

## MAGNA CARTA FOR ELECTRICITY CONSUMERS

Pursuant to the provisions of Section 41 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act, the Energy Regulatory Commission hereby promulgates the Magna Carta for Electricity Consumers.

### CHAPTER I. GENERAL PROVISIONS

*Article 1. Title* – This Resolution shall be known as the Magna Carta for Electricity Consumers.

*Article 2. Definition of Terms.* –

- (a) **Bill Deposit**<sup>1</sup> shall mean the deposit required from customers by distribution utilities of new and/or additional service equivalent to the estimated monthly billing to guarantee payment of bills.
- (b) **Consumer or customer or End-user**<sup>2</sup> shall mean any person who is the registered customer of the electric utility being supplied with electricity by the concerned distribution utility;
- (c) **Energy Regulatory Commission or ERC** shall mean the independent regulatory agency created under Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA);
- (d) **Distribution utility**<sup>3</sup> shall mean any electric cooperative, private corporation, government-owned utility or existing local government unit which has an exclusive franchise or is authorized by law to distribute electricity to end-users;
- (e) **Differential Billing**<sup>4</sup> shall mean the amount charged to the consumer for the unbilled electricity illegally consumed as determined through the use of methodologies prescribed by law. It is determined by multiplying the unbilled consumption in kWh, the period covered and the current rate of electricity at the time of apprehension.

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<sup>1</sup> Section 22 of ERB Resolution 95-21, as amended

<sup>2</sup> Section 4(t) of RA 9136

<sup>3</sup> Section 4(q) of RA 9136

<sup>4</sup> Rule I, Section 2(h) of IRR of RA 7832

- (f) **Month**<sup>5</sup> is defined to be the elapsed time between two succeeding meter readings, at least twenty-eight (28) days apart but not to exceed thirty one (31) days.
- (g) An **officer of the law**<sup>6</sup> shall refer to any person who, by direct provision of law or by election or by appointment by competent authority, is charged with the maintenance of public order and the protection and security of life and property, such as barangay captain/chairman, barangay councilman, barangay leader, officer or member of Barangay Community Brigades, barangay policeman, PNP policeman, municipal councilor, and municipal mayor and provincial fiscal.
- (h) A **registered customer** shall mean the customer who has a valid service contract with the electric distribution utility, and shall include any person lawfully authorized by the said customer to occupy the premises and enjoy the electric service.
- (i) **Service entrance**<sup>7</sup> shall mean the service conductors, including necessary wiring methods, fittings, support and metering between the terminals of the service equipment and a point usually outside the building, clear of building walls, where joined by a top or splice to the service drop

**Article 3. Applicability.** – This Magna Carta shall only apply to residential consumers.

**Article 4. Basic Rights**<sup>8</sup>. - All electricity consumers shall be entitled to the following basic rights:

- (a) To have quality, reliable, affordable, safe, and regular supply of electric power;

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<sup>5</sup> Section 43 of ERB Res. 95-21 as amended

<sup>6</sup> Rule III, Section 1, 6th par. of IRR of 7832

<sup>7</sup> Section 26 of ERB Res. 95-21, as amended

<sup>8</sup> Sections 2(b), ( c ), (j) of RA 9136; and Sections 5 and 6 of ERB Res. 95-21, as amended

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- (b) To be accorded courteous and prompt service by the electric service provider;
  - (c) To avail of a transparent, non-discriminatory and reasonable price of electricity and adequate access to information on matters affecting the electric consumer concerned;
  - (d) To know and choose the electric service retailer upon the implementation of Retail Competition and Open Access and operation of the Wholesale Electricity Spot Market (WESM);
  - (e) To join together and organize themselves as a consumer organization in the franchise area where they belong and where they are served by the distribution utility.

