

Research Article

# Implementation of Civil Sanctions against Defaulting Customers at the Tirta Daroy Regional Drinking Water Public Company Banda Aceh City

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**Abstract:** Qanun of Banda Aceh City Number 4 of 2022 emphasizes that the Tirta Daroy Regional Public Company of Drinking Water aims to provide fair and sustainable drinking water services. The legal relationship between the customer and the company is regulated through the Decree of the Board of Directors PEG Number. III/10/PDAM/2020. However, there are still many customers who are in default in the form of late payments that cause losses to the company and are contrary to Article 1243 of the Civil Code regarding the obligation of debtors to compensate for losses due to negligence. This study aims to analyze the default settings in the customer connection agreement at the Tirta Daroy Regional Public Drinking Water Company, identify the factors causing defaults, and explain the form of applying civil sanctions to customers who commit defaults. This study uses an empirical juridical method with qualitative descriptive analysis based on legal and field data. The results of the study show that the most dominant forms of default in customers of the Tirta Daroy Regional Drinking Water Public Company are late and arrears of payments, not paying at all and misuse of water connections. The main causative factors include economic conditions, administrative negligence, and intentional elements. Legally, this default causes financial losses and disrupts the sustainability of public services. Sanctions are applied in stages through notices, warnings, summonses, to fines, compensation, or disconnection. The Tirta Daroy Regional Public Company is advised to follow up on customer complaints, improve the billing system, adjust the sanction clause proportionately, and increase legal awareness through socialization.

**Keywords:** Banda Aceh Qanun; Civil Sanctions; Default; Regional Public Companies; Tirta Daroy

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## 1. Introduction

The need for clean water is different in each region and tends to increase along with the increase in people's living standards. In Indonesia, access to clean water is still uneven and a challenge for some residents. To answer these needs, the Banda Aceh City Government established the Tirta Daroy Regional Public Company for Drinking Water through the Banda Aceh City Qanun Number 4 of 2022. This company plays a role in providing healthy, equitable, and sustainable drinking water to support the welfare of the community (Zulhilmi, at.al, 2019). Currently, the people of Banda Aceh City can get clean water easily through a pipeline network managed by the Tirta Daroy Regional Public Drinking Water Company. As customers, people are obliged to pay their water bills every month. If these obligations are not met, the company has the right to impose sanctions in the form of fines and disconnection of the water connection. Now, almost all households in the Banda Aceh City area have enjoyed clean water services from the Tirta Daroy Regional Drinking Water Public Company.

Based on data from the Central Statistics Agency of Banda Aceh City, the number of customers of the Tirta Daroy Regional Drinking Water Public Company shows significant development over time.

**Table 1** The Number of Tirta Daroy customers based on active and inactive status in 2014, 2020, and 2024.

| Year | Active | Inactive | Sum    |
|------|--------|----------|--------|
| 2014 | 41.920 | 8.113    | 50.033 |
| 2020 | 49.930 | 12.384   | 62.314 |
| 2024 | 39.440 | 14.597   | 54.037 |

Source: Number of customers of the Tirta daroy Regional Drinking Water Public Company published in general by the Central Statistical Agency of Banda Aceh City.

Data from the Central Statistics Agency of Banda Aceh City shows that in the last ten years the number of customers of the Tirta Daroy Regional Drinking Water Public Company reached more than 50,000 customers, with 54,037 customers in 2024, a decrease from around 60,000 customers in 2019. As a Regionally Owned Enterprise engaged in clean water distribution, this company is the main provider of water needs of the people of Banda Aceh City. In its implementation, the relationship between the company and the customer is based on a clean water purchase and sale agreement that gives rise to rights and obligations for both parties. Customers are entitled to receive clean water distribution and are obliged to pay bills according to usage based on the applicable agreement. The legal relationship arises from the moment the prospective customer submits an application and makes a registration payment, which then binds the two parties in a valid agreement, both written and verbal (Mariam Darus Badruzaman, 2001).

Some customers still often delinquent in paying their water bills for various reasons, such as forgetfulness, economic limitations, or other factors. Before disconnecting, the Tirta Daroy Regional Public Company of Drinking Water first gives a notice to customers who are in arrears as a form of persuasive settlement efforts. Currently, the drinking water supply system in Banda Aceh City is fully managed by the Tirta Daroy Regional Public Company of Drinking Water by utilizing water sources from the Krueng Aceh River. Distribution services are carried out through a piping system that covers almost the entire city area, with a total of 54,037 home connections, consisting of 39,440 active customers and 14,597 inactive customers (Rahmaniar, 2023).

