

PROJECT NO. 45132

RULEMAKING PROCEEDING TO	§	PUBLIC UTILITY COMMISSION
AMEND 16 TAC §26.24, RELATING TO	§	
CREDIT REQUIREMENTS AND	§	OF TEXAS
DEPOSITS, AND §26.27, RELATING TO	§	
BILL PAYMENT AND ADJUSTMENTS	§	
	§	

**ORDER ADOPTING AMENDMENTS TO §26.24 AND §26.27,
AS APPROVED AT THE FEBRUARY 11, 2016 OPEN MEETING**

The Public Utility Commission of Texas (commission) adopts amendments to §26.24, relating to Credit Requirements and Deposits, and §26.27, relating to Bill Payment and Adjustments, with no changes to the proposed text as published in the November 20, 2015 issue of the *Texas Register* (40 TexReg 8088). The proposed amendments will implement legislative changes made by Senate Bill 734 of the 84th Legislature, Regular Session. The amendments will make clear that the annual interest rate shall be set by the commission on or before December 1 of each calendar year to be used for the next calendar year. Project Number 45132 is assigned to this proceeding.

The commission did not receive comments on the proposed amendments. The commission did not receive a request for a public hearing.

The amendments are adopted under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (West 2007 and Supp. 2015) (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, the amendments made to §183.003 of the Utilities Code, by Senate

Bill 734 of the 84th Legislature, Regular Session, which directs the commission on when to set the rate of interest for the following calendar year.

Cross Reference to Statutes: Public Utility Regulatory Act §14.002, Senate Bill 734, and Utilities Code §183.003.

§26.24. Credit Requirements and Deposits.**(a) Dominant certificated telecommunications utility (DCTU).****(1) Credit requirements for permanent residential applicants.**

(A) A DCTU may require a residential applicant for local telecommunications service to establish and maintain satisfactory credit as a condition of providing service.

(i) Establishment of credit or payment of a deposit shall not relieve any customer from complying with the DCTU's requirements for prompt payment of bills.

(ii) The creditworthiness of spouses established during the last 12 months of shared service prior to their divorce will be equally applied to both spouses for 12 months immediately after their divorce.

(B) A residential applicant can demonstrate satisfactory credit using one of the criteria listed in clauses (i) - (iv) of this subparagraph.

(i) Payment record. The residential applicant:

(I) has been a customer of any DCTU for residential local telecommunications service within the last two years;

(II) is not delinquent in payment of any residential DCTU service;

- (III) during the last 12 consecutive months of service was not late in paying a bill more than once and did not have service disconnected for nonpayment; and
 - (IV) upon request, shall receive a letter of credit history from the applicant's previous DCTU. DCTUs are required to keep payment history for two years after termination of service to a customer.
- (ii) Other means. The residential applicant demonstrates a satisfactory credit rating by appropriate means, including, but not limited to, the production of:
- (I) generally accepted credit history;
 - (II) letters of credit reference;
 - (III) the names of credit references which may be quickly and inexpensively contacted by the utility; or
 - (IV) ownership of substantial equity that is easily liquidated.
- (iii) Senior applicant. The residential applicant is 65 years of age or older and does not have an outstanding residential service account balance incurred within the last two years with a DCTU.
- (iv) Victim of family violence: The residential applicant has been determined to be a victim of family violence as defined in Texas Family Code §71.004, by a family violence center as defined in

Texas Human Resources Code §51.002, by treating medical personnel, by law enforcement personnel, by the Office of a Texas District Attorney or County Attorney, by the Office of the Attorney General, or by a grantee of the Texas Equal Access to Justice Foundation. This determination shall be evidenced by submission of a certification letter developed by the Texas Council on Family Violence.

- (C) The DCTU may require the applicant to pay a deposit only if the applicant does not demonstrate satisfactory credit using the criteria in subparagraph (B) of this paragraph.
- (2) **Credit requirements for non-residential applicants.** The DCTU may require a non-residential applicant to pay a deposit if the applicant's credit for service has not been demonstrated satisfactorily to the DCTU.
- (3) **Credit requirements for temporary or seasonal service and for weekend residences.** The DCTU may establish credit policy and deposit requirements to reasonably protect it against the assumed risk for temporary or seasonal service or service to a weekend residence, as long as the policy and requirements are applied in a uniform and nondiscriminatory manner. The DCTU shall return deposits according to guidelines set out in paragraph (11) of this subsection.

