

AN ACT

relating to the use of certain terms by certificated telecommunications utilities, retail electric providers, and electric utilities in retail bills, and to notice of expiration or price change for certain retail electric products.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 17.003(c), Utilities Code, is amended to read as follows:

(c) The commission shall adopt and enforce rules to require a certificated telecommunications utility, a retail electric provider, or an electric utility to give clear, uniform, and understandable information to customers about rates, terms, services, customer rights, and other necessary information as determined by the commission. The rules must include a list of defined terms common to the telecommunications and electricity industries and require that applicable terms be labeled uniformly on each retail bill sent to a customer by a certificated telecommunications utility, retail electric provider, or electric utility to facilitate consumer understanding of relevant billing elements.

SECTION 2. Section 17.004(a), Utilities Code, is amended to read as follows:

(a) All buyers of telecommunications and retail electric services are entitled to:

1 (1) protection from fraudulent, unfair, misleading,
2 deceptive, or anticompetitive practices, including protection from
3 being billed for services that were not authorized or provided;

4 (2) choice of a telecommunications service provider, a
5 retail electric provider, or an electric utility, where that choice
6 is permitted by law, and to have that choice honored;

7 (3) information in English and Spanish and any other
8 language as the commission deems necessary concerning rates, key
9 terms and conditions, and the basis for any claim of environmental
10 benefits of certain production facilities;

11 (4) protection from discrimination on the basis of
12 race, color, sex, nationality, religion, marital status, income
13 level, or source of income and from unreasonable discrimination on
14 the basis of geographic location;

15 (5) impartial and prompt resolution of disputes with a
16 certificated telecommunications utility, a retail electric
17 provider, or an electric utility and disputes with a
18 telecommunications service provider related to unauthorized
19 charges and switching of service;

20 (6) privacy of customer consumption and credit
21 information;

22 (7) accuracy of metering and billing;

23 (8) bills presented in a clear, readable format and
24 easy-to-understand language that uses defined terms as required by
25 commission rules adopted under Section 17.003;

26 (9) information in English and Spanish and any other
27 language as the commission deems necessary concerning low-income

1 assistance programs and deferred payment plans;

2 (10) all consumer protections and disclosures
3 established by the Fair Credit Reporting Act (15 U.S.C. Section
4 1681 et seq.) and the Truth in Lending Act (15 U.S.C. Section 1601
5 et seq.); and

6 (11) after retail competition begins as authorized by
7 the legislature, programs provided by retail electric providers
8 that offer eligible low-income customers energy efficiency
9 programs, an affordable rate package, and bill payment assistance
10 programs designed to reduce uncollectible accounts.

11 SECTION 3. Section 17.102, Utilities Code, is amended to
12 read as follows:

13 Sec. 17.102. RULES RELATING TO CHOICE. The commission
14 shall adopt and enforce rules that:

15 (1) ensure that customers are protected from deceptive
16 practices employed in obtaining authorizations of service and in
17 the verification of change orders, including negative option
18 marketing, sweepstakes, and contests that cause customers to
19 unknowingly change their telecommunications service provider,
20 retail electric provider, or electric utility, where choice is
21 permitted by law;

22 (2) provide for clear, easily understandable
23 identification, in each bill sent to a customer, of all
24 telecommunications service providers, retail electric providers,
25 or electric utilities submitting charges on the bill;

26 (3) ensure that every service provider submitting
27 charges on the bill is clearly and easily identified on the bill

1 along with its services, products, and charges, using defined terms
2 as required by commission rules adopted under Section 17.003;

3 (4) provide that unauthorized changes in service be
4 remedied at no cost to the customer within a period established by
5 the commission;

6 (5) require refunds or credits to the customer in the
7 event of an unauthorized change; and

8 (6) provide for penalties for violations of commission
9 rules adopted under this section, including fines and revocation of
10 certificates or registrations, by this action denying the
11 certificated telecommunications utility, the retail electric
12 provider, or the electric utility the right to provide service in
13 this state, except that the commission may not revoke a certificate
14 of convenience and necessity of an electric utility except as
15 provided by Section 37.059 or a certificate of convenience and
16 necessity of a telecommunications utility except as provided by
17 Section 54.008.

18 SECTION 4. Section 17.151(a), Utilities Code, is amended to
19 read as follows:

20 (a) A service provider, retail electric provider, or
21 billing agent may submit charges for a new product or service to be
22 billed on a customer's telephone or retail electric bill on or after
23 the effective date of this section only if:

24 (1) the service provider offering the product or
25 service has thoroughly informed the customer of the product or
26 service being offered, including all associated charges, and has
27 explicitly informed the customer that the associated charges for

1 the product or service will appear on the customer's telephone or
2 electric bill;

3 (2) the customer has clearly and explicitly consented
4 to obtain the product or service offered and to have the associated
5 charges appear on the customer's telephone or electric bill and the
6 consent has been verified as provided by Subsection (b); ~~and~~

7 (3) the service provider offering the product or
8 service and any billing agent for the service provider:

9 (A) has provided the customer with a toll-free
10 telephone number the customer may call and an address to which the
11 customer may write to resolve any billing dispute and to answer
12 questions; and

13 (B) has contracted with the billing utility to
14 bill for products and services on the billing utility's bill as
15 provided by Subsection (c); and

16 (4) the service provider, retail electric provider, or
17 billing agent uses defined terms on the bill as required by
18 commission rules adopted under Section 17.003.

19 SECTION 5. Subchapter C, Chapter 39, Utilities Code, is
20 amended by adding Section 39.112 to read as follows:

21 Sec. 39.112. NOTICE OF EXPIRATION AND PRICE CHANGE. (a) In
22 this section, "fixed rate product" means a retail electric product
23 with a term of at least three months for which the price for each
24 billing period, including recurring charges, does not change
25 throughout the term of the contract, except that the price may vary
26 to reflect actual changes in transmission and distribution utility
27 charges, changes to ERCOT or Texas Regional Entity administrative

1 fees charged to loads, or changes to federal, state, or local laws
2 that result in new or modified fees or costs that are not within the
3 retail electric provider's control.

4 (b) A retail electric provider shall provide a residential
5 customer who has a fixed rate product with at least one written
6 notice of the date the fixed rate product will expire. The notice
7 must:

8 (1) be sent to the customer's billing address by mail
9 at least 30, but not more than 60, days preceding the date the
10 contract will expire;

11 (2) be sent to the customer's e-mail address, if
12 available to the provider and if the customer has agreed to receive
13 notices electronically, at least 30, but not more than 60, days
14 preceding the date the contract will expire;

15 (3) include on the outside of the envelope in which the
16 notice is sent, a statement that reads: "Contract Expiration
17 Notice. See Enclosed.";

18 (4) if included with a customer's bill, be printed on a
19 separate page; and

20 (5) include a description of any fees or charges
21 associated with the early termination of the customer's fixed rate
22 product.

23 (c) A retail electric provider shall include on each billing
24 statement the end date of the fixed rate product.

25 (d) No provision in this section shall be construed to
26 prohibit the commission from adopting rules that would provide a
27 greater degree of customer protection.

1 SECTION 6. The Public Utility Commission of Texas shall
2 adopt rules consistent with this Act not later than December 1,
3 2009.

4 SECTION 7. This Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 1822 was passed by the House on March 26, 2009, by the following vote: Yeas 146, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1822 on May 29, 2009, by the following vote: Yeas 138, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1822 was passed by the Senate, with amendments, on May 26, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor