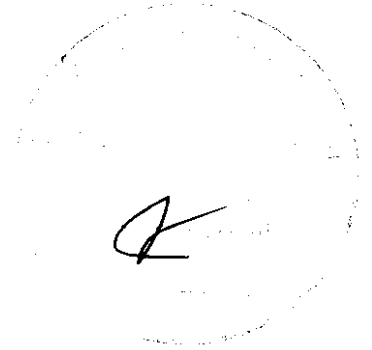


Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



RESOLUTION NO. 28 Series of 2010

**A RESOLUTION ADOPTING THE AMENDMENTS TO THE
MAGNA CARTA FOR RESIDENTIAL ELECTRICITY CONSUMERS**

WHEREAS, Section 41 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), provides that the Energy Regulatory Commission (ERC) shall handle consumer complaints and ensure the adequate promotion of consumer interests;

WHEREAS, on June 25, 2004, the ERC promulgated the Magna Carta for Residential Electricity Consumers which took effect on July 17, 2004;

WHEREAS, the Magna Carta aims to provide rules, procedures, terms and conditions applicable to residential electricity consumers which constitute the bulk of the total electricity consumers of distribution utilities;

WHEREAS, recognizing the need to amend the Magna Carta in order to address current issues and to incorporate newly adopted policies and procedures, the ERC solicited comments from the industry stakeholders in January 2010;

WHEREAS, the initial draft was posted on December 16, 2009 in the ERC website and subjected to expository hearings and public consultation;

WHEREAS, a second draft was prepared and posted on June 8, 2010 in the ERC website for additional comments from the industry stakeholders;

WHEREAS, comments were received by the ERC and were considered in the amendments to the Magna Carta;

NOW, THEREFORE, the ERC, after thorough and due deliberation, **RESOLVED**, as it hereby **RESOLVES** to **ADOPT** the amendments to the Magna

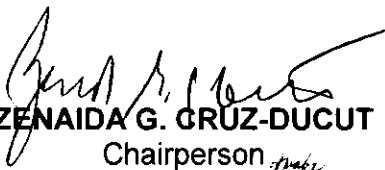
Five handwritten signatures in black ink, arranged horizontally across the bottom of the page. From left to right, they are: a signature starting with 'A', a signature starting with 'S', a signature starting with 'M', a signature starting with 'B', and a signature starting with 'M'.

Carta for Residential Electricity Consumers. The pertinent amended provisions thereof are hereto attached as **Annex "A"**.

This resolution shall take effect fifteen (15) days following its complete publication in a newspaper of general circulation.


Let copies of this Resolution be furnished the University of the Philippine Law Center Office of the National Administrative Register (UPLC-ONAR).

Pasig City, November 15, 2010.


ZENAIDA G. CRUZ-DUCUT
Chairperson *pubic*


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A.R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner

MCCG/CAS

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

**AMENDMENTS TO THE MAGNA CARTA FOR
RESIDENTIAL ELECTRICITY CONSUMERS**

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

Section 1. The following provisions of the Magna Carta for Residential Electricity Consumers are hereby amended to read, as follows:

MAGNA CARTA FOR RESIDENTIAL ELECTRICITY CONSUMERS

CHAPTER I. GENERAL PROVISIONS

x x x x x x

Article 2. Definition of Terms. –

- (a) **Bill Deposit** shall mean the deposit required from consumers by distribution utilities of new and/or additional service **AND FROM DISCONNECTED CONSUMERS WHO WERE PREVIOUSLY NOT SUBJECT TO BILL DEPOSIT. THE DEPOSIT SHALL BE** equivalent to the estimated billing for one month to guarantee payment of bills.
- (b) **CONNECTION POINT SHALL MEAN, FOR THE PURPOSES OF THE MAGNA CARTA, THE POINT OF CONNECTION OF THE USER SYSTEM OR EQUIPMENT TO THE DISTRIBUTION SYSTEM (FOR USERS OF THE DISTRIBUTION SYSTEM). FOR PURPOSES OF THIS DEFINITION, USER SYSTEM OR EQUIPMENT DOES NOT INCLUDE THE SERVICE ENTRANCE UP TO THE METER.**

x x x x x x

(l) RETIREMENT OF ELECTRIC SERVICE SHALL MEAN THE REMOVAL OF ALL FACILITIES NECESSARY FOR THE PROVISION OF ELECTRIC SERVICE, SUCH AS, BUT NOT LIMITED TO SERVICE DROP WIRE, METER BASE, WATTMETER AND OTHER ACCESSORIES OF THE SERVICE ENTRANCE AND METERING FACILITIES.

(m) TERMINATION OF ELECTRIC SERVICE CONTRACT SHALL MEAN THE CANCELLATION, FOR REASONS ENUMERATED IN ARTICLE 37, OF THE ELECTRIC SERVICE CONTRACT WHEREBY THE DISTRIBUTION UTILITY AND THE REGISTERED CONSUMER ARE RELEASED FROM THEIR RESPECTIVE OBLIGATIONS IN THE CONTRACT, WITHOUT PREJUDICE TO THE PERFORMANCE OF EXISTING OBLIGATIONS PRIOR TO TERMINATION.

X X X

X X X

"Article 6. Right to Electric Service. – A consumer has the right to be connected to a distribution utility for electric power service after the consumer's full compliance with the (distribution utility's and local government unit's (LGU) requirements SET FORTH HEREIN AND THAT OF ALL EXISTING LAWS, RULES AND REGULATIONS.

ALL APPLICANTS FOR ELECTRIC SERVICE MUST SUBMIT A WRITTEN APPLICATION WITH THE FOLLOWING SUPPORTING DOCUMENTS:

A. FOR OWNERS:

- **VALID IDENTIFICATION**
- **PROOF OF OWNERSHIP**
- **BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE BARANGAY**
- **LIST OF LOADS**

B. FOR SUCCESSORS:

- **VALID IDENTIFICATION**
- **PROOF OF SUCCESSION TO THE PROPERTY**

- **BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE BARANGAY**
- **LIST OF LOADS**

C. FOR AUTHORIZED REPRESENTATIVES OF OWNERS:

- **VALID IDENTIFICATION**
- **NOTARIZED AUTHORIZATION FROM THE OWNER OF THE PROPERTY**
- **BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE BARANGAY**
- **LIST OF LOADS**

D. FOR TENANTS OF PRIVATELY-OWNED PREMISES:

- **VALID IDENTIFICATION**
- **CONTRACT OF LEASE OR ANY NOTARIZED AUTHORIZATION FROM THE OWNER SHOWING THE RIGHT TO OCCUPY THE PREMISES SOUGHT TO BE ENERGIZED**
- **BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE BARANGAY**
- **UNDERTAKING FROM THE OWNER OF THE PROPERTY**
- **LIST OF LOADS**

E. INFORMAL SETTLERS OF GOVERNMENT-OWNED PROPERTIES:

- **VALID IDENTIFICATION**
- **PROOF OF RIGHT TO OCCUPY THE PREMISES SOUGHT TO BE ENERGIZED FROM THE CONCERNED LOCAL GOVERNMENT UNIT OR GOVERNMENT AGENCY**
- **BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE BARANGAY**

- **LIST OF LOADS**

IF THE (SAID CONSUMER) APPLICANT IS (NOT THE OWNER OF THE PREMISES) A TENANT OF THE PREMISES SOUGHT TO BE ENERGIZED, HE MUST SUBMIT AN UNDERTAKING EXECUTED BY THE OWNER OF THE PREMISES STATING THAT, ONCE THE APPLICANT LEAVES THE PREMISES, THE OWNER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ANY UNPAID REGULAR MONTHLY BILLS INCURRED BY THE APPLICANT, BUT NOT TO EXCEED TWO (2) MONTHS, AFTER APPLYING THE BILL DEPOSIT. THE UNPAID REGULAR MONTHLY BILLS MUST INCLUDE THE CURRENT BILL.

THE REQUIREMENT OF AN UNDERTAKING SHALL NOT APPLY TO AN APPLICANT WHO IS A BUYER OF A MASS-HOUSING UNIT, WHICH IS SOUGHT TO BE ENERGIZED BUT REMAINS OWNED BY THE MASS HOUSING DEVELOPER; ALTHOUGH THE SAID UNIT IS THE SUBJECT OF A CONTRACT TO SELL BETWEEN THE APPLICANT-BUYER AND THE DEVELOPER . HOWEVER, THE APPLICANT MUST SHOW PROOF THAT THE SUBJECT HOUSING UNIT IS STILL PART OF THE INVENTORY OF THE SAID DEVELOPER, AND HE/SHE IS STILL CURRENTLY PAYING THE AMORTIZATIONS NECESSARY TO GAIN FULL OWNERSHIP OVER THE HOUSING UNIT/PREMISES.

