of meter deposits or installation fees for the utility service availed of.

In cases of loss and/or damage to the installed device, the consumer shall bear the replacement cost of the device if the loss or damage is due to his or her fault, otherwise, it is the utility service provider who shall bear the cost.

For consumers who have already paid a meter deposit, the respective service utility provider shall automatically refund the same within one (1) year from the effectivity of this Act.

SECTION 14. Transparent Billing. — All utility bills must clearly state charges, rates, usage, payment due dates, and any adjustments made therein: Provided, That bills which are based on estimates shall be clearly and conspicuously marked as such and explained to the consumer when the bill is delivered.

Rate formulas and component breakdowns shall be published online and posted at the utility service provider's service centers, website, and social media pages.

SECTION 15. Accurate Meter or Functional Modem and Router. — No device shall be installed or placed in service unless it has been tested, certified, and sealed by the utility service provider and the government agency having regulatory control over it, if applicable.

The service utility provider shall present and explain to the consumer the device test report before the same is installed or placed in service. In case of failure to present the said report, the consumer may opt to refuse installation and demand that a different device be installed.

For purposes of this section, a consumer has the right to require the service utility provider to test annually, free of charge, the accuracy or functionality of the device installed in their premises.

SECTION 16. Refund for Overbillings; Overpayments. — Customers of electricity and water services have the right to a refund in cases of overbilling by the service utility provider arising from a meter test showing that the said meter was inaccurately fast or in cases of other billing errors where overpayments are declared. The refund obtained shall then be applied fully to the consumer's next immediate billing.

In cases of overpayments or payments made by mistake, the consumer shall have the option to either: (a) request for a full refund of the overpaid amount; or (b) have the same amount credited to future billings. If the consumer opts for a refund, it shall be implemented within seven (7) calendar days from the date the consumer formally exercises the option.

SECTION 17. Utility Service Connection Despite Arrearages of the Previous Tenant. — A service utility provider shall not refuse or discontinue service to a consumer who is not in arrears, even though there are unpaid bills or charges due from the premises occupied by the consumer-applicant on account of an unpaid bill of a prior tenant: Provided, That there is no conspiracy between the previous tenant and the new consumer-applicant to defraud the utility service provider.

SECTION 18. Bill Deposit. — A bill deposit may be required from consumers to guarantee the payment of utility bills. The amount of the deposit shall be equivalent to the estimated billing for one (1) month, based on the consumer's projected consumption. The bill deposit shall earn interest at a rate prescribed by the appropriate regulatory agency, and such interest shall be credited to the consumer's account annually.

In the event that the bill deposit is partially or fully consumed, the utility service provider may require the consumer to replenish the same to its original amount, subject to prior notice and reasonable terms.

Upon termination of service and full settlement of all outstanding obligations, the utility service provider shall refund the unused portion of the bill deposit, together with any accrued interest, within one (1) month from termination.

SECTION 19. Payment of Bills. — Consumers shall pay their utility bills not later than fifteen (15) days from receipt of the monthly bill.

In cases of high or unusual billings, or other billing irregularities, the consumer may defer payment of the disputed amount, provided that a formal complaint has been filed with the utility service provider. During the pendency of the complaint, the consumer shall not be subjected to disconnection in accordance with Section 11 of this Act.

CHAPTER IV – DUTIES OF UTILITY SERVICE PROVIDERS

SECTION 20. Service Standards. — Providers must ensure continuous, quality, and safe service. Interruptions must be limited, scheduled, and announced in advance whenever possible. In case of unscheduled interruptions or service outages, providers shall explain the cause, estimated time to resolve, and compensation, if any, within twenty-four (24) hours.

SECTION 21. Customer Service. — Providers must establish hotlines, grievance desks, and online platforms to receive complaints, which must be resolved within a period not exceeding fifteen (15) working days. If unresolved within the prescribed period, the matter may be elevated to the appropriate regulatory agency or, in their absence, to the regular courts.

SECTION 22. Equipment and Installation. — All equipment shall be properly installed, regularly inspected, and meet regulatory safety standards.

In line with this provision, all utility service providers must conduct an inspection/clean up within their respective jurisdictions/authorized areas for all non-operational, tangled, or sagging wires and remove, replace, or fix the same. In the same manner, all utility consumers shall have the right to demand inspection/clean up of their respective installed equipment, subject to a refund for overbillings and overpayments, if applicable.

