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**SENATE**

**S. B. NO. 347**

RECEIVED BY: 

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Introduced by **SENATOR JOEL VILLANUEVA**

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**AN ACT PENALIZING THE UNJUSTIFIED INTERRUPTION  
OF SERVICE PROVIDED BY DISTRIBUTION UTILITIES AND  
TELECOMMUNICATIONS AND BROADCASTING ENTITIES**

**EXPLANATORY NOTE**

It is not unusual to see posts in social media of customers of public utilities complaining on the failure of a public utility to immediately address their concern. This is even compounded by the fact that despite the service interruption, customers are still expected to pay the full price of their utility bill or plan. Water and electric distribution utilities and telecommunications and broadcasting entities continue to collect the bill, as if nothing happened, without any compensation given to the customers or penalty for the opportunity lost suffered by the customers by reason of their unjustified failure to address the customer's complaint immediately.

For example, in March 2019, Metro Manila residents experienced water shortage due to the failure of Manila Water Co. Inc. to anticipate and prepare for an increase in demand in water supply, which was further aggravated by the effects of El Niño. Around 52,000 residents reportedly did not have water supply for more than six days during the summer season, and residents were seen lining up for rationed water.<sup>1</sup> Despite this failure, Manila Water Company, the concerned water distribution utility, would have gone with business as usual, if not for the public clamor and the media attention given to the issue, which caused it to voluntarily waive the bill of the affected customers for the month of March.<sup>2</sup>

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<sup>1</sup> 2019, March 12. EXPLAINER: Why is there a water shortage in Metro Manila? Retrieved from: <https://news.abs-cbn.com/news/03/12/19/explainer-why-is-there-a-water-shortage-in-metro-manila> (date last accessed: July 5, 2019).

<sup>2</sup> 2019, March 27. Manila Water implements a voluntary, one-time bill waiver scheme. Retrieved from: <https://businessmirror.com.ph/2019/03/27/manila-water-implements-voluntary-one-time-bill-waiver-scheme/> (date last accessed: July 5, 2019).

This bill requires seeks to compensate the affected customers and penalize water and electric distribution utilities and public telecommunications or broadcasting entities for service interruption. Under this bill, if service interruption lasts for eight (8) hours or more for prepaid services or services with a fixed regular fee, the customer is entitled to a refund or deduction on the bill corresponding to the month when the service interruption occurred, as the case may be, equivalent to the amount of the prepaid service or prescribed monthly bill divided by the number of days covered by the plan and multiplied by the number of days the interruption occurred.

This bill also mandates these public utilities to address all customer complaints arising from service interruption or other similar problems within one day from receipt of the complaint. Failure to address such complaint within this period will make the concerned entity liable for a penalty payable to the customer equivalent to 0.5% of the bill for every day of delay, but in no case more than twenty percent (20%) of the total bill.

This bill seeks to give relief to our hardworking citizens who expect uninterrupted and quality service from those who hold themselves up to be capable of providing good service.

The immediate passage of this bill is earnestly sought.

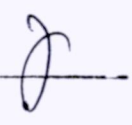
  
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*Be it enacted by the Senate and House of Representatives of the Philippines in  
Congress assembled:*

1 **SECTION 1. Declaration of Policy.** – It is the policy of the State to ensure  
2 the quality, reliability, security and affordability of the supply of electric power,  
3 water, communications technology and other public services.  
4

5 It is also the policy of the State to ensure transparent and reasonable prices of  
6 electricity, water, telecommunications services and other public services in a  
7 regime of free and fair competition and full public accountability to achieve  
8 greater operational and economic efficiency and enhance the competitiveness  
9 of Philippine products in the global market.  
10

11 **SEC. 2. Unjustified Interruption of Service.** – In case the service provided  
12 by electric and water distribution utilities, public telecommunications entities  
13 and broadcasting companies is interrupted, the concerned entity shall act on  
14 customer complaints regarding service interruption or other similar problems  
15 within one (1) day from the date the complaint, written or otherwise, was  
16 lodged with it; *Provided*, That if the concerned entity unreasonably fails to act  
17 within this period, except when the cause of such delay or failure is due to  
18 fortuitous events or causes beyond the control of the concerned entity, it shall  
19 be liable for a penalty payable to the customer, equivalent to 0.5% of the bill  
20 corresponding to the period when the interruption occurred for every day of  
21 delay, but in no case more than twenty percent (20%) of the bill; *Provided*  
22 *further*, That nothing herein shall prevent the appropriate regulatory  
23 agency/ies from imposing the penalties prescribed under relevant laws and  
24 regulations; *Provided finally*, That the penalty herein imposed is separate from

1 the refund or deduction referred to in the paragraph below for prepaid  
2 services or services with a fixed regular fee.

3  
4 For prepaid services or services with a fixed regular fee, if service interruption  
5 lasts for eight (8) hours or more, the customer shall be entitled to a refund or  
6 deduction on the bill corresponding to the month when the service interruption  
7 occurred, as the case may be, equivalent to the amount of the prepaid service  
8 or prescribed monthly bill divided by the number of days covered by the  
9 prepaid service or prescribed monthly bill and multiplied by the number of  
10 days the interruption occurred.

11  
12 For this purpose, the distribution utility, telecommunications or broadcasting  
13 entity shall file a monthly report to the appropriate regulatory agency detailing  
14 the service interruptions that occurred during the covered period, the  
15 complaints lodged before it and the actions taken on each complaint.

16  
17 Any dispute as to the propriety of the refund or deduction or penalty imposed  
18 in accordance with this Section shall be resolved by the appropriate regulatory  
19 agency, upon appropriate complaint.

20  
21 **SEC. 3. Implementing Rules and Regulations.** – Within sixty (60) days from  
22 the implementation of this Act, the Energy Regulatory Commission, National  
23 Water Resources Board, Metropolitan Waterworks and Sewerage System,  
24 Local Water Utilities Administration, National Telecommunications  
25 Commission, and other relevant government agencies, upon consultation with  
26 relevant stakeholders, shall promulgate the necessary rules and regulations to  
27 implement the provisions of this Act.

28  
29 **SEC. 4. Separability Clause.** – If any provision or part hereof, is held invalid  
30 or unconstitutional, the remainder of the law or the provision not otherwise  
31 affected shall remain valid and subsisting.

32  
33 **SEC. 5. Repealing Clause.** – Any law, presidential decree or issuance,  
34 executive order, letter of instruction, administrative order, rule or regulation  
35 contrary to or inconsistent with, the provisions of this Act is hereby repealed,  
36 modified, or amended accordingly.

37  
38 **SEC. 6. Effectivity Clause.** – This Act shall take effect fifteen (15) days after  
39 its publication in the Official Gazette or in at least two (2) newspapers of  
40 general circulation.

41 **Approved,**