

PROJECT NO. 24524

RULEMAKING TO IMPLEMENT	§	PUBLIC UTILITY COMMISSION
SB 1659, 77th LEGISLATURE,	§	
FORMAT OF	§	
TELECOMMUNICATIONS	§	
UTILITY BILLING STATEMENTS	§	OF TEXAS

**PROPOSAL FOR PUBLICATION OF AMENDMENT TO §26.25
AS APPROVED AT THE JUNE 6, 2002 OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes an amendment to §26.25, relating to Issuance and Format of Bills. The proposed amendment will implement Senate Bill 1659 (SB 1659), 77th Legislature, Public Utilities Regulatory Act (PURA) §55.016, which requires the establishment of an annual review of telecommunications companies' billing format changes. Project Number 24524 is assigned to this proceeding.

Janis Ervin, Senior Telecommunications Analyst, Telecommunications Division, has determined that for each year of the first five-year period the proposed section is in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the section.

Ms. Ervin has determined that for each year of the first five years the proposed section is in effect the public benefit anticipated as a result of enforcing the section will be a timely review of telecommunications utilities' billing statements for compliance with required standards. This amendment will require certificated telecommunications utilities (CTUs) to provide consumers

with brief, clear, non-misleading language describing the contents of telephone bills and increasing the clarity for consumers while reducing instances of slamming and cramming. There will be no adverse economic effect on small businesses or micro-businesses as a result of enforcing this section. There is no anticipated economic cost to persons who are required to comply with the section as proposed.

Janis Ervin has also determined that for each year of the first five years the proposed section is in effect there should be no effect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act §2001.022.

Comments on the proposed amendment (16 copies) may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326, within 30 days after publication. Reply comments may be submitted within 45 days after publication. Comments should be organized in a manner consistent with the organization of the proposed amendment. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed section. The commission will consider the costs and benefits in deciding whether to adopt the section. The commission requests that comments be limited to no more than 15 pages. All comments should refer to Project Number 24524.

This amendment is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.001 and §14.002 (Vernon 1998, Supplement 2002) (PURA), which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction; and specifically, PURA §55.016 which requires the commission to revise the procedure for evaluation of telecommunications utilities' billing statements.

Cross Reference to Statutes: Public Utility Regulatory Act §§14.001, 14.002, and 55.016.

§26.25. Issuance and Format of Bills.

(a) **Application.** The provisions of this section apply to residential-customer bills issued by all certificated telecommunications utilities (CTUs). ~~CTUs shall comply with the changes required by this section within six months of the effective date of the section.~~

(b) **Purpose.** The purpose of this section is to specify the information that should be included in ~~a user-friendly, simplified format for residential customer bills that include charges for local exchange telephone service.~~

(c) (No change.)

(d) **Billing information.**

(1) All residential customers shall receive their bills via the United States mail, or other mail service, unless the customer agrees with the CTU to receive a bill through different means, such as electronically via the Internet.

(2) Customer billing sent through the United States mail, or other mail service, shall be sent in an envelope or by any other method that ensures the confidentiality of the customer's telephone number and/or account number.

(3) (No change.)

(e) **Bill content requirements.** The following requirements apply to bills sent via the U.S. mail, or other mail service. Bills rendered via the Internet shall provide the information specified in this subsection in a readily discernible manner.

(1) The first page of each residential customer's bill containing charges for local exchange telephone service shall include the following information, clearly and conspicuously displayed:

(A) — (B) (No change.)

(C) a notification of any change in the identity of a service provider, ~~including the identity of the new service provider and notification to the customer that a new provider has begun providing service.~~ The notification should describe the nature of the relationship with the customer, including the description of whether the new service provider is the presubscribed local exchange or interexchange carrier. For purposes of this subparagraph, "new service provider" means a service provider that did not bill the customer for services during the service provider's last billing cycle. This definition shall include only providers that have continuing relationships with the customer that will result in periodic charges on the customer's bill, unless the service is subsequently canceled. This notification may be accomplished with a sentence that directs the customers to details of this change located elsewhere on the bill.

(D) (No change.)

~~(2) Each residential customer's bill shall include the following information, clearly and conspicuously displayed, on the first page or in a subsequent section dealing with local exchange telephone service:~~

~~(A) the total amount being charged for basic local telecommunications service, including any charges for mandatory extended/expanded calling scope services and, consistent with paragraph (8) of this subsection, any applicable fees or surcharges authorized by a governmental or regulatory entity;~~

~~(B) the service description and total amount being charged for any optional local services provided by the billing CTU, including charges for any optional extended/expanded calling scope services and, consistent with paragraph (8) of this subsection, any applicable fees or surcharges authorized by a governmental or regulatory entity; and~~

~~(C) the total amount being charged for taxes related to subparagraphs (A) and (B) of this paragraph.~~

(2)(3) Each residential customer's bill also shall include the following information in a manner that provides customers sufficient information to understand the basis and source of the charges in the bill, clearly and conspicuously displayed:

(A) the service descriptions and charges for local service provided by the billing CTU;

- (B)(A) the service descriptions and charges, ~~including any applicable fees or surcharges authorized by a governmental or regulatory entity,~~ for non-local services provided by the billing CTU; ~~—In addition, the charges for such non local services may be displayed as a subtotal in a manner that is consistent with paragraph (8) of this subsection;~~
- (C)(B) the service description, service provider's name, and charges, ~~including any applicable fees or surcharges authorized by a governmental or regulatory entity,~~ for any services provided by parties other than the billing CTU, with a separate line for each different provider. ~~—In addition, the charges for services provided by other parties may be displayed as a subtotal or subtotals in a manner that is consistent with paragraph (8) of this subsection;~~
- (D)(C) applicable taxes, fees and surcharges ~~associated with the charges required by subparagraphs (A) and (B) of this paragraph, stated separately or as a combined charge if such combination is stated;~~
- (E)(D) the billing period or billing end date; and
- (F)(E) an identification of those charges for which non-payment will not result in disconnection of basic local telecommunications service, along with an explicit statement that failure to pay these charges will not result in the loss of basic local service; or an identification of those charges that must be paid to retain basic local telecommunications service, along

with an explicit statement that failure to pay these charges will result in the loss of basic local service.