**Article 5. *Basic Obligations***<sup>9</sup> - Every electricity consumer must comply with the following obligations and responsibilities:

- (a) To observe the terms of his contract including, among other things, paying monthly electricity bills promptly and honestly;
- (b) To allow the record of consumption to be reflected in the appropriate device faithfully and accurately;
- (c) To allow the utility's employees/representatives entry/access to the customer's premises for purposes of inspection, installation, reading, testing, removal, replacement or disposal of the utility's apparatus/electric watt-hour meter; and
- (d) To cooperate with and support programs on the wise and efficient use of electricity.

## CHAPTER II. CONSUMER RIGHTS

**Article 6. *Right to Electric Service***<sup>10</sup> - An electricity consumer has the right to be connected to a distribution utility for electric power service after the consumer's full compliance with the electric utility's requirements. A

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<sup>9</sup> Sections 42, 43, and 46 of ERB Res. 95-21, as amended

<sup>10</sup> Section 6 of ERB Res. 95-21, as amended; and Sec. 23, par. 7 of RA 9136

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*distribution utility which cannot service areas within its franchise territory may allow another distribution utility to service the same.*

The connection of the electric utility's service for service entrance shall be free of charge. The point of service connection shall be designated upon agreement by the electric utility and the consumer.

**Article 7. Right to a Refund of Bill Deposits<sup>11</sup>. -**

The bill deposit provided for under Article 26 hereof shall be refunded within one month from the termination of service provided all bills have been paid. *A customer who has religiously paid his electric bills on or before its due date for a consecutive period of three (3) years may, however, demand for the full refund thereof even prior to the termination of his service.*

**Article 8. Exemption from Payment of Meter Deposits. -** *All electricity consumers shall be exempt from payment of meter deposits since private distribution utilities have incorporated the cost of these electric watthour meters in their rate base. Electric cooperatives shall use their respective Reinvestment Funds to procure electric watthour meters for their consumers.*

**Article 9. Right to an Accurate<sup>12</sup> and Properly Installed Electric Watthour Meter<sup>13</sup>; Determination of Average Error<sup>14</sup>** - No meter shall be installed or placed in service unless it has been tested, certified and sealed by the ERC. All watt-hour meters regardless of make and type before being placed in service must be adjusted to as close to *the condition of zero error*.

The method provided in the Standard Rules and Regulations Governing the Operation of Electric Power Services (ERB Resolution 95-21, as amended) shall be used in the determination of average error.

In the event that a meter in service is found to have an average error of more than the tolerance of plus two percent, the customer is entitled to a refund made through the application of his overpayments to future billings. On the other hand, in the event that a meter in service is found to have an average error of more than the tolerance of minus two percent (2%) without any evidence of

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<sup>11</sup> Section 22 of ERB Res. 95-21, as amended

<sup>12</sup> Section 34 of ERB Res. 95-21, as amended

<sup>13</sup> Section 30 of ERB Res. 95-21, as amended

<sup>14</sup> Section 36 of ERB Res. 95-21, as amended

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tampering by the customer, the utility has a right to ask for payment of a billing adjustment from its customers of the unregistered consumption.

If the electric meter was merely found to be defective and has not completely stopped, and such defect could not be easily detected by the concerned customer, the distribution utility may only be allowed to recover the unregistered consumption for a period of three (3) months<sup>15</sup> prior to the discovery of the defect.

In cases where there is actual stoppage of the meter, the distribution utility may only be allowed to recover the unregistered consumption from the time of the stoppage but in no case shall it exceed two (2) years prior to such discovery of the stoppage.

Notwithstanding the two preceding paragraphs, the distribution utility may recover the full amount of the unregistered consumption if it has been complying with the two-year meter testing requirement under the Implementing Rules and Regulations of RA 7832, otherwise known as the Anti- Electricity Pilferage Act; Provided however, that the recovery period should not go beyond the last testing of the meter, but in no case shall it exceed two (2) years prior to such date of discovery. The distribution utility, however, must enter into an agreement with the customer for a staggered payment scheme within a period equivalent to the number of months covering the billing adjustment.

The rate should be based on the rate prevailing during the period sought to be recovered.

