

## [ ERC, October 27, 2004 ]

### **GUIDELINES TO IMPLEMENT ARTICLES 7, 8, 14, AND 28 OF THE 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 and Article 36 of the Magna Carta for Residential Electricity Consumers, the Energy Regulatory Commission hereby promulgates these Guidelines to Implement Articles 7, 8, 14 and 28 of the Magna Carta for Residential Electricity Consumers.

#### **CHAPTER I. GENERAL PROVISIONS**

*SECTION 1. Title.* - This document shall be known as the Guidelines to Implement Articles 7, 8, 14 and 28 of the Magna Carta for Residential Electricity Consumers.

*SECTION 2. Definition of Terms.* For purposes of these Guidelines, the following terms shall mean -

- (a) **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;
- (b) **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;
- (c) **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;
- (d) **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);
- (e) **Heirs** shall mean those who are called to succeed either by will or the law on succession in accordance with Article 887 of the Civil Code of the Philippines to the estate of the deceased registered customer;

(f) **A Registered Customer** shall mean the customer who has a valid service contract with the electric distribution utility;

(g) **Residential consumer** shall mean a customer classified as such in the distribution utility's rate scheduled as approved by the ERC;

(h) **Legal Heirs** shall mean the compulsory heirs as defined in Article 887 of the Civil Code of the Philippines, and in their absence, the collateral relatives as defined in Article 1003 of the Civil Code of the Philippines of the registered customer.

*SECTION 3. Coverage.* - These Guidelines shall apply to the provisions of Articles 7, 8, 14 and 28 of the Magna Carta for Residential Electricity Consumers.

## **CHAPTER II. GUIDELINES AND PROCEDURES TO IMPLEMENT ARTICLE 7**

*SECTION 1. Legal Basis.* - Article 7 of the Magna Carta for Residential Electricity Consumers provides that:

"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."

*SECTION 2. General Policies.* - The following policies shall govern the implementation of Article 7 of the Magna Carta:

- a. Subject to Article 28, all new and existing residential consumers of distribution utilities may avail of the privilege of refund under Article 7.
- b. Each account shall be treated separate and distinct from one another. Thus, any outstanding obligation related to one or more accounts shall not affect the entitlement to refund in the other accounts.
- c. Only registered consumers, their heirs, their successors-in-interest or their duly authorized representatives shall be allowed to receive the refund of the bill deposits.

- d. For existing customers, the three (3)-year consecutive period shall start at the first billing period after the effectivity of these Guidelines, provided that the customers shall be entitled to refund only if they remain residential customers for such three (3) consecutive years.
- e. The amount of the refund shall be based on the customer's copy of the bill deposit. In the absence thereof, the customer shall execute an Affidavit attesting to the loss of the said customer's copy. The utility's copy or any other record thereof, including electronic copies, shall be used as basis for the refund.
- f. The amount of the refund shall include the principal bill deposit and interests accruing thereto.
- g. For registered customers who are not the actual users of the electric service, they shall be entitled to the refund provided that the actual users meet the conditions under Article 7 of the Magna Carta for Residential Electricity Consumers.
- h. If the registered customer is deceased, his legal heirs shall receive the amount of the refund in proportion to their respective shares to the estate of the deceased registered customer unless a waiver has been executed in favor of one (1) heir. All legal heirs must sign the application for refund, unless there is a waiver.
- i. Successors-in-interest of registered customers shall only be entitled to receive the refund if they can show proof, through a Deed of Sale or other documents, that they have acquired all the rights and obligations over the property, including the bill deposit from the registered customer who was the previous owner of the property.
- j. In the event of exclusion of any or several heirs, the application signed by the persons representing to be the sole heirs of the deceased registered customer shall exempt the utility concerned from any further liability on the amount of deposits and interest covered by such application for refund, provided that such refund was actually paid by the utility concerned to all heirs who signed such application for refund.
- k. Unclaimed refunds for bill deposit shall remain with the concerned distribution utility and continue to earn interest.

*SECTION 3. Procedure for Refund.* - The following procedures shall govern in the refund of bill deposits:

- 1. After complying with the three (3) year consecutive payment (on or before its due date) of electric bills, a formal application must be filed by the registered customer, his successors-in-interest or duly authorized representative. The mode of refund shall likewise be

indicated therein.

2. The mode of refund shall be in cash, check or credit to future billings.
3. The application, must be accompanied by the following supporting documents:

**A. For applicants who are the registered customers:**

- Any valid identification card, including but not limited to the following:

Driver's License  
Passport  
Professional Regulatory  
Commission (PRC) License  
SSS/GSIS/TIN  
PhilHealth ID  
Senior's Citizen ID  
Postal ID  
Original NBI Clearance  
Credit Card

- Proof of payment of electric bills on or before the due date for the immediately preceding 3 consecutive years from the time of application. While the application is pending, any payment by the applicant of his monthly bill after its due date shall constitute an automatic denial of the said application for refund.

**B. For applicants who are the heirs or successors-in-interest of the registered customers:**

- The application must be signed by the heir/s instituted in the deceased registered customer's will, all legal heirs, successors-in-interest or the duly authorized representative of the said heirs or successor/s-in-interest.
- Any valid identification card, including but not limited to the following:

Driver's License  
Passport  
Professional Regulatory  
Commission (PRC) License  
SSS/GSIS/TIN  
PhilHealth ID  
Senior's Citizen ID  
Postal ID  
Original NBI Clearance  
Credit Card

- Death Certificate or proof of death of the registered customer;
- The applicants must present proof of filiation or any pertinent document that will prove their successional right/s to the registered customer, such as but not limited to the birth certificates of the applicants and their ascendants, or marriage certificate;
- Applicants who are successors-in-interest to the registered customer must present proof of transfer of rights and obligations over the property, including the bill deposit, from the registered customer who was the previous owner of the property, such as but not limited to the Deed of Sale;
- Undertaking that there are no other legal heirs of the registered customer.
- Proof of payment of electric bills on or before the due date for the immediately preceding 3 consecutive years from the time of application. While the application is pending, any payment by the applicant of his monthly bill after its due date shall constitute an automatic denial of the said application for refund.

**C. For applicants who are the duly authorized representatives of the registered customers**

- The application must be signed by the duly authorized representative.
- Any valid identification card, including but not limited to the following: