

The Public Utility Commission of Texas (commission) proposes new §26.21 relating to General Provisions of Customer Service and Protection Rules, new §26.22 relating to Request for Service, new §26.23 relating to Refusal of Service, new §26.24 relating to Credit Requirements and Deposits, new §26.26 relating to Foreign Language Requirements, new §26.27 relating to Bill Payments and Adjustments, new §26.28 relating to Suspension or Disconnection of Service, new §26.30 relating to Complaints, and new §26.31 relating to Information to Applicants and Customers, to implement §§17.003(c), 17.004, 17.052(3), 64.003(c), 64.004, and 64.052(3) of the Public Utilities Regulatory Act (PURA). The commission is proposing the repeal of the existing rules with these section numbers simultaneously with the proposal of these new sections. The following rules in Subchapter B, Customer Service and Protection, are not included in this project: §26.25 relating to Issuance and Format of Bill, §26.29 relating to Prepaid Local Telephone Service (PLTS), and §26.32 relating to Protection Against Unauthorized Billing Charges ("Cramming"). Due to the proposal of extensive changes, publishing amendments to the existing rules is less practical than the alternative of repealing the existing sections and publishing new sections. The new sections seek to foster competition while balancing customer protection and establishing minimum customer service rules by which certificated telephone companies must abide in providing local telephone service. The focus of implementation includes delineation of standards for dominant certificated telecommunications utilities (DCTUs) and nondominant certificated telecommunications utilities (NCTUs), disclosure requirements, and the prohibition of fraudulent, unfair, misleading, deceptive, and anti-competitive practices. Project Number 21423 is assigned to this proceeding.

To assist in this rulemaking, the commission held two workshops with interested parties on December 3, 1999, and April 14, 2000. The scope of applicability of these rules to DCTUs and NCTUs was debated in each of the workshops. Consumer advocates and DCTU representatives believe these rules should apply equally to NCTUs and DCTUs. NCTU representatives believe the commission should apply less restrictive rules to NCTUs. The NCTU representatives expressed concern that imposition on NCTUs of the same customer protection standards as for DCTUs would unreasonably result in significant cost, thus, inhibiting or preventing entry of new competitors into the local telephone market in Texas. Further, the NCTU representatives indicated that the cost and burden of excessive regulation on NCTUs would not actually result in greater customer protections. They claim that to attract and keep customers, an NCTU will achieve that same goal (without regulation) by necessarily providing a high degree of customer service just to survive in the marketplace.

The commission proposes an approach that establishes minimum standards for NCTUs that are less restrictive than those for DCTUs. The proposed DCTU rules are in accordance with PURA §17.001(c) and §64.001(c) that prohibit any "backsliding" from the current customer protection rules. The proposed new sections are more "user friendly" and better organized than the present rules to create an ease of separation between requirements for DCTUs and NCTUs with minimum duplication.

Jo Alene Kirkel, Director of Enforcement, Office of Customer Protection, has determined that for each year of the first five-year period the proposed sections are in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the sections.

Ms. Kirkel has determined that for each year of the first five years the proposed sections are in effect the public benefit anticipated as a result of these sections will be the promotion of fair competition while assuring adequate customer protections in the local telephone service marketplace. There will be no effect on small businesses or micro-businesses as a result of implementing these sections. There may be 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 Texas.

Ms. Kirkel has also determined that for each year of the first five years the proposed sections are in effect there should be no effect on the local economy, and, therefore, no local employment impact statement is required under Administrative Procedures Act §2001.022.

The commission staff will conduct a public hearing on this rulemaking pursuant to 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, August 15, 2000. The hearing will be held in the Commissioners' Hearing Room from 9:30 a.m. to 5:00 p.m.

Comments on the proposed new sections (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. The commission invites specific comments regarding any proposed rule that may restrict innovation and better customer service and how the proposed rule may be restrictive. All comments should refer to Project Number 21423.

These new sections are proposed under Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 1998, Supplement 2000) (PURA), which provides the Public Utility Commission of Texas with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction. PURA §§17.003(c), 17.004, and 17.052(3) 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, 5424 (Vernon) (codified as an amendment to PURA, Texas Utilities Code Annotated §§17.003(c), 17.004, and 17.052(3)), and PURA §§64.003(c), 64.004, and 64.052(3) which were added by Senate Bill 560, Act of May 30, 1999, 76th Legislature, Regular Session, chapter 1212, 1999 Texas Session Law Service 4210, 4236, 4237, (Vernon) (codified as an amendment to PURA, Texas Utilities Code Annotated §§64.003(c), 64.004, and 64.052(3)), grant the commission the authority to adopt and enforce rules to require a Certificated Telecommunications Utility (CTU) to provide clear, uniform, understandable information about rates, terms, services, customer rights, and other necessary information and establish minimum customer service and protection standards for Dominant Certificated Telecommunication Utilities (DCTUs) and Non-dominant Certificated Telecommunications Utilities (NCTUs).

Cross Reference to Statutes: Public Utility Regulatory Act §§14.002, 17.003(c), 17.004, 17.052(3), 64.003(c), 64.004, and 64.052(3).

§26.21. General Provisions of Customer Service and Protection Rules.

- (a) The purpose of the rules in this subchapter is to ensure certain customer protections in the provision of local telephone service by certificated telecommunications utilities (CTUs) and to establish minimum customer service standards that a CTU shall meet in providing telephone service to the public. Nothing in these rules should be interpreted as preventing a CTU from adopting less restrictive policies for all customers or for differing groups of customers, as long as those policies do not discriminate based on race, nationality, color, religion, sex, marital status, income level, source of income, or unreasonably discriminate on the basis of geographic location.
- (b) No CTU shall engage in any fraudulent, unfair, misleading, deceptive, or anti-competitive practice.
- (c) **Definitions.** The following words and terms when used in this subchapter shall have the following meanings, unless the context indicates otherwise.
- (1) **Applicant** — A person who applies for service for the first time or reapplies after disconnection of service.
 - (2) **Customer** — A person who is currently receiving service from a CTU in the person's own name or the name of the person's spouse.
 - (3) **Days** — Refers to calendar days.
 - (4) **In writing** — All written communication, including, but not limited to words memorialized on paper or by electronic means.

- (d) All customer protections and disclosures established by the Fair Credit Reporting Act (15 U.S.C. §§1681, *et seq.*) and the Truth in Lending Act (15 U.S.C. §§1601, *et seq.*) are applicable where appropriate whether or not explicitly stated in the rules.

§26.22. Request for Service.

(a) **Dominant certificated telecommunications utility (DCTU).**

- (1) Every DCTU shall provide local telephone service to each qualified applicant for service and to each customer within its certificated area in accordance with §26.54(c)(1) of this title (relating to Service Objectives and Performance Benchmarks).
- (2) If construction, such as line extensions or facilities, is required for installation of local telephone service:
- (A) the DCTU shall contact the applicant for service within ten work days of receipt of the application and give the applicant an estimated completion date and an estimated cost for all charges to be incurred by the applicant; and
- (B) following the assessment of any necessary construction, the DCTU shall explain to the applicant any construction cost options such as rebates, sharing of construction costs between the DCTU and the applicant, or sharing of costs between the applicant and other applicants.

- (3) A DCTU may require an applicant for service to establish satisfactory credit or to pay a deposit in accordance with §26.24 of this title (relating to Credit Requirements and Deposits).

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

- (1) Every NCTU shall provide local telephone service to applicants within its certificated area who have accepted the NCTU's terms and conditions of service and in accordance with the customer safeguards in §26.272(i) of this title (relating to Interconnection).
- (2) If construction, such as line extensions or facilities, is required for installation of local telephone service:
 - (A) the NCTU shall contact the applicant for service within ten work days of receipt of the application and give the applicant an estimated completion date and an estimated cost for all charges to be incurred by the applicant; and
 - (B) following the assessment of any necessary construction, the NCTU shall explain to the applicant any construction cost options such as rebates, sharing of construction costs between the NCTU and the applicant, or sharing of costs between the applicant and other applicants.

§26.23. Refusal of Service.

(a) Dominant certificated telecommunications utility (DCTU).

(1) A DCTU may refuse to provide an applicant with basic local telephone service only for one or more of the following reasons:

(A) Applicant's facilities inadequate. The applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(B) Use of prohibited equipment or attachments. The applicant fails to comply with the DCTU's tariffs pertaining to operation of nonstandard equipment or unauthorized attachments that interfere with the service of others.

(C) Failure to pay guarantee. The applicant has acted as a guarantor for another customer of the DCTU and fails to pay the guaranteed amount, where such guarantee was made in writing to the DCTU and was a condition of service.

(D) Intent to deceive. The applicant requests service at a location where another customer received or continues to receive service, the other customer's bill from the DCTU is unpaid at that location, and the DCTU can prove that the change of account holder and billing name is made to avoid or evade payment of an outstanding bill owed to the DCTU.

(E) For indebtedness.

(i) If a residential applicant owes a debt to any DCTU for:

- (I) tariffed local telephone service, except as provided in §26.29 of this title (relating to Prepaid Local Telephone Service (PLTS)); or
 - (II) long distance charges after toll blocking was imposed as provided in §26.28 of this title (relating to Suspension or Disconnection of Service).
- (ii) If a non-residential applicant owes a debt to any DCTU for tariffed non-residential local telephone service, including long distance charges.
 - (iii) If an applicant's indebtedness is in dispute, basic local telephone service shall be provided upon the applicant's compliance with the deposit requirements in §26.24 of this title (relating to Credit Requirements and Deposits).
- (F) Refusal to pay a deposit. The applicant refuses to pay a deposit if the applicant is required to do so under §26.24 of this title.
 - (G) Failure to comply with regulations. The applicant fails to comply with all applicable state and municipal regulations.
- (2) **Applicant's recourse.**
- (A) If a DCTU has refused to serve an applicant, the DCTU must send the applicant notice in writing within three work days of the determination to refuse service:
 - (i) of the reason or reasons for its refusal;

- (ii) that the applicant will be eligible for service if the applicant remedies the reason or reasons for refusal and complies with the DCTU's tariffs and terms and conditions of service;
 - (iii) that the applicant may request a supervisory review by the DCTU and may file a complaint with the commission as described in §26.30 of this title (relating to Complaints); and
 - (iv) that no telecommunications utility is permitted to:
 - (I) refuse service on the basis of race, color, sex, nationality, religion, marital status, income level, or source of income; nor
 - (II) unreasonably refuse service on the basis of geographic location.
- (B) Additionally, the DCTU must inform applicants eligible for prepaid local telephone service under §26.29 of this title that this service is available if they are not otherwise eligible for basic local telephone service.
- (3) **Insufficient grounds for refusal to serve.** The following are not sufficient grounds for refusal of basic local telephone service to an applicant by a DCTU:
- (A) delinquency in payment for service by a previous occupant of the premises to be served;
 - (B) failure to pay for any charges that are not provided in the DCTU's tariffs on file at the commission;
 - (C) failure to pay a bill that includes more than six months of underbilling unless the underbilling is the result of theft of service by the applicant;

- (D) failure to pay the bill of another customer at the same address except where the change of account holder and billing name is made to avoid or evade payment of a that bill; and
 - (E) failure of a residential applicant to pay for any charges other than for local telephone service except for long distance charges incurred after toll blocking was imposed as provided in §26.28 of this title.
- (b) **Non-dominant certificated telecommunications utility (NCTU).**
- (1) An NCTU may refuse to provide an applicant with basic local telephone service for:
 - (A) the applicant's failure to comply with all applicable federal, state, and municipal regulations; or
 - (B) any other reason that does not violate federal, state, or municipal statutes, rules, or regulations.
 - (2) **Applicant's recourse.** If an NCTU has refused to provide a residential applicant with basic local telephone service, the NCTU must send the applicant notice in writing within three work days of the determination to refuse service:
 - (A) of the reason or reasons for its refusal;
 - (B) that the applicant will be eligible for service if the applicant remedies the reason or reasons for refusal and complies with the NCTU's terms and conditions of service;

- (C) that the applicant may request a supervisory review by the NCTU and may file a complaint with the commission as described in §26.30 of this title; and
 - (D) that no telecommunications utility is permitted to:
 - (i) refuse service on the basis of race, color, sex, nationality, religion, marital status, income level, or source of income; nor
 - (ii) unreasonably refuse service on the basis of geographic location.
- (3) **Insufficient grounds for refusal to serve.** The following are not sufficient grounds for refusal of service to an applicant by an NCTU:
- (A) delinquency in payment for service by a previous occupant of the premises to be served;
 - (B) failure to pay for any charges that are not provided in the NCTU's tariffs, schedules, or lists on file with the commission in accordance with §26.89 of this title (relating to Information Regarding Rates and Services of Non-dominant Carriers);
 - (C) failure to pay a bill that includes more than six months of underbilling unless the underbilling is the result of theft of service by the applicant;
 - (D) failure to pay the bill of another customer at the same address except where the change of account holder and billing name is made to avoid or evade payment of a that bill; and
 - (E) failure of a residential applicant to pay for any charges other than for local telephone service except for long distance charges incurred after toll blocking was imposed as provided in §26.28 of this title.

§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 telephone 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) - (iii) of this subparagraph.

(i) Payment record. The residential applicant:

(I) has been a customer of any DCTU for residential local telephone 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 acceptable credit cards;
 - (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.
- (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 telephone services;
 - (III) may include charges for intraLATA toll only if the DCTU is providing this service to the customer; and
 - (IV) may include charges for interLATA toll only if the DCTU is providing this service to the customer.
 - (ii) the deposit amount related only to basic local telephone service may be required as a condition for providing basic local telephone 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 December 1 of the preceding year, pursuant to Texas Utilities Code Annotated §183.003 (Vernon 1998) (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 basic local telephone service is applied first to basic local telephone 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 pay:
- (i) all amounts due the DCTU; or
 - (ii) execute a deferred payment agreement, if offered; and
 - (iii) reestablish credit.
- (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 telephone service in order to receive basic local telephone 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 telephone 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 service providers; and

- (ii) the deposit amount related only to basic local telephone service may be required as a condition for providing basic local telephone services.
- (3) **Interest on deposits.** 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 December 1 of the preceding year, pursuant to Texas Utilities Code Annotated §183.003 (Vernon 1998) (relating to Rate of Interest).
 - (A) If a deposit is refunded within 30 days of receipt, no interest payment is required.
 - (B) If the utility keeps the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.
- (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 basic local telephone service is applied first to basic local telephone 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.

§26.26. Foreign Language Requirements.

- (a) **Dominant certificated telecommunications utility (DCTU).** A DCTU that serves a county where the number of Spanish-speaking persons as defined in §26.5 of this title (relating to Definitions) is 2000 or more according to the most current U.S. Census of Population (Bureau of Census, U.S. Department of Commerce, Census of Population and Housing) shall:
- (1) inform Spanish-speaking applicants and customers how they can get information in Spanish;
 - (2) make available to Spanish-speaking applicants and customers their rights, rates, and key terms and conditions contained in this subchapter in the Spanish language;
 - (3) inform Spanish-speaking applicants and customers of new services, discount programs, and promotions in Spanish;
 - (4) allow Spanish-speaking customers to request repair service and make billing inquiries in Spanish; and
 - (5) ballot Spanish-speaking customers for services requiring a vote by ballot in the Spanish language.
- (b) **Certificated telecommunications utility (CTU).** Upon the request of an applicant or customer, a CTU that advertises, promotes, or markets its services or products in any language other than English shall provide the following information in any language in which the CTU advertises, promotes, or markets its services or products:

- (1) applicant and customer rights contained in this subchapter;
- (2) rates, key terms and conditions;
- (3) new services, discount programs, and promotions;
- (4) access to repair service; and
- (5) answers to billing inquiries.

§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 one-time penalty not to exceed 5.0% may be charged on each delinquent bill.
 - (A) The 5.0% penalty on delinquent bills may not be applied to any balance to which the penalty has already been applied.

(B) 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 at the rate set by the commission on December 1 of the preceding year.
 - (I) Interest on overcharges that are not adjusted within three billing cycles of the initial bill in error shall accrue from the date of payment or the initial date of the bill in error.
 - (II) All interest shall be compounded monthly based on the annual rate.
 - (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;
 - (II) be compounded monthly based on the annual rate; and
 - (III) accrue from the day the customer is found to have first tampered with, bypassed, or diverted the 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).
- (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 for signature; 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 telephone service.
- (b) **Nondominant certificated telecommunications utility (NCTU).**
 - (1) **Bill due date.** The bill provided to the customer shall include the payment due date.
 - (A) 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.
 - (B) The due date shall not fall on a holiday or weekend.
 - (2) **Penalty on delinquent bills for retail service.** A one-time penalty not to exceed 5.0% may be charged on each delinquent bill.

- (A) The 5.0% penalty on delinquent bills may not be applied to any balance to which the penalty has already been applied.
- (B) 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) **Overbilling.** If charges are higher than the NCTU's tariff, schedule, or list on file with the commission in accordance with §26.89 of this title (relating to Information Regarding Rates and Services of Nondominant Carriers), 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 at the rate set by the commission on December 1 of the preceding year.
 - (I) Interest on overcharges that are not adjusted within three billing cycles of the initial bill in error shall accrue from the date of payment or the initial date of the bill in error.
 - (II) Interest shall be compounded monthly based on the annual rate.

(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 list on file with the commission in accordance with §26.89 of this title, 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 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;

(II) be compounded monthly based on the annual rate; and

(III) accrue from the day the customer is found to have first tampered with, bypassed, or diverted the service.

- (4) **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.
- (5) **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 all alternative payment options and payment assistance programs available from the NCTU, such as, but not limited to, payment arrangements, deferred payment plans, disconnection moratoriums for the ill, and of the eligibility requirements and application procedure for each.
- (6) **Residential partial payments.** Residential service payment shall first be allocated to basic local telephone service.

§26.28. Suspension or Disconnection of Service.

- (a) **Dominant certificated telecommunications utility (DCTU).**
 - (1) **Suspension or disconnection policy.** If a DCTU chooses to suspend or disconnect a customer's basic local telephone service, it must follow the procedures in this subsection or modify them in ways that are more generous to the customer in terms of the cause for suspension or disconnection, the timing of

the suspension or disconnection notice, and the period between notice and suspension or disconnection. Each DCTU is encouraged to develop specific policies for suspension and disconnection that treat its customers with dignity and respect for customers' or members' circumstances and payment history, and to implement those policies in ways that are consistent and non-discriminatory. Suspension or disconnection are options allowed by the commission, not requirements placed upon the DCTU by the commission.

- (2) **Suspension or disconnection with notice.** After proper notice pursuant to paragraph (7) of this subsection, a DCTU may suspend or disconnect basic local telephone service for any of the following reasons:
- (A) failure to pay tariffed charges for local telephone services or make deferred payment arrangements by the date of suspension or disconnection;
 - (B) failure of a residential customer to pay long distance charges incurred after toll blocking was imposed;
 - (C) failure of a non-residential customer to pay long distance charges only where the DCTU bills those charges to the customer pursuant to its tariffs, or make deferred payment arrangements by the date of suspension or disconnection;
 - (D) failure to comply with the terms of a deferred payment agreement except as provided in §26.29 of this title (relating to Prepaid Local Telephone Service (PLTS));

- (E) violation of the DCTU's rules on the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the customer and the customer has a reasonable opportunity to remedy the situation;
 - (F) failure to pay a deposit pursuant to §26.24 of this title (relating to Credit Requirements and Deposits); or
 - (G) failure of the guarantor to pay the amount guaranteed, when the DCTU has a written agreement, signed by the guarantor, that allows for disconnection of the guarantor's service for nonpayment.
- (3) **Suspension or disconnection without notice.** Basic local telephone service may be suspended or disconnected without notice, except as provided in §26.29 of this title, for any of the following reasons:
- (A) where service is connected without authority;
 - (B) where service was reconnected without authority; or
 - (C) where there are instances of tampering with the DCTU's equipment, evidence of theft of service, or other acts to defraud the DCTU.
- (4) **Suspension or disconnection prohibited.** Basic local telephone service may not be suspended or disconnected for any of these reasons:
- (A) failure to pay for any charges that are not provided for in a DCTU's tariffs;
 - (B) failure to pay charges resulting from underbilling that is more than six months before the current billing, except for theft of service;
 - (C) failure to pay disputed charges until a determination is made on the accuracy of the charges; or

- (D) failure of a residential customer to pay for any charges other than for tariffed local telephone services, except for the nonpayment of long distance charges incurred after toll blocking was imposed.
- (5) **Suspension or disconnection on holidays or weekends.** Unless a dangerous condition exists or the customer requests disconnection, service shall not be suspended or disconnected on holidays or weekends, or the day before a holiday or weekend, unless DCTU personnel are available on those days to take payments and reconnect service.
- (6) **Suspension or disconnection for ill and disabled.** No DCTU may suspend or disconnect service at the permanent residence of a delinquent customer if that customer establishes that such action will prevent the customer from summoning emergency medical help for someone who is seriously ill residing at that residence.
 - (A) Each time a customer seeks to avoid suspension or disconnection of service under this subsection, the customer before the date of suspension or disconnection shall:
 - (i) have the person's attending physician (for purposes of this subsection, the term "physician" shall mean any public health official, including, but not limited to, medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, and any other similar public health official) contact the DCTU by the stated date of disconnection;

- (ii) have the person's attending physician submit a written statement to the DCTU; and
 - (iii) enter into a deferred payment plan.
 - (B) The prohibition against suspension or disconnection provided by this subsection shall last 63 days from the issuance of the DCTU bill or a shorter period agreed upon by the DCTU and the customer or physician.
- (7) **Suspension and disconnection notices.** Any suspension or disconnection notice issued by a DCTU to a customer shall:
 - (A) not be issued to the customer before the first day after the bill is due (Payment of the delinquent bill at a DCTU's authorized payment agency is considered payment to the DCTU);
 - (B) be a separate mailing or hand delivery with a stated date of suspension or disconnection and with the words "suspension notice," or "disconnection notice," or similar language prominently displayed on the notice;
 - (C) have a suspension or disconnection date that is not less than ten days after the notice is issued;
 - (D) be in English and Spanish;
 - (E) for residential customers, indicate the specific amount owed for tariffed local telephone services required to maintain basic local telephone service; and
 - (F) include a statement notifying customers that if they need assistance paying their bill, or are ill and unable to pay their bill, they may be able to make some alternative payment arrangement or establish a deferred payment

plan. The notice shall advise customers to contact the DCTU for more information.

- (8) **Residential customer payment allocations.** Payment allocations related to basic local telephone service suspension or disconnection are as follows:
- (A) Payments shall first be allocated to basic local telephone service.
 - (B) If services are bundled, the rate of basic local telephone service shall be the DCTU's charge for stand-alone basic local telephone service.
- (9) **Toll blocking.**
- (A) **DCTU initiated.** The DCTU may toll block a residential customer for the nonpayment of long distance charges.
 - (B) **Long distance carrier initiated.** The DCTU shall toll block a residential customer at the request and expense of a long distance carrier due to the nonpayment of long distance charges. The DCTU shall not charge the long distance carrier more than \$10.00 for one-time installation nor more than \$1.50 per month for toll blocking.
 - (C) **Access to toll-free numbers.** Where technically capable, toll blocking shall allow access to toll-free numbers.
 - (D) **Nondiscriminatory application.** The DCTU shall not apply toll blocking in an unreasonably preferential, prejudicial, or discriminatory manner.
 - (E) **Notice requirement.** The DCTU shall notify the customer within 24 hours of initiating toll blocking.
- (10) **Release of telephone line.** If a DCTU's current, suspended, or disconnected customer requests telephone service from another provider, the DCTU shall

release the customer's telephone line to the customer's preferred provider within five days after receiving a request.

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

- (1) **Suspension or disconnection policy.** If an NCTU chooses to suspend or disconnect a customer's basic local telephone service, it must follow the procedures in this subsection or modify them in ways that are more generous to the customer in terms of the cause for suspension or disconnection, the timing of the suspension or disconnection notice, and the period between notice and suspension or disconnection. Each NCTU is encouraged to develop specific policies for suspension and disconnection that treat its customers with dignity and respect for customers' or members' circumstances and payment history, and to implement those policies in ways that are consistent and non-discriminatory. Suspension or disconnection are options allowed by the commission, not requirements placed upon the NCTU by the commission.
- (2) **Suspension or disconnection with notice.** After proper notice pursuant to paragraph (6) of this subsection, an NCTU may suspend or disconnect basic local telephone service for any legal reason that is clearly disclosed in the customer's terms and conditions of service.
- (3) **Suspension or disconnection without notice.** Basic local telephone service may be suspended or disconnected without notice for any of the following reasons:
 - (A) where service is connected without authority;
 - (B) where service was reconnected without authority; or

- (C) where there are instances of tampering with the NCTU's equipment, evidence of theft of service, or other acts to defraud the NCTU.
- (4) **Suspension or disconnection prohibited.** Basic local telephone service may not be suspended or disconnected for any of the following reasons:
 - (A) failure to pay for any charges that are not provided for in an NCTU's tariff, schedule, or list;
 - (B) failure to pay charges resulting from underbilling that is more than six months before the current billing, except for theft of service;
 - (C) failure to pay disputed charges until a determination is made on the accuracy of the charges; or
 - (D) failure of a residential customer to pay for any charges other than for local telephone services, except for the nonpayment of long distance charges incurred after toll blocking was imposed.
- (5) **Suspension or disconnection on holidays or weekends.** Unless a dangerous condition exists or the customer requests disconnection, service shall not be suspended or disconnected on holidays or weekends, or the day before a holiday or weekend, unless NCTU personnel are available on those days to take payments and reconnect service.
- (6) **Suspension and disconnection notices.** Any suspension or disconnection notice issued by an NCTU to a customer must:
 - (A) not be issued to the customer before the first day after the bill is due (Payment of the delinquent bill at an NCTU's authorized payment agency is considered payment to the NCTU);

- (B) be a separate mailing or hand delivery with a stated date of suspension or disconnection and with the words "suspension notice," or "disconnection notice," or similar language prominently displayed on the notice;
 - (C) have a suspension or disconnection date that is not less than ten days after the notice is issued;
 - (D) be in English and Spanish; and
 - (E) for residential customers, indicate the specific amount owed for local telephone services required to maintain basic local telephone service.
- (7) **Residential customer payment allocations.** Payment allocations related to basic local telephone service suspension or disconnection are as follows:
- (A) Payments shall first be allocated to basic local telephone service.
 - (B) If services are bundled, the rate of basic local telephone service shall be the NCTU's charge for stand-alone basic local telephone service.
- (8) **Toll blocking.**
- (A) **NCTU initiated.** The NCTU may toll block a residential customer for the nonpayment of long distance charges.
 - (B) **Long distance carrier initiated.** The NCTU shall toll block a residential customer at the request and expense of a long distance carrier due to the nonpayment of long distance charges. The NCTU shall not charge the long distance carrier more than \$10.00 for one-time installation nor more than \$1.50 per month for toll blocking.
 - (C) **Access to toll-free numbers.** Where technically capable, toll blocking shall allow access to toll-free numbers.

- (D) **Nondiscriminatory application.** The NCTU shall not apply toll blocking in an unreasonably preferential, prejudicial, or discriminatory manner.
- (E) **Notice requirement.** The NCTU shall notify the customer within 24 hours of initiating toll blocking.
- (9) **Release of telephone line.** If an NCTU's current, suspended, or disconnected customer requests telephone service from another provider, the NCTU shall release the customer's telephone line to the customer's preferred provider within five days after receiving a request.

§26.30. Complaints.

- (a) **Complaints to a certificated telecommunications utility (CTU).** A customer or applicant for service (complainant) may submit a complaint to a CTU either in person or by letter, fax, email, or telephone.
 - (1) **Initial investigation.** The CTU shall investigate and advise the complainant in writing of the results of the investigation within 21 days of receipt of the complaint.
 - (2) **Supervisory review by the CTU.** If a complainant is not satisfied with the initial response to the complaint, the complainant may request a supervisory review by the CTU.

- (A) A CTU supervisor shall conduct the review and shall inform the complainant in writing of the results of the review within ten days of receipt of the complainant's request for a review.
- (B) A complainant who is dissatisfied with a CTU's supervisory review shall be informed in writing of:
 - (i) the right to file a complaint with the commission;
 - (ii) the commission's informal complaint resolution process;
 - (iii) the following contact information for the commission:
 - (I) Mailing Address: Public Utility Commission of Texas, Office of Customer Protection, P.O. Box 13326, Austin, Texas 78711-3326;
 - (II) Phone Number: (512) 936-7120 or in Texas (toll-free) 1-888-782-8477;
 - (III) FAX: (512) 936-7003;
 - (IV) E-mail address: customer@puc.state.tx.us;
 - (V) Internet address: <http://www.puc.state.tx.us>;
 - (VI) Telecommunications Device for the Deaf (TTY): (512) 936-7136; and
 - (VII) Relay Texas (toll-free): 1-800-735-2989.

(b) **Complaints to the commission.**

(1) **Informal complaints.**

- (A) The complaint to the commission should include:

- (i) The complainant's name, address, and telephone number.
 - (ii) The name of the CTU or subsidiary company against which the complaint is being made.
 - (iii) The customer's account or phone number.
 - (iv) An explanation of the facts relevant to the complaint.
 - (v) Any other information or documentation which supports the complaint.
- (B) Upon receipt of a complaint from the commission, a CTU shall investigate and advise the commission in writing of the results of its investigation within 21 days of the date forwarded by the commission.
- (C) The commission shall:
- (i) review the CTU's investigative results;
 - (ii) determine a resolution for the complaint; and
 - (iii) notify the complainant and the CTU in writing of the resolution.
- (D) While any informal complaint process is ongoing at the commission:
- (i) basic local telecommunications service may not be suspended or disconnected for the nonpayment of disputed charges; and
 - (ii) a customer is obligated to pay any undisputed portion of the bill.
- (E) The CTU shall keep a record of any informal complaint forwarded to it by the commission for two years after the determination of that complaint.
- (i) This record shall show the name and address of the complainant, and the date, nature, and adjustment or disposition of the complaint.

- (ii) Protests regarding commission-approved rates or charges that require no further action by the CTU need not be recorded.
- (2) **Formal complaints.** If the complainant is not satisfied with the results of the informal complaint process, the complainant may file a formal complaint with the commission. This process may include the formal docketing of the complaint as provided in the commission's Procedural Rules, §22.242 of this title (relating to Complaints).

§26.31. Disclosures to Applicants and Customers.

- (a) **Certificated telecommunications utilities (CTU).**
 - (1) **Promotional requirements.** Promotions, including, but not limited to advertising and marketing, conducted by any CTU shall comply with the following:
 - (A) If any portion of a promotion is translated into another language, then all portions of the promotion shall be translated in that language. Promotions containing a single informational line or sentence in another language to advise persons how to obtain the same promotional information in a different language are exempt from this requirement.
 - (B) Promotions shall not be fraudulent, unfair, misleading, deceptive, or anti-competitive as prohibited by federal and state law.

- (2) **Prior to acceptance of service.** Each CTU shall provide the following information to applicants before any final acceptance of service:
- (A) notice that the customer will receive the information packet described in paragraphs (3) and (4) of this subsection;
 - (B) an explanation of each product or service being offered;
 - (C) a description of how each charge will appear on the telephone bill;
 - (D) any applicable minimum contract service terms;
 - (E) disclosure of any and all money that must be paid prior to installation of new service or transfer of existing service to a new location and whether or not the money is refundable;
 - (F) disclosure of construction charges in accordance with §26.22 of this title (relating to Request for Service);
 - (G) information about any necessary change in the applicant's telephone number;
 - (H) disclosure of the company's cancellation policy; and
 - (I) information on whom to call and a working toll-free number for customer inquiries.
- (3) **Terms and conditions of service.** A CTU shall provide minimum information regarding terms and conditions of service to customers in writing and free of charge at the initiation of service. Upon request, customers are entitled to receive an additional copy of the terms and conditions of service once annually free of charge.
- (A) The information shall be:

- (i) sent to new customers before payment for a full bill is due;
 - (ii) clearly labeled to indicate it contains the terms and conditions of service;
 - (iii) provided in a readable format written in plain, non-technical language; and
 - (iv) provided in the same languages in which the CTU markets service to a customer.
- (B) The following information shall be included:
- (i) all rates and charges as they will appear on the telephone bill;
 - (ii) a full description of the products or services to which the customer has subscribed;
 - (iii) any applicable minimum contract service terms;
 - (iv) any and all money that must be paid prior to installation of new service or transfer of existing service to a new location and whether or not the money is refundable;
 - (v) applicable construction charges in accordance with §26.22 of this title;
 - (vi) any necessary change in the applicant's telephone number;
 - (vii) the company's cancellation policy; and
 - (viii) a working toll-free number for customer inquiries.
- (4) **Customer rights.** A CTU shall provide minimum information regarding customer rights to customers in writing and free of charge at the initiation of service.

- (A) The information shall be :
 - (i) sent to new customers before payment for a full bill is due;
 - (ii) clearly labeled to indicate it contains the customer rights;
 - (iii) provided in a readable format written in plain, non-technical language; and
 - (iv) provided in the same languages in which the CTU markets service to a customer.

- (B) If the CTU does not mail this information to customers, the CTU shall provide a printed statement on the bill, or a billing insert identifying the location of the information in subparagraph (C) of this paragraph. The statement shall be provided to customers every six months.

- (C) The following information shall be included:
 - (i) the CTU's credit requirements and the circumstances under which a deposit or an additional deposit may be required, how a deposit is calculated, the interest paid on deposits, and the time frame and requirement for return of the deposit to the customer and any other terms and conditions related to deposits;
 - (ii) the time allowed to pay outstanding bills and the amount and conditions under which penalties may be applied to delinquent bills;
 - (iii) grounds for suspension and/or disconnection of service;
 - (iv) the steps that must be taken before a CTU may suspend and/or disconnect service;

- (v) the steps for resolving billing disputes with the CTU and how disputes affect suspension and/or disconnection of service;
- (vi) information on alternative payment plans offered by the CTU, including, but not limited to, payment arrangements and deferred payment plans, as well as a statement that a customer has the right to request these alternative payment plans;
- (vii) the steps necessary to have service restored and/or reconnected after involuntary suspension or disconnection;
- (viii) a customer's right to continue local service as long as full payment for local service is timely made;
- (ix) information regarding protections against unauthorized billing charges ("cramming") and selection of telecommunications utilities ("slamming") as required by §26.32 of this title (relating to Protection Against Unauthorized Billing Charges ("Cramming")) and §26.130 of this title (relating to Selection of Telecommunications Utilities), respectively;
- (x) information regarding telephone solicitation as required by §26.126 of this title (relating to Telephone Solicitation);
- (xi) information about customer proprietary network information as required by §26.122(f) of this title (relating to Customer Proprietary Network Information);
- (xii) the customer's right to file a complaint with the CTU, the procedures for a supervisory review, and right to file a complaint

with the commission regarding any matter concerning the CTU's service. The commission's contact information: Public Utility Commission of Texas, Office of Customer Protection, P.O. Box 13326, Austin, Texas 78711-3326, (512) 936-7120 or in Texas (toll-free) 1-888-782-8477, fax (512) 936-7003, e-mail address: customer@puc.state.tx.us, Internet address: www.puc.state.tx.us, TTY (512) 936-7136, and Relay Texas (toll-free) 1-800-735-2989, shall accompany this information;

- (xiii) the hours, addresses, and telephone numbers of CTU offices where bills may be paid and information may be obtained, or a toll-free number at which the customer may obtain this information;
- (xiv) a toll-free telephone number or the equivalent (such as use of WATS or acceptance of collect calls) that customers may call to report service problems or make billing inquiries;
- (xv) a statement that CTU services are provided without discrimination as to a customer's race, color, sex, nationality, religion, marital status, income level, source of income, or from unreasonable discrimination on the basis of geographic location;
- (xvi) a summary of the company's policy regarding the provision of credit history based upon the credit history of a customer's former spouse;

- (xvii) notice of any special services such as readers or notices in Braille, if available, and the telephone number of the text telephone for the deaf or hard of hearing at the commission;
 - (xviii) how customers with physical disabilities, and those who care for them, can identify themselves to the CTU so that special action can be taken to appropriately inform these persons of their rights; and
 - (xix) if a CTU is offering Lifeline or Tel-Assistance, how information about customers who qualify for Lifeline or Tel-Assistance may be shared between state agencies and their local phone service provider.
- (5) **Minimum notice of changes.** A CTU shall provide customers written notice between 30 and 60 calendar days in advance of a material change in the terms and conditions of service or customer rights.
- (6) **Right of rescission.**
- (A) A CTU shall provide notice to all of its applicants and new customers of the customer's right to rescind any contract, agreement, or commitment for service within five days of the date:
 - (i) of the postmark, if mailed;
 - (ii) sent, if electronically transmitted; or
 - (iii) of receipt by the customer, if delivered in person.
 - (B) An applicant and new customer may exercise the right to rescind by notifying the CTU of the rescission by mail, telegram, or other written means.

(b) **Dominant certificated utility (DCTU).** In addition to the requirements of subsection (a) of this section, the following requirements apply to all DCTUs:

(1) **Prior to acceptance of service.** Before signing applicants or accepting any money for new residential service or transferring existing residential service to a new location, each DCTU shall provide to applicants information:

(A) about the DCTU's lowest-priced alternatives, beginning with the least cost option, and the range of service offerings available at the applicant's location with full consideration to applicable equipment options and installation charges; and

(B) that clearly informs applicants about the availability of Lifeline and Tel-Assistance.

(2) **Customer rights.**

(A) If a DCTU provides its customers with the same information as required by subsection (a)(4)(C) of this section in the telephone directories provided to each customer pursuant to §26.128 of this title (relating to Telephone Directories), the DCTU shall provide a printed statement on the bill or a billing insert identifying the location of the information. The statement or billing insert shall be provided to customers every six months.

(B) The information required by subsection (a)(4)(C) of this section and this subsection shall be provided in English and Spanish; however, a DCTU is exempt from the Spanish language requirement if 10% or fewer of its

customers are exclusively Spanish-speaking. If the DCTU is exempt from the Spanish language requirement, it shall notify all customers through a statement in both English and Spanish, in the customer rights, that the information is available in Spanish from the DCTU, both by mail and at the DCTU's offices.

- (C) The information required in subsection (a)(4)(C) of this section shall also include:
- (i) the customer's right to information about rates and services;
 - (ii) the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;
 - (iii) information on prohibitions for disconnection of local service for the ill and disabled;
 - (iv) information on the availability of prepaid local telephone service as required by §26.29 of this title (relating to Prepaid Local Telephone Service (PLTS)); and
 - (v) information regarding privacy issues as required by §26.121 of this title (relating to Privacy Issues).

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 22nd DAY OF JUNE 2000 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
RHONDA G. DEMPSEY**