

**PROJECT NO. 37215**

<b>RULEMAKING PROCEEDING TO</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>ADOPT COMMON TERMS</b>	<b>§</b>	
<b>RELATED TO BILLING OF</b>	<b>§</b>	<b>OF TEXAS</b>
<b>TELECOMMUNICATIONS</b>	<b>§</b>	
<b>SERVICES</b>	<b>§</b>	

**PROPOSAL FOR PUBLICATION OF AMENDMENT TO §26.25  
AS APPROVED AT THE JULY 30, 2009 OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes an amendment to §26.25, relating to Issuance and Format of Bills. The amendment will implement certain provisions of Texas House Bill 1822, 81st Leg. (2009) (HB1822), Public Utilities Regulatory Act (PURA) §§17.003(c), 17.004(a), and 17.102, pertaining to a list of defined terms common to the telecommunications industry. The proposed rule, if adopted, would require certificated telecommunications utilities (CTUs) to use specific defined terms in billing their customers. The defined terms in this amendment use “charge” to define amounts applied at the discretion of the CTU, “fee” to define amounts that are designated by a governmental agency to be used for a specific purpose, and “tax” to define amounts that are designated by a governmental agency without a designated purpose. Project Number 37215 is assigned to this proceeding.

Cliff Crouch, Retail Market Analyst, has determined that for each year of the first five-year period the section is in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the amendment.

Mr. Crouch has determined that for each year of the first five-year period the amendment is in effect the public benefit anticipated as a result of enforcing or administering the amendment will be that customers of CTUs will have a clearer understanding of charges on their bills. The amendment is also proposed to implement certain provisions of HB 1822. There may be economic costs to persons who are required to comply with the amendment. These costs are associated with the modifications to company billing systems and are likely to vary from business to business and are difficult to ascertain, but they are not expected to be significant. However, it is believed that the benefits accruing from the implementation of the amendment will outweigh these costs. These costs may result in an adverse economic effect on approximately 36 small businesses or micro-businesses that are incumbent local exchange companies. Additionally, there are approximately 500 competitive local exchange companies (CLECs) certificated in Texas. It is not known if all of these CLECs provide services and how many of them meet the definition of a small or micro-business, but it is expected that some of them are small or micro-businesses and will experience an adverse economic impact as a result of the amendment. The commission considered proposing a more extensive list of required terms, but concluded that benefits to customers of requiring a more extensive list would probably be outweighed by the increased implementation costs to CTUs. HB 1822 includes a deadline for adoption of rule of December 1, 2009, so the commission has not had time to conduct an extensive evaluation of the costs and benefits of various alternatives. It requests that parties that comment on the proposed rule address the question of costs and benefits of this proposal and any alternatives that are recommended in their comments.

Mr. Crouch has also determined that for each year of the first five years the amendment 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, Texas Government Code §2001.022.

The commission staff will conduct a public hearing on this rulemaking, if requested pursuant to the Administrative Procedure Act, Texas Government Code §2001.029, at the commission's offices located in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas 78701 on Wednesday, October 7, 2009. The request for a public hearing must be received within 30 days after publication.

Initial comments on the amendment 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 31 days after publication, and reply comments may be submitted within 45 days after publication. Sixteen copies of comments on the amendment are required to be filed pursuant to §22.71(c) of this title. Comments should be organized in a manner consistent with the organization of the rule as amended. All comments should refer to Project Number 37215.

The amendment is proposed under the Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §14.002 (Vernon 2007 & Supp. 2008) (PURA), which provides the commission with the authority to make and enforce rules reasonably required in the exercise of its

powers and jurisdiction; and specifically, PURA §17.001, which directs the commission to adopt and enforce customer protection rules; §17.003(c), which requires the commission to require CTUs to give clear and understandable information to customers about rates and to use a list of defined terms; §17.004(a), which provides that customers are entitled to bills that are presented in clear, readable and easy-to-understand language that uses terms defined in the rules adopted under §17.003; §17.102, which directs the commission to adopt and enforce rules requiring that charges on a CTU's bill be clearly and easily identified, using terms defined in the rules adopted under §17.003; and §55.016, which authorizes the commission to enforce a requirement bills for telecommunications services provide sufficient information for customers to understand the basis and source of the charges and identify all charges.

Cross Reference to Statutes: Public Utility Regulatory Act §§14.002, 17.001, 17.003(c), 17.004(a), 17.102, 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) - (d) (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) - (2) (No change.)

(3) 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. The CTU shall use the terms and definitions in paragraph (7) of this subsection to the extent they apply to the customer's bill.

(4) - (6) (No change.)

(7) Defined terms.

- (A) **Federal excise tax** -- Federal tax assessed on non-usage sensitive basic local service that is billed separately from long distance service.
- (B) **Federal subscriber line charge** -- A charge that the Federal Communications Commission (FCC) allows a CTU to impose on its customers to recover costs associated with interstate access to the local telecommunications networks. The FCC does not require a CTU company to impose this charge and the CTU does not remit the charge to the federal government. The charge may be used by the CTU to pay for a part of the cost of lines, wires, poles, conduit, equipment and facilities that provide interstate access to the local telecommunications network.
- (C) **Federal universal service fee** -- A federal fee for a fund that supports affordable basic phone service to all Americans, including schools, libraries, and rural health care providers. CTUs impose this fee to cover their required support for the fund. The fee is set by the FCC.
- (D) **Late payment charge** -- A charge assessed by a CTU when payment is not received by the due date.
- (E) **Municipal right-of-way fee** -- A fee used to compensate municipalities for the use of their rights-of-way.
- (F) **Municipal sales tax** -- Sales tax assessed by a customer's city.

- (G) **PUC fee** -- A fee assessed on the gross receipts of certain telecommunications companies to defray costs incurred in the administration of the Public Utility Regulatory Act.
- (H) **Texas universal service fee** -- A state fee for a fund that supports affordable service to customers in high-cost rural areas, funds the Relay Texas service and related assistance for the hearing-disabled, and funds telecommunications services discounts for low-income customers (Tel-Assistance and Lifeline). The fee is set by the Public Utility Commission.
- (I) **9-1-1 fee** -- A fee used to fund the 9-1-1 telephone network that allows callers to reach a public safety agency when they dial the digits “9-1-1”. The amount of the fee varies by region and is set by the Texas Commission on State Emergency Communications.
- (J) **9-1-1 equalization fee** -- A fee used to provide financial support for regions where the 9-1-1 fee does not fully offset the of 9-1-1 service. The fee is imposed on each customer receiving intrastate long-distance service. The fee is set by the Texas Commission on State Emergency Communications.
- (f) (No change.)
- (g) **Effective date.** The amendments to this section adopted in 2009 are effective [90 days after adopted by the commission].

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

**ISSUED IN AUSTIN, TEXAS ON THE 30<sup>th</sup> DAY OF JULY 2009 BY THE  
PUBLIC UTILITY COMMISSION OF TEXAS  
ADRIANA A. GONZALES**