As a clean water service provider, the Tirta Daroy Regional Public Company of Drinking Water Banda Aceh City has a close legal relationship with the community as a customer. This relationship was formed from an agreement between the two parties which began with a request from the community to obtain clean water services. Problems arise when customers do not fulfill their obligations according to the agreement or commit defaults. According to Subekti, default occurs when the debtor does not fulfill a promise, is negligent, or violates the content of the agreement. related to the element of default, the subject in *Treaty Law* explained that there are four forms of default. First, not doing what has been agreed or promised. Second, doing what was promised but not according to what was promised. Third, doing what was promised but late than the set time. Fourth, doing something that according to the agreement is not allowed to be done (Subekti, 1979).

Defaults committed by customers have a serious impact on the company and society. As a provider of clean water services that is a basic need, the Tirta Daroy Regional Public Company of Drinking Water has suffered financial losses and difficulties in maintaining the quality and smooth running of services due to arrears of customer payments. The application of civil sanctions is an important step to ensure the sustainability of public services. Customers who commit defaults such as delinquency, non-payment, unilateral cancellation, or misuse of services may be subject to civil sanctions in the form of damages in accordance with Article 1243 of the Civil Code, cancellation of agreements, confiscation of goods or collateral, fines or penalties, and civil lawsuits to the court (Razi Alkausar, 2022).

In the legal relationship between the customer and the Tirta Daroy Regional Public Company of Drinking Water Banda Aceh City, default can occur if one of the parties causes losses to the other party. For example, customers do not report changes in water use from households to businesses or are in arrears on bill payments. This action is a form of default because it violates the obligations that have been agreed in the agreement. Sanctions for violations can be criminal such as imprisonment or fines, civil such as compensation and cancellation of agreements, and administrative such as revocation of permits or reprimands. Legal sanctions are basically consequences given to legal subjects who violate legal norms in the form of coercion, punishment, or fines (Abdulkadir Muhammad, 2004).

The actions of customers who commit defaults due to late payment of water bills cause losses to the Tirta Daroy Regional Drinking Water Public Company of Banda Aceh City. The

legal consequence of these violations is that the company has the right to disconnect clean water until the customer pays off his bill. There are currently 54,037 customers using the company's water services, with 14,597 of them having not paid or are late in making payments. Postpaid payment systems cause considerable arrears and have an impact on company losses. Therefore, some customers who have arrears must be subject to water flow shutting down sanctions as a measure to enforce payment obligations and efforts to maintain service sustainability.

## 2. Research Methods

The type of research used in this study is empirical juridical, which combines normative studies of laws and regulations with field data through interviews. This method is used to describe the application of civil law in the relationship between the Tirta Daroy Regional Drinking Water Company of Banda Aceh City and customers, as well as to identify the economic, social, and technical factors that cause the default (I Gede Marhaendra, 2017).

The data collection method is carried out through library research to obtain secondary data in the form of theory, legal literature, and relevant laws and regulations, as well as field research to obtain primary data through interviews or questionnaires to respondents and informants scientifically (Ade Saptomo, 2009).

Furthermore, primary and secondary data are analyzed in a qualitative descriptive manner through the process of classification, comparison, and data linking to answer research problems and formulate legal concepts as the basis for policies and laws and regulations (Abdulkadir, 2004).

## 3. Results and Discussion

### Default Arrangement in the Customer Connection Agreement at the Tirta Daroy Regional Public Company

In meeting their needs, humans are inseparable from agreements, especially in business or business activities. The rules on agreements are contained in Book III of the Civil Code Articles 1233 to 1864 concerning Engagement. An alliance is a legal relationship between two parties where one party has the right to demand something and the other party is obliged to fulfill it. An agreement is a source of engagement and is binding on the parties involved. In general, an agreement is interpreted as an agreement between the parties regarding a matter that gives rise to a legal relationship as well as rights and obligations, which if not implemented will give rise to sanctions. In Indonesian positive law, the meaning of agreement is listed in Article 1313 of the Civil Code, which is an act in which one or more people bind themselves to another or more people (Kansil, 200).

In the Indonesian civil law system, an agreement is a legal relationship between two or more parties that obliges one of the parties (the debtor) to give something, do something, or not do something to the other party (creditor). In the clean water service of the Tirta Daroy Regional Public Company of Drinking Water Banda Aceh City, an engagement arises through a water connection agreement between the company and the customer. The main elements of the agreement include: (1) legal subjects, namely creditors and debtors; (2) the object of the agreement is in the form of achievements that must be fulfilled by the debtor, such as paying bills; and (3) a binding legal relationship, so that the creditor has the right to demand the implementation of achievements or damages if they are not fulfilled. According to Subekti, an alliance is a legal relationship in the field of property between two or more people that gives rights to one party and obligations to the other party to fulfill certain achievements.

