

must be collected in accordance with §25.478(e)(3) of this title (relating to Credit Requirements and Deposits).

- (D) Notwithstanding §25.478(d) of this title, 90 days after the transition date, the VREP or LSP may request payment of an amount that results in the total deposit held being equal to what the VREP or LSP would otherwise have charged a customer in the same customer class and service area in accordance with §25.478(e) of this title, at the time of the transition.
- (10) On the occurrence of one or more of the following events, ERCOT must initiate a mass transition to POLR providers, of all of the customers served by a REP:
 - (A) Termination of the Load Serving Entity (LSE) or Qualified Scheduling Entity (QSE) Agreement for a REP with ERCOT;
 - (B) Issuance of a commission order recognizing that a REP is in default under the TDU Tariff for Retail Delivery Service;
 - (C) Issuance of a commission order de-certifying a REP;
 - (D) Issuance of a commission order requiring a mass transition to POLR providers;
 - (E) Issuance of a judicial order requiring a mass transition to POLR providers; and
 - (F) At the request of a REP, for the mass transition of all of that REP's customers.
- (11) A REP must not use the mass transition process in this section as a means to cease providing service to some customers, while retaining other customers. A

REP's improper use of the mass transition process may lead to de-certification of the REP.

- (12) ERCOT may provide procedures for the mass transition process, consistent with this section.
- (13) A mass transition under this section must not override or supersede a switch request made by a customer to switch an ESI ID to a new REP of choice, if the request was made before a mass transition is initiated. If a switch request has been made but is scheduled for any date after the next available switch date, the switch must be made on the next available switch date.
- (14) ERCOT must identify customers who are mass transitioned for a period of 60 calendar days. The identification must terminate at the first completed switch or at the end of the 60-day period, whichever is first. If necessary, ERCOT system changes or new transactions must be implemented no later than 14 months from the effective date of this section to communicate that a customer was acquired in a mass transition and is not charged the out-of-cycle meter read pursuant to paragraph (16) of this subsection.
- (15) In the event of a transition to a POLR provider or away from a POLR provider to a REP of choice, the switch notification notice detailed in §25.474(l) of this title (relating to Selection of Retail Electric Provider) is not required.
- (16) In a mass transition event, the ERCOT initiated transactions must request an out-of-cycle meter read for the associated ESI IDs for a date two calendar days after the calendar date ERCOT initiates such transactions to the TDU. If an ESI ID does not have the capability to be read in a fashion other than a physical meter read, the out-of-cycle meter read may be estimated. An estimated meter

read for the purpose of a mass transition to a POLR provider must not be considered a break in a series of consecutive months of estimates, but must not be considered a month in a series of consecutive estimates performed by the TDU. A TDU must create a regulatory asset for the TDU fees associated with a mass transition of customers to a POLR provider pursuant to this subsection. Upon review of reasonableness and necessity, a reasonable level of amortization of such regulatory asset must be included as a recoverable cost in the TDU's rates in its next rate case or such other rate recovery proceeding as deemed necessary. The TDU must not bill as a discretionary charge, the costs included in this regulatory asset, which must consist of the following:

- (A) fees for out-of-cycle meter reads associated with the mass transition of customers to a POLR provider; and
 - (B) fees for the first out-of-cycle meter read provided to a customer who transfers away from a POLR provider, when the out-of-cycle meter read is performed within 60 calendar days of the date of the mass transition and the customer is identified as a transitioned customer.
- (17) In the event the TDU estimates a meter read for the purpose of a mass transition, the TDU must perform a true-up evaluation of each ESI ID after an actual meter reading is obtained. Within 10 days after the actual meter reading is obtained, the TDU must calculate the actual average kWh usage per day for the time period from the most previous actual meter reading occurring prior to the estimate for the purpose of a mass transition to the most current actual meter reading occurring after the estimate for the purpose of mass transition. If the average daily estimated usage sent to the exiting REP is more than 50% greater

than or less than the average actual kWh usage per day, the TDU must promptly cancel and re-bill both the exiting REP and the POLR using the average actually daily usage.

(q) **Termination of POLR service provider status.**

- (1) The commission may revoke a REP's POLR status after notice and opportunity for hearing:
 - (A) If the POLR provider fails to maintain REP certification;
 - (B) If the POLR provider fails to provide service in a manner consistent with this section;
 - (C) The POLR provider fails to maintain appropriate financial qualifications; or
 - (D) For other good cause.
- (2) If an LSP defaults or has its status revoked before the end of its term, after a review of the eligibility criteria, the commission staff designee will, as soon as practicable, designate the next eligible REP, if any, as an LSP, based on the criteria in subsection (j) of this section.
- (3) At the end of the POLR service term, the outgoing LSP must continue to serve customers who have not selected another REP.

- (r) **Electric cooperative delegation of authority.** An electric cooperative that has adopted customer choice may select to delegate to the commission its authority to select POLR providers under PURA §41.053(c) in its certificated service area in accordance with this section. After notice and opportunity for comment, the commission will, at

its option, accept or reject such delegation of authority. If the commission accepts the delegation of authority, the following conditions apply:

- (1) The board of directors must provide the commission with a copy of a board resolution authorizing such delegation of authority;
 - (2) The delegation of authority must be made at least 30 calendar days prior to the time the commission issues a publication of notice of eligibility;
 - (3) The delegation of authority must be for a minimum period corresponding to the period for which the solicitation must be made;
 - (4) The electric cooperative wishing to delegate its authority to designate a continuous provider must also provide the commission with the authority to apply the selection criteria and procedures described in this section in selecting the POLR providers within the electric cooperative's certificated service area; and
 - (5) If there are no competitive REPs offering service in the electric cooperative certificated area, the commission must automatically reject the delegation of authority.
- (s) **Reporting requirements.** Each LSP that serves customers under a rate prescribed by subsection (m)(2) of this section must file the following information with the commission on a quarterly basis beginning January of each year in a project established by the commission for the receipt of such information. Each quarterly report must be filed within 30 calendar days of the end of the quarter.

- (1) For each month of the reporting quarter, each LSP must report the total number of new customers acquired by the LSP under this section and the following information regarding these customers:
 - (A) The number of customers from whom a deposit was requested pursuant to the provisions of §25.478 of this title, and the average amount of deposit requested;
 - (B) The number of customers from whom a deposit was received, including those who entered into deferred payment plans for the deposit, and the average amount of the deposit;
 - (C) The number of customers whose service was physically disconnected pursuant to the provisions of §25.483 of this title (relating to Disconnection of Service) for failure to pay a required deposit; and
 - (D) Any explanatory data or narrative necessary to account for customers that were not included in either subparagraph (B) or (C) of this paragraph.
- (2) For each month of the reporting quarter each LSP must report the total number of customers to whom a disconnection notice was issued pursuant to the provisions of §25.483 of this title and the following information regarding those customers:
 - (A) The number of customers who entered into a deferred payment plan, as defined by §25.480(j) of this title (relating to Bill Payment and Adjustments) with the LSP;
 - (B) The number of customers whose service was physically disconnected pursuant to §25.483 of this title;

- (C) The average amount owed to the LSP by each disconnected customer at the time of disconnection; and
 - (D) Any explanatory data or narrative necessary to account for customers that are not included in either subparagraph (A) or (B) of this paragraph.
- (3) For the entirety of the reporting quarter, each LSP must report, for each customer that received POLR service, the TDU and customer class associated with the customer's ESI ID, the number of days the customer received POLR service, and whether the customer is currently the LSP's customer.
- (t) **Notice of transition to POLR service to customers.** When a customer is moved to POLR service, the customer must be provided notice of the transition by ERCOT, the REP transitioning the customer, and the POLR provider. The ERCOT notice must be provided within two days of the time ERCOT and the transitioning REP know that the customer must be transitioned and customer contact information is available. If ERCOT cannot provide notice to customers within two days, it must provide notice as soon as practicable. The POLR provider must provide the notice required by paragraph (3) of this subsection to commission staff at least 48 hours before it is provided to customers, and must provide the notice to transitioning customers as soon as practicable. The POLR provider must email the notice to the commission staff members designated for receipt of the notice.
- (1) ERCOT notice methods must include a post-card, containing the official commission seal with language and format approved by the commission. ERCOT must notify transitioned customers with an automated phone-call and email to the extent the information to contact the customer is available pursuant

to subsection (p)(6) of this section. ERCOT must study the effectiveness of the notice methods used and report the results to the commission.

- (2) Notice by the REP from which the customer is transferred must include:
- (A) The reason for the transition;
 - (B) A contact number for the REP;
 - (C) A statement that the customer will receive a separate notice from the POLR provider that must disclose the date the POLR provider must begin serving the customer;
 - (D) Either the customer's deposit plus accrued interest, or a statement that the deposit must be returned within seven days of the transition;
 - (E) A statement that the customer can leave the assigned service by choosing a competitive product or service offered by the POLR provider, or another competitive REP, as well as the following statement: "If you would like to see offers from different retail electric providers, please access www.powertochoose.org, or call toll-free 1-866-PWR-4-TEX (1-866-797-4839) for a list of providers in your area;"
 - (F) For residential customers, notice from the commission in the form of a bill insert or a bill message with the header "An Important Message from the Public Utility Commission Regarding Your Electric Service" addressing why the customer has been transitioned to another REP, the continuity of service purpose, the option to choose a different competitive provider, and information on competitive markets to be found at www.powertochoose.org, or toll-free at 1-866-PWR-4-TEX (1-866-797-4839);

- (G) If applicable, a description of the activities that the REP will use to collect any outstanding payments, including the use of consumer reporting agencies, debt collection agencies, small claims court, and other remedies allowed by law, if the customer does not pay or make acceptable payment arrangements with the REP; and
 - (H) Notice to the customer that after being transitioned to POLR service, the customer may accelerate a switch to another REP by requesting a special or out-of-cycle meter read.
- (3) Notice by the POLR provider must include:
- (A) The date the POLR provider began or will begin serving the customer and a contact number for the POLR provider;
 - (B) A description of the POLR provider's rate for service. In the case of a notice from an LSP that applies the pricing of subsection (m)(2) of this section, a statement that the price is generally higher than available competitive prices;
 - (C) The deposit requirements of the POLR provider and any applicable deposit waiver provisions and a statement that, if the customer chooses a different competitive product or service offered by the POLR provider, a REP affiliated with the POLR provider, or another competitive REP, a deposit may be required;
 - (D) A statement that the additional competitive products or services may be available through the POLR provider, a REP affiliated with the POLR provider, or another competitive REP, as well as the following statement: "If you would like to choose a different retail electric

provider, please access www.powertochoose.org, or call toll-free 1-866-PWR-4-TEX (1-866-797-4839) for a list of providers in your area;”

- (E) The applicable Terms of Service and Electricity Facts Label (EFL); and
 - (F) For residential customers that are served by an LSP under a rate prescribed by subsection (m)(2) of this section, a notice to the customer that after being transitioned to service from a POLR provider, the customer may accelerate a switch to another REP by requesting a special or out-of-cycle meter read.
- (u) **Market notice of transition to POLR service.** ERCOT must notify all affected Market Participants and the Retail Market Subcommittee (RMS) email listserv of a mass transition event within the same day of an initial mass-transition call after the call has taken place. The notification must include the exiting REP’s name, total number of ESI IDs, and estimated load.
- (v) **Disconnection by a POLR provider.** The POLR provider must comply with the applicable customer protection rules as provided for under Subchapter R of this chapter, except as otherwise stated in this section. To ensure continuity of service, service under this section must begin when the customer’s transition to the POLR provider is complete. A customer deposit is not a prerequisite for the initiation of service under this section. Once service has been initiated, a customer deposit may be required to prevent disconnection. Disconnection for failure to pay a deposit may not occur until after the proper notice and after that appropriate payment period detailed in §25.478 of this title has elapsed, except where otherwise noted in this section.
- (w) **Deposit payment assistance.**

- (1) The commission staff designee will distribute the deposit payment assistance monies to the appropriate POLRs on behalf of customers as soon as practicable.
- (2) The executive director or staff designee will use best efforts to provide written notice to the appropriate POLRs of the following on or before the second calendar day after the transition:
 - (A) a list of the ESI IDs identified by the LILA that have been or will be transitioned to the applicable POLR (if available); and
 - (B) the amount of deposit payment assistance that will be provided on behalf of a POLR customer identified by the LILA (if available).
- (3) Amounts credited as deposit payment assistance pursuant to this section must be refunded to the customer in accordance with §25.478(j) of this title.

§25.471. General Provisions of Customer Protection Rules.

- (a) **Application.** This subchapter applies to aggregators and retail electric providers (REPs). In addition, where specifically stated, these rules apply to transmission and distribution utilities (TDUs), the registration agent, brokers and power generation companies. These rules specify when certain provisions are applicable only to some, but not all, of these providers.
- (1) Affiliated REP customer protection rules, to the extent the rules differ from those applicable to all REPs or those that apply to the provider of last resort (POLR), do not apply to the affiliated REP when serving customers outside the geographic area served by its affiliated transmission and distribution utility. The affiliated REP customer protection rules apply until the price-to-beat obligation ends in the affiliated REPs' affiliated TDU service territory.
- (2) Requirements applicable to a POLR apply to a REP only in its provision of service as a POLR.
- (3) The rules in this subchapter are minimum, mandatory requirements that must be offered to or complied with for all customers unless otherwise specified. Except for the provisions of §25.495 of this title (relating to Unauthorized Change of Retail Electric Provider), §25.481 of this title (relating to Unauthorized Charges), §25.485(a)-(b) of this title (relating to Customer Access and Complaint Handling), and §25.499 (relating to Acknowledgement of Risk Requirements for Certain Commercial Contracts), a customer other than a residential or small commercial class customer, or a non-residential customer whose load is part of an aggregation in excess of 50 kilowatts, may agree to terms of service that reflect either a higher or lower level of customer

protections than would otherwise apply under these rules. Any agreements containing materially different protections from those specified in these rules must be reduced to writing and provided to the customer. Additionally, copies of such agreements must be provided to the commission upon request.

- (4) The rules of this subchapter control over any inconsistent provisions, terms, or conditions of a REP's terms of service or other documents describing service offerings for customers in Texas.
- (5) For purposes of this subchapter, a municipally owned utility or electric cooperative is subject to the same provisions as a REP where the municipally owned utility or electric cooperative sells retail electricity service outside its certificated service area.

(b) **Purpose.** The purposes of this subchapter are to:

- (1) provide minimum standards for customer protection. An aggregator or REP may adopt higher standards for customer protection, provided that the prohibition on discrimination set forth in subsection (c) of this section is not violated;
- (2) provide customer protections and disclosures established by other state and federal laws and rules including but not limited to 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.). Such protections are applicable where appropriate, whether or not it is explicitly stated in these rules;
- (3) provide customers with sufficient information to make informed decisions about electric service in a competitive market; and

- (4) prohibit fraudulent, unfair, misleading, deceptive, or anticompetitive acts and practices by aggregators, REPs, and brokers in the marketing, solicitation and sale of electric service, in the administration of any terms of service for electric service and in providing advice or procurement services to, or acting on behalf of, a retail electric customer regarding the selection of a retail electric provider, or a product or service offered by a retail electric provider.
- (c) **Prohibition against discrimination.** This subchapter prohibits REPs from unduly refusing to provide electric service or otherwise unduly discriminating in the marketing and provision of electric service to any customer because of race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, disability, familial status, location of customer in an economically distressed geographic area, or qualification for low-income or energy efficiency services.
- (d) **Definitions.** For the purposes of this subchapter the following words and terms have the following meaning, unless the context indicates otherwise:
- (1) **Applicant** -- A person who applies for electric service via a move-in or switch with a REP that is not currently the person's REP of record or applies for aggregation services with an aggregator from whom the person is not currently receiving aggregation services.
- (2) **Burned Veteran** -- A customer who is a military veteran who a medical doctor certifies has a significantly decreased ability to regulate body temperature because of severe burns received in combat.

- (3) **Competitive energy services** -- As defined in §25.341 of this title (relating to Definitions).
- (4) **Customer** -- A person who is currently receiving retail electric service from a REP in the person's own name or the name of the person's spouse, or the name of an authorized representative of a partnership, corporation, or other legal entity, including a person who is changing premises but is not changing their REP.
- (5) **Electric service** -- Combination of the transmission and distribution service provided by a transmission and distribution utility, municipally owned utility, or electric cooperative, metering service provided by a TDU or a competitive metering provider, and the generation service provided to an end-use customer by a REP. This term does not include optional competitive energy services, as defined in §25.341 of this title, that are not required for the customer to obtain service from a REP.
- (6) **Energy service** -- As defined in §25.223 of this title (relating to Unbundling of Energy Service).
- (7) **Enrollment** -- The process of obtaining authorization and verification for a request for service that is a move-in or switch in accordance with this subchapter.
- (8) **In writing** -- Written words memorialized on paper or sent electronically.
- (9) **Move-in** -- A request for service to a new premise where a customer of record is initially established or to an existing premise where the customer of record changes.

- (10) **Retail electric provider (REP)** -- Any entity as defined in §25.5 of this title (relating to Definitions). For purposes of this rule, a municipally owned utility or an electric cooperative is only considered a REP where it sells retail electric power and energy outside its certified service territory. An agent of the REP may perform all or part of the REP's responsibilities pursuant to this subchapter. For purposes of this subchapter, the REP will be responsible for the actions of the agent.
- (11) **Small commercial customer** -- A non-residential customer that has a peak demand of less than 50 kilowatts during any 12-month period, unless the customer's load is part of an aggregation program whose peak demand is in excess of 50 kilowatts during the same 12- month period.
- (12) **Switch** -- The process by which a person changes REPs without changing premises.
- (13) **Termination of service** -- The cancellation or expiration of a service agreement or contract by a REP or customer.

**§25.475. General Retail Electric Provider Requirements and Information Disclosures
to Residential and Small Commercial Customers.**

- (a) **Applicability.** The requirements of this section apply to retail electric providers (REPs) in connection with the provision of service and marketing to residential and small commercial customers. When specifically stated, the requirements of this section apply to brokers, aggregators, and transmission and distribution utilities (TDUs). The requirements for an additional notice to residential customers of contract expiration is effective for contracts entered into on or after September 1, 2021. REPs must comply with the requirements set forth in §25.475(e)(2)(B)(ii), (e)(2)(C)(iii), (v), (vi), (vii), (h)(4), (h)(6)(C), and the requirements set forth under §25.475(e)(1) for contracts entered into with small commercial customers by April 1, 2022. Contracts entered into prior to the effective date of these provisions must comply with the provisions of this section in effect at the time the contracts were executed.
- (b) **Definitions.** The definitions set forth in §25.5 (relating to Definitions) and §25.471(d) (relating to General Provisions of Customer Protection Rules) of this title apply to this section. In addition, the following words and terms, when used in this section have the following meanings, unless the context indicates otherwise.
- (1) **Contract** -- The terms of service document, the Electricity Facts Label (EFL), Your Rights as a Customer document (YRAC), and the documentation of enrollment pursuant to §25.474 of this title (relating to Selection of Retail Electric Provider), and, if applicable, Prepaid Disclosure Statement (PDS).

- (2) **Contract documents** -- The terms of service, EFL, YRAC, and, if applicable, PDS.
- (3) **Contract expiration** -- The time when the initial term contract is completed. A new contract is initiated when the customer begins receiving service pursuant to the new EFL.
- (4) **Contract term** -- The time period the contract is in effect.
- (5) **Fixed rate product** -- A retail electric product with a term of at least three months for which the price (including all recurring charges and ancillary service charges) for each billing period of the contract term is the same throughout the contract term, except that the price may vary from the disclosed amount solely to reflect actual changes in TDU charges, changes to the Electric Reliability Council of Texas (ERCOT) or Texas Regional Entity, Inc. administrative fees charged to loads or changes resulting from federal, state or local laws that impose new or modified fees or costs on a REP that are beyond the REP's control. The price may not vary from the disclosed amount to reflect changes in ancillary service charges unless the commission expressly designates a specific type of ancillary service product as incurring charges beyond the REP's control for a customer's existing contract.
- (6) **Indexed product** -- A retail electric product for which the price, including recurring charges, can vary according to a pre-defined pricing formula that is based on publicly available indices or information and is disclosed to the customer, and to reflect actual changes in TDU charges, changes to the ERCOT or Texas Regional Entity administrative fees charged to loads or changes resulting from federal, state or local laws or regulatory actions that impose new

or modified fees or costs on a REP that are beyond the REPs control. An indexed product may be for a term of three months or more, or may be a month-to-month contract.

- (7) **Month-to-month contract** -- A contract with a term of 31 days or less. A month-to-month contract may not contain a termination fee or penalty.
- (8) **Price** -- The cost for a retail electric product that includes all recurring charges, including the cost of ancillary services, excluding state and local sales taxes, and reimbursement for the state miscellaneous gross receipts tax.
- (9) **Recurring charge** -- A charge for a retail electric product that is expected to appear on a customer's bill in every billing period or appear in three or more billing periods in a twelve month period. A charge is not considered recurring if it will be billed by the TDU and passed on to the customer and will either not be applied to all customers of that class within the TDU territory, or cannot be known until the customer enrolls or requests a specific service.
- (10) **Term contract** -- A contract with a term in excess of 31 days.
- (11) **Variable price product** -- A retail product for which price may vary according to a method determined by the REP, including a product for which the price, can increase no more than a defined percentage as indexed to the customer's previous billing month's price. For residential customers, a variable price product can be only a month-to-month contract.
- (12) **Wholesale Indexed Product** -- A retail electric product in which the price a customer pays for electricity includes a direct pass-through of real-time settlement point prices determined by the independent organization certified

under the Public Utility Regulatory Act (PURA) §39.151 for the ERCOT power region.

(c) **General Retail Electric Provider requirements.**

(1) **General Disclosure Requirements.**

(A) All written, electronic, and oral communications, including advertising, websites, direct marketing materials, billing statements, terms of service, EFLs, YRACs, and, if applicable, PDSs distributed by a REP or aggregator must be clear and not misleading, fraudulent, unfair, deceptive, or anti-competitive. Prohibited communications include, but are not limited to:

- (i) Using the term or terms “fixed” to market a product that does not meet the definition of a fixed rate product.
- (ii) Suggesting, implying, or otherwise leading someone to believe that a REP or aggregator has been providing retail electric service prior to the time the REP or aggregator was certified or registered by the commission.
- (iii) Suggesting, implying or otherwise leading someone to believe that receiving retail electric service from a REP will provide a customer with better quality of service from the TDU.
- (iv) Falsely suggesting, implying or otherwise leading someone to believe that a person is a representative of a TDU or any REP or aggregator.

- (v) Falsely suggesting, implying or otherwise leading someone to believe that a contract has benefits for a period of time longer than the initial contract term.
 - (B) Written and electronic communications must not refer to laws, including commission rules without providing a link or website address where the text of those rules are available. All printed advertisements, electronic advertising over the Internet, and websites, must include the REP's certified name or commission authorized business name, or the aggregator's registered name, and the number of the certification or registration.
 - (C) The terms of service, EFL, YRAC , and, if applicable, PDS must be provided to each customer upon enrollment. Each document must be provided to the customer whenever a change is made to the specific document and upon a customer's request, at any time free of charge.
 - (D) A REP must retain a copy of each version of the terms of service, EFL, YRAC, and, if applicable, PDS during the time the plan is in effect for a customer and for four years after the contract ceases to be in effect for any customer. REPs must provide such documents at the request of the commission or its staff.
- (2) **General contracting requirements.**
- (A) Each terms of service, EFL, and YRAC must be complete, be written in language that is clear, plain and easily understood, and be printed in paragraphs of no more than 250 words in a font no smaller than 10 point. References to laws including commission rules in these

documents must include a link or website address to the full text of the applicable law or rule.