WHEN THE AFOREMENTIONED REGISTERED CUSTOMER LEAVES THE PREMISES, THE DU IS GIVEN THE FOLLOWING OPTIONS:

- a. **TERMINATE, AFTER DUE NOTICE, THE CONTRACT OF ELECTRIC SERVICE; OR**
- b. **CHANGE, AFTER DUE NOTICE, THE REGISTERED CONSUMER, FROM THE TENANT WHO WAS THE REGISTERED CUSTOMER TO THE OWNER OF THE PROPERTY, UNLESS SAID OWNER SUBMITS, WITHIN THIRTY (30) DAYS FROM RECEIPT OF SUCH NOTICE, THE NAME OF ANOTHER PERSON/TENANT WHO WILL BECOME THE NEW REGISTERED CONSUMER INSTEAD OF THE OWNER OF THE PROPERTY.**

THE LIABILITY PROVIDED IN THE UNDERTAKING SHALL EXTEND TO SIMILAR OBLIGATIONS OF ANOTHER PERSON/TENANT ALLOWED BY THE OWNER TO OCCUPY THE PREMISES WITHOUT THE KNOWLEDGE OF THE DU. THE UNDERTAKING UNDER PARAGRAPH (D) SHALL LIKEWISE STATE THIS OBLIGATION. THE NEW PERSON/TENANT WILL BE REQUIRED TO PAY ALL ELECTRIC BILLS INCURRED DURING HIS PERIOD OF STAY IN THE PREMISES.

THE DU MAY WAIVE ANY OR ALL OF THE FOREGOING REQUIREMENTS AS IT DEEMS PROPER.

X X X

X X X

THE APPLICANT OR THE OWNER OF THE PROPERTY MUST NOT ALSO HAVE ANY OUTSTANDING OBLIGATIONS INCLUDING SURCHARGES WHENEVER APPLICABLE, WITH THE CONCERNED DISTRIBUTION UTILITY.

Article 9. Right to an Accurate Electric Watthour Meter; Determination of Average Error. – x x x

THE DISTRIBUTION UTILITY MUST INSTALL A METER OF THE PROPER TYPE AND CLASSIFICATION COMPATIBLE WITH THE ELECTRICAL SYSTEM/NETWORK IN USE IN THE PREMISES OF THE CONSUMER. FOR ERRORS ARISING THEREFROM, THE LIABILITY OF THE CONSUMER SHALL BE LIMITED IN ACCORDANCE WITH THE PROVISIONS HEREOF.

AN ACCURATE ELECTRIC METER, LOCATED IN AN AREA ALLOWED UNDER EXISTING ERC RULES, REGULATIONS, POLICIES AND GUIDELINES, IS PRESUMED TO REGISTER THE CORRECT CONSUMPTION OF THE REGISTERED CONSUMER OR USER. THE ENTIRE BILL MUST BE PAID WITHIN THE PRESCRIBED PERIOD/S, UNLESS OTHERWISE PROVIDED FOR IN THE MAGNA CARTA.

X X X

X X X

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

Article 10. Right to a Refund of Overbillings – x x x

IN CASES OF OTHER BILLING ERRORS WHERE THERE ARE OVERPAYMENTS, REFUNDS SHALL BE COMPUTED BACK TO THE DATE THE ERROR OR OMISSION COMMENCED. THE CONSUMER MUST BE INFORMED IN WRITING THAT, IF HE/SHE DISAGREES WITH THE AMOUNT OF THE REFUND, THE SAID CONSUMER CAN CONTEST THE REFUND BEFORE THE ERC.

THIS PROVISION SHALL LIKEWISE BE APPLICABLE TO ERRORS ARISING UNDER ARTICLE 9, PARAGRAPH 2 OF THE MAGNA CARTA.

Article 11. Right to a Properly Installed Meter – x x x

Meters may be located in other areas based on justifiable reasons. **METERS LOCATED IN ELEVATED METERING CENTERS SHALL BE GOVERNED BY THE RULES TO GOVERN THE INSTALLATION AND RELOCATION OF RESIDENTIAL ELECTRIC METERS BY DISTRIBUTION UTILITIES TO ELEVATED METERING CENTERS OR INDIVIDUAL RESIDENTIAL ELECTRIC METER TO OTHER ELEVATED SERVICE.**

CLUSTERING OF METERS MAY BE ALLOWED UNDER ANY OF THE FOLLOWING CIRCUMSTANCES:

- 1. UPON THE REQUEST OF A CONSUMER;**
- 2. WHEN THERE IS NO RIGHT OF WAY; OR**
- 3. IN AREAS WITH HIGH INCIDENCE OF ELECTRICITY PILFERAGES.**

THE DISTRIBUTION UTILITY SHALL BEAR THE COST OF THE WIRE EXTENDING FROM THE METER TO THE ACTUAL PREMISES OF THE CONSUMER, EXCEPT WHEN THE CONSUMER REQUESTS FOR THE CLUSTERING, AND IN SUCH CASE, THE SAID CONSUMER SHALL BEAR THE AFOREMENTIONED COSTS.

