

PROJECT NO. 45132

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

**PROPOSAL FOR PUBLICATION OF AMENDMENTS TO §26.24 AND §26.27
AS APPROVED AT THE NOVEMBER 5, 2015 OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes amendments to §26.24, relating to Credit Requirements and Deposits and §26.27, relating to Bill Payment and Adjustments. The proposed amendments will implement legislative changes made by Senate Bill 734 of the 84th Legislature, Regular Session. The amendments will make clear that the annual interest rate shall be set by the commission on or before December 1 of each calendar year to be used for the next calendar year. Project Number 45132 is assigned to this proceeding.

Anjuli Winker of the Commission's Rate Regulation 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.

Anjuli Winker 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 flexibility with regard to when the commission will set the annual interest rate for the following calendar year.

There will be no adverse economic effect on small businesses or micro-businesses as a result of

enforcing this section. Therefore, no regulatory flexibility analysis is required. There is no anticipated economic cost to persons who are required to comply with the section as proposed.

Anjuli Winker 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 (APA), Texas Government Code §2001.022.

Comments on the proposed amendments may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326, by December 11, 2015. Sixteen copies of comments to the proposed amendment are required to be filed pursuant to §22.71(c) of this title. 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 45132.

These amendments are proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (West 2007 and Supp. 2014) (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, the amendments made to §183.003 of the Utilities Code, by Senate Bill 734 of the 84th Legislature, Regular Session, which directs the commission on when to set the rate of interest for the following calendar year.

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

§26.24. Credit Requirements and Deposits.

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

(1) – (6) (No change.)

(7) **Interest on deposits.**

(A) Each DCTU requiring deposits shall pay interest, compounded annually, on these deposits. The annual rate shall be at least equal to that set by the commission on or before December 1 of the preceding calendar year, pursuant to Texas Utilities Code Annotated §183.003 (relating to Rate of Interest).

(i) – (ii) (No change.)

(B) – (C) (No change.)

(8) – (13) (No change.)

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

(1) – (2) (No change.)

(3) **Interest on deposits.**

(A) Each NCTU requiring deposits shall pay interest, compounded annually, on these deposits. The annual rate shall be at least equal to that set by the commission on or before December 1 of the preceding calendar year, pursuant to Texas Utilities Code Annotated §183.003 (relating to Rate of Interest).

(i) – (ii) (No change.)

(B) – (C) (No change.)

(4) – (7) (No change.)

(c) (No change.)

§26.27. Bill Payment and Adjustments.

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

(1)-(2) (No change.)

(3) **Billing adjustments.**

(A) (No change.)

(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) – (ii) (No change.)

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

(iv) (No change.)

(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) – (iii) (No change.)

(iv) **Interest on underbilled amounts shall:**

(I) (No change.)

(II) not exceed an amount based on the rate set by the commission on or before December 1 of the preceding calendar year, compounded monthly, and accruing from the day the customer is found to have first tampered with, bypassed, or diverted service.

(4) – (8) (No change.)

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

(1) – (3) (No change.)

(4) **Billing adjustments.**

(A) (No change.)

(i) – (ii) (No change.)

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

(iv) (No change.)

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

(i) – (iv) (No change.)

(iv) Interest on underbilled amounts shall:

(I) (No change.)

(II) not exceed an amount based on the rate set by the commission on or before December 1 of the preceding calendar year, compounded monthly, and accruing from the day the customer is found to have first tampered with, bypassed, or diverted service.

(5) – (7) (No change.)

(c) (No change.)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 5TH DAY OF NOVEMBER 2015 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
ADRIANA A. GONZALES**

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