

**PROJECT NO. 26131**

**PUC RULEMAKING PROCEEDING TO §  
ADDRESS NOTIFICATION ISSUES § PUBLIC UTILITY COMMISSION  
ARISING FROM CHANGES IN §  
PREFERRED TELECOMMUNICATIONS § OF TEXAS  
UTILITIES §**

**PROPOSAL FOR PUBLICATION OF AMENDMENT TO §26.130  
AS APPROVED AT THE JULY 11, 2002 OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes an amendment to §26.130, relating to Selection of Telecommunications Utilities. The proposed amendment will address carrier responsibility during the change order process when a customer selects a different local, toll, or long distance provider. Specifically, the proposed amendment requires not only that the change in preferred carrier be executed, but clarifies how billing record information is exchanged between the providers. The purpose of the amendment is to protect customers from billing errors and disputes that arise from a failure to execute a change in the preferred provider, and/or the failure of the providers to exchange necessary billing records with each other. Project Number 26131 is assigned to this proceeding.

Rosemary McMahill, Senior Policy Analyst, Policy Development Division, 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.

Ms. McMahon 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 greater customer protection and fewer customer disputes with carrier billing when the customer changes a preferred provider. The proposed section will clarify carrier responsibility when exchanging records necessary for billing the customer. Under the proposed language, the customer's old preferred local exchange carrier (PLEC) would notify the customer's old preferred interexchange carrier (PIC) that a change in PIC has occurred; in turn, the new PLEC would bear responsibility for notifying the customer's new PIC that it had been selected. There will be no adverse economic effect on small businesses or micro-businesses as a result of enforcing this section. There may be anticipated economic cost to persons who are required to comply with the section as proposed. The economic cost is difficult to ascertain or quantify at this time. However, the anticipated economic cost is outweighed by the benefit to telecommunications customers in Texas.

Ms. McMahon 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 Administrative Procedure Act § 2001.029 at the commission's offices, located in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas 78701, on Friday, August 23, 2002 at 9:30 a.m. in Hearing Room Gee.

Comments on the proposed amendment (16 copies) may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, PO Box 13326, Austin, Texas 78711-3326, within 21 days after publication. Comments should be organized in a manner consistent with the organization of the proposed rule(s). 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 26131.

This amendment is proposed under the Public Utility Regulatory Act (PURA), Texas Utilities Code Annotated (Vernon 1998, Supplement 2002) §14.002 (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; and specifically PURA §§55.301-55.308, which require the commission to adopt nondiscriminatory and competitively neutral rules to protect customers during a change in the selection of a new telecommunications utility; PURA §60.002, which grants the commission authority to implement competitive safeguards to ensure fair competition in the Texas telecommunications market; and PURA §17.004 and §64.004, which authorize the commission to adopt rules to protect customers from being billed for services that were not authorized or provided and to ensure that a customer's choice of provider is honored.

Cross Reference to Statutes: PURA §§14.002, 17.004, 55.301-55.308, 60.002, and §64.004.



**§26.130. Selection of Telecommunications Utilities.**

(a) — (l) (No change.)

(m) **Additional requirements for changes involving certain telecommunications utilities.**

(1) **Definitions.** The following words and terms, when used in this subsection, shall have the following meanings unless the context clearly indicates otherwise.

(A) Preferred local exchange company (PLEC) — the certified telecommunications utility chosen by a customer to provide local exchange service to that customer.

(B) Old preferred local exchange company (old PLEC) — The preferred local exchange company immediately preceding the change to a new preferred local exchange company.

(C) New preferred local exchange company (new PLEC) — The preferred local exchange company from which the customer is requesting new service.

(D) Preferred interexchange carrier (PIC) — the provider chosen by a customer to carry that customer's toll calls.

(E) Old preferred interexchange carrier (old PIC) — The preferred interexchange carrier immediately preceding the change to a new preferred interexchange carrier.

(F) New preferred interexchange carrier (new PIC) — The preferred interexchange carrier from which the customer is requesting new service.

(2) **Contents of notice required by paragraphs (3), (4) and (5) of this subsection.**

Notice shall contain at least:

- (A) the effective date of the change;
- (B) the customer's billing name, address, and number; and
- (C) any other information necessary to execute the preferred carrier change request.

(3) **Notification requirements for change in PIC only.** The PLEC shall notify the old PIC and the new PIC of the PIC change within five business days of executing the change.

- (A) The new PIC shall connect service and initiate billing to the customer within five business days after receipt of such notice.
- (B) The old PIC shall disconnect service and discontinue billing to the customer within five business days after receipt of such notice.

(4) **Notification requirements for change in PLEC when one PLEC is not switch-based.** When either the old or new PLEC is not a switch-based telecommunications utility, the requirements of this paragraph apply.

- (A) Requirement of the new PLEC to notify the old PLEC. Within five business days of the customer's selection of the new PLEC, the new PLEC shall notify the old PLEC of:
  - (i) the change in the customer's PLEC; and
  - (ii) the identity of the customer's new PIC, if any.

- (B) Requirement of the new PLEC to notify the new PIC. Within five business days of the customer's selection of the new PLEC, the new PLEC shall notify the new PIC of the customer's selection of such PIC as the customer's PIC.
  - (C) Requirement of the old PLEC to notify the old PIC. Within five business days of the old PLEC's receipt of notice pursuant to subparagraph (A) of this paragraph, the old PLEC shall notify the old PIC:
    - (i) that the old PLEC is no longer the customer's PLEC;
    - (ii) of the identity of the new PLEC; and
    - (iii) whether the old PIC is no longer the customer's PIC.
- (5) **Notification requirements for change in PLEC when both PLECs are switch-based.** When both the old and new PLECs are switch-based telecommunications utilities, the requirements of this paragraph apply.
- (A) Requirement of the new PLEC to notify the old PLEC. Within five business days of the customer's selection of the new PLEC, the new PLEC shall notify the old PLEC of the change in the customer's PLEC.
  - (B) Requirement of the new PLEC to notify the new PIC. Within five business days of the customer's selection of the new PLEC, the new PLEC shall notify the new PIC of the customer's selection of such PIC as the customer's PIC.

- (C) Requirement of the old PLEC to notify the old PIC. Within five business days of the old PLEC's receipt of notice pursuant to paragraph (4)(A) of this subsection, the old PLEC shall notify the old PIC that the old PLEC is no longer the customer's PLEC.
- (6) **Requirements of the new PIC to connect customer.** If the new PIC receives notice pursuant to paragraphs (4)(B) or (5)(B) of this subsection, within five business days after receipt of such notice, the new PIC shall connect service and initiate billing to the customer.
- (7) **Requirements of the old PIC to disconnect customer.**
- (A) If the old PIC receives notice pursuant to paragraph (4)(C)(iii) of this subsection that the old PIC is no longer the customer's PIC, the old PIC shall disconnect service and discontinue billing to the customer within five business days after receipt of such notice.
- (B) If the old PIC receives notice pursuant to paragraph (5)(C) of this subsection, but not pursuant to paragraph (4)(B) of this subsection, the old PIC shall disconnect service and discontinue billing to the customer within five business days after receipt of such notice.

~~(n)(m)~~ **Reporting requirement.** Each telecommunications utility shall file a semiannual slamming report with the commission's Central Records in the assigned project number as required by

paragraphs (1) and (2) of this subsection. A project number will be assigned each calendar year for this report.

- (1) The report shall use the format and information required by 47 C.F.R. §64.1180 containing only Texas-specific data.
- (2) Reports shall be submitted on August 31 (covering January 1 through June 30) and February 28 (covering July 1 through December 31).

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 12th DAY OF JULY 2002 BY THE  
PUBLIC UTILITY COMMISSION OF TEXAS  
RHONDA G. DEMPSEY**

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