- (B) Each contract document must be available to the commission to post on its customer education website if the REP chooses to post offers to the website.
- (C) A contract is limited to service to a customer at a location specified in the contract. If the customer moves from the location, the customer is under no obligation to continue the contract at another location. The REP may require a customer to provide evidence that it is moving to another location. There must be no early termination fee assessed to the customer as a result of the customer's relocation if the customer provides a forwarding address and, if required, reasonable evidence that the customer no longer occupies the location specified in the contract.
- (D) A terms of service document and EFL must disclose the type of product being described, using one of the following terms: fixed rate product or a variable price product.
- (E) A REP must not use a credit score, a credit history, or utility payment data as the basis for determining the price for electric service for a product with a contract term of 12 months or less for an existing residential customer or in response to an applicant's request to become a residential customer.

- (F) In any dispute between a customer and a REP concerning the terms of a contract, any vagueness, obscurity, or ambiguity in the contract will be construed in favor of the customer.
 - (G) For a variable price product, the REP must disclose on the REP's website and through a toll-free number the current price and, for residential customers, one year price history, or history for the life of the product, if it has been offered less than one year. A REP must not rename a product in order to avoid disclosure of price history. The EFL of a variable price product must include a notice of how the current price and, if applicable, historical price information may be obtained by a customer.
 - (H) A REP must comply with its contracts.
- (3) **Specific contract requirements.**
- (A) The contract term must be conspicuously disclosed.
 - (B) The start and end dates of the contract must be available to the customer upon request. If the REP cannot determine the start date, the REP may estimate the start date. After the start date is known, the REP must specify the end date of the contract by:
 - (i) specifying a calendar date; or
 - (ii) reference to the first meter read on or after a specific calendar date.
 - (C) If a REP specifies a calendar date as the end date, the REP may bill the term contract price through the first meter read on or after the end date of the contract.

- (D) Each contract for service must include the terms of the default renewal product that the customer will be automatically enrolled in if the customer does not select another retail electric product before the expiration of the contract term after the customer has received all required expiration notices.
- (E) If a REP does not provide proper notice of the expiration of a fixed rate contract and the customer does not select another REP before expiration of the contract term, the REP must continue to serve the customer under the pricing terms of the fixed rate product until the REP provides notice in accordance with applicable requirements of subsection I(2)(A)(i) or (ii) or the customer selects another retail electric product.
- (F) A REP, aggregator, or broker is prohibited from offering:
 - (i) an indexed product to a residential or small commercial customer on or after February 1, 2022; or
 - (ii) a wholesale indexed product to a residential or small commercial customer on or after September 1, 2021.
- (4) **Website requirements.**
 - (A) Each REP that offers residential retail electric products for enrollment on its website must prominently display the EFL for any products offered without a person having to enter any personal information other than zip code and information that allows determination of the type of offer the consumer wishes to review. Person-specific information must not be required.

- (B) The EFL for each product must be printable in no more than a two-page format. The EFL, terms of service, YRAC, and, if applicable, PDS for any products offered for enrollment on the website must be available for viewing or downloading.

(d) **Changes in contract and price and notice of changes.** A REP may make changes to the terms and conditions of a contract or to the price of a product as provided for in this section. Changes in term (length) of a contract require the customer to enter into a new contract and may not be made by providing the notice described in paragraph (3) of this subsection.

(1) **Contract changes other than price.**

(A) A REP may not change the price (other than as allowed by paragraph (2) of this subsection) or contract term of a term contract for a retail electric product, during its term; but may change any other provision of the contract, with notice under paragraph (3) of this subsection.

(B) A REP may not change the terms and conditions of a variable price month-to-month product unless it provides notice under paragraph (3) of this subsection.

(2) **Price changes.**

(A) A REP may only change the price of a fixed rate product or a variable product consistent with the definitions in this section and according to the product's EFL. Such price changes do not require notice under paragraph (3) of this subsection.

