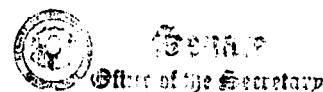


**SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Second Regular Session)**



'18 MAY 22 P5:01

SENATE
P. S. Res No. 741

RECEIVED

Introduced by Senator Maria Lourdes Nancy S. Binay

**RESOLUTION
DIRECTING THE PROPER SENATE COMMITTEES TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, ON THE UPDATE OF BILL DEPOSIT
PROGRAM OF THE MANILA ELECTRIC COMPANY**

1 WHEREAS, Article XVI, Section 9 of the 1987 Philippine Constitution provides the
2 State shall protect consumers from trade malpractices and from substandard or
3 hazardous products;

4 WHEREAS, Chapter IV, Section 43 of Republic Act No. 9136, otherwise known as
5 the "Electric Power Industry Reform Act of 2001", provides the Energy Regulatory
6 Commission (ERC) shall promote competition, encourage market development, ensure
7 customer choice and penalize abuse of market power in the restructured energy
8 department;

9 WHEREAS, the Magna Carta for Residential Electricity Consumers was
10 promulgated by the ERC to prescribe rules and procedures, terms and conditions that
11 clarifies the rights and obligations of residential electricity consumers;

12 WHEREAS, the Magna Carta for Residential Electricity Consumers requires
13 consumers to pay a bill deposit to avail the right for connection to a distribution utility
14 for electric power service;

15 WHEREAS, Chapter III, Article 28 of the Magna Carta for Residential Electricity
16 Consumers provides that the amount of the bill deposit shall be equivalent to the
17 estimated billing for one month, provided that after one (1) year and every year
18 thereafter, when the actual average monthly bills are more or less than the initial bill
19 deposit, such deposit shall correspondingly increase or decrease to the approximate
20 billing;

21 WHEREAS, an article from ABS-CBN News Online, dated on May 15, 2018,
22 reported on Manila Electric Company (MERALCO) consumers receiving sudden charges
23 of bill deposit fees;

24 WHEREAS, an article from the Philippine Daily Inquirer, dated on May 18, 2018,
25 reported the bill deposit of MERALCO as unjust and anti-consumer since it places
26 consumers in danger of being charged new bill deposits even though a consumer
27 religiously pays their monthly bills;

28 WHEREAS, the article from the Philippine Daily Inquirer further reported that that
29 consumers whom have previously refunded their bill deposits are also being made to
30 pay the equivalent of one (1) month's bill as a new deposit;

31 WHEREAS, the Philippine Daily Inquirer article lastly reported that the bill deposit
32 fee lacks transparency and does not provide due process whereby consumers can either
33 challenge or question the increase;


34 WHEREAS, the basis of the update of bill deposit is the actual consumption of the
35 service by the actual user who is obliged to settle the additional bill deposit but is not
36 entitled to refund the bill deposit since the contract is with the registered customer;

37 WHEREAS, the current bill deposit charged to consumers are additional charges
38 that are insensitive to the situation of consumers today, particularly low income earners;

39 WHEREAS, the Bill Deposit Program of MERALCO must be reviewed and revised
40 for the purpose of protecting electricity consumers from unnecessary charges;

41 BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to direct the proper Senate
42 Committees to conduct an inquiry, in aid of legislation, on the Bill Deposit Program of
43 the Manila Electric Company.

Adopted,


MARIA LOURDES NANCY S. BINAY
Senator