(4) **Initial deposits.**

- (A) A residential applicant or customer who is required to pay an initial deposit may provide the DCTU with a written letter of guarantee instead of paying a cash deposit.
- (B) A DCTU shall not require an initial deposit from an existing customer unless the customer was late paying a bill more than once during the last 12 months of service or had service disconnected for nonpayment. The customer may be required to pay this initial deposit within ten days after issuance of a written disconnection notice that requests such deposit. Instead of an initial deposit, the customer may pay the total amount due on the current bill by the due date of the bill, provided the customer has not exercised this option in the previous 12 months.

(5) **Additional deposits.**

- (A) During the first 12 months of service, the DCTU may request an additional deposit if the customer's actual usage:
- (i) is at least three times estimated usage (or three times average usage of the three most recent bills);
 - (ii) exceeds \$150; and
 - (iii) exceeds 150% of the security held.
- (B) A DCTU may also require an additional deposit if:

- (i) actual billings of a residential customer are at least twice the amount of the estimated billings after two billing periods;
 - (ii) actual billings of a non-residential customer are at least twice the amount of the estimated billings; and
 - (iii) a suspension or disconnection notice was issued for the account within the previous 12 months.
- (C) A DCTU may require an additional deposit be paid within ten days after issuing written notice of suspension or disconnection and requesting an additional deposit.
- (D) Instead of an additional deposit, a residential customer may elect to pay the total amount due on the current bill by the due date of the bill, provided the customer has not exercised this option in the previous 12 months.
- (E) The DCTU may disconnect service if the additional deposit or the current usage payment is not paid within ten days of request provided a written suspension or disconnection notice has been issued to the customer. A suspension or disconnection notice may be issued concurrently with the written request for the additional deposit or current usage payment.

- (6) **Amount of deposit.** When a DCTU requires a deposit:
- (A) The total of all deposits, initial and additional, shall not exceed an amount equivalent to one-sixth of the estimated annual billing, except as provided in §26.29 of this title (relating to Prepaid Local Telephone Service).
 - (B) The estimated annual billings shall not include charges that are not in a DCTU's tariff.
 - (C) For residential applicants and customers:
 - (i) estimated annual billings:
 - (I) shall not include long distance charges from other service providers;
 - (II) may include charges for tariffed local telecommunications services;
 - (III) may include charges for intraLATA toll only if the DCTU or its affiliate is providing this service to the customer; and
 - (IV) may include charges for interLATA toll only if the DCTU or its affiliate is providing this service to the customer.
 - (ii) the deposit amount related to local telecommunications service and long distance service shall be separately identified.

- (iii) the deposit amount related only to basic local telecommunications service may be required as a condition for providing basic local telecommunications services.
 - (D) For non-residential applicants and customers, estimated annual billings may include long distance charges only when the DCTU bills those charges.
- (7) **Interest on deposits.**
 - (A) Each DCTU requiring deposits shall pay interest, compounded annually, on these deposits. The annual rate shall be at least equal to that set by the commission on or before December 1 of the preceding calendar year, pursuant to Texas Utilities Code Annotated §183.003 (relating to Rate of Interest).
 - (i) If a deposit is refunded within 30 days of receipt, no interest payment is required.
 - (ii) If the utility keeps the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.
 - (B) Payment of the interest to the customer shall be made annually, if requested by the customer, or at the time the deposit is returned or credited to the customer's account.
 - (C) The deposit shall draw interest until the date it is returned or credited to the customer's account.

- (8) **Notification to applicants and customers.** When a deposit is required, the DCTU shall explain to applicants or customers the terms and conditions related to deposits and refunds.
- (9) **Records of deposits.** The DCTU shall:
- (A) Keep records to show:
 - (i) the name and address of each depositor;
 - (ii) the amount and date of the deposit; and
 - (iii) each transaction concerning the deposit;
 - (B) Issue a receipt of deposit to each applicant or customer paying a deposit and provide means for a depositor to establish claim if the receipt is lost;
 - (C) Keep deposit records for one year after a deposit is refunded;
 - (D) Maintain each unclaimed deposit for at least four years;
 - (E) Make a reasonable effort to return an unclaimed deposit;
 - (F) Upon the sale or transfer of any DCTU or any of its operating units, provide the buyer with all deposit records.
- (10) **Guarantees of residential customer accounts.**
- (A) A guarantee between a DCTU and a guarantor must be in writing and shall be for no more than the amount of deposit the DCTU would require on the

customer's account pursuant to paragraph (6) of this subsection. The amount of the guarantee shall be clearly indicated in the signed agreement.