- (3)(4) Charges must be accompanied by a brief, clear, non-misleading, plain-language description of the service being rendered. The description must be sufficiently clear in presentation and specific enough in content to enable customers to accurately assess the services for which they are being billed. Additionally, explanations shall be provided for any non-obvious abbreviations, symbols, or acronyms used to identify specific charges.
- (4)(5) Charges for bundled-service packages that include basic local telecommunications service are not required to be separately stated. ~~separated pursuant to paragraph (2)(A) (B) of this subsection; however,~~ However a brief, clear, non-misleading, plain-language description of the services included in a bundled-service package is required to be provided either in the description or as a footnote.
- ~~(6) Non recurring local charges, such as service installation charges and per use charges, may be included in the totals required by paragraph (2)(A) (B) of this subsection; alternatively, such charges may be displayed as a separate category(ies) in the section dealing with local exchange telephone service. If the totals required by paragraph (2)(A) (B) of this subsection include such charges, the CTU shall so state and identify the charges in a more detailed itemization elsewhere in the section dealing with local exchange telephone service.~~

(5)(7) Each customer's bill shall include specific per-call detail for time-sensitive charges, itemized by service provider and by telephone or account number (if the customer's bill is for more than one such number). Each customer's bill shall include the rate and specific number of billing occurrences for per-use services, itemized by service provider and by telephone or account number. Additionally, time-sensitive charges and per-use charges may be displayed as subtotals in summary sections of the bill.

~~(6)(8) Flat monthly fees or surcharges, including the 911 service fee, the Federal Communications Commission's subscriber line charge, and the number portability charge, related to governmental or regulatory actions shall be included in the amount for basic local telecommunications service described in paragraph (2)(A) of this subsection; the portion of the Texas Universal Service Fund (TUSF) assessment and other percentage of revenue based assessments related to local exchange telephone service may be included in the amount for basic local telecommunications service or may be allocated to basic local telecommunications services and optional local services on a proportionate basis. The portion of the TUSF assessment and other percentage of revenue based assessments related to non local services shall not be included in either subtotal for local service. Each subtotal for local service, and any subtotal for non local services, must clearly indicate by an asterisk, footnote, or other conspicuous statement any such assessments included in the subtotal. Similarly,~~

~~if~~ If federal law or regulation requires that a charge be separately stated, using standardized labels, that requirement may be satisfied by use of an asterisk or footnote reference, or other conspicuous statement. If the specific amount of each assessment is not shown on the bill, the CTU must clearly indicate on the bill a toll-free method, including a toll-free telephone number, by which the customer may obtain information regarding such amount and its method of calculation.

- (7)(9) Bills shall provide a toll-free number that a customer can call to resolve disputes and obtain information from the CTU. If the CTU is billing the customer for any services from another service provider, the bill shall identify the name of the service provider and provide a toll-free number that the customer can call to resolve disputes or obtain information from that service provider.
- (f) **Compliance review of bill formats** ~~bills~~. A CTU shall file for review a copy of any portion of its bill format that has not previously been reviewed and approved by the commission pursuant to this section. The CTU will be advised if the format does or does not comply with the requirements of this section. Two alternative projects will be established for such reviews. CTUs may submit new or altered bill formats in either of these projects as follows:~~Within 45 days of the effective date of this section, CTUs may seek review from the commission of sample bills that are intended to comply with the requirements of this section.~~

- (1) **Expedited review.** The commission staff shall establish a project for expedited reviews. CTUs may submit proposed new bills or bill format changes prior to implementation in the expedited review project. A notice of sufficiency or a notice of deficiency will be issued to the CTU within 15 business days. The CTU may appeal a notice of deficiency by requesting its submission be docketed for further review or may respond with a revised submission that corrects the deficiency within ten business days of the deficiency notice. The CTU's revised submission will be reviewed and either a notice of sufficiency or a notice of deficiency will be issued within 15 business days. This process will be repeated until the CTU's submission has received a notice of sufficiency or the CTU has requested that its submission be docketed as a contested case. A contested case may also be requested by commission staff to resolve disputes regarding the CTU's submission.
- (2) **Annual review.** The commission staff shall establish a project for annual reviews. CTUs may choose to file bill format changes in the annual review project. If the CTU's bill format change has already been approved pursuant to paragraph (1) of this subsection, the CTU does not need to file the same changes under the annual review process. Submissions for annual review must be made between September 1st and October 1st each year. All submissions shall be responded to with a notice of sufficiency or deficiency issued no later than November 15th of that year. A CTU may appeal a notice of deficiency by

requesting its submission be docketed for further review or may respond with a revised submission that corrects the deficiency within ten business days of the deficiency notice. Revised submissions will be reviewed within 15 business days and a new notice of either sufficiency or deficiency will be issued. This process will be repeated until the CTU's submission has received a notice of sufficiency or the CTU has requested that its submission be docketed as a contested case. A contested case may also be requested by commission staff to resolve disputes regarding the CTU's submission.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 7th DAY OF JUNE 2002 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
RHONDA G. DEMPSEY**