METERS MAY LIKEWISE BE CLUSTERED OR RELOCATED IN ELEVATED METERING CENTERS UPON THE REQUEST OF THE CONCERNED GOVERNMENT AGENCY OR LOCAL GOVERNMENT UNIT.

x x x

- 2. The meter installation fails to meet the conditions under the first paragraph resulting from improvements done on the consumer's premises thereby necessitating such relocation. THE DU MUST INFORM THE CONSUMER IN WRITING OF THE LATTER'S NON-COMPLIANCE WITH THE PROPER METER INSTALLATION CONDITIONS.**

IF THE CONSUMER FAILS, WITHIN THIRTY (30) DAYS FROM RECEIPT OF THE NOTICE OF NON-COMPLIANCE, TO COORDINATE WITH THE DU REGARDING THE RELOCATION OF THE METER/S, THE DU SHALL HAVE THE RIGHT TO RELOCATE THE SAID METER/S WITHOUT FURTHER NOTICE. THE CONSUMER SHALL BE RESPONSIBLE FOR ALL COSTS AND EXPENSES INCURRED AS A RESULT OF HIS/HER NON-COMPLIANCE. THE PARTIES MAY ENTER INTO AN ARRANGEMENT FOR THE PAYMENT OF THE

AFOREMENTIONED COSTS. IN CASE THE CONSUMER REFUSES, WITHOUT ANY JUSTIFIABLE REASON, TO ALLOW DU REPRESENTATIVES' ENTRY INTO THE PREMISES TO EFFECT THE RELOCATION, THE DU MAY DISCONNECT THE ELECTRIC SERVICE OF THE CONSUMER AFTER A FORTY-EIGHT (48)-HOUR WRITTEN NOTICE.

Article 12. Right to a Meter Testing by Electric Utility and/or ERC. – A consumer has the right to require the distribution utility to test, once every two (2) years, free of charge, the accuracy of the meter installed in his/HER premises making use of a meter standard duly tested and sealed by the ERC, *UNLESS THE METER HAS BEEN THE SUBJECT OF TESTING IN ACCORDANCE WITH THE RULES AND PROCEDURES FOR THE TEST AND MAINTENANCE OF ELECTRIC METERS BY DISTRIBUTION UTILITIES.*

X X X

X X X

Article 14. Right to Extension of Lines and Facilities. – x x x

To recover the aforementioned expenditure (advanced payment), **THE CONSUMER OR DEVELOPER MAY EITHER DEMAND THE ISSUANCE OF ANY FINANCIAL INSTRUMENTS MUTUALLY ACCEPTABLE TO THE PARTIES OR A REFUND AT THE RATE OF SEVENTY-FIVE (75) PERCENT OF THE GROSS DISTRIBUTION REVENUE DERIVED FROM ALL CONSUMERS CONNECTED TO THE LINE EXTENSION FOR THE CALENDAR YEAR UNTIL SUCH AMOUNTS ARE FULLY REFUNDED, OR IF THE DU IS A PRIVATE CORPORATION, THE PURCHASE OF PREFERRED SHARES, IF AVAILABLE, SUBJECT TO THE APPROVAL OF SECURITIES AND EXCHANGE COMMISSION (SEC) ON THE ISSUANCE OF SUCH SHARES OR OTHER FINANCIAL INSTRUMENTS MUTUALLY ACCEPTABLE TO THE PARTIES. THE PREFERRED SHARES SHALL BE REDEEMABLE BY THE DU WITHIN A PERIOD OF FIFTEEN (15) YEARS. REVENUES DERIVED FROM ADDITIONAL CONSUMERS TAPPED DIRECTLY TO THE POLES AND FACILITIES SO EXTENDED SHALL BE CONSIDERED IN DETERMINING THE REVENUES DERIVED FROM THE EXTENSION OF FACILITIES.**

THE PARTIES MAY AGREE TO ACCELERATE THE REFUND OF THE CASH ADVANCE UNDER MUTUALLY ACCEPTABLE TERMS PROVIDED IT WILL NOT RESULT IN ANY FORM OF CROSS-SUBSIDIES. ONLY THE REFUNDED AMOUNT SHALL FORM PART OF THE DU'S REGULATORY ASSET BASE OR PLANT IN SERVICE.

DEDICATED TRANSFORMERS, INCLUDING THEIR MAINTENANCE, REPAIR OR REPLACEMENT, FOR THE SOLE AND EXCLUSIVE USE OF THE CONSUMER, SHALL BE AT THE EXPENSE OF THE SAID CONSUMER.

MAINTENANCE OF THE LINES AND FACILITIES SHALL BE AT THE EXPENSE OF THE DU.

REFUND OF ADVANCES MADE BY DEVELOPERS SHALL BE GOVERNED BY THE PROVISIONS OF THE DISTRIBUTION SERVICES AND OPEN ACCESS RULES (DSOAR), AS AMENDED.