- (B) The guarantee shall be voided and returned to the guarantor according to the provisions of paragraph (11) of this subsection.
- (C) Upon default by a residential customer, the guarantor of that customer's account shall be responsible for the unpaid balance of the account only up to the amount in the written agreement.
- (D) The DCTU shall provide written notification to the guarantor of the customer's default, the amount owed by the guarantor, and the due date for the amount owed.
 - (i) The DCTU shall allow the guarantor 16 days from the date of notification to pay the amount owed on the defaulted account. If the sixteenth day falls on a holiday or weekend, the due date shall be the next work day.
 - (ii) The DCTU may transfer the amount owed on the defaulted account to the guarantor's own service bill provided the guaranteed amount owed is identified separately on the bill.
- (E) The DCTU may disconnect service to the guarantor for nonpayment of the guaranteed amount only if the disconnection was included in the terms of the written agreement and only after proper notice as described by

subparagraph (D) of this paragraph, and §26.28 of this title (relating to Suspension or Disconnection of Service).

(11) **Refunding deposits and voiding letters of guarantee.**

- (A) If service is not connected, or is disconnected, the DCTU shall:
- (i) promptly void and return to the guarantor all letters of guarantee on the account; or
 - (ii) provide written documentation that the contract has been voided; or
 - (iii) refund the applicant's or customer's deposit plus accrued interest on the balance in excess of the unpaid bills for service furnished.
- (B) If residential service is disconnected, the DCTU shall ensure that the deposit amount for local telecommunications service is applied first to local telecommunications service charges.
- (C) A transfer of service from one premise to another within the service area of the DCTU is not a disconnection.
- (D) The DCTU shall promptly refund the deposit plus accrued interest to the customer, or void and return the guarantee, or provide written documentation that the contract has been voided, when the customer:

- (i) paid bills for 12 consecutive residential billings or for 24 consecutive non-residential billings without having service disconnected for nonpayment;
- (ii) was not late in paying a bill more than twice in the last 12 consecutive billings (24 for non-residential); and
- (iii) is not delinquent in the payment of the current bill.

(E) If the customer does not meet the refund criteria in subparagraph (D) of this paragraph, the DCTU may retain the deposit and interest or the letter of guarantee.

(12) **Re-establishment of credit.**

- (A) Before service is reconnected, the DCTU may require an applicant whose service was previously disconnected for nonpayment or theft of service, to reestablish credit and to pay:
 - (i) all amounts due the DCTU; or
 - (ii) execute a deferred payment agreement, if offered.
- (B) The DCTU must prove that the amount due for services furnished and any other charges required as a condition of local service restoration are correct.
- (C) The DCTU may require a residential applicant to pay or execute a deferred payment agreement only for the total amount due for tariffed local

telecommunications service in order to receive basic local telecommunications service.

- (13) **Customer credit and deposit information.** A DCTU shall safeguard customer credit and deposit information in accordance with §26.122 of this title (relating to Customer Propriety Network Information).

(b) **Non-dominant certificated telecommunications utility (NCTU).**

- (1) **Credit requirements for permanent residential applicants.** An NCTU may require a residential applicant for local telecommunications service to establish and maintain satisfactory credit as a condition of providing service.
- (A) Establishment of credit or payment of a deposit shall not relieve any customer from complying with the NCTU's requirements for prompt payment of bills.
- (B) The creditworthiness of spouses established during the last 12 months of shared service prior to their divorce will be equally applied to both spouses for 12 months immediately after their divorce.
- (2) **Amount of deposit.** When an NCTU requires a deposit:
- (A) The total of all deposits, initial and additional, shall not exceed an amount equivalent to one-sixth of the estimated annual billing.
- (B) For residential applicants and customers:

- (i) estimated annual billings shall not include long distance charges from other non-affiliated service providers;
 - (ii) the deposit amount related to local telecommunications service and long distance service shall be separately identified; and
 - (iii) the deposit amount related only to basic local telecommunications service may be required as a condition for providing basic local telecommunications services.
- (3) **Interest on deposits.**
 - (A) Each NCTU requiring deposits shall pay interest, compounded annually, on these deposits. The annual rate shall be at least equal to that set by the commission on or before December 1 of the preceding calendar year, pursuant to Texas Utilities Code Annotated §183.003 (relating to Rate of Interest).
 - (i) If a deposit is refunded within 30 days of receipt, no interest payment is required.
 - (ii) If the utility keeps the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.
 - (B) Payment of interest shall be made at the time a deposit is returned or credited to the customer's account.
 - (C) The deposit shall draw interest until the day it is returned or credited to the customer's account.

- (4) **Notification to applicants and customers.** When a deposit is required, the NCTU shall explain to applicants or customers the terms and conditions related to deposits and refunds.
- (5) **Records of deposits.** The NCTU shall:
- (A) Keep records to show:
 - (i) the name and address of each depositor;
 - (ii) the amount and date of the deposit; and
 - (iii) each transaction concerning the deposit;
 - (B) Issue a receipt of deposit to each applicant or customer paying a deposit and provide means for a depositor to establish claim if the receipt is lost;
 - (C) Keep deposit records for one year after a deposit is refunded;
 - (D) Maintain each unclaimed deposit for at least four years;
 - (E) Make a reasonable effort to return an unclaimed deposit; and
 - (F) Upon the sale or transfer of any NCTU or any of its operating units, provide the buyer with all deposit records.
- (6) **Refunding deposits.**
- (A) If service is not connected, or is disconnected, the NCTU shall promptly refund the customer's deposit plus accrued interest on the balance in excess of the unpaid bills for service furnished.

- (B) If residential service is disconnected, the NCTU shall ensure that the deposit amount for local telecommunications service is applied first to local telecommunications service charges.
 - (C) An NCTU shall refund the deposit and interest when the customer meets the NCTU's refund criteria.
- (7) **Customer credit and deposit information.** An NCTU shall safeguard customer credit and deposit information in accordance with §26.122 of this title.
- (c) **NCTU implementation.** NCTUs shall implement this section no later than March 1, 2001.

§26.27. Bill Payment and Adjustments.**(a) Dominant certificated telecommunications utility (DCTU).**

- (1) **Bill due date.** The bill provided to the customer shall include the payment due date, which shall not be less than 16 days after issuance.
 - (A) The issuance date is the postmark date on the envelope containing the bill or the issuance date on the bill if there is no postmark or envelope.
 - (B) Payment for service is delinquent if not received at the DCTU or at the DCTU's authorized payment agency by close of business on the due date.
 - (C) If the sixteenth day falls on a holiday or weekend, then the due date shall be the next work day after the sixteenth day.
- (2) **Penalty on delinquent bills for retail service.** A DCTU providing any service to the state, including service to an agency in any branch of government, shall not assess a fee, penalty, interest, or other charge to the state for delinquent payment of a bill.
- (3) **Billing adjustments.**
 - (A) **Service interruptions.** In the event a customer's service is interrupted other than by the negligence or willful act of the customer, and it remains interrupted for 24 hours or longer after being reported and after access to the premises is made available, an appropriate refund shall be made to the customer.

- (i) The amount of refund shall be:
 - (I) determined on the basis of the known period of interruption, generally beginning from the time the service interruption is first reported; and
 - (II) the refund to the customer shall be the proportionate part of the month's flat rate charges for the period of days and that portion of the service facilities rendered useless or inoperative.

- (ii) The refund may be made by a credit on a subsequent bill.

(B) Overbilling. If charges are found to be higher than authorized by the DCTU's tariffs or the terms and conditions of service, an appropriate refund shall be made to the customer.

- (i) The refund shall be made for the entire period of the overbilling.

- (ii) If the overbilling is corrected within three billing cycles of the initial bill in error, interest is not required to be paid on the overcharge.

- (iii) If the overbilling is not corrected within three billing cycles of the initial bill in error, interest shall be paid on the amount of the overcharges. The minimum interest to be paid shall be based on the rate set by the commission on or before December 1 of the

preceding calendar year, compounded monthly, and accruing from the date of payment or the initial date of the bill in error.

(iv) The refund may be made by a credit on a subsequent bill, unless the customer requests otherwise.

(C) Underbilling. If charges are found to be lower than authorized by the DCTU's tariffs or terms and conditions of service, or if the DCTU failed to bill the customer for service, then:

(i) The customer may be backbilled for the amount that was underbilled for no more than six months from the date the error was discovered unless underbilling is a result of theft of service by the customer.

(ii) Service may be disconnected if the customer fails to pay charges arising from an underbilling.

(iii) If the underbilling is \$50 or more, the DCTU shall offer the customer a deferred payment plan option for the same length of time as that of the underbilling. A deferred payment plan need not be offered to a customer whose underpayment is due to theft of service.