The ERC seal is a warranty that (1) the meter is an acceptable or accepted type and (2) that it operates within the allowable limits of tolerance.

The electricity consumer has a right to demand the production of the meter test report containing the findings of the authorized person who tested the said meter.

The meter must be installed in a clean place free of vibration and where it will be easily accessible for reading by both the distribution utility and the consumer.

**Article 10. Right to a Meter Testing by Electric Utility and/or ERC<sup>16</sup>.** - A customer has the right to require the electric utility to test, free of charge, the accuracy of the meter installed in his premises making use of a meter standard duly tested and sealed by the ERC. If it is found that the meter being tested is

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<sup>15</sup> Ridjo Tape and Chemical Corp. vs. MERALCO, GR No. 126074, February 24, 1998

<sup>16</sup> Section 34 of ERB Res. No. 95-21, as amended

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within the tolerable limit as provided for in Article 8 hereof, the utility may assess the customer concerned a testing fee based on the amount charged by ERC. A written report showing the result of such test shall be furnished the customer and the Commission.

The customer may also request the ERC to conduct a meter test subject to the payment of a fee prescribed under the approved ERC Schedule of Fees and Charges.

In case the meter is found to be inaccurate, the customer may demand the replacement of the said meter or have the electric utility or the ERC calibrate the said meter to restore its accuracy closest to the condition of zero (0) error.

**Article 11. *Right to a Prompt Investigation of Complaints<sup>17</sup>; Customer Dealings.*** - Electric utilities must conduct a prompt investigation of all complaints referred to them concerning their services.

The electric utility must furnish the complainant a report of the action/s taken thereon within the period stated in the distribution utility's Compliance Plan. In the absence thereof, the report must be made within fifteen (15) days from receipt of the complaint

In dealing with their customers relative to electric power services, all officers and employees of distribution utilities must properly and conspicuously display their identification cards at all times.

**Article 12. *Right to Extension of Lines and Facilities<sup>18</sup>.*** -

*An electricity consumer located in a viable area, that is within thirty (30) meters from the distribution utilities' existing lines, has the right to an extension of lines or installation of additional facilities, other than a service drop, at the expense of the utility inasmuch as said assets will form part of its rate base. However, if a prospective customer is beyond the said distance, or his demand load requires that applicant extend lines and facilities, the customer may initially fund the necessary expenditures.*

*In order to recover his aforementioned expenditures, the customer has the option to choose the method of recovery either through demanding the issuance of a notes*

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<sup>17</sup> Section 50 of ERB Res. No. 95-21, as amended

<sup>18</sup> Section 23 of ERB Res. No. 95-21, as amended

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payable from the distribution utility or the purchase of preferred shares. The notes payable issued by the distribution utility shall earn an interest rate equivalent to the prevailing interest rate as approved by the Bangko Sentral ng Pilipinas.

Revenue derived from additional customers tapped directly to the poles and facilities so extended shall be considered in determining the revenues derived from the extension of facilities.

In this connection, all utilities under this situation shall furnish the Commission with a copy of the corresponding service contract in a form prescribed by the ERC.

**Article 13. Right to Information<sup>19</sup>; Scheduled Power Interruptions<sup>20</sup>.** – In order to increase consumer awareness, all offices of distribution utilities must provide a Consumer Bulletin Board where major announcements/documents issued affecting consumers will be posted. Furthermore, they must establish *communication facilities*, including but not limited to a customer hotline and Short Messaging Service (SMS) facility, to cater exclusively to their customers.

Major announcements/documents shall include, but shall not be limited to, rate schedules and any changes thereon; other service charges; terms and conditions of service; standard rules and regulations governing the operation of electric utilities; general information on metering, including but not limited to manner in which meters are read and description of method used in reading; decisions and orders of the ERC. In cases where there are two or more authorized schedules of rates applicable to a customer's condition, the electric utility should accordingly advise in writing said customer and apply the most advantageous of rates to the customer.

