



PRESS RELEASE ENEL DISTRIBUCIÓN CHILE

ENEL DISTRIBUCIÓN GOES TO COURT TO PREVENT ABUSIVE USE OF THE BASIC SERVICES LAW

- *The law aimed at vulnerable customers hit by the sanitary crisis has also benefited high consumption customers, who have not renegotiated their debts.*
- *The company has filed a claim to repeal the SEC's ruling that prevents the cut-off of supply to 97 high consumption customers, whose debt is equivalent to more than 2,000 customers of average consumption.*

Santiago, July 7, 2021 - Enel Distribución filed an appeal against the decision of the Superintendence of Electricity and Fuels. The state agency had instructed Enel to reinstate the electricity supply to delinquent customers with high consumption. Most of them have not regularized their account either through the request of agreements established in the Basic Services Law or through other payment facilities that the company has available to its customers.

Our appeal indicates that this law's purpose was to help the country's most vulnerable families affected economically due to the pandemic and could not pay for their basic services. In addition to providing the possibility of deferring and postponing payment, the law exempted them from utility companies to cut off their supply. However, it became evident that not only did the most vulnerable households benefit from this law but also those with the highest consumption.

We evidenced this payment behavior between May 5 and 22 of this year, a period in which there was no Basic Services Law. During this period, Enel Distribución sent collection letters warning about an eventual cut-off to 1,951 customers with high electricity consumption (whose monthly average is 1,000 kWh or more, i.e., four times that of an average household in Santiago). In this letter, we detailed all payment alternatives: to use benefits established in the Basic Services Law for those who qualify as vulnerable or the standard options of agreements to pay their debt. Sixty-two percent of customers who received this message paid their bills, showing that most high-consumption customers did have the capacity to pay—those who did not have their electricity supply suspended after five working days for non-payment.

Through an official notice, the Superintendence of Electricity and Fuel instructed utility companies to restore the electricity supply to high consumption customers whose energy supply had been interrupted for non-payment. These 97 customers have a total debt of 267 million pesos, equivalent to the amount owed by 2,160 customers whose average consumption is 250 kWh per month (who have an average debt of \$125,000).



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In compliance with SEC instructions, Enel Distribución has restored those customers' electricity supply. At the same time, Enel has filed a court appeal for the illegality of SEC Official Letter No. 9472. We argue that the mentioned Official Letter violates the Constitution, laws, and administrative rules that govern this Superintendence. First, it violates the right to equality before the law and the right to non-arbitrary discrimination, which prohibits giving equal treatment to substantially different situations. In this case, by not distinguishing between people with evident economic vulnerability and others with an evident ability to pay for their electricity supply.

The claim, filed before the Court of Appeals of Santiago, alleges that the official notice also violates the principle of proportionality and equality before public charges. At the same time, it is causing severe damages to Enel Distribución, which had already started a plan to help vulnerable households in the Metropolitan Region on its own before enacting these basic services laws.