(iv) Interest on underbilled amounts shall:

(I) not be charged unless such amounts are found to be the result of theft of service by the customer; and

- (II) not exceed an amount based on the rate set by the commission on or before December 1 of the preceding calendar year, compounded monthly, and accruing from the day the customer is found to have first tampered with, bypassed, or diverted service.
- (4) **Disputed bills.** If there is a dispute between a customer and a DCTU about any bill for DCTU service, the DCTU shall:
 - (A) investigate and report the results to the customer; and
 - (B) inform the customer of the complaint procedures of the commission in accordance with §26.30 of this title (relating to Complaints), if the dispute is not resolved.
- (5) **Notice of alternative payment programs or payment assistance.** When a customer contacts a DCTU and indicates inability to pay a bill or need of assistance with payment, the DCTU shall inform the customer of all alternative payment options and payment assistance programs available from the DCTU, such as payment arrangements, deferred payment plans, and disconnection moratoriums for the ill, as applicable, and of the eligibility requirements and application procedure for each.
- (6) **Payment arrangement.** A payment arrangement is any agreement between the DCTU and a customer that allows the customer to pay the outstanding bill after its due date but before the due date of the next bill.

- (A) A payment arrangement may be established in person or by telephone.
 - (B) If the DCTU issued a suspension or disconnection notice before the payment arrangement was made, that suspension or disconnection shall be suspended until after the due date for the payment arrangement.
 - (C) If a customer does not fulfill the obligations of the payment arrangement, the DCTU may suspend or disconnect service after the later of the due date for the payment arrangement or the suspension or disconnection date indicated in the notice in accordance with §26.28 of this title (relating to Suspension or Disconnection of Service), without issuing an additional notice.
- (7) **Deferred payment plan.** A deferred payment plan is any written agreement between the DCTU and a customer that allows a customer to pay an outstanding bill in installments that extend beyond the due date of the next bill.
- (A) The terms of a deferred payment plan may be established in person or by telephone, but must be put in writing to be effective.
 - (B) The DCTU shall offer a deferred payment plan to any residential customer, including a guarantor of any residential customer, who has expressed an inability to pay all of the bill, if that customer has not been issued more than two suspension or disconnection notices during the preceding 12 months.

- (C) Every deferred payment plan shall provide that the delinquent amount may be paid in equal installments over at least three billing cycles.
- (D) When a residential customer has received service from its current DCTU for less than three months, the DCTU is not required to offer a deferred payment plan if the residential customer lacks:
- (i) sufficient credit; or
 - (ii) a satisfactory history of payment for service from a previous DCTU.
- (E) Every deferred payment plan offered by a DCTU:
- (i) shall state, immediately preceding the space provided for the customer's signature and in boldface type no smaller than 14 point size, the following: **“THIS IS A BINDING CONTRACT”** followed by **“If you are not satisfied with this contract, or if agreement was made by telephone and you feel this contract does not reflect your understanding of that agreement, contact the utility immediately and do not sign this contract. If you do not contact the utility, or if you sign this agreement, you may give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement.”**

- (I) In addition, if the customer and the DCTU representative or agent meet in person, the DCTU representative shall read the preceding statement to the customer.
- (II) The DCTU shall provide information to the customer as necessary in accordance with §26.26 of this title (relating to Foreign Language Requirements) to make the preceding statement understandable to the customer;
 - (ii) may include a 5.0% penalty for late payment but shall not include a finance charge;
 - (iii) shall state the length of time covered by the plan;
 - (iv) shall state the total amount to be paid;
 - (v) shall state the specific amount of each installment;
 - (vi) shall allow the DCTU to disconnect service if a customer does not fulfill the terms of the deferred payment plan;
 - (vii) shall not refuse a customer participation in such a program on the basis of race, nationality, religion, color, sex, marital status, income level, or source of income and shall not unreasonably refuse a customer participation in such a program on the basis of geographic location;
 - (viii) shall be signed by the customer and a copy of the signed plan shall be provided to the customer; and

- (ix) shall allow either the customer or the DCTU to renegotiate the deferred payment plan, if the customer's economic or financial circumstances change substantially during the time of the plan.
- (F) A DCTU may disconnect a customer who does not meet the terms of a deferred payment plan.
 - (i) The DCTU may not disconnect service until a disconnection notice in accordance with §26.28 of this title has been issued to the customer indicating that the customer has not met the terms of the plan.
 - (ii) The DCTU may renegotiate the deferred payment plan agreement before disconnection.
 - (iii) No additional notice is required if the customer:
 - (I) did not sign the deferred payment plan;
 - (II) is not otherwise fulfilling the terms of the plan; and
 - (III) was previously provided a disconnection notice for the outstanding amount.
- (8) **Residential partial payments.** Residential service payment shall first be allocated to basic local telecommunications service.

(b) **Nondominant certificated telecommunications utility (NCTU).**

- (1) **Application:** Only paragraphs (3), (5) and (6) of this subsection apply to a deregulated company holding a certificate of operating authority or to an exempt carrier under PURA §52.154.
- (2) **Bill due date.** The bill provided to the customer shall include the payment due date, which shall not be less than 16 days after issuance.
 - (A) The issuance date is the postmark date on the envelope containing the bill or the issuance date on the bill if there is no postmark or envelope.
 - (B) Payment for service is delinquent if not received at the NCTU or at the NCTU's authorized payment agency by close of business on the due date.
 - (C) If the sixteenth day falls on a holiday or weekend, then the due date shall be the next work day after the sixteenth day.
 - (D) If the due date shown on the bill falls on a holiday or weekend, an NCTU shall include a statement on the bill or in the terms and conditions of service that informs the customer that the due date is extended to the next work day.
- (3) **Penalty on delinquent bills for retail service.** An NCTU providing any service to the state, including service to an agency in any branch of government, shall not assess a fee, penalty, interest, or other charge to the state for delinquent payment of a bill.

(4) **Billing adjustments.**

(A) **Overbilling.** If charges are higher than the NCTU's tariff, schedule, or price list terms and conditions of service, or a customer-specific contract, an appropriate refund shall be made to the customer:

(i) The refund shall be made for the entire period of the overbilling.

(ii) If the overbilling is corrected within three billing cycles of the initial bill in error, interest is not required to be paid on the overcharge.

(iii) If the overbilling is not corrected within three billing cycles of the initial bill in error, interest shall be paid on the amount of the overcharges. The minimum interest to be paid shall be based on the rate set by the commission on or before December 1 of the preceding calendar year, compounded monthly, and accruing from the date of payment or the initial date of the bill in error.

(iv) The refund may be made by a credit on a subsequent bill, unless the customer requests otherwise.

(B) **Underbilling.** If charges are found to be lower than authorized by the NCTU's tariff, schedule, or price list, terms and conditions of service, or a customer-specific contract, or if the NCTU failed to bill the customer for service, then:

- (i) The customer may be backbilled for the amount that was underbilled for no more than six months from the date the initial error was discovered unless underbilling is a result of theft of service by the customer.
- (ii) Service may be disconnected if the customer fails to pay charges arising from an underbilling.
- (iii) If the underbilling is \$50 or more, the NCTU shall offer the customer a payment plan option for the same length of time as that of the underbilling. A payment plan need not be offered to a customer whose underpayment is due to theft of service.
- (iv) Interest on underbilled amounts shall:
 - (I) not be charged unless such amounts are found to be the result of theft of service by the customer; and
 - (II) not exceed an amount based on the rate set by the commission on or before December 1 of the preceding calendar year, compounded monthly, and accruing from the day the customer is found to have first tampered with, bypassed, or diverted service.
- (5) **Disputed bills.** If there is a dispute between a customer and an NCTU about any bill for NCTU service, the NCTU shall:
 - (A) investigate and report the results to the customer; and

- (B) inform the customer of the complaint procedures of the commission in accordance with §26.30 of this title if the dispute is not resolved.
- (6) **Notice of alternative payment programs or payment assistance.** When a customer contacts an NCTU and indicates inability to pay a bill or need of assistance with payment, the NCTU shall inform the customer of any alternative payment options and payment assistance programs available to the customer.
- (7) **Residential partial payments.** Residential service payment shall first be allocated to basic local telecommunications service.
- (c) **NCTU implementation.** NCTUs shall implement this section no later than March 1, 2001.

This agency hereby certifies that the adoption has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority. It is therefore ordered by the Public Utility Commission of Texas that the amendments to §26.24, relating to Credit Requirements and Deposits, and §26.27, relating to Bill Payment and Adjustments are hereby adopted with changes to the text as proposed.

SIGNED AT AUSTIN, TEXAS the _____ day of FEBRUARY 2016.

PUBLIC UTILITY COMMISSION OF TEXAS

DONNA L. NELSON, CHAIRMAN

KENNETH W. ANDERSON, JR., COMMISSIONER

BRANDY MARTY MARQUEZ, COMMISSIONER