The Tirta Daroy Regional Drinking Water Public Company of Banda Aceh City has an important role in meeting the basic needs of the community through the provision of clean water. However, in its implementation, the company faces obstacles in the form of customer default, namely inability or unwillingness to pay water bills. This condition not only harms the company financially but also disrupts the sustainability of operations and public services. The law of engagement (*verbintenis*) regulates the legal relationship between two or more parties arising from an agreement or law, where one party is obliged to do or give something to the other party. Based on Article 1234 of the Civil Code, an agreement is a legal relationship that gives rise to rights for creditors and obligations for debtors.

The customer connection agreement between the Tirta Daroy Regional Drinking Water Public Company of Banda Aceh City and the customer, based on the Decree of the Board of Directors Number PEG. III/10/PDAM/2020, creates a reciprocal engagement: companies

are obliged to provide clean water and customers are obliged to pay bills. If the customer is negligent, then there is a default in the form of not carrying out obligations, carrying them out inappropriately, late, or doing things that are prohibited by the agreement. According to Articles 1243 and 1266 of the Civil Code, the debtor is obliged to compensate for losses and the creditor has the right to refuse to give counter-performance. The principle of good faith is an important principle in the law of the alliance which obliges the parties to act honestly, sincerely, and not abuse the situation. Article 1338 paragraph (3) of the Civil Code emphasizes that every agreement must be implemented in good faith. Violations of this principle can lead to the nullity of the agreement or give rise to a claim for compensation (Maria Gabriela, 2025).

The Tirta Daroy Regional Public Company of Drinking Water Banda Aceh City has obligations in various aspects. In public services, companies must provide decent, healthy, and sustainable drinking water and ensure equitable and affordable services. From the administrative and financial side, the company is obliged to deposit part of the profit into the regional treasury as Regional Original Revenue and submit financial and performance reports to the Mayor through the Supervisory Board. In environmental and social aspects, companies must conserve raw water sources, implement social responsibility (CSR) programs, and maintain environmental sustainability. Meanwhile, in the legal aspect, the company is obliged to comply with laws and regulations and compensate customers in the event of service interruptions.

The Tirta Daroy Regional Drinking Water Public Company of Banda Aceh City has several rights in carrying out its business activities. In the aspect of business management, the company has the right to provide drinking water services for the community and develop other businesses that support service improvement. From a financial perspective, the company has the right to determine and receive tariff payments from customers, obtain capital participation from the Banda Aceh City Government, and obtain legitimate operating profits. Meanwhile, in the corporate aspect, the Tirta Daroy Regional Public Company of Drinking Water Banda Aceh City has the right to manage assets such as pipes, installations, and water sources, establish internal policies, and establish cooperation with third parties to improve service quality (Tarmizi, Interview, 2025).

Customers of the Tirta Daroy Regional Drinking Water Public Company, Banda Aceh City are required to pay the water account on time and pay off the arrears if there is a delay. They must also keep water meters and installations from being damaged, not make illegal connections, and provide access to officers for inspection or repairs. In addition, customers are required to report data changes, comply with all regulations and agreements set by the company, and use water according to its designation. Customers of the Tirta Daroy Regional Drinking Water Public Company of Banda Aceh City are entitled to good water service, clear information, and compensation for service disruptions. They are also entitled to an accurate water meter, proof of official payment, as well as legal protection and the opportunity to file complaints or objections to bills (Fahmawati, Interview, 2025).

In the customer connection agreement, the party who signs the contract with the Tirta Daroy Regional Drinking Water Public Company of Banda Aceh City is obliged to pay the water bill according to the provisions. If the customer deliberately does not pay without a valid reason, the action shows bad faith and includes default. As a regionally-owned business entity, the company is authorized to set the terms and conditions of the agreement which includes the rights and obligations of the parties, including the obligation of customers to pay on time. If this obligation is not met, the company may provide written warning, temporarily or permanently disconnect the water connection, and claim compensation if significant losses occur. According to Ahmadi Miru, default includes not fulfilling achievements, imperfect achievements, being late, or doing things that are prohibited. At the Tirta Daroy Regional Drinking Water Public Company, Banda Aceh City, customers who are in arrears of bills are included in default because they do not fulfill their obligations. The performance must be clear, feasible, permissible, beneficial to the creditor, and consist of one or a series of acts; otherwise, the engagement can be canceled or canceled (Tarmizi, Interview, 2025).

The steps taken by the Tirta Taroy Regional Drinking Water Public Company, such as the temporary disconnection to the permanent disconnection of water pipes for delinquent customers, are carried out to enforce the obligation of engagement between the provider and the user of clean water services. However, these actions must still pay attention to the principles of good faith and propriety in accordance with the applicable legal provisions. In practice, customers who commit defaults can still file a legal defense, for example through legally proven force majeure reasons. It is important to maintain a balance between corporate interests and the protection of consumer rights in a fair and transparent public service system.

