

(S. B. 1296)

**(No. 131)**

(Approved September 27, 2007)

## **AN ACT**

To amend subsection (l) of Section 6 of Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act,” in order to prohibit reporting the accounts of residential clients to credit bureaus as a practice for collection and demand of payment; and for other purposes.

### **STATEMENT OF MOTIVES**

The Electric Power Authority was created by Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act,” as a public corporation and autonomous government instrumentality of the Commonwealth of Puerto Rico. Since its creation, the objective of the Electric Power Authority has been “conserving, developing, and utilizing, and aiding in the conservation, development, and utilization of the water resources of Puerto Rico, and for the purpose of making available to The People of Puerto Rico, in the widest economic manner, the benefits thereof...”

All the electric power consumed in Puerto Rico is produced, transmitted or distributed by the Electric Power Authority. Within its administrative frame, the Authority divided the Island into seven (7) regions in charge of 33 customer service offices.

The economic-financial burden that consumers have had to endure in recent years due to the increase in electric power service is unbearable and has caused an disruption in the budget of the typical Puerto Rican family.

To have delays in the payment of bills for service reported to credit agencies would have, as a consequence, an additional negative effect on consumers and thus, on our economy. The impact of the Authority's decision could cause great collective damage to the credit of Puerto Ricans.

We deem it is unfair for the clients of the Authority, who perhaps did not receive the quality service they contracted, to be penalized and to have their credit affected by someone who failed to provide quality service at a reasonable price. We further find that the Electric Power Authority lacks explicit juridical power to unilaterally amend service contracts.

Through the approval of this Act, the Electric Power Authority shall not be able to refer residential clients to credit bureaus, and much less unilaterally alter the original contract.

**BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:**

Section 1.- Subsection (l) of Section 6 of Act No. 83 of May 2, 1941, as amended, is hereby amended to read as follows:

“Section 6.- Powers of the Authority

...

(a) ...

(b) ...

(c) ...

(d) ...

(e) ...

(f) ...

(g) ...

(h) ...

(i) ...

(j) ...

(k) ...

(l) Determine, fix, alter, charge, and collect reasonable rates, fees, rentals and other charges for the use of the installations of the Authority, or for electric power services, or other commodities sold, rendered, or furnished by it, which shall be sufficient for the payment of the expenses of the Authority incurred in the conservation, development, improvement, extension, repair, maintenance, and operation of its facilities and properties, for the payment of the principal and interest on its bonds, and for fulfilling the terms and provisions of such covenants made with or for the benefit of the purchasers or holders of any bonds of the Authority; it is further provided that upon fixing rates, fees, rentals, and other charges for electric power, the Authority shall take into consideration those factors that promote the broadest and economically possible diversified use of electric power.

The Authority shall have a maximum term of one hundred and twenty (120) days from the issue of the invoice for electric power service consumption to notify clients of errors in calculation. Once said term concludes, the Authority may not claim retroactive charges for said errors, such as those of an administrative or operational nature, or for an erroneous reading of electric power service consumption meters. This shall only apply to residential clients; it shall not apply to commercial, industrial, institutional clients, or otherwise. In those cases in which clients keep the meters out of our readers' visual reach, or when for *force majeure*, such as hurricanes, among others, the meters cannot be read, this measure shall not apply to invoices issued based on consumption estimates. Likewise, it is hereby prohibited to report delinquent accounts from residential clients to credit bureaus, except in the case of uncontested accounts from clients not committed to a payment plan, of which the amount and whose recurrence of

nonpayment, after multiple requirements for payment have been conducted and all collection mechanisms exhausted, imply that there is the intent to defraud the Authority.

Before changes in the general rate structure for the sale of electric power service are made, or in cases in which the Board decides to make changes and deems the immediate effectiveness thereof to be necessary, then, within a reasonable term after such changes are made, a public hearing shall be held with respect to said changes before the Board of the Authority, or before such officer or officers that the Board may designate for such a purpose, pursuant to the powers, duties and obligations conferred to it by this Act. Once said hearing is held, the Board may alter, suspend or revoke such changes.

(m) ...”

Section 2.- This Act shall take effect immediately after its approval.

## CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 131 (S.B. 1296) of the 6<sup>th</sup> Session of the 15<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to amend subsection (l) of Section 6 of Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act,” in order to prohibit reporting the accounts of residential clients to credit bureaus as a practice for collection and demand of payment; and for other purposes,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 31<sup>st</sup> of January of 2008.

Francisco J. Domenech  
Director