In cases of permanent termination or retirement of service facilities, utility service providers shall be obligated to remove any wires, cables, devices, or other equipment they have installed within or connected to the consumer's premises or public utility infrastructure, including poles, posts, or service lines.

The removal shall commence within thirty (30) days from the effectivity of the termination or retirement of service, without additional charge to the consumer. Failure to comply shall subject the utility service provider to administrative sanctions and penalties as may be imposed by the appropriate regulatory agency.

CHAPTER V – FINAL PROVISIONS

SECTION 23. Administrative Sanctions. — Utility service providers that violate any provision of this Act shall be subject to fines or penalties as may be provided under existing laws, rules, or regulations, and in the Implementing Rules and Regulations of this Act.

SECTION 24. Penalty for Illegal Disconnection. — Aside from the penalty that may be imposed by the concerned regulatory agency, any disconnection of electricity, water, or internet services that do not comply with the due process requirements under this Act shall entitle the consumer to a rebate equivalent to the estimated average daily consumption based on the consumer's annual average billing, multiplied by the number of days the disconnection occurred.

Such rebate shall be automatically credited to the consumer's account in the next billing cycle, without need of demand and without prejudice to other remedies available under law.

SECTION 25. Prohibition Against Predatory Pricing and Bundling. — No internet service provider shall impose tied contracts, unreasonable lock-in periods, or bundle services that cannot reasonably be disentangled by consumers.

For purposes of this section, real estate developers, condominium corporations, and homeowner associations shall be prohibited from imposing or providing restrictions on, or limiting the option of, condominium unit buyers and owners as well as homeowners, to choose their preferred internet service providers. The Department of Human Settlements and Urban Development, in coordination with the NTC, shall be responsible for monitoring compliance and prosecuting violations of this provision.

SECTION 26. Mandatory Public Hearings for Rate Increases. — No rate increase shall be approved by any regulatory agency without first conducting public hearings with affected stakeholders.

SECTION 27. No Wrong Door Policy. — To ensure accessible and efficient redress for household utility complaints, a “No Wrong Door” policy shall apply to the Department of Energy (DOE), the Department of Information and Communications Technology (DICT), the National Water Resources Board (NWRB), local government units (LGUs), and such other government agencies, offices or instrumentalities concerned.

Any of these agencies or LGUs that receive a consumer complaint involving electricity, water, or internet services — regardless of whether it falls within their jurisdiction shall: (a) acknowledge the complaint; (b) refer or endorse it to the appropriate regulatory agency within five (5) working days; and (c) notify the consumer of such referral and provide relevant contact information of the agency to which the complaint was endorsed.

This policy shall apply to all forms of communication, including but not limited to walk-in inquiries, phone calls, emails, text messages, and online platforms such as social media.

For purposes of this Act, the Energy Regulatory Commission (ERC) shall be the appropriate agency for electricity-related concerns; the Local Water Utilities Administration (LWUA) for water consumers outside Metro Manila; the Metropolitan Waterworks and Sewerage System – Regulatory Office (MWSS-RO) for water consumers within Metro Manila; and the National Telecommunications Commission (NTC) for internet-related concerns.

SECTION 28. Implementing Rules and Regulations. — Within one hundred eighty (180) days from effectivity of this Act, the ERC, LWUA, MWSS-RO, and NTC, in coordination with the DOE, DICT, NWRB, and other relevant agencies and stakeholders, shall promulgate the necessary rules and regulations to implement this Act.

As part of the implementing rules and regulations, the ERC, LWUA, MWSS-RO, and NTC shall formulate and adopt sector-specific minimum quality and performance standards applicable to electricity, water, and internet service providers under their jurisdiction. These standards shall cover, at the minimum, key performance indicators, consumer service levels, and operational benchmarks, including, but not limited to, outage duration and frequency, response time, service restoration, and billing accuracy.

Compliance with these minimum service standards shall be mandatory. Any failure by a utility service provider to meet such standards, unless justified by force majeure or other valid causes, shall constitute a violation of this Act.

SECTION 29. Separability Clause. — If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in force and effect and will not diminish rights already granted in other laws, rules, or regulations, provided that they do not conflict with the provisions of this Act.

SECTION 30. Repealing Clause. — Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation contrary to, or inconsistent with, the provisions of this Act is hereby repealed, modified, or amended accordingly.

SECTION 31. Effectivity. — This Act shall take effect fifteen (15) days after publication in at least two (2) national newspapers of general circulation.

Approved,