According to the view of Fahmiwati, Chairman of the Aceh Consumer Protection Foundation, not all forms of default reflect negligence or bad intentions from customers. Sometimes, the inability to meet obligations is caused by external factors, such as natural disasters, job losses, or family economic crises. Therefore, dispute resolution between the Regional Public Company of Drinking Water and customers should not be solely in the form of administrative sanctions, but also open up space for dialogue and clarification. The principles of justice, empathy, and transparency are important foundations in the legal relationship between public service providers and consumers, so that there are no inequities in the implementation of obligations and the protection of rights.

In Indonesian civil law, the concept of default is regulated in Article 1243 of the Civil Code, which states that compensation and interest can only be demanded if the debtor has been declared negligent but still does not fulfill his obligation. Forms of default can be in the form of not doing what is promised, carrying out obligations but not as they should, late fulfilling achievements, or doing things that are prohibited by the agreement. In the context of the relationship between Public Companies of Drinking Water Regions Tirta Daroy and its customers, failure to pay monthly water bills without a valid reason can be categorized as default, which entitles the Public Companies of Drinking Water Regions to carry out a reprimand (summons), disconnection, and prosecution of compensation in accordance with the provisions of the law.

The case of a customer named Sumiati is a concrete example in the application of the concept of default in the field. He denied the allegations of negligence and showed proof of the last payment as a form of responsibility. According to him, the problems that arise can be caused by technical errors in the bill recording system, not due to personal negligence. This case emphasizes the importance of two-way verification and communication before sanctions, so that the principles of justice and consumer protection are maintained. Thus, dispute resolution should be carried out proportionately and based on the principle of material truth, not solely on administrative assumptions.

In addition to the case of individuals like Sumiati, the results of field research show that most customers Public Companies of Drinking Water Regions Tirta Daroy committed defaults in three main forms, namely not paying bills at all, paying not according to the amount, and paying beyond the predetermined time limit. These three forms of violations illustrate the low legal awareness of customers in carrying out contractual obligations. Based on Article 1338 paragraph (1) of the Civil Code, every legally made agreement is valid as a law for the parties. Therefore, when the customer signs a water connection contract, the obligation to pay becomes part of the law that must be obeyed, and the violation of it gives the right to Public Companies of Drinking Water Regions to demand the fulfillment of achievements or compensation.

Overall the legal relationship between Public Companies of Drinking Water Regions Tirta Daroy and customers are reciprocal, where providers are obliged to provide clean water services, while customers are obliged to pay according to the bill. If the customer is negligent, then administrative actions such as summons or disconnection can be justified juridically as long as they are carried out based on the principle of proportionality and the provisions of civil law. Based on data as of August 20, 2025, there were 56,806 customers bound by clean water utilization agreements, showing the importance of applying the principle of good faith in maintaining the sustainability of public services and legal protection for both parties.

### **Factors causing default between customers and the Tirta Daroy Regional Drinking Water Public Company, Banda Aceh City**

The city of Banda Aceh is the largest city in Aceh as well as the capital of Aceh province with a population that continues to increase every year. To meet the needs of clean water, the Tirta Regional Public Company was established in 1975 based on Regional Regulation Number Two of 1975 dated February 24. Then this company was changed to the Tirta Daroy Regional Drinking Water Company of Banda Aceh City based on the Qanun of Banda Aceh City Number Four of 2022. In Article Five of the Qanun, it is emphasized that the company's intention and goal is to provide drinking water for the welfare of the community and public services that meet health requirements in a fair, equitable, and continuous manner. The people of Banda Aceh City currently get water very easily, just by turning the tap. As customers of the Tirta Daroy Regional Public Company of Banda Aceh City, they are obliged to pay water bills every month. If you do not pay regularly, there will be consequences received, ranging from fines to disconnection of customer connection pipes (Razi Alkausar, 2022).

The clean water utilization agreement between the Tirta Daroy Regional Public Company and the customer stipulates the rights and obligations of each party, namely the customer has the right to get clean water and is obliged to pay the clean water fee every month, while the Tirta Daroy Regional Public Company has the right to receive payment and is obliged to provide and distribute clean water to every customer's home or residence. This Agreement is based on a contract that has been made by the Tirta Daroy Regional Public Company and approved by the customer, where the customer can only read and agree to the contents of the contract. To become a customer, prospective customers must follow procedures such as filling out an application form, signing a statement letter, and filling out an application form to become a drinking water subscription. However, in its implementation in the field, there are often promises or defaults.

Facts in the field show that there are still many defaults committed by customers of the Tirta Daroy Regional Public Company, so that this causes losses for the Tirta Daroy Regional Public Company. The occurrence of default is influenced by various factors. Factors are conditions that cause something to happen, and can be grouped into two sources, namely factors that come from within a person or individual, and factors that come from outside a person, such as family, environment, and community. The problem of default in water payment by customers of the Tirta Daroy Regional Public Company of Banda Aceh City is a complex issue and is influenced by various factors. To understand the causes comprehensively, these factors include economic, socio-cultural, political, technological, environmental, educational, health, and demographic (Malayu Hasibuan, 2008).

The following is an in-depth analysis of these factors in terms of arrears of water payments in Regional Public Companies Tirta Daroy:

#### **a. Economic Factors**

The increase in clean water tariffs by thirty percent since June two thousand and twenty-four has become an additional burden for low-income households. Inflation that affects the prices of electricity, chemicals, and plumbing accessories makes customers with difficult economic conditions tend to delay or not pay water bills regularly.

Field findings show that this happened to Nur Fatmi, a home cake trader in Gampong Peulanggahan, whose income has declined since the beginning of the year two thousand twenty-five. The increase in tariffs makes the bill that was previously eighty thousand rupiah to one hundred and twenty to one hundred and thirty thousand rupiah per month, so that water payments become a burden that is difficult to meet in the midst of priority expenditure on basic needs.

In addition to economic factors, water distribution disruptions and limited access to digital technology also affect late payments. Nur Fatmi hopes that Regional Public Companies Tirta Daroy provides policies that are more in favor of small communities, such as the installment system, deferral of fines, or subsidies. This shows that the water tariff policy needs to consider the socio-economic conditions of customers so that clean water services remain smooth.

#### **b. Socio-Cultural Factors**

Policy changes that are often made by the Tirta Daroy Regional Public Company, such as the obligation to make underground water reservoirs and the prohibition of the use of pumping machines that are directly connected to the meter, have caused confusion and dissatisfaction among customers. Based on an interview with Dedi Rahman, an interprovincial driver who lives in Gampong Blang Oi, Meuraxa District, Banda Aceh City, it is known that the arrears in paying water bills that he made were not solely due to economic factors, but more related to socio-cultural aspects. This new policy, although aimed at improving services and efficiency, is considered not to take into account the social and cultural context of the local community, as people have become accustomed to using water directly from the pipeline to household facilities.

The inconsistency between the policies of the Tirta Daroy Regional Public Company and the habits of the community causes confusion, rejection, and low compliance with payment obligations. The socialization of policy changes made tends to be technocratic and lacks communication, exacerbating customer misunderstanding, so some people choose to postpone bill payments until there is clarity or policy adjustments, including Dedi who finally experienced a disconnection

of the water meter pipe. This case shows that socio-cultural factors are the cause of payment arrears, and the success of clean water public services depends not only on technical policies, but also on the extent to which these policies adapt to the norms and habits of the local community.

**c. Political factor**

The lack of transparency and accountability in the management of the Tirta Daroy Regional Public Company is a public concern, because the inconsistent service and service quality that are often complained about by the public cause customer distrust, thus affecting their compliance in paying water bills. The Aceh Consumer Protection Foundation explained that many customers as consumers submit their complaints, and as consumers, they are entitled to protection of their rights in accordance with article four of the Consumer Protection Law.

**d. Technology Factor**

Water billing systems that still use postpaid methods have the potential to cause customers to be in arrears. Although the Tirta Daroy Regional Public Company has collaborated with Bank Aceh Syariah to facilitate payments through digital applications, the reliance on manual systems and lack of digital education among customers are obstacles in optimizing the system.

**e. Environmental Factors**

The problem of uneven water distribution, especially in the Meuraxa, Ulee Lheu, and Lampineung areas, causes customers to struggle to get clean water continuously, so they are forced to use pumping machines which increase electricity costs and risk causing pipe leaks and water waste. This condition makes customers feel that the services received are not worth the costs incurred, so some delay paying bills. One of them, Rahmad, a resident of Ulee Lheu, has been in arrears since the end of two thousand and twenty-three due to frequent water difficulties, despite having received warning letters twice; In July two thousand twenty-four, the water pipe connection in his house was cut by the Tirta Daroy Regional Public Company, and since then he has been using well water for his daily needs. Environmental factors are also an obstacle, because several areas in Banda Aceh City are still difficult to reach in water distribution by the Tirta Daroy Regional Public Company.

**f. Educational Factors**

The low level of customer understanding of the importance of timely payments and its impact on the continuity of clean water services is a factor causing arrears. The lack of socialization and education from the Tirta Daroy Regional Drinking Water Company regarding the payment mechanism and the consequences of arrears caused some customers to be unaware of their obligations.

**g. Health Factors**

Quality Water that is often cloudy and does not flow smoothly affects public health. However, customers who feel aggrieved by the quality of service tend to delay paying bills as a form of protest or dissatisfaction with the service received.

**h. Demographic Factors**

The rapid growth of population and urbanization in the city of Banda Aceh increases the demand for clean water services. However, limited distribution capacity and uneven water flow make some customers feel that the services received are not worth the costs incurred, prompting them to delay or not pay their water bills.

The results of interviews with several customers of the Tirta Daroy Regional Public Company show a lack of understanding of the content of the service agreement. Mrs. Siti Rahmah from Lampulo stated that she only signed and paid the installation fee when she first became a customer, while the water distribution disruption that occurred several times was not clearly informed. Mr. Ridwan, the owner of a food stall in Peunayong, emphasized the importance of transparency and compensation when services are disrupted, but he himself lacked a clear understanding of the rights and obligations in the agreement.

The admission of Murni, a retired teacher, that she never received a written copy of the agreement, confirms that many customers are still unaware of their rights and obligations. This shows the need for the Tirta Daroy Regional Public Company to provide clear explanations and more effective socialization, so that all customers

understand their responsibilities while ensuring the quality of clean water services that are proper for the community.

Several field findings show that there are still many customers who do not understand their rights and obligations as customers of the Tirta Daroy Regional Public Company of Drinking Water, especially related to service disruptions and the obligation to pay bills. However, not all responses are negative; a young customer, Amirul, stated that he was quite satisfied with Tirta Daroy's services even though water distribution sometimes decreased during the dry season, and he had time to read the standard operating procedures and agreements when registering online, even though older residents may lack access or information (Amirul, Interview, 2025).

From the results of the interview, it can be seen that the customer's understanding of the content of the agreement is still minimal, so the company needs to be more active in socialization and education. Measures such as sharing a copy of the agreement, clearly displaying rights and obligations on the official website or app, and providing a responsive complaint service can help increase customer understanding and trust. With transparent agreements and good two-way communication, public trust in clean water services will increase. Application of Civil Sanctions for Customers for Defaulting in Using Drinking Water Services of the Tirta Daroy Regional Public Company.

### **Application of Civil Sanctions for Customers for Defaulting in Using Drinking Water Services of the Tirta Daroy Regional Public Company**

Regional Public Companies of Drinking Water are obliged to provide drinking water continuously according to quality and quantity standards, while customers are obliged to use services in an orderly manner and pay bills according to the provisions. However, some customers do not meet these obligations, commit defaults, such as delays or failure to pay monthly bills, damage or manipulate water meters, illegally reconnect after disconnection, and alter pipe installations without the permission of the Regional Public Company of Drinking Water. All of these acts of default not only violate contractual obligations, but also cause material and operational losses to the Tirta Daroy Regional Public Company of Drinking Water. These losses include loss of potential revenue, increased maintenance and supervision costs, and disruption of service distribution to other customers. In addition, default carries serious legal consequences in the realm of civil law. Based on the Civil Code, the aggrieved party, namely the Regional Public Company of Drinking Water, has the right to claim compensation, cancel the agreement, or take other legal action to recover losses and ensure customer compliance with legal provisions (Siti Nur Azizah, 2023).

In Indonesian civil law, in the event of a default in an agreement, the aggrieved party can take legal mechanisms such as claims for compensation, fulfillment of achievements, cancellation of contracts, and delivery of summonses. Field findings through interviews show that the legal relationship between the Tirta Daroy Regional Drinking Water Public Company and its customers allows the application of the mechanism when customers commit defaults. Tarmizi, Head of the Subscription Relations Section of the Tirta Daroy Regional Public Company, explained that compensation is a legal effort to obtain compensation for losses due to default. In accordance with Article 1243 of the Civil Code, compensation can be requested if the customer, after being given a warning or summons, still fails to carry out his obligations. In practice, the Tirta Daroy Regional Public Company can sue customers who damage meters, make illegal connections, or use water without paying to compensate for all losses, including installation repair costs, loss of revenue, and additional operational expenses, as a form of legal protection for the rights of economically and technically harmed companies (Mariam Darus Badruzaman, 2015).

The demand for achievement fulfillment is a form of law enforcement that emphasizes the obligation of the defaulting party to continue to implement the content of the agreement. In the case of customers who do not pay their water bills according to the service contract, the Tirta Daroy Regional Drinking Water Public Company has the right to demand that the customer fulfill its obligations, including paying the bill along with fines or late fees. This mechanism is often used as a first step before taking more decisive legal action, as it aims to restore legal relations to their original position restoratively without terminating the agreement.

An example is Muhammad Fakhri, an active customer of the Tirta Daroy Regional Drinking Water Public Company since 2020 in Kuta Alam District, Banda Aceh City, who is obliged to pay monthly bills, maintain water meters, and not change installations without permission. However, from January to May 2025, Fakhri was recorded as being in arrears of

Rp 325,000, and a field inspection found that the water meter had been modified so that the recording of usage was low. Following up on this, the Tirta Daroy Regional Public Company of Drinking Water sent the first summons on June 3, 2025, demanding the payment of arrears, repair of the installation, and the cessation of illegal connections, but until the third summons on June 25, 2025, the customer still did not show good faith.

Based on Article 1243 of the Civil Code and the internal provisions of the Regional Public Company of Drinking Water, on July 1, 2025, the Regional Public Company of Tirta Daroy Drinking Water cut off the permanent water connection to Muhammad Fakhri's house, collected compensation of Rp 2,850,000, and submitted a civil lawsuit if there was no settlement within 14 working days. This action is a civil sanction for default, aimed at recovering losses, providing a deterrent effect, and enforcing customer compliance, after the warning and summons procedures are carried out. Furthermore, an inactive customer named Cut Yusliana, who was previously an active customer since 2020, will no longer pay bills since early 2025. The search showed that the house in question had been vacant and had changed ownership, but there was no official report to the Regional Public Company of Drinking Water regarding the status of the new owner or the application for closure of the connection. Due to the absence of reporting responsibility and the remaining arrears of Rp 220,600, Cut Yusliana is still categorized as a passive default customer who leaves legal obligations unresolved.

Hospi Sabri as the Supervisory Board of the Tirta Daroy Regional Public Company of Drinking Water Banda Aceh City, stated that customer default is a serious problem that harms the company financially and has an impact on clean water services. Actions such as delinquency, illegal installation, or tampering with meters violate good faith and civil contracts. He emphasized that the Regional Public Company of Drinking Water has taken the appropriate procedures through summons, technical verification, and disconnection, supporting the enforcement of discipline but still encouraging fair and persuasive settlements to maintain good relations with customers (Hospi Sabri, Interview, 2025).

Legal theory recognizes the principle of good faith as an important principle in the implementation of contracts, which requires all parties to carry out their obligations according to ethical and moral standards. This principle is recognized in Article 1339 of the Civil Code, which states that the content of a contract includes not only written elements, but also things that are inherently governed by norms of propriety, custom, and legislation. This emphasizes that understanding contracts in legal practice must involve good faith, not just what is written. Elements of good faith that act as a barrier in the application of the principle of freedom of contract as affirmed in Article 1338 paragraph (3) of the Civil Code.

The implementation of the principle of good faith plays an important role in the preparation of the agreement, related to which Muhammad Fakhri, Cut Yusliana and others are contrary to Article 1338 paragraph (3) of the Civil Code. In such cases, the customers do not pay the bill and do things illegally. His actions were not in accordance with the principle of justice because he had enjoyed water facilities without paying as they should. Responding to the increasing cases of default by customers, Hospi Sabri expressed its concern and at the same time emphasized the importance of public legal awareness regarding their obligations as users of public services. According to him, the agreement made between the customer and the Regional Public Company of Drinking Water is not just an administrative agreement, but contains legal consequences that are binding on both parties. The Supervisory Board encourages management to maintain a balance between law enforcement and educational approaches, with the meaning that sanctions must be applied strictly to maintain the integrity of the company, while strengthening legal education to customers so that the public better understands their legal positions and responsibilities (Luh Nila Winarni, 2015).

In line with Hospi Sabri's emphasis on the importance of customer legal awareness and the enforcement of a balance between sanctions and education, in Indonesian civil law there are several mechanisms that can be taken by aggrieved parties when there is a default in an agreement. The mechanism includes demands for compensation, fulfillment of achievements, cancellation of contracts, and sending summonses. In the context of the legal relationship between the Tirta Daroy Regional Drinking Water Company of Banda Aceh City and its customers, these mechanisms can be applied to respond to customer actions that violate the terms of the drinking water service agreement. One of the mechanisms that is often used is compensation, which is a legal remedy to obtain compensation for losses arising from default. In accordance with Article 1243 of the Civil Code, compensation can be requested if the customer, after being given a warning or summons, still fails to fulfill his obligations.

In this case, if a customer does not pay the water bill according to the service contract, the Tirta Daroy Regional Drinking Water Public Company of Banda Aceh City has the right to demand that the customer continue to fulfill his obligations, including paying the bill along with fines or late fees. This mechanism is usually the first step before taking more decisive legal action, as it aims to restore the legal relationship to its original position restoratively without having to terminate the agreement. However, if the default is serious or repeated without the good faith of the customer, the company can take the mechanism of cancellation of the contract in accordance with Articles 1266 and 1267 of the Civil Code.

The summons is the last legal warning given so that customers immediately carry out their obligations within a certain period of time. Based on Article 1238 of the Civil Code, summons is an absolute requirement to declare that the debtor, in this case the customer, has been negligent. In practice, the Tirta Daroy Regional Public Company of Drinking Water can send one to three summonses, which contain a description of the default, a request for fulfillment of obligations, and a notification that legal action will be taken if the summons is ignored. The summons also serves as valid evidence in court if the dispute continues.

By implementing the mechanism of compensation, achievement fulfillment, contract cancellation, and summons in an appropriate and structured manner, the Tirta Daroy Regional Public Company Drinking Water not only upholds its rights as a public service provider, but also provides legal education to customers to comply with the agreement. The cancellation of the contract is carried out to end the legal relationship with the customer who commits a serious violation, such as meter manipulation, water theft, or long-term bill neglect, so that the company is no longer obliged to provide clean water to the customer, after first making a written summons or reprimand. The enforcement of this mechanism is an important part of maintaining the integrity of a sustainable and equitable drinking water service system.

The relationship between the Tirta Daroy Regional Drinking Water Public Company and its customers can be understood through the theory of engagement in civil law. This relationship is a form of reciprocal agreement, where each party has balanced rights and obligations. Customers are obliged to pay water bills on time and in accordance with the amount, while the Tirta Daroy Regional Drinking Water Public Company is obliged to provide clean water services on an ongoing basis. However, field findings show that some customers do not meet their performance as they should, either by not paying at all, paying not according to the amount, or paying past the deadline that has been set.

Research in the field noted that on August 20, 2025, the Tirta Daroy Regional Public Company of Drinking Water had 56,806 customers who entered into clean water utilization agreements. However, not all customers carry out the agreement according to the agreement. Late payment of monthly dues or arrears is the most common form of default, there are even customers who do not pay at all until the water flow is cut off by the company. This condition shows a real violation of reciprocal rights and obligations. Based on the theory of default as stipulated in Article 1243 of the Civil Code, failure to fulfill obligations—either not performing achievements, performing imperfectly, performing late, or doing things prohibited by the agreement—is classified as default. In this context, the customer who performs the act is clearly renegeing on the engagement arising from the drinking water service agreement.

If analyzed through the principle of good faith (*goeder trouw*) as stipulated in Article 1338 paragraph (3) of the Civil Code, the customer's actions of negligence, delay, or intentionally paying below the amount of the bill indicate a violation of the moral and ethical obligations inherent in the implementation of the agreement. Good faith includes the intention to carry out obligations honestly, reasonably, and in accordance with the substance of the agreement. This kind of non-compliance not only harms the company financially, but also creates an imbalance in rights and obligations that should be reciprocal.

Based on the theory of engagement, this imbalance gives the right to creditors, in this case the Tirta Daroy Regional Public Company of Drinking Water, to demand the fulfillment of achievements, cancellation of contracts, or compensation in accordance with positive legal provisions. Thus, customer violations in bill payment are not just administrative problems, but failure to fulfill substantive legal obligations and contrary to the principle of good faith. Therefore, the action of the Tirta Daroy Regional Public Company in applying administrative sanctions until the legal termination of the connection can be justified as a corrective step to protect the interests of the company and the sustainability of public services.

#### 4. Conclusion

Default arrangements in Indonesia are still formalistic and tend to benefit companies. In the customer connection agreement of the Tirta Daroy Regional Public Company of Drinking Water Banda Aceh City, the provisions in the Decree of the Board of Directors Number PEG. III/10/PDAM/2020 has not fully reflected the principles of balance and good faith as stipulated in Article 1338 of the Civil Code. Therefore, Article 1334 and Article 1338 of the Civil Code must be understood simultaneously so that the agreement not only benefits the company, but also guarantees the customer's right to decent service.

The default of customers of the Tirta Daroy Regional Drinking Water Public Company, Banda Aceh City is caused by various factors. The most common form is not paying the water bill at all or paying after it is due. These delays incur administrative fines and can lead to disconnection. These two forms of default show low customer compliance with legal obligations, which is a challenge for companies in maintaining service stability and operational sustainability.

Civil sanctions by the Tirta Daroy Regional Drinking Water Public Company of Banda Aceh City are implemented in stages, ranging from fines and temporary termination to permanent termination and compensation claims based on Articles 1243-1252 of the Civil Code. However, its implementation has not fully reflected the principle of fairness because some customers are not given the opportunity to defend themselves.

The Tirta Daroy Regional Public Company of Drinking Water Banda Aceh needs to apply the principles of justice and good faith in handling defaults and strengthen socialization so that customers understand their rights and obligations, so as to create fair and sustainable drinking water services.

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