At least two (2) days before a scheduled power interruption, distribution utilities must announce the same to its customers through print, mass or tri-media. In remote areas where print, mass and tri-media are inaccessible, the distribution utility must set up a Bulletin Board where announcements of scheduled power interruptions will be posted in an area that could easily be seen by its customers, preferably along roadsides or in front of the entrance to the Provincial/City/Municipal Hall.

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<sup>19</sup> Sections 21, 32, 40 and 57 of ERB Res. 95-21, as amended

<sup>20</sup> Sections 32 and 47 of ERB Res. 95-21, as amended

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**Article 14. Right to a Transparent Billing<sup>21</sup>** - Bills to service customers, rendered at reasonably regular intervals shall conform with the format as approved by the ERC. The current formats approved by the Commission are shown in the Annexes of this Code.

**Article 15. Right to a Monthly Electricity Bill<sup>22</sup>** - Bills shall be rendered monthly to the customer by the electric utility in accordance with the applicable rate schedule. Said bills shall be payable to authorized collectors, the collection office of the area where the customer resides or at its authorized banks.

The distribution utility shall safely keep the duplicate or office stub of the bills used and shall not be destroyed within five (5) years without authority from the Commission.

**Article 16. Right to Notice and Due Process Prior to Disconnection of Electric Service<sup>23</sup>**. - No electricity consumer shall be deprived of electric service without prior notice and due process of law.

Subject to the foregoing paragraph, disconnection of electric service shall only be made under the following circumstances:

- (a) Non-payment of electric bills within the period of time provided in Article 30 of this Magna Carta.
- (b) Illegal use of electricity under Republic Act No. 7832, otherwise known as the Anti-Electricity Pilferage Law.

**Article 17. Right to a Notice Prior to Disconnection<sup>24</sup>**. - For disconnections due to non-payment of electric bills, a forty eight (48)-hour written notice must have been previously served to the customer before such disconnection. The electric utility may discontinue the service notwithstanding the existence of the customer's deposit with the electric utility which will serve as guarantee for the payment of future bill(s) after service is reconnected.

When the owner/occupant of the house or establishment concerned or someone acting in his behalf shall have been caught in flagrante delicto doing

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<sup>21</sup> Section 42 of ERB Res. 95-21, as amended

<sup>22</sup> Sections 42, 43 and 44 of ERB Res. 95-21, as amended

<sup>23</sup> Section 48 of ERB Res. 95-21 as amended; Rule II, Sec. 1 of IRR of RA 7832

<sup>24</sup> Section 48 of ERB Res. 95-21 as amended; Rule V, Sec. 1 of IRR of RA 7832

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any of the acts enumerated in Section 6 of RA 7832, the distribution utility concerned shall have the authority and right to disconnect immediately his electric service after serving the written notice or warning to the effect. The written notice or warning being referred to herein shall be served prior to such disconnection and shall indicate the name and address of the consumer, consumer account number, date of apprehension, findings of fact, amount of energy pilfered in kilowatt-hour, the amount representing the differential billing and the method used in computing the differential billing.

**Article 18. *Right to Suspension of Disconnection***<sup>25</sup>. - Despite due notice, disconnections of service shall not be made on any week day beyond two o'clock (2 P.M.) in the afternoon, Saturdays, Sundays and official holidays, and under the following or any other similar circumstances:

- (a) One of the permanent occupants is sick and dependent on a life support system requiring electricity; Provided, That the customer can present a medical certificate issued by a duly licensed physician or public health official certifying that the termination of the electric service would be especially dangerous to the health of the said person;
- (b) During the funeral wake of a deceased permanent resident of the premises; Provided, That the consumer can present a duly certified true copy of the death certificate of the deceased issued by the Local Civil Registry of the city or municipality concerned;
- (c) Customer indubitably proves he did not receive a Statement of Account/Disconnection Notice;
- (d) 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;
- (e) Customer or his representative is not around; *Provided however, that this shall only apply to disconnections due to illegal use of electricity.*

For Item (a), the suspension of the disconnection shall only be made during the dependency of the patient on the life support system which shall not

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<sup>25</sup> Section 48 of ERB Res. 95-21 as amended

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exceed two months from such suspension.

For Item (b), the suspension of the disconnection shall only be made during the period of the wake which shall not exceed one month from the suspension or until the interment, whichever comes earlier. For Item (c), the non-receipt should not be caused by the refusal of the customer to accept such electric bill or notice.

With respect to Item (d), the customer must pay the current billing on its due date. The distribution utility, however, must enter into an agreement with the customer for a staggered payment scheme within a period equivalent to the number of months covering the unpaid billings.

**Article 19. *Right to Tender Payment at the Point of Disconnection<sup>26</sup>; Deposit Representing the Differential Billing<sup>27</sup>.*** - If at the time the disconnection is to be made, the customer tenders payment of the unpaid bill to the agent or employee of the electric utility who is to effect the disconnection, the said agent, or employee of the electric utility shall be obliged to accept the tendered payment, issue a temporary receipt, and desist from disconnecting the service.

The utility concerned shall not immediately disconnect or shall immediately restore the electric service of the customer upon the deposit by the customer with the utility or with the competent court, as the case may be, of the amount representing the differential billing.

**Article 20. *Right to Electric Service Despite Arrearages of Previous Occupant<sup>28</sup>.*** - An electric utility shall not refuse or discontinue service to an applicant or customer, who is not in arrears to the electric utility, even though there are unpaid charges due from the premises occupied by the applicant, or customer, on account of unpaid bill of a prior tenant, unless there is evidence of conspiracy to defraud the electric utility.

**Article 21. *Right to Reconnection of Electric Service<sup>29</sup>.*** - Whenever the electric service is disconnected due to non-payment of electric bills, the utility must immediately reconnect the same within the period provided in the utility's Compliance Plan as approved by the Commission, but in no case shall exceed

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<sup>26</sup> Section 48 of ERB Res. 95-21, as amended

<sup>27</sup> Section 6 of RA 7832; Section 2, Rule V of the IRR of RA 7832

<sup>28</sup> Section 48 of ERB Res. 95-21, as amended

<sup>29</sup> Section 49 of ERB Res. 95-21, as amended

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*twenty-four (24 hours)* from payment of the said arrearages by the customer.

**Article 22. Right to Witness Apprehension; Indispensable Witnesses<sup>30</sup>.** – All apprehensions for illegal use of electricity must be personally witnessed by the customer or occupant or someone of suitable age and discretion residing therein and acting in behalf of the owner or occupant of the incident, and by an officer of the law or by an ERC representative.

**Article 23. Right to ERC Testing of Apprehended Meter<sup>31</sup>.** - In case the apprehension is witnessed by an officer of the law and not by an ERC authorized representative, the electric meter subject of the offense must be placed in a suitable container, properly identified and sealed, and shall be opened only for testing in the ERC's meter laboratory by its duly authorized representative.

**Article 24. Right to Payment Under Protest<sup>32</sup>.** – In cases of regular electric bills or billing adjustments in the event of the stoppage or failure of the meter to register the full and correct amount of energy consumed, the consumer shall have the right to pay under protest for purposes of continuous supply of electricity by the utility.

In case there is a differential billing due to alleged illegal use of electricity, the consumer shall have the right to pay or deposit under protest for the same purpose above stated.

**Article 25. Right to File Complaints before ERC<sup>33</sup>.** - Every electric consumer has the right to file a complaint before the ERC for violation of ERC laws, rules, regulations, guidelines and policies, including but not limited to RA 9136 and its Implementing Rules and Regulations, RA 7832 and its Implementing Rules and Regulations and ERB Resolution No. 95-21, as amended; Provided, That the complainant has previously discussed/consulted the issue with the Consumer Welfare Desk (CWD) Officer or representative of the concerned distribution utility and no settlement has been reached.

