

Republic of the Philippines  
HOUSE OF THE REPRESENTATIVES  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session

HOUSE BILL No. 818

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HOUSE OF REPRESENTATIVES  
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Introduced by HON. RODEL M. BATOCABE, HON. ALFREDO A. GARBIN, Jr. and  
HON. CHRISTOPHER S. CO

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### EXPLANATORY NOTE

This bill seeks to impose upon public utilities the obligation to render to their customers complete, honest, and easily understood billing statements. It gives consumers information including government entities collecting the fee, charges, or taxes, authority or purpose for collection, how the public utilities are collecting them, and how much.

The bill is a response to the complaints of subscriber-consumers of the unfair practices of utility provider of imposing charges, which are added to the bill without the subscriber's consent and usually labeled or disguised as a tax or miscellaneous fee, also known as "cramming".

Truth-in-billing practices will ensure that consumers receive accurate and comprehensible bills from service providers and protect them from the improper imposition of charges, whether or not intentional or fraudulent.


Billing statements are at times overwhelming even to an educated consumer such that an unwary consumer often overlooks small charges unnecessarily imposed and ultimately pays them. In response to this, the law does not only prohibit "cramming" practices but also requires that the bills be presented in a simple and plain language to ensure that consumers have in their bills accurate, comprehensible, and clear details about the services, charges, and other items included.

That the bill be presented in a plain and simple language is essential in enabling the consumer to determine whether or not charges have been properly assessed.

With the enforcement of these practices, consumers will also be able to assist the government in ensuring that public utility providers will not impose fraudulent or illegal charges.

In light of these circumstances, the swift passage of the bill is earnestly sought.

  
RODEL M. BATOCABE

  
ALFREDO A. GARBIN, Jr.

  
CHRISTOPHER S. CO

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AN ACT

REQUIRING THE DISCLOSURE OF ALL CHARGES IN BILLING STATEMENTS  
ISSUED BY WATER, POWER AND ELECTRIC LIGHT, WIRE OR WIRELESS  
COMMUNICATIONS, AND WIRE OR WIRELESS BROADCASTING UTILITIES AND  
PROVIDING PENALTIES FOR VIOLATIONS THEREFOR

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

**SECTION 1. Title** – This Act shall be known as the “TRUTH IN BILLING ACT OF 2016”.

**SECTION 2. Declaration of policy** – It is hereby declared to be the policy of the State to protect its citizens from lack of awareness of the true cost of their utilities by assuring a complete disclosure of the cost.

**SECTION 3. Definition of Terms** – When used in this Act,

- (a) **Utilities** shall mean water supply, power and electric light, wire or wireless communications system, and wire or wireless broadcasting stations.
- (b) **Utility provider** shall include every individual, co-partnership, joint-stock company or corporation, whether domestic or foreign, their lessees, trustees, or receivers, as well as any municipality, province, city, government-owned or controlled corporation, or agency of the Government of the Philippines, and whatever other persons or entities that may own or possess or operate utilities. The term includes billing or collection agents of the utility provider, and agents authorized to receive complaints for and on behalf of the utility provider.
- (c) **Charges** shall include any rate, classifications, schedules, commutation, mileage, kilometrage or other special rate, or special charges, including their respective computation.

**SECTION 4. Truth-in-Billing.** A utility provider that is required to adopt, establish, fix, impose, maintain, collect, or carry into effect any rate, classifications, schedules, commutation, mileage, kilometrage or other special rate, or charges, shall identify on each subscriber’s bill, in simple, plain, and non-misleading language, either in English or Filipino:

- (a) A description of the rate, classifications, schedules, commutation, mileage, kilometrage or other special rate, or charges, imposed, charged, or collected;
- (b) The nature and purpose of any and all charges imposed, charged, or collected;
- (c) The identity of the governmental tax, fund, program to which the contribution or assessment is made;

- 1 (d) The identity of the governmental authority who rules require or authorize the  
2 contribution or assessment;  
3 (e) The amount for each and every charge imposed, charged, or collected from  
4 each subscriber;  
5

6 **SECTION 5. *Suspension of Collection Efforts.*** If a customer notifies the utility  
7 provider that an unauthorized charge has been included in the bill, the utility provider  
8 shall immediately suspend collection efforts and shall resolve the complaint within five  
9 (5) days from the receipt of the complaint.  
10

11 If after five (5) days the utility provider is not able to justify the questioned charge or  
12 present documents justifying such, it shall immediately remove any charges associated  
13 with the unauthorized service. The collection efforts shall resume after the questioned  
14 charge has been resolved or satisfactorily explained to the customer.  
15

16 **SECTION 6. *Refund.*** The utility provider must refund to the customer any amounts paid  
17 for an unauthorized charge or service that were billed; *Provided* that the complaint shall  
18 be made within 6 months after the customer's receipt of the bill; *Provided further*, that  
19 the customer shall present past bills issued by the utility provider that contains the  
20 unauthorized charges.  
21

22 **SECTION 7. *Implementing Rules and Regulation.*** The National Telecommunications  
23 Commission (NTC) for wire or wireless communications system and or wireless  
24 broadcasting stations, the Energy Regulatory Commission (ERC) for the power and  
25 electric light, and the National Water Resources Board (NWRB) for water utilities, shall  
26 prescribe rules and regulations as may be necessary or proper in carrying out the  
27 provisions of this Act. Any rule or regulation prescribe hereunder may contain such  
28 classifications and differentiations as in the judgment of the Commission are necessary  
29 or proper to effectuate the purposes of this Act or to prevent circumvention or evasion,  
30 or to facilitate the enforcement of this Act, or any rule or regulation issued thereunder.  
31

32 **SECTION 8. *Other Prohibited Acts.*** In addition to the failure to comply with the  
33 requirements of this Act and the rules and regulations adopted pursuant to this Act, it  
34 shall also be unlawful for the utility provider to:  
35

- 36 a. Impose or forward any charge for services unauthorized by law or by the  
37 subscriber;  
38  
39 b. Require consumers to pay the amount as reflected in the bill pending the  
40 resolution of a complaint on any charge imposed, charged, or collected on the  
41 bill;  
42  
43 c. Request consumers to pay the amount as reflected on the bill with a promise  
44 or assurance that any adjustments made on the bills shall be credited on the  
45 subsequent bill; and  
46  
47 d. Require, as a condition for the application of the service, the waiver of all the  
48 rights of the customer that is provided for in this Act.  
49

50 **SEC. 9. *Penalty.*** The NTC, ERC and the NWRB shall have the power to impose upon a  
51 utility provider within their respective jurisdiction an administrative penalty in an amount  
52 in an amount not more than one hundred thousand pesos (PhP 100,000) per violation.  
53 The amount shall be based on the following factors:  
54

- 55 a. The nature, severity, extent, severity of the violation;  
56  
57 b. The history of previous or repeat violations; and  
58  
59 c. The amount necessary to deter future violations.

1  
2 **SECTION 10. *Separability Clause.*** If any provision of this Act is declared invalid or  
3 unconstitutional, the other provisions not affected thereby shall continue to be in full  
4 force and effect.

5  
6 **SECTION 11. *Repealing Clause.*** All laws, decrees, executive orders or rules and  
7 regulations contrary to or inconsistent with the provisions of this Act are hereby  
8 repealed or modified accordingly.

9  
10 **SECTION 12. *Effectivity Clause.*** This Act shall take effect fifteen (15) days from its  
11 publication in the Official Gazette or in at least two (2) newspapers of general  
12 circulation.

13  
14           Approved.