

The Public Utility Commission of Texas proposes new §26.25 relating to Issuance and Format of Bills. The existing §26.25, relating to Issuance and Format of Bills, has been proposed for repeal. (Because of the extensive changes being proposed, publishing an amendment to the existing §26.25 is less practical than the alternative of repealing the existing section and publishing a new §26.25.) The proposed new section seeks to establish minimum telecommunication bill information standards and format guidelines, to clarify information disseminated to customers in order to reduce cramming and slamming complaints, and to streamline current bills. Proposed §26.25 establishes the minimum requirements for bill content and structure as they relate to the mandates set forth in the Public Utility Regulatory Act (PURA) §55.012, Telecommunications Billing; in PURA §17.003(c) and §17.004(a)(8); and in the Federal Communications Commission's (FCC's) Truth-in-Billing guidelines (including but not limited to identification of service provider(s), new service providers, information regarding "deniable and non-deniable" charges, understandable descriptions of charges, standardized labeling for charges resulting from federal regulatory actions, and provisions for customer complaints). Proposed §26.25 also states billing frequency, content, and record-retention standards. Project Number 22130 has been assigned to this proceeding.

Rick Akin, Chief Policy Analyst, Office of Policy Development, 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.

Mr. Akin 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 to decrease the confusion associated with the proliferation of charges on telephone bills for separate services and products and of related surcharges, fees, and taxes. This proposed section would require certificated telecommunications utilities (CTUs) to provide consumers with brief, clear, non-misleading language describing the content within telephone bills that will increase bill clarity for consumers and reduce instances of slamming and cramming. There will be no effect on small businesses or micro-businesses as a result of enforcing this section. There will be some anticipated economic cost to persons who are required to comply with the section as proposed. However, the anticipated economic cost is outweighed by the benefit to telecommunications customers in the State of Texas.

Mr. Akin 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.

The commission staff will conduct a public hearing on this rulemaking under Government Code §2001.029 at the commission's offices, located in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas 78701, on Tuesday, May 2, 2000. The hearing will be held in the Commissioners' Hearing Room from 9:00 a.m. to noon.

Comments on the proposed new section (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 20 days after publication. Reply comments may be submitted within 30 days after publication. 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. All comments should refer to Project Number 22130.

The commission specifically invites comments on several matters. First, parties are invited to comment on the appropriateness of the proposed effective date, November 1, 2000, for billing changes in subsection (e)(1). Second, parties are invited to comment on whether and how the rule should accommodate billing over the Internet. For example, should all CTUs be required to give customers the option of receiving their bills via the United States mail or should CTUs be allowed to bill only over the Internet? For bills sent over the Internet, how should the first-page requirements of subsection (e)(1) be handled? Third, parties may comment on whether the

footnote or asterisked reference required by subsection (e)(4) must state the actual amount of the fee or surcharge or if a listing of the name of the fee or surcharge will suffice.

Lastly, parties are encouraged to work collaboratively with the commission to develop consumer-research data (through focus groups or other suitable marketing-research methods) showing that these rules will result in greater understanding by customers of their bills and will help customers to identify unauthorized telecommunications charges.

This new section is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 1998, Supplement 2000) (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. PURA §17.003 and §17.004, which were added by Senate Bill 86, Act of May 30, 1999, 76th Legislature, Regular Session, chapter 1579, 1999 Texas Session Law Service 5421, 5423 (Vernon) (codified as an amendment to PURA, Texas Utilities Code Annotated §17.003 and §17.004), grant the commission the authority to require a CTU to adopt rules that present clear, uniform and understandable information to customers about rates, services, terms, customer rights, and other necessary information that the commission deems appropriate. In addition, PURA §55.012, Telecommunications Billing, added by Senate Bill 560, Act of May 30, 1999, 76th Legislature, Regular Session, chapter 1212, 1999 Texas Session Law Service 4210, 4219 (Vernon) (codified as an amendment to

PURA, Texas Utilities Code Annotated §55.012), seeks to simplify and clarify bills issued by local exchange companies (LECs).

Cross Reference to Statutes: Public Utility Regulatory Act §§14.002, 17.003, 17.004, 55.002, and 55.012.

**§26.25. Issuance and Format of Bills.**

- (a) **Application.** The provisions of this section apply to all certificated telecommunications utilities (CTUs). The effective date for the changes required by subsection (e)(1) of this section is November 1, 2000.
  
- (b) **Purpose.** The purpose of this section is to specify a user-friendly, simplified format for residential customer bills that include charges for local exchange telephone service.
  
- (c) **Frequency of bills.** Bills of CTUs shall be issued monthly for any amount unless the bill covers service that is for less than one month, or unless the customer specifically requests a less frequent billing interval.
  
- (d) **Billing information.**
  - (1) All customers shall be given an option of receiving their bill via the United States mail.
  - (2) Customer billing sent through the United States mail 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) A CTU shall maintain monthly billing records for each of its accounts for at least two years after the date the bill is mailed. The billing records shall contain

sufficient data to reconstruct a customer's billing for a given month. A copy of a customer's billing records may be obtained by the customer upon request.

(e) **Bill content requirements.**

(1) The initial page of each customer's bill for telecommunications products and services shall include the following information:

- (A) the total amount being charged for basic local telecommunications service, if any, including any charges for mandatory extended/expanded calling scope services and any applicable fees or surcharges authorized by a governmental entity;
- (B) the service description and total amount being charged for any optional services provided by the billing CTU, including charges for any optional extended/expanded calling scope services, and any applicable fees or surcharges authorized by a governmental entity;
- (C) the service description, service provider's name and total amount being charged for any services provided by parties other than the billing CTU, with a separate line for each different provider, and any applicable fees or surcharges authorized by a governmental entity;
- (D) the total amount being charged for taxes, including any taxes applicable to the charges described by subparagraphs (A) - (C) of this paragraph;

- (E) the grand total amount due for all services being billed and the payment due date;
  - (F) the billing period or billing end date;
  - (G) an identification of the total amount the customer must pay to maintain basic local telecommunications service, if applicable; and
  - (H) a clear and conspicuous notification of any change in service provider, including notification to the customer that a new provider has begun providing service.
- (2) 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.
- (3) Charges for bundled-service packages which include basic local telecommunications service are not required to be separated pursuant to paragraph (1)(A) - (1)(C) of this subsection; 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.

- (4) Flat monthly fees or surcharges, including the 911 service fee, related to state and municipal regulatory actions shall be included in the amount for basic local telecommunications service described in paragraph (1) of this subsection; the Texas Universal Service Fund (TUSF) assessment shall be allocated to all telecommunications services (basic, optional, long distance, and other telecommunications services) on a proportionate basis. Each subtotal must indicate by an asterisk or footnote any such assessments included in the subtotal. Similarly, 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.
- (5) 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.
- (6) 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.

- (7) If possible, the first page of the bill shall list each applicable telephone number or account number for which charges are being summarized on the bill. If such inclusion is not possible, the first page shall show the main telephone number or account number, and clearly reference a subsequent page where the customer's additional numbers are plainly identified.

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 24th DAY OF MARCH 2000 BY THE  
PUBLIC UTILITY COMMISSION OF TEXAS  
RHONDA G. DEMPSEY**