

[ERC, June 24, 2004]

MAGNA CARTA FOR RESIDENTIAL 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 Residential Electricity Consumers as adopted in a Resolution by the Commission on June 9, 2004.

CHAPTER I. GENERAL PROVISIONS

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

Article 2. Definition of Terms. -

1. **Bill Deposit** shall mean the deposit required from customers by distribution utilities of new and/or additional service equivalent to the estimated billing for one month to guarantee payment of bills.
2. **Billing Adjustment** shall mean the amount charged to the consumer for the unbilled electricity consumed resulting from a stoppage or defect, conspicuous or otherwise, in the meter, provided that there is no evidence of tampering thereon;
3. **Connection Point** shall mean the point of connection of the user system or equipment to the distribution system (for users of the distribution system) or to the grid (for users of the grid);
4. **Consumer or Customer or End-user** shall mean any person who is the registered customer of the electric utility being supplied with electricity by the concerned distribution utility or any person authorized by the registered customer to occupy the premises and enjoy electric service;
5. **Distribution Utility** 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;
6. **Differential Billing** 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;

7. **Energy Regulatory Commission or 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);
8. **Month** shall mean the elapsed time between two succeeding meter readings, at least twenty-eight (28) days apart but not to exceed thirty one (31) days.
9. An **Officer of the Law** 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, municipal mayor and provincial fiscal.
10. A **Registered Customer** shall mean the customer who has a valid service contract with the electric distribution utility.
11. **Residential consumer** shall mean a customer classified as such in the distribution utility's rate schedule as approved by the ERC.

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

Article 4. Basic Rights. - All consumers shall be entitled to the following basic rights:

1. To have quality, reliable, affordable, safe, and regular supply of electric power;
2. To be accorded courteous, prompt and non-discriminatory service by the electric service provider;
3. To be given a transparent, non-discriminatory and reasonable price of electricity consistent with the provisions of RA 9136;
4. To be an informed electric consumer and given adequate access to information on matters affecting the electric service of the consumer concerned;
5. To be accorded prompt and speedy resolution of complaints by both the distribution utility and/or the ERC;

6. To know and choose the electric service retailer upon the implementation of Retail Competition; and
7. To organize themselves as a consumer organization in the franchise area where they belong and where they are served by the distribution utility or as a network of organizations.

Article 5. *Basic Obligations.* - Every consumer must comply with the following obligations and responsibilities:

1. To observe the terms of his contract including, among other things, paying monthly electricity bills promptly and honestly;
2. To allow the faithful and accurate recording of consumption to be reflected in the appropriate device;
3. To allow the utility's employees/representatives entry/access to his premises for the purposes provided for in Article 29 hereof;
4. To take proper care of metering or other equipment that the electric utility has installed in his premises;
5. To inform the distribution utility and/or proper authorities of any theft or pilferage of electricity or any damage caused by any person to the electric meter and equipment appurtenant thereto; and
6. To cooperate with and support programs on the wise and efficient use of electricity.

CHAPTER II. CONSUMER RIGHTS

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.

If the said consumer is not the owner of the premises sought to be energized, he shall be required to submit an undertaking from the owner of the premises that the said owner shall be jointly and severally liable with the applicant for any unpaid regular monthly bills incurred by the applicant after leaving the premises, in the absence of or insufficiency of the bill deposit.

Subject to the approval of ERC, a distribution utility which cannot service areas within its franchise territory may allow another distribution utility or a qualified third party (QTP) to provide electricity services in said area pursuant to Rule 7 and Rule 14 of the Implementing Rules and Regulations of the EPIRA.

The labor cost for connecting the distribution utility's service drop to the connection point shall be free of charge. The connection point shall be designated upon agreement by the distribution utility and the consumer.

Article 7. Right to a Refund of Bill Deposits. - The bill deposit provided for under Article 28 hereof shall be refunded within one month from the termination of service provided all bills have been paid.

A customer who has paid his electric bills on or before its due date for three (3) consecutive years may, however, demand for the full refund of the deposit even prior to the termination of his service. An application for this purpose shall be filed with the concerned distribution utility which must refund the deposit within one month from receipt of such application.

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

In cases of loss and/or damage to the electric meter due to the fault of the customer, he shall bear the replacement cost of the meter.

Article 9. Right to an Accurate Electric Watt-hour Meter; Determination of Average Error. - No meter, including instrument transformers, 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 as possible 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.

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 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.

Article 10. Right to a Refund of Overbillings. - The customer has the right to a refund in cases of overbilling by the distribution utility arising from a meter testing showing that the said meter was fast without any evidence of tampering.

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, for a maximum period of six (6) months prior to the date of discovery, to be applied to the customer's future billings.

Article 11. Right to a Properly Installed Meter. - The customer has the right to a meter installed in a clean place free of vibration and where it will be easily accessible and visible for reading and testing by both the distribution utility and the consumer. Under no condition should meters be located behind doors or where they can be easily broken or jarred by moving furnitures or equipment. Meters shall be located on the outside wall of the building or private pole and shall not be more than three (3) meters nor less than 1.52 meters mounting height from the surface on

which one would stand to repair or inspect the meter.

Meters may be located in other areas based on justifiable reasons.

A customer shall bear the cost of relocation of his electric watthour meter under the following circumstances:

1. The customer requests for the relocation of his electric watthour meter, for reasons other than those provided for in the first paragraph; or
2. The meter installation fails to meet the conditions under the first paragraph resulting from improvements done on the customer's premises, thereby necessitating such relocation.

All other relocations of the meter shall be borne by the electric utility,

Article 12. Right to a Meter Testing by Electric Utility and/or ERC. - A customer 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 premises making use of a meter standard duly tested and sealed by the ERC.

If the customer requests for meter testing more than once every two years and the meter being tested is found to be within the tolerable limit as provided for in Article 9 hereof, the utility may assess the customer a testing fee based on the testing fee charged by ERC. A written report showing the result of such test shall be furnished the customer.

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 ERC calibrate the said meter to restore its accuracy closest to the condition of zero (0) error. The provision on refund or billing adjustment due to inaccurate meters shall apply as appropriate.

Article 13. Right to a Prompt Investigation of Complaints; Customer Dealings. - Distribution utilities shall record and promptly investigate all complaints referred to them concerning their services.

The distribution utility must furnish the complainant a report of the action/s taken thereon within the period stated in the distribution utility's Compliance Plan as provided for in the Philippine Distribution Code. In the absence of such plan, the report must be made within fifteen (15) days from receipt of the complaint.

In case of disagreement between the distribution utility and the customer, the latter may file a complaint with the ERC in accordance with Article 27 of this Magna Carta.

In dealing with their customers relative to electric power services, all officers, employees and agents of distribution utilities must properly and conspicuously