When a developer initially paid the cost of the extension of lines to provide electric service to a specific property and incorporated these expenses in the cost thereof, and that property was purchased and transferred in the name of the registered consumer, the latter, **THROUGH THE DEVELOPER**, shall be entitled to the refund of the cost of the extension of lines, and exercise the options for refund provided in this article. xxx

Article 18. Right to Due Process Prior to Disconnection of Electric Service. -

x x x

(G) REFUSAL, WITHOUT ANY JUSTIFIABLE REASON, OF THE CONSUMER TO ALLOW DU REPRESENTATIVES' ENTRY INTO THE PREMISES TO RELOCATE THE ELECTRIC METER. DISCONNECTION MAY BE EFFECTED AFTER THE LAPSE OF A 48-HOUR NOTICE ISSUED BY THE DU TO THAT EFFECT;

(H) FAILURE TO ADHERE TO THE PAYMENT SCHEME FOR THE RECOVERY BY THE DU OF THE COST OF RELOCATION OF METER/S. DISCONNECTION MAY BE EFFECTED AFTER THE LAPSE OF A THIRTY (30)-DAY NOTICE ISSUED BY THE DU TO THAT EFFECT;

(I) FAILURE TO PAY THE REQUIRED BILL DEPOSITS, REIMPOSED, ADJUSTED OR OTHERWISE;

WHENEVER A DISTRIBUTION UTILITY DISCONNECTS A CONSUMER'S ELECTRIC SERVICE, IT MAY OPT TO RETIRE THE ELECTRICAL FACILITIES IMMEDIATELY, PROVIDED, HOWEVER, THAT IF THE ELECTRIC SERVICE REMAINS DISCONNECTED FOR A PERIOD OF THIRTY (30) DAYS, RETIREMENT OF FACILITIES SHALL BECOME MANDATORY, UNLESS THE ELECTRIC SERVICE WAS DISCONNECTED AT THE CONNECTION POINT.

RETIREMENT OF SAID FACILITIES IS NOT TANTAMOUNT TO THE TERMINATION OF THE CONTRACT OF ELECTRIC SERVICE OF THE SAID CONSUMER.

Article 20. Right to Suspension of Disconnection – Notwithstanding the service of notice but subject to the provision of RA 7832, disconnections of service shall not be made on any week day beyond three o'clock (3:00 pm) to **eight o'clock (8:00 am) the following day**, Saturdays, Sundays x x x

- (e) ~~(Consumer or his representative is not around; Provided, however, that this shall not be applicable to disconnections due to non-payment of electric bills)~~ **FILING OF A COMPLAINT WITH ERC FOR CASES INVOLVING DIFFERENTIAL BILLINGS, BILLING ADJUSTMENTS ARISING FROM DEFECTIVE OR STOP METERS OR OTHER BILLING ERRORS, AND ESTIMATED CONSUMPTIONS UNTIL THE COMPLAINT'S FINAL RESOLUTION;**
- (f) **FILING OF A COMPLAINT WITH ERC FOR HIGH BILLING UPON POSTING OF A BOND EQUIVALENT TO THE COMPLAINANT'S AVERAGE 12-MONTH CONSUMPTION PRIOR TO THE BILLING IN QUESTION.**

x x x x x x

WITH RESPECT TO ITEM (E), THE SUSPENSION OF DISCONNECTION SHALL TAKE EFFECT UPON RECEIPT OF THE DU OF THE ORDER FROM THE ERC, UNTIL ITS FINAL RESOLUTION. THE SUSPENSION OF DISCONNECTION SHALL ONLY APPLY TO NON-PAYMENT OF THE BILLINGS IN QUESTION. THE CONSUMER SHALL, HOWEVER, CONTINUE TO PAY HIS/HER REGULAR MONTHLY BILLS, AND NON-PAYMENT THEREOF MAY BE A GROUND FOR DISCONNECTION OF ELECTRIC SERVICE PURSUANT TO ARTICLE 18, PARAGRAPH (A) HEREOF.

Article 22. Right to Electric Service despite Arrearages. – Without prejudice to enforcing the provisions of x x x. **CONSPIRACY SHALL NOT BE PRESUMED BUT MUST BE SUPPORTED BY SUBSTANTIAL EVIDENCE ON THE PART OF THE DU.**

Article 23. Right to Reconnection of Electric Service. – x x x

WHENEVER A DU DISCONNECTS THE CONSUMER'S ELECTRIC SERVICE DUE TO NON-PAYMENT OF BILLINGS WHICH IS THE SUBJECT MATTER OF A COMPLAINT PENDING WITH THE ERC AND A STAY OF DISCONNECTION, RELATIVE TO SUCH UNPAID BILLING, HAS BEEN

ISSUED IN FAVOR OF THE COMPLAINANT UNDER ARTICLE 20, PARAGRAPH (E) HEREOF, THE DU SHALL IMMEDIATELY RECONNECT THE SAME WITHIN THE AFOREMENTIONED TIME PERIOD.

Article 26. Right to Payment Under Protest. – x x x

A PROTEST, OTHER THAN FOR HIGH BILLING, SHALL BE MADE IN WRITING TO THE DU WITHIN FIFTEEN (15) DAYS FROM PAYMENT OF THE PROTESTED AMOUNT. IN CASE THE CONSUMER DISAGREES WITH THE RESOLUTION OF THE PROTEST, HE MAY FILE A COMPLAINT WITH THE ERC.

PROTESTS FOR HIGH BILLINGS SHALL BE GOVERNED BY ARTICLE 32 OF THE MAGNA CARTA.

Article 28. Obligation to Pay Bill Deposit. – A bill deposit from all residential consumers to guarantee payment of bills shall *may* be required of new and/or additional service by the concerned DU.

The amount of the bill deposit shall be equivalent to the estimated billing for one month **BASED ON THE LOAD SCHEDULE SUBMITTED BY THE CONSUMER**. After one year and every year thereafter whenever the actual average monthly bills are more or less than ten **(10) PERCENT OF** the initial bill deposit, such deposit shall be correspondingly increased/decreased to approximate said billing.

Distribution utilities shall pay interest on **CASH** bill deposits equivalent to the ~~(interest incorporated in the Weighted Average Cost of Capital (WACC), otherwise the bill deposit shall earn an interest per annum in accordance with the prevailing interest rate for savings deposit as approved by the Bangko Sentral ng Pilipinas)~~ **PESO SAVINGS ACCOUNT INTEREST RATE OF THE LAND BANK OF THE PHILIPPINES ON THE FIRST WORKING DAY OF THE YEAR, OR OTHER GOVERNMENT BANKS SUBJECT TO THE APPROVAL OF ERC.** x x x

DISTRIBUTION UTILITIES ARE ALLOWED TO PROVIDE ALTERNATIVES TO CASH DEPOSITS AS A GUARANTEE OF CONSUMERS' PAYMENTS.

In cases where the consumer has previously refunded x x x

NON-PAYMENT OF THE REIMPOSED OR ADJUSTED BILL DEPOSIT SHALL BE A GROUND FOR DISCONNECTION OF ELECTRIC SERVICE.

WHEN THE ELECTRIC SERVICE OF A CONSUMER IS DISCONNECTED AND NO BILL DEPOSIT WAS EVER POSTED FOR SUCH SERVICE ACCOUNT, THE CONSUMER MAY BE REQUIRED, IN ADDITION TO THE PAYMENT OF THE UNPAID BILLS, TO POST THE APPROPRIATE BILL DEPOSIT WITH THE CONCERNED DU, BEFORE ANY RECONNECTION OF ELECTRIC SERVICE CAN BE EFFECTED.

Article 32. Obligation to Pay Monthly Electric Bills; High Billings –

A. MONTHLY ELECTRIC BILLS. -

Consumers must pay their bills not later than nine (9) days after receipt of the monthly bill. **THE BILLS MUST BE BASED ON CONSUMPTION REGISTERED BY THEIR ACCURATE ELECTRIC METERS. THE SAID BILLS SHALL BE CONCLUSIVE BETWEEN THE PARTIES, WITHOUT PREJUDICE TO THE RIGHTS AND OBLIGATIONS OF EITHER PARTY UNDER ANY OF THE PROVISIONS OF THE MAGNA CARTA.**

DISTRIBUTION UTILITIES MAY OFFER OTHER PAYMENT OPTIONS TO THE CONSUMER UNDER TERMS MUTUALLY ACCEPTABLE TO BOTH PARTIES.

B. HIGH BILLINGS. -

CONSUMERS ARE ALLOWED TO CONTEST ALL INSTANCES OF HIGH BILLING EVEN IF THE ENTIRE AMOUNT OF THE BILL HAS ALREADY BEEN PAID. HIGH BILLING OCCURS WHEN THE CONSUMER'S ONE-MONTH KILOWATTHOUR CONSUMPTION EXCEEDS ONE HUNDRED PERCENT (100%) OF HIS/HER AVERAGE 12-MONTH KILOWATTHOUR CONSUMPTION PRIOR TO THE CONTESTED BILL. WITHIN SIXTY (60) DAYS FROM PAYMENT THEREOF, THE CONSUMER MUST LODGE A FORMAL PROTEST WITH THE DU, ACCOMPANIED BY PROOF WHY HE/SHE SHOULD NOT BE LIABLE FOR THE ENTIRE BILL.

TO STAY THE DISCONNECTION OF SERVICE, THE CONSUMER SHALL BE ALLOWED TO PAY AN AMOUNT EQUIVALENT TO THE SAID AVERAGE 12-MONTH CONSUMPTION SUBJECT TO ADJUSTMENT UPON RESOLUTION OF THE COMPLAINT.

THE DU SHALL, UPON RECEIPT OF THE COMPLAINT/PROTEST, CONDUCT AN INVESTIGATION THEREOF. INVESTIGATIONS INTO HIGH BILLING COMPLAINTS MUST BE COMPLETED WITHIN THIRTY (30) DAYS FROM FILING OF THE COMPLAINT OR PROTEST.

THE CONSUMER MUST COOPERATE WITH THE DU AND ITS REPRESENTATIVES THROUGHOUT THE INVESTIGATION PROCESS INCLUDING THE CONDUCT OF A THOROUGH INSPECTION OF HIS/HER PREMISES, THE ELECTRIC METER AND ELECTRICAL WIRINGS. ALL COSTS RELATIVE TO THE INVESTIGATION AND INSPECTION SHALL BE SHOULDERED BY THE CONSUMER. ALL INSPECTIONS SHALL BE DONE IN THE PRESENCE OF THE CONSUMER OR HIS/HER DULY AUTHORIZED REPRESENTATIVE/S.

AFTER THE INSPECTION AND INVESTIGATION, THE DISTRIBUTION UTILITY SHALL ISSUE A WRITTEN RESOLUTION OF THE COMPLAINT STATING THE REASONS THEREFOR.

THE ERC WILL ONLY ENTERTAIN A COMPLAINT FOR HIGH BILLING IF IT IS ACCOMPANIED BY A CERTIFICATION FROM THE CONCERNED DU OR ANY OTHER PROOF THAT BOTH PARTIES HAVE EXHAUSTED ALL AVENUES TO RESOLVE THE SAME BUT TO NO AVAIL.

HOWEVER, FOR CASES OTHER THAN INACCURATE OR TAMPERED METER, TAPPING OF LOADSIDE WIRE, OR STOPPAGE OR FAILURE OF METER TO REGISTER THE ACTUAL CONSUMPTION OF THE CUSTOMER OR OTHER BILLING ERRORS CONTEMPLATED IN ARTICLE 10 HEREOF, WHERE THERE IS UNEXPLAINED AND SUDDEN INCREASE IN CONSUMPTION RESULTING IN HIGH BILLING EQUIVALENT TO AT LEAST 500% OF THE CUSTOMER'S PREVIOUS AVERAGE 12-MONTH CONSUMPTION, THE DU SHALL BE ENTITLED TO COLLECT FROM THE CUSTOMER THE AMOUNT EQUAL TO HIS AVERAGE 12-MONTH CONSUMPTION PRIOR TO THE CONTESTED BILLING, PLUS HALF OF THE DIFFERENCE BETWEEN THE BILL IN QUESTION AND THE SAID AVERAGE 12-MONTH CONSUMPTION; PROVIDED, THAT, IF THE CUSTOMER IS UNABLE TO JUSTIFY HIS CLAIM FOR HIGH BILLING WITHIN A THREE-MONTH PERIOD FROM THE DATE OF THE CONTESTED BILLING OR THE INCREASE IN CONSUMPTION HAS BEEN SUFFICIENTLY ESTABLISHED BY THE DU WITHIN THE SAME PERIOD, OR THE CUSTOMER'S SUBSEQUENT CONSUMPTION FOR ANY MONTH IN THE SUCCEEDING TWELVE (12) MONTHS APPROXIMATES THE CONTESTED BILLING, THE CUSTOMER SHALL BE REQUIRED TO PAY THE ENTIRE AMOUNT OF THE CONTESTED BILLING. THE DU MUST, HOWEVER, CHANGE THE METER OF THE CONCERNED CONSUMER IMMEDIATELY AFTER THE OCCURRENCE OF THE CONTESTED BILLING.

IF THE ENTIRE BILL HAS BEEN PREVIOUSLY PAID, THE OVERPAYMENT SHALL BE CREDITED TO FUTURE BILLINGS, OTHERWISE, THE CONSUMER SHALL PAY THE REMAINDER.

Article 33. Obligation to pay Billing Adjustments and Undercharges.

– x x x

The DU must enter into an agreement with the consumer for a staggered payment scheme within a period equivalent to **AT LEAST** the number of months covering the billing adjustment, **UNLESS THE CONSUMER OPTS TO ACCELERATE THE PAYMENT PERIOD.**

The refund or billing adjustment should be based on the rate prevailing during the period sought to be recovered, and the estimated consumption shall be based upon the result of the ERC test on the affected meter during the time of discovery. If there is no ERC test result, the estimated consumption shall be based on the average use of energy for the immediately preceding six-month period of like use, or the lowest monthly consumption within three (3) months after the time of discovery.

