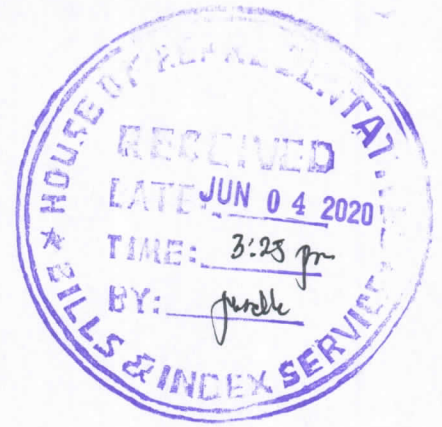


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 6960



Introduced by: JUAN FIDEL FELIPE F. NOGRALES

Explanatory Note

The Corona Virus Disease 2019 (COVID-19) has caught the world gravely impacted. When the Philippines recorded its first local transmission of the disease, the Philippine government declared a state of public health emergency throughout the country as a safety and precautionary measure. As the COVID-19 cases increased, a State of Calamity throughout the country followed and an Enhanced Community Quarantine (ECQ) throughout Luzon has been implemented on 16 March 2020. These responses by the government are necessary to save the lives of its people. The private sector likewise responded by extending acts of relief, services, and the likes. Together with relevant regulatory agencies, utility service providers have joined in efforts to alleviate the plight of their consumers by providing an extension to the deadline of payments of utility bills with due dates falling within the ECQ period to a substantial number of days from the due date and also the temporary suspension of disconnection activities until the ECQ is lifted.

Section 10, Article III of the 1987 Constitution provides that no law impairing the obligation of contracts shall be passed. However, in the case of *Abe v. Foster Wheeler Corporation*¹, the Supreme Court said that "the constitutional guaranty of non-impairment... is limited by the exercise of the police power of the State, in the interest of public health, safety, morals and general welfare." It is the intent of this measure to uphold the general welfare of the people and to assist their economic well-being immediately after the occurrence of natural or man-made calamities or health epidemics.

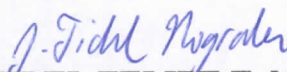
With the economy of the country gravely affected with the stopping of operations of commercial establishments, manufacturing industries and other enterprises and the halting of operations of transportation services, utility

¹ L-14785, November 29, 1960,

services, although exempted from stoppage of operations are also severely affected with the limited mobility of workers and contractors for projects, curtailed cash flows, and the disruption in the value chain.

This measure seeks to provide a moratorium on all electric, water, telephone and internet bills identified and aligned with the proper regulatory agency, during the entire duration of a state of calamity involving public health emergency with implemented enhanced community quarantine. This measure also provides for an installment scheme on all amounts which fell due during the moratorium period in order to promote social justice and ensure the economic security of the people.

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


JUAN FIDEL FELIPE F. NOGRALES
Representative, Second District of Rizal

Republic of the Philippines
Congress of the Philippines
Metro Manila
Eighteenth Congress
First Regular Session

Introduced by:

Juan Fidel Felipe F. Nograles
Second District
Province of Rizal

6960

AN ACT
INSTITUTIONALIZING AN INSTALLMENT PAYMENT SCHEME ON BASIC
UTILITY BILLS DURING STATE OF CALAMITY INVOLVING PUBLIC
HEALTH EMERGENCY WITH IMPLEMENTED ENHANCED COMMUNITY
QUARANTINE, AND FOR OTHER
PURPOSES, TO BE KNOWN AS THE "UTILITY BILLS MORATORIUM LAW"

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

Section 1. Title. – This Act shall be known as the "Utility Bills Moratorium Law".

Sec. 2. Declaration of Policy. – It is hereby declared the policy of the State to promote the general welfare, public safety, health and economic security of the Filipino people in times of state of calamity involving public health emergency with implemented enhanced community quarantine.

Sec. 3. Definition of Terms. – As used in this Act:

- a) State of Calamity involving Public Health Emergency – a condition involving mass casualty and/or major threat to health and safety of the people, causing disruption of means of livelihoods and businesses, and the normal way of life of people in the affected areas as a result of the occurrence of the imminent threat of an illness or health condition;
- b) Enhanced Community Quarantine – refers to the implementation of temporary measures imposing stringent limitations on movement and transportation of people, strict regulation of operating industries, provision of food and essential services, and heightened presence of uniformed personnel to enforce community quarantine protocols;
- c) Moratorium. – a legally authorized period of delay in the performance of an obligation to pay;

- d) Public utilities. – persons or entities that operate, manage or control for public use any of the following: water treatment and pipeline distribution system or sewerage treatment and pipeline system; wire and wireless communication system including internet service providers, and distribution of electricity; transmission of electricity;
- e) Regulatory agencies – relevant agencies regulating public utilities as enumerated under Sec. 9 of this Act; and
- f) Service Providers – any entity, natural or juridical, whether private or public, providing public utility services for residential use.

Sec. 4. Coverage. – The law shall cover residential electric, water, and telephone bills, as aligned and identified with the regulatory agency concerned, and shall apply when a state of calamity involving public health emergency is declared, and an enhanced community quarantine is implemented in specific political jurisdictions.

Sec. 5. Moratorium Period. – A moratorium on all residential utility bills shall be given during the entire duration of a state of calamity involving public health emergency with implemented enhanced community quarantine. Holders of public utility franchises and all service providers are prohibited from exacting payment or from disconnecting the service due to non-payment during the entire duration of the moratorium. Provided, That, nothing in this law shall prevent voluntary payment by customers.

Sec. 6. Installment for the Deferred Liability. – Any amount due and demandable during the moratorium period shall be payable in a minimum of three (3) equal monthly installments, without interest, which shall accrue a month after the cessation of a state of calamity involving public health emergency with implemented enhanced community quarantine.

Sec. 7. Government subsidy for operations of public utilities. – In cases of state of calamity involving public health emergency with implemented enhanced community quarantine that exceed a period of three (3) months, the government shall provide subsidy to service providers as determined by the relevant regulatory agencies.

Sec. 8. Penalty. – Violations of the provision of this law shall be subject to a fine of not more than One Million Pesos (P1,000,000.00) at the discretion of the court.

Sec. 9. Implementation. – This law shall be implemented after the approval of the relevant implementing rules and regulations per relevant public utility regulatory agencies concerned, such as the Metropolitan Waterworks and Sewerage System, Local Water Utilities Administration, National Telecommunications Commission, Energy Regulatory Commission and the National Electrification Administration.

Sec. 10. Repealing Clause. – All laws, decrees, executive orders, proclamations, rules and regulations, and issuances, or parts thereof which are inconsistent with the provisions of this Act are hereby amended or modified accordingly.

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

Sec. 12. Effectivity Clause. – This act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,