

IRR No. 2013 - 02

IMPLEMENTING RULES AND REGULATIONS ON THE RATE CLASSIFICATION AND BILLING SCHEME OF SMALL-SCALE (HOME-BASED) BUSINESSES

PREFATORY STATEMENT

Pursuant to the recommendations of the MWSS Regulatory Office (MWSS-RO) in its **Resolution No. 13-003-A-CA** dated **7 August 2013**, as approved and confirmed by the MWSS Board of Trustees (MWSS-BOT) under **Board Resolution Nos. 2013-100-RO and 2013-101-RO both dated 12 September 2013**, the following Implementing Rules and Regulations (IRR) are hereby adopted and promulgated:

RULE I

GENERAL PROVISIONS

SECTION 1. Title.—This IRR shall be known as the *“Implementing Rules and Regulations on Rate Classification and Billing Scheme of Small-Scale (Home-Based) Businesses.”*

SEC. 2. Coverage.—This IRR shall apply to all Customers within the Concession who are engaged in Small Scale (Home-Based) Businesses as defined herein. Semi-Business (Residential B) Customers identified in the Concession Agreement¹ (CA) shall remain covered by IRR No. 2008-03, otherwise known as the *“Implementing Rules and Regulations (IRR) in the Billing of Semi-Business (Residential B) Customers.”*

SEC. 3. Declaration of Policies.—The MWSS hereby adopts the following policies:

- (a) In all their dealings with their Customers relating to the performance of their service obligations pursuant to their

¹ The Concession Agreement identifies the following Semi-Business (Residential B) Customers: (1) Sari-Sari Store; (2) Stand; (3) Pick-up/Collection Station; (4) Vulcanizing/radiator shop; (5) Very small repair shop; (6) Other premises utilized for food selling or service; (7) Seasonal business which operates for at most three-months every year; (8) Small storehouse or bodega except bonded warehouse; and (9) Small cottage industry

respective CA, the Concessionaires must faithfully comply with all existing laws, rules and regulations as well as those that may hereinafter be promulgated by competent authorities;

- (b) The review of the Rate Classifications of Customers within the Concession shall be conducted every five (5) years, coinciding with each Rate Rebasement process;
- (c) In determining the appropriate Rate Classification of Customers, the following factors shall be considered: (i) the primary use of the premises; (ii) the reasonableness of the Rate Reclassification; and (iii) the justness, affordability and equity of the corresponding tariff adjustments as a result of the Rate Reclassification;
- (d) As provided in the CA, the Concessionaires shall advise their affected Customers that they may opt to apply for a separate connection for each type of activity when technically feasible; and
- (e) This IRR shall in no way be construed as a waiver of the right of the Customers to apply for separate connection for each type of activity as provided in the CA. Neither shall this IRR affect any vested rights of any other Customer groups.

SEC. 4. Definition of Terms.—For the purposes of this IRR:

- (a) A **Small-Scale (Home-Based) Businesses** shall refer to businesses: (i) conducted within the residential premises of the Customer under one service connection; (ii) consuming an average of thirty (30) cubic meters or less for the last six (6) months immediately preceding the date of application; and (iii) specifically identified in Section 5, Rule II, of this IRR. A small-scale business activity not conducted within the premises of the residence (home) shall not be covered by this IRR; and

- (b) All defined terms and phrases in the CA as well as in other related IRRs are deemed incorporated herein, unless their contexts otherwise provide.

RULE II

RATE CLASSIFICATION AND BILLING SCHEME FOR SMALL-SCALE (HOME-BASED) BUSINESSES

Sec. 5. Rate Reclassification for Small-Scale (Home-Based) Businesses.—Customers engaged in Small-Scale (Home-Based) Businesses identified the table below are hereby reclassified to Semi-Business (Residential B):

Small Scale (Home Based) Business	Present Rate Classification	New Rate Classification
Bakery	Industrial	Semi-Business (Residential B)
Computer Repair Shop/Internet Café	Commercial	Semi-Business (Residential B)
Billiard Hall	Commercial	Semi-Business (Residential B)
Tube/Cube Ice for Sale	Commercial	Semi-Business (Residential B)
Day Care Center (Private)	Commercial	Semi-Business (Residential B)
Tailoring/Dress Shop	Commercial	Semi-Business (Residential B)
Warehouse/Bodega	Commercial	Semi-Business (Residential B)
Garments/RTW/Rugs Making	Commercial	Semi-Business (Residential B)
Automotive/Appliance Repair Shop	Commercial	Semi-Business (Residential B)
Boarding House/Dormitories/Bed Space	Commercial	Semi-Business (Residential B)
Cottage Industry/Shoe Making/Bag Making	Commercial	Semi-Business (Residential B)
Machine Shop	Commercial	Semi-Business (Residential B)

