

SUBJECT: Requiring utilities to use defined terms on retail bills

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 14 ayes — Solomons, Menendez, Cook, Farabee, Gallego, Geren, Harless, Hilderbran, Jones, Lucio, Maldonado, Oliveira, Swinford, S. Turner

0 nays

1 absent — Craddick

WITNESSES: For — Robert Webb; (*Registered but did not testify*: Luke Bellsnyder, Texas Association of Manufacturers; Jeff Blaylock, AT&T of Texas; Randall Chapman, Texas Legal Services Center; Kristen Doyle, Cities Aggregation Power Project, South Texas Aggregation Project, Steering Committee of Cities Served by ONCOR; John W. Fainter, Jr., Association of Electric Companies of Texas, Inc.; Walt Jordan, ONCOR; Tim Morstad, AARP; Carl Richie, TXU Energy)

Against — None

On — (*Registered but did not testify*: Don Ballard, Public Utility Counsel; Barry Smitherman, Public Utility Commission)

BACKGROUND: Utilities Code, ch. 17 requires the Public Utility Commission (PUC) to adopt and enforce rules requiring certificated telecommunications utilities, retail electric providers, and electric utilities to give customers clear and uniform information on rates, terms, services, customer rights, and other information. Every service provider submitting charges on a bill for telecommunications or electric services must be clearly and easily identified on the bill, along with its services, products, and charges.

A billing agent, service provider, or retail electric provider may submit charges for a new product or service only if the customer knows of and has consented to the charges and has been provided with contact information to use for questions and disputes and the utility has authorized the inclusion of the charges on the bill.

Under Utilities Code, sec. 17.004(a), telecommunications and retail electric service customers are entitled to bills presented in a clear, readable format and easy-to-understand language.

**DIGEST:**

HB 1822 would require the PUC to identify a list of defined terms common to the telecommunications and electricity industries and require certificated telecommunications utilities, retail electric providers, and electric utilities to uniformly label and use these terms on each retail bill sent to a customer.

A service provider, retail electric provider, or billing agent could submit charges for a new product or service on a telephone or retail electric bill only if it used the defined terms as required by PUC rules.

Telecommunications and electric service customers would be entitled to bills that uniformly defined and used the specified common terms.

The bill would take effect September 1, 2009, and would apply only to utility bills issued on or after the effective date.

**SUPPORTERS  
SAY:**

By requiring that certain common terms and the definitions of those terms remain constant and uniform from one utility provider to the next, HB 1822 would help ensure that utility bills were more “customer friendly” and more easily understood. Currently, utility bills are lengthy and use confusing language that an average consumer might not comprehend. Also, different providers use the same terms in varying ways. Uniformly defining terms in plain language would help shorten and simplify utility bills and allow consumers to understand transactions and make informed decisions when selecting utility services and changing providers. Customers also could better see how to save money by consuming less, ultimately benefiting the environment.

Requiring uniformly defined terms on each retail bill would not pose an additional cost to utility providers, and shorter bills would allow companies to use less paper.

**OPPONENTS  
SAY:**

No apparent opposition.