

IRR No. 2008-04

**IMPLEMENTING RULES AND REGULATIONS IN
THE REFUND OF COLLECTED METER DEPOSIT**

PREFATORY STATEMENT

Pursuant to the recommendation of the MWSS Regulatory Office (MWSS RO) in its Resolution No. 07-016-CA dated November 8, 2007, as approved by the MWSS Board of Trustees (MWSS BOT) under Resolution No. 2007-256 dated 22 November 2007, the following Implementing Rules and Regulations are hereby adopted and promulgated:

RULE I

General Provisions

SECTION 1. Title.—This Rule shall be known and cited as the “**Implementing Rules and Regulations (IRR) in the Refund of Collected Meter Deposit.**”

SEC. 2. Policy.—It is the policy of the MWSS to ensure compliance by Manila Water Company, Inc. (MWCI), with the provisions set forth in Article 9.5 of the Concession Agreement (CA). For this purpose, the MWSS BOT/RO passed the said resolutions declaring that there is no legal basis for MWCI to collect the meter deposit in addition to the authorized Connection charges and thus, have directed MWCI to immediately stop the collection of the same accounts for amounts collected and provide for a refund and/or credit mechanism for its customers.

SEC. 3. Legal Bases.—The CA does not provide for the collection of meter deposits. Article 9.5 of the CA defines Connection charges, to wit:

"9.5 Connection Charges

- (i) For connections or reconnections to a water main or a public sewer (each a "Connection") that are both located less than 25 meters from the connection point and are to residential Customers, the Concessionaire shall have the right to charge each Customer requesting such a Connection a fee not to exceed P3,000 which amount shall automatically be adjusted on January 1st of each year by the percentage change in the Consumer Price Index for the preceding year (each a "Connection Charge"). Within three months after the Commencement Date, the Concessionaire shall, with the approval of the Regulatory Office, promulgate rules that permit payment of Connection charges in installments over a five-year period by Low-Income Customers.
- (ii) For Connections to a water main or a public sewer located more than 25 meters from the connection point or for Connections to non-residential Customers the Concessionaire shall have the right to charge each Customer requesting such a Connection a fee equal to the costs reasonably and efficiently incurred by the Concessionaire in making that

Connection, including the costs of upgrading or restoring existing connections or metering facilities to acceptable technical standards.

Notwithstanding anything to the contrary in this Section 9.5, there shall be no connection charge for public standpipes."

SEC. 4. Coverage.—This IRR shall be applicable to MWCI's customers with meter deposits from August 1, 1997 to December 31, 2007.

SEC. 5. Definitions.—All defined terms and phrases in the CA related herewith are deemed incorporated in this IRR, in addition to the following:

- a. **Meter Deposit** shall mean collections made by MWCI from its customers covering the period August 1, 1997 to December 31, 2007 for the cost of the meters for their respective water service connections;
- b. **Active Accounts** refer to customers with meter deposits and with current or outstanding accounts;
- c. **In active Accounts** refer to customers with meter deposits, whose water service have been permanently disconnected and customers whose whereabouts are unknown with or without outstanding obligations;
- d. **Refund** shall mean the payment of meter deposit through credit to outstanding, current and future billings of customers for both active and inactive accounts, or payment in cash, as the case maybe; and
- e. **Escrow Account** refers to a special deposit account under the name of MWCI to which the meter deposit shall be credit to cover payment of refunds.

RULE II

Guidelines

SECTION 1. Refund/Credit Mechanism.—

- a. Upon approval of this IRR by MWSS BOT, an escrow account shall be

- opened to cover payments of the refund. For transparency and monitoring purposes, MWCI shall submit to the MWSS RO a quarterly report on the status of the implementation of the refund;
- b. MWCI shall inform the concerned customers regarding the procedures on how to avail of the refund;
 - c. The customers shall file an application form (provided by MWCI) personally or through a Special Power of Attorney (SPA) with the concerned Business Centers;
 - d. The refund shall be effected one (1) months after the approval of the application;
 - e. Outstanding, current and future billing shall be deducted from the amount to be refunded;
 - f. The Implementation of the refund shall be on a staggered basis for a period of six (6) months for Residential and Semi-Business (Residential B) customers and one (1) year for Commercial and Industrial customers, applicable only to active accounts;
 - g. As regards inactive accounts or customers whose whereabouts are unknown, and the concerned customers eventually show up, the refund maybe credited to their outstanding current and future billings, if they opt to re-avail of MWCI's services, otherwise, the refund shall be made in cash upon compliance with the requirements hereof; and
 - h. In case the meter deposit in greater than the total credit payments, the balance thereof maybe payable in cash or to be credited for future billings at the option of the customer.

SEC. 2. General Requirements.—All the following documents must be submitted by the customers to avail themselves of the refund:

- a. Duly accomplished application form, (with SPA for authorized representatives);
- b. Proof of ownership (e.g., Water Service Connection Contract, latest water bill or official receipt evidencing payment of meter deposit or water bill); and
- c. Two (2) valid Identification Cards (ID) with picture.

SEC. 3. Implementation.—In the event that any problem/issues arises in the implementation of this IRR, the following measures and procedures shall be followed:

- a. MWCI shall decide on the appropriate action and resolution of disputed issues in accordance with the CA provisions and the existing policies of MWSS;
- b. Regulatory matters/issues shall be coordinated with and resolved by the MWSS RO and the MWSS BOT; and
- c. This IRR shall be liberally interpreted to assist the consumers or the public in obtaining a just, expeditious and inexpensive resolution and/of settlement of complaints. In case of doubt in the interpretation thereof, the same shall be resolved in favor of that interpretation which will give full force and effect to the policy set forth in Rule 1 Sec. 2 hereof.

RULE III

Repeal/Effectivity Clause

SECTION 1. Amendment, Modification and/or Repeal.—The MWSS BOT has the power and authority to amend, modify and/or repeal any provision of this IRR through the following steps:

- a. The Technical Working Group (TWG), composed of representatives of MWCI, MWSS Corporate Office (MWSS CO) and the MWSS RO, shall initiate, study and propose amendments, modification or repeal

of any provisions that may longer be applicable; and

- b. After due consideration of the merits of the proposal, the MWSS RO shall recommend for approval by the BOT the amendments/modification/repeal being sought.

SEC. 2. Effectivity.—After approval by the MWSS BOT, this Implementing Rules and Regulations shall take effect (15) days after its publication.

APPROVED, 31 March 2008.

(Sgd.) ALBERTO C. AGRA
OIC, Chief Regulator

(Sgd.) ESTRELLA T. DECENA-ZALDIVAR
DA for Administration and Legal Affairs

(Sgd.) GOLDELIO G. RIVERA
DA for Financial Regulation Area

(Sgd.) MELCHIOR I. ACOSTA, JR.
DA for Customer Service Regulation Area

(Sgd.) TIMOTEO C. VILLAROMAN
DA for Technical Regulation Area