### CHAPTER III. CONSUMER OBLIGATIONS

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<sup>30</sup> Section 1, Rule III of IRR of RA 7832

<sup>31</sup> Section 6, Rule VII of IRR of RA 7832

<sup>32</sup> Section 43 of ERB Res. 95-21, as amended; Rule V, Section 2 of IRR of RA 7832

<sup>33</sup> Section 41 of RA 9136

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**Article 26. *Obligation to Pay Bill Deposit***<sup>34</sup>. - A bill deposit from all residential customers to guarantee payment of bills shall be required of new and/or additional service.

The amount of the bill deposit shall be equivalent to the estimated monthly billing. Provided that after (1) year when the actual average monthly bills are more or less than the initial bill deposit, such deposit shall be correspondingly increased/decreased to approximate said billing.

Distribution utilities shall pay interest on bill deposits equivalent to the interest incorporated in the calculation of their Weighted Average Cost of Capital (WACC), otherwise the bill deposit shall earn an interest per annum in accordance with the prevailing interest rate as approved by the Bangko Sentral ng Pilipinas (BSP). The interests shall be credited to the next billing period of the customer.

**Article 27. *Obligation to Allow Inspection, Installation & Removal of Electricity Apparatus***<sup>35</sup> - Customers shall allow the employees and/or representatives of the electric utility to enter their premises for the purpose of inspecting, installing, reading, testing, removing, replacing, or otherwise disposing of its apparatus and property, and/or removing the electric utility's entire property in the event of the termination of the electricity service contract; and for disconnection of service for non-payment of bills or violation of contract (VOC).

Provided, however, that only authorized employees of the electric utility with proper identification cards shall be allowed to make any external adjustments of any meter or any internal or external adjustments of any other pieces of apparatus owned by the electric utility.

**Article 28. *Obligation to Allow the Construction of Poles, Lines & Circuits***<sup>36</sup>. - Consumers shall allow the distribution utility, if necessary, to construct its poles, lines and circuits and to place its transformers, apparatus on their property or within their buildings of the consumer, at a point or points convenient for such purpose.

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<sup>34</sup> Section 22 of ERB Res. 95-21, as amended

<sup>35</sup> Section 46 of ERB Res. 95-21, as amended

<sup>36</sup> Section 24 of ERB Res. 95-21, as amended

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The customer shall further grant the right to use a suitable space for the installation of necessary metering equipment in order that such equipment will be protected from damage by the elements, or through the negligence or deliberate acts of any person or persons.

**Article 29. *Obligation to Allow Right of Way; Payment of Just Compensation***<sup>37</sup> - In case the distribution utility, pursuant to the preceding article, erects poles and lines on the property of a customer in order to be able to service him, it shall, upon payment of just compensation to the latter, also have the right to connect to said poles and lines any neighbor or neighbors of said customer, who may thereafter also apply for service connections and who cannot otherwise be connected or reached by the utility.

**Article 30. *Obligation to Receive Monthly Bills.*** - Consumers must accept their electric bills, without prejudice to the exercise of their right to pay under protest pursuant to Article 24 of this *Magna Carta* in order to contest the same.

**Article 31. *Obligation to Pay Monthly Electric Bills***<sup>38</sup>. - Consumers must pay their bills not later than ten (10) days after receipt of the monthly bill.

**Article 32. *Obligation to Pay Billing Adjustments***<sup>39</sup>; ***Inform the Utility of the Use of Energy.*** - An electricity consumer may be compelled to pay a billing adjustment in case there is a stoppage or failure by the customer's meter to register the full amount of energy consumed without any fault on the part of the customer.

The computation of the billing adjustment shall be made in accordance with Article 9 of this *Magna Carta*.

In case of disagreement on such bill, the Commission shall resolve the same.

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<sup>37</sup> Section 24 of ERB Res. 95-21, as amended

<sup>38</sup> Section 43 of ERB Res. 95-21, as amended

<sup>39</sup> Sections 41 and 43 of ERB Res. 95-21, as amended

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**Article 33. *Obligation not to Commit Illegal Use of Electricity***<sup>40</sup>. No consumer is allowed to perform acts constituting illegal use of electricity. The following circumstances constitute prima facie evidence of illegal use of electricity:

- (a) The presence of a bored hole on the glass cover of the electric meter, or at the back or any part of said meter;
- (b) The presence inside the electric meter of salt, sugar and other elements that could result in the inaccurate registration of the meter's internal parts to prevent its accurate registration of consumption of electricity;
- (c) The existence of any wiring connection which affects the normal operation or registration of the electric meter;
- (d) The presence of a tampered, broken, or fake seal on the meter, or mutilated, altered or tampered meter recording chart or graph or computerized chart, graph or log;
- (e) The presence in any part of a building or its premises which is subject to the control of the consumer, or on the electric meter, of a current reversing transformer, jumper, shorting and/or shunting wire, and/or loop connection or any other similar device;
- (f) The mutilation, alteration, reconnection, disconnection, bypassing or tampering of instruments, transformers and accessories;
- (g) The destruction of, or attempt to destroy, any integral accessory of the metering device box which encases an electric meter, or its metering accessories.
- (h) The acceptance of money and/or other valuable consideration by any officer or employee of the electric utility concerned or the making of such an offer to any such officer or employee for not reporting the presence of any of the circumstances enumerated in subparagraphs (a), (b), (c), (d), (e), (f), or (g) hereof.

The discovery of any of the foregoing circumstances must be personally

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<sup>40</sup> Section 4 of RA 7832; Rule III, Section 1 of the IRR of RA 7832

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witnessed and attested to by an officer of the law or a duly authorized representative of the Energy Regulatory Commission.

**Article 34. *Obligation to Pay Differential Billing*<sup>41</sup>.** – A consumer who is discovered to have committed the offense of illegal use of electricity shall, in addition to the imposition of appropriate penal sanction, be required to pay a differential billing to the electric distribution utility to be computed in accordance with existing laws, rules and regulations.

The period to be recovered for the purpose of computing the differential billing shall be subject to the following rules:

1. If prior to the date of discovery, there was a change of meter, change of seal or reconnection, or replacement of parts, or it can be determined when an abrupt or abnormal drop in consumption occurred, the period to be recovered for purposes of the differential billing should be reckoned from the time when the said changes, inspection or reconnection occurred, which may result in a less than a year period of recovery.
2. Furthermore, if the concerned consumer presents indubitable and adequate proof that the occurrence of the illegal use of electricity occurred for a period which could be less than a year, then for purposes of calculating the differential billing, the recoverable period shall start from the occurrence of the illegal use up to the time of apprehension.
3. In the absence of the two aforementioned circumstances, the distribution utility may be allowed to recover the differential billing up to sixty (60) billing months up to the time of discovery.

#### CHAPTER IV. FINAL PROVISIONS

**Article 35. *Violation*<sup>42</sup>.** - Violation of any provision of this Magna Carta

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<sup>41</sup> Section 6 of RA 7832

<sup>42</sup> Section 46 of RA 9136

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shall be subject to penalty which the Commission, after giving the electric utility the opportunity to be heard, may impose in accordance with law.

**Article 36. *Separability Clause.*** – If any provision of this Code is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in force and effect.

**Article 37. *Repealing Clause.*** – Provisions of ERB Res. No. 95-21 as amended, rules, regulations and guidelines not expressly revised by this Magna Carta shall remain in force and effect.

**Article 38. *Effectivity.*** – This Code shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the country.

Pasig City, \_\_\_\_\_

**RODOLFO B. ALBANO, JR.**  
Chairman

**OLIVER B. BUTALID**  
Commissioner

**CARLOS R. ALINDADA**  
Commissioner

**LETICIA V. IBAY**  
Commissioner

**JESUS N. ALCORDO**  
Commissioner