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

CONSUMERS SHALL PAY UNDERCHARGES TO THE DU UPON SHOWING OF PROOF OF THE LATTER'S ENTITLEMENT. THE AMOUNT OF THE UNDERCHARGE SHALL BE COMPUTED BACK TO THE DATE THE ERROR COMMENCED. HOWEVER, IF THE ERROR OR OMISSION RESULTED FROM CONSPICUOUS DEFECTS AND/OR OTHER BILLING ERRORS DUE TO THE FAULT OF THE DU, THE RECOVERABLE PERIOD SHALL NOT EXCEED THREE (3) MONTHS; THUS, THE DU WILL ONLY BE ALLOWED TO COLLECT UNDERCHARGES INCURRED FOR THE THREE (3)-MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF DISCOVERY OF SUCH ERROR OR OMISSION. THIS PROVISION SHALL LIKEWISE BE APPLICABLE TO ERRORS ARISING UNDER ARTICLE 9, PARAGRAPH 2 OF THE MAGNA CARTA.

Article 36. TRANSFER OF ELECTRIC SERVICE. – APPLICATIONS FOR TRANSFER OF ELECTRIC SERVICE OF REGISTERED CUSTOMER SHALL BE ALLOWED UNDER THE FOLLOWING CIRCUMSTANCES:

- (a) A NEW TENANT SHALL BE ALLOWED TO SUBSTITUTE AS THE NEW REGISTERED CONSUMER WHEN THE ORIGINAL REGISTERED CUSTOMER WAS A TENANT WHO HAS LEFT THE PREMISES COVERED BY THE ELECTRIC SERVICE CONTRACT;**
- (b) IN CASE OF SALE OF THE PREMISES, THE NEW OWNER OF THE PREMISES SHALL BE ALLOWED TO APPLY FOR SUBSTITUTION IF THE REGISTERED CONSUMER WAS THE PREVIOUS OWNER OF THE PREMISES; OR**

(c) IF THE DISTRIBUTION UTILITY DISCOVERS AND PROVES THAT THE REGISTERED CONSUMER WHO IS A TENANT HAS PERMANENTLY LEFT THE PREMISES, THE OWNER OF THE SAID PREMISES, UPON DUE NOTICE BY THE DISTRIBUTION UTILITY, SHALL BE SUBSTITUTED AS THE NEW REGISTERED CONSUMER, UNLESS THE NEW OCCUPANT APPLIES FOR TRANSFER OF ELECTRIC SERVICE.

IN SUPPORT THEREOF, THE APPLICANT SHALL SUBMIT ALL APPLICABLE REQUIREMENTS PROVIDED FOR IN ARTICLE 6 HEREOF TO THE DISTRIBUTION UTILITY. UPON APPROVAL OF THE TRANSFER OF ELECTRIC SERVICE, THE NEW REGISTERED CONSUMER SHALL ASSUME ALL RIGHTS AND OBLIGATIONS OF THE OLD REGISTERED CONSUMER.

ARREARAGES BY THE PREVIOUS REGISTERED CONSUMER OR OCCUPANT SHALL BE DEALT WITH IN ACCORDANCE WITH ARTICLE 22 OF THE MAGNA CARTA.

Article 37. TERMINATION OF ELECTRIC SERVICE. – TERMINATION OF ELECTRIC SERVICE SHALL BE ONLY BE EFFECTED, AFTER GIVING DUE NOTICE TO THE OTHER PARTY, FOR ANY OF THE FOLLOWING REASONS:

- (a) REQUEST BY THE REGISTERED CONSUMER;**
- (b) DEATH OF THE REGISTERED CONSUMER;**
- (c) THE ELECTRIC SERVICE OF THE REGISTERED CONSUMER HAS BEEN DISCONNECTED DUE TO UNPAID BILLS AND THE SAID SERVICE IS NOT RECONNECTED BY THE DISTRIBUTION UTILITY WITHIN A PERIOD OF THREE MONTHS FROM SUCH DISCONNECTION;**
- (d) PERMANENT DEPARTURE OR ABANDONMENT BY THE REGISTERED CONSUMER OF THE SUBJECT PREMISES;**
- (e) PUBLIC SAFETY; AND**
- (f) ORDERS OF COMPETENT COURTS OR OTHER GOVERNMENT AGENCIES.**

Section 2. All other articles of the Magna Carta for Residential Electricity Consumers are hereby renumbered accordingly.

Amendments to the Magna Carta For
Residential Electricity Consumers

Section 3. If any of the foregoing amendments is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in force and effect.

Section 4. All rules, regulations, guidelines and other issuances not expressly revised herein shall remain in force and effect.

Section 5. These amendments shall take effect within fifteen (15) days following its publication in a newspaper of general circulation.

Pasig City, November 15, 2010.


ZENAIDA G. CRUZ-DUCUT
Chairperson *grater*


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A. R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner