

## CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

### Subchapter A. GENERAL PROVISIONS.

#### §25.8. Classification System for Violations of Statutes, Rules, and Orders Applicable to Electric Service Providers.

- (a) **Purpose.** The purpose of this rule is to establish a classification system for violations of the Public Utility Regulatory Act (PURA) and related commission rules and orders, and to establish a range of penalties that may be assessed for each class of violations.
- (b) **Classification system.**
  - (1) **Class C violations.**
    - (A) Penalties for Class C violations may not exceed \$1,000 per violation per day.
    - (B) The following violations are Class C violations:
      - (i) failure to file a report or provide information required to be submitted to the commission under this chapter within the timeline required;
      - (ii) failure by an electric utility, retail electric provider, or aggregator to investigate a customer complaint and appropriately report the results within the timeline required;
      - (iii) failure to update information relating to a registration or certificate by the commission within the timeline required; and
      - (iv) a violation of the Electric no-call list.
  - (2) **Class B violations.**
    - (A) Penalties for Class B violations may not exceed \$5,000 per violation per day.
    - (B) All violations not specifically enumerated as a Class C or Class A violation are Class B violations.
  - (3) **Class A violations.**
    - (A) Each separate violation of PURA §35.0021, PURA §38.075, or a commission rule or commission order adopted under PURA §35.0021 or PURA §38.075 is a Class A violation and the administrative penalty will not exceed \$1,000,000 per violation per day. Penalties for all other Class A violations will not exceed \$25,000 per violation per day.
    - (B) The following types of violations are Class A violations if they create economic harm in excess of \$5,000 to a person or persons, property, or the environment, or create an economic benefit to the violator in excess of \$5,000; create a hazard or potential hazard to the health or safety of the public; or cause a risk to the reliability of a transmission or distribution system or a portion thereof.
      - (i) A violation related to the wholesale electric market, including protocols and other requirements established by an independent organization;
      - (ii) A violation related to electric service quality standards or reliability standards established by the commission or an independent organization;
      - (iii) A violation related to the code of conduct between electric utilities and their competitive affiliates;
      - (iv) A violation related to prohibited discrimination in the provision of electric service;
      - (v) A violation related to improper disconnection of electric service;
      - (vi) A violation related to fraudulent, unfair, misleading, deceptive, or anticompetitive business practices;
      - (vii) Conducting business subject to the jurisdiction of the commission without proper commission authorization, registration, licensing, or certification;
      - (viii) A violation committed by ERCOT;
      - (ix) A violation not otherwise enumerated in this paragraph (3)(B) of this subsection that creates a hazard or potential hazard to the health or safety of the public;
      - (x) A violation not otherwise enumerated in this paragraph (3)(B) of this subsection that creates economic harm to a person or persons, property, or the environment in excess of \$5,000, or creates an economic benefit to the violator in excess of \$5,000; and

- (xi) A violation not otherwise enumerated in this paragraph (3)(B) of this subsection that causes a risk to the reliability of a transmission or distribution system or a portion thereof.
- (c) **Application of enforcement provisions of other rules.** To the extent that PURA or other rules in this chapter establish a range of administrative penalties that are inconsistent with the penalty ranges provided for in subsection (b) of this section, the other provisions control with respect to violations of those rules.
- (d) **Assessment of administrative penalties.** In addition to the requirements of §22.246 of this title (relating to Administrative Penalties), a notice of violation recommending administrative penalties will indicate the class of violation.