Sec. 6. Billing Scheme of Identified Small-Scale (Home-Based) Businesses.—The identified Small-Scale (Home-Based) Businesses in the table shall be billed as follows:

- (a) Water consumption up to the first thirty (30) cubic meters shall be imputed with the prevailing Semi-Business (Residential B) tariff rate;
- (b) The succeeding cubic meters of water consumption in excess of the first thirty (30) cubic meters shall be imputed with the prevailing Commercial tariff rate; and
- (c) Other fees and charges independent of the rate reclassification shall not be affected and shall remain in the itemized bill.

When a Customer avails the benefits of this IRR, he/she cannot thereafter avail of the benefits under IRR No. 2008-03.

Sec. 7. Procedure/Guidelines.—The following procedure/guidelines shall be observed for the rate re-classification of Small-Scale (Home-Based) businesses:

- (a) The Concessionaires shall notify the concerned Customers in writing that they are qualified to apply for rate re-classification;
- (b) A letter request for rate reclassification from the concerned Customer shall be filed at the respective Business Areas. The Concessionaires shall require from the covered Customers only

such documents as are reasonable and necessary so as not to defeat the intent and purposes of this IRR;

- (c) Within ten (10) days from date of receipt of letter request, the Concessionaire shall conduct an investigation to verify status and actual usage of the water service connection;
- (d) Upon completion of requirements, the Concessionaire shall approve the request for rate reclassification; and
- (e) The effectivity date of the rate reclassification shall be the next billing period immediately after the approval date.

SEC. 8. Interpretation.—This IRR shall be liberally interpreted to assist the Customers, the MWSS and the Concessionaires or the public in obtaining a just, expeditious and inexpensive resolution and/or settlement of complaints. Doubts pertaining to any of the provisions of this IRR shall be resolved in favor of that interpretation that will give full force and effect to the policies set forth in this IRR.

SEC. 9. Complementary Nature of Other Rules.—Other rules and regulations issued by Regulatory Office and approved/confirmed by the MWSS Board of Trustees on related subject matters shall be complementary to this IRR.

RULE III

REPORTING AND VERIFICATION OF COMPLIANCE

SEC. 10. Periodic Reports.—The Concessionaires shall include, in their respective submissions pursuant to Article 13 of the CA and in their KPIs and BEMs Reports, their compliance and progress reports on the implementation of this IRR.

SEC. 11. Monitoring and Verification of Reports.—The Regulatory Office shall undertake a periodic review of and, at anytime at its discretion, conduct field verification to validate the reports submitted by the Concessionaires.

SEC. 12. Public Information.—The Regulatory Office and the Concessionaires shall ensure the widest dissemination of this IRR and shall conduct activities for its effective implementation. In addition, the Regulatory Office shall make available to the public all official reports with respect to the implementation of this IRR.

SEC. 13. Participation of the Public.—The Regulatory Office may solicit or engage the help of the Customers, other government agencies, water consumer groups, non-government organizations, civil society organizations, academic groups, and other interested parties in the conduct of its field verification and validation activities.

RULE IV

NON-COMPLIANCE

SEC. 14. Non-compliance.—Non-compliance with any of the provisions of this IRR shall entitle the affected Customer to appropriate remedies under the law, without prejudice to the administrative remedies herein provided.

SEC. 15. Administrative Remedies.—The affected Customers may seek redress to the Regulatory Office against the Concessionaires for willful non-compliance with this IRR. The Regulatory Office may impose appropriate remedies upon the erring Concessionaire, such as restitution to affected Customers or disallowance of identifiable expenditures related to the non-compliance.

RULE V

AMENDMENTS/ EFFECTIVITY

SEC. 16. Repealing Clause.—All rules and regulations inconsistent with the provisions of this IRR are hereby amended or repealed accordingly.

SEC. 17. Separability Clause.—If any part or provision of this IRR is held invalid or unconstitutional, the other provisions not affected thereby shall remain in force and effect.

Sec. 18. *Amendment, Modification and/or Repeal.*—Upon its own initiative or upon the recommendation of the Regulatory Office, the MWSS-BOT may suspend the implementation, modify or repeal any provision of this IRR.

Sec. 19. *Effectivity.*—This IRR shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of general circulation, or the effectivity of the "R" whichever comes later.