- (B) For a fixed rate product, each bill must either show the price changes on one or more separate line items, or must include a conspicuous notice stating that the amount billed may include price changes allowed by law or regulatory actions.
 - (C) Each residential bill for a variable price product must include a statement informing the customer how to obtain information about the price that will apply on the next bill.
- (3) **Notice of changes to terms and conditions.** A REP must provide written notice to its customers at least 14 days in advance of the date that the change in the contract will be applied to the customer's bill or take effect. Notice is not required for a change that benefits the customer.
- (4) **Contents of the notice to change terms and conditions.** The notice must:
 - (A) be provided in or with the customer's bill or in a separate document;
 - (B) include the following statement, "Important notice regarding changes to your contract" clearly and conspicuously in the notice;
 - (C) identify the change and the specific contract provisions that address the change;
 - (D) clearly specify what actions the customer needs to take if the customer does not accept the proposed changes to the contract;
 - (E) state in bold lettering that if the new terms are not acceptable to the customer, the customer may terminate the contract and no termination penalty may apply for 14 days from the date that the notice is sent to the customer but may apply if action is taken after the 14 days have expired.

No such statement is required if the customer would not be subject to a termination penalty under any circumstances; and

- (F) state in bold lettering that establishing service with another REP may take up to seven business days.

(e) **Contract expiration and renewal offers.**

(1) **Notice Timeline for Expiration of a Fixed Rate Product.**

- (A) For fixed rate products, the REP must provide the customer with at least three written notices of the date the fixed rate product will expire. The notices must be provided during the last third of the fixed rate contract period and in intervals that allow for, as practicable, even distribution of the notices throughout the last third of the fixed rate contract period. For contracts with a period of 12 months or longer, the first notice may be provided up to three months prior to the contract end date. For fixed rate contracts for a period:

- (i) Of more than four months, the final notice must be provided at least 30 days before the date the fixed rate contract will expire.
- (ii) Of four or fewer months, the final notice must be provided at least 15 days before the date the fixed rate contract will expire.
- (iii) For a small commercial customer, the final notice must be provided at least 14 days before the fixed rate contract will expire.

- (B) The notices must be provided to the customer by mail at the customer's billing address, unless the customer has opted to receive communications electronically from the REP.

- (C) If a REP does not provide the required notice of the expiration of a customer's fixed rate contract and the customer does not select another retail electric product before expiration of the fixed rate contract term, the REP must continue serving the customer under the terms of the fixed rate contract until the REP provides notice in accordance with applicable requirements of subsection (e)(1)(A)(i) or (ii), or until the customer selects another retail electric product.

(2) **Contract Expiration.**

- (A) If a customer takes no action in response to the final notice of contract expiration for the continued receipt of retail electric service upon the contract's expiration, the REP must serve the customer pursuant to a default renewal product that is a month-to-month product that the customer may cancel at any time without a fee. The month-to-month product price may vary between billing cycles based on clear terms designed to be easily understood by the average customer.
- (B) Written notice of contract expiration must be provided in or with the customer's bill, or in a separate document.
 - (i) If notice is provided with a residential customer's bill, the notice must be printed on a separate page. A statement must be included in a manner readily visible on the outside of the envelope sent to a residential customer's billing address by mail and in the subject line on the e-mail (if the REP sends the notice by e-mail) that states, "Contract Expiration Notice. See Enclosed."

- (ii) If the notice is provided in or with a small commercial customer's bill, the REP must include a statement in a manner readily visible on the outside of the billing envelope or in the subject line of an electronic bill that states, "Contract Expiration Notice" or "Contract Expiration Notice. See Enclosed."; or
 - (iii) For residential and small commercial customers, if notice is provided in a separate document, a statement must be included in a manner readily visible on the outside of the envelope and in the subject line of the e-mail (if customer has agreed to receive official documents by e-mail) that states, "Contract Expiration Notice. See Enclosed."
- (C) A written notice of contract expiration (whether with the bill or in a separate envelope) must set out the following:
 - (i) The date, in boldfaced and underlined text, as provided for in subsection (c)(3)(B) of this section that the existing contract will expire.
 - (ii) If the REP provided a calendar date as the end date for the contract, a statement in bold lettering no smaller than 12 point font that no termination penalty must apply to residential and small commercial customers 14 days prior to the date stated as the expiration date in the notice. In addition, a description of any fees or charges associated with the early termination of a residential customer's fixed rate product that would apply before 14 days prior to the date stated as the expiration date in

the notice must be provided. No such statements are required if the original contract did not contain a termination fee.

- (iii) If the REP defined the contract end date by reference to the first meter read on or after a specific calendar date, a statement in bold lettering no smaller than 12 point font that no termination penalty applies to residential customers for 14 days prior to the date provided as the “on or after” date included in connection with the first meter read language referenced in the notice, or that no termination penalty applies to small commercial customers for 14 days prior to the contract end date. No such statement is required if the original contract did not contain a termination fee.
- (iv) A description of any renewal offers the REP chooses to make available to the customer and the location of the terms of service and EFL for each of those products and a description of actions the customer needs to take to continue to receive service from the REP under the terms of any of the described renewal offers and the deadline by which actions must be taken.
- (v) The final notice provided pursuant to subsection (e)(2) must include a copy of the EFL for the default renewal product if the customer takes no action or if the EFL is not included with the contract expiration notice, the REP must provide the EFL to the customer at least 14 days before the expiration of the contract using the same delivery method as was used for the notice. The

contract expiration notice must specify how and when the EFL will be made available to the customer.

(vi) The final notice provided pursuant to subsection (e)(2) must include a statement that if the customer takes no action, service to the customer will continue pursuant to the EFL for the default renewal product that must be included as part of the notice of contract expiration. The terms of service for the default renewal product must be included as part of the notice, unless the terms of service applicable to the customer's existing service also applies to the default renewal product.

(vii) The final notice provided pursuant to subsection (e)(2) must include a statement that the default service is month-to month and may be cancelled at any time with no fee.

(3) **Affirmative consent.** A customer that is currently receiving service from a REP may be re-enrolled with the REP for service with the same product under which the customer is currently receiving service, or a different product, by conducting an enrollment pursuant to §25.474 of this title or by obtaining the customer's consent in a recording, electronic document, or written letter of authorization consistent with the requirements of this subsection. Affirmative consent is not required when a REP serves the customer under a default renewal product pursuant to paragraph (1) of this subsection. Each recording, electronic document, or written consent form must:

(A) Indicate the customer's name, billing address, service address (for small commercial

customers, the ESI ID may be used rather than the service address);

- (B) Indicate the identification number of the terms of service and EFL under which the customer will be served;
- (C) Indicate if the customer has received, or when the customer will receive copies of the terms of service, EFL, YRAC, and, if applicable, PDS;
- (D) Indicate the price(s) which the customer is agreeing to pay;
- (E) Indicate the date or estimated date of the re-enrollment, the contract term, and the estimated start and end dates of contract term;
- (F) Affirmatively inquire whether the customer has decided to enroll for service with the product, and contain the customer's affirmative response; and
- (G) Be entirely in plain, easily understood language, in the language that the customer has chosen for communications.

(f) **Terms of service document.** The following information must be conspicuously contained in the terms of service:

- (1) **Identity and contact information.** The REP's certified name and business name (dba) (if applicable), mailing address, e-mail and Internet address (if applicable), certification number, and a toll-free telephone number (with hours of operation and time-zone reference).
- (2) **Pricing and payment arrangements.**
 - (A) Description of the amount of any routine non-recurring charges resulting from a move-in or switch that may be charged to the customer,

including but not limited to an out-of-cycle meter read, and connection or reconnection fees;

- (B) For small commercial customers, a description of the demand charge and how it will be applied, if applicable;
 - (C) An itemization, including name and cost, of any non-recurring charges for services that may be imposed on the customer for the retail electric product, including an application fee, charges for default in payment or late payment, and returned checks charges;
 - (D) A description of any collection fees or costs that may be assessed to the customer by the REP and that cannot be quantified in the terms of service; and
 - (E) A description of payment arrangements and bill payment assistance programs offered by the REP.
- (3) **Deposits.** If the REP requires deposits from its customers:
- (A) a description of the conditions that will trigger a request for a deposit;
 - (B) the maximum amount of the deposit or the manner in which the deposit amount will be determined;
 - (C) a statement that interest will be paid on the deposit at the rate approved by the commission, and the conditions under which the customer may obtain a refund of a deposit;
 - (D) an explanation of the conditions under which a customer may establish satisfactory credit pursuant to §25.478 of this title (relating to Credit Requirements and Deposits); and

- (E) if applicable, the customer's right to post a letter of guarantee in lieu of a deposit pursuant to §25.478(i) of this title.

(4) **Rescission, Termination and Disconnection.**

- (A) In a conspicuous and separate paragraph or box:
 - (i) A description of the right of a customer, for switch requests, to rescind service without fee or penalty of any kind within three federal business days after receiving the terms of service, pursuant to §25.474 of this title; and
 - (ii) Detailed instructions for rescinding service, including the telephone number and, if available, facsimile number or e-mail address that the customer may use to rescind service.
- (B) A statement as to how service can be terminated and any penalties that may apply;
- (C) A statement of the customer's ability to terminate service without penalty if the customer moves to another premises and provides evidence that it is moving, if required, and a forwarding address; and
- (D) If the REP has disconnection authority, pursuant to §25.483 of this title (relating to Disconnection of Service), a statement that the REP may order disconnection of the customer for non-payment.

- (5) **Antidiscrimination.** A statement informing the customer that the REP cannot deny service or require a prepayment or deposit for service based on a customer's race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, disability, familial status, location of a customer in a economically distressed geographic area, or qualification for

low income or energy efficiency services. For residential customers, a statement informing the customer that the REP cannot use a credit score, a credit history, or utility payment data as the basis for determining the price for electric service for a product with a contract term of 12 months or less.

- (6) **Other terms.** Any other material terms and conditions, including exclusions, reservations, limitations of liability, or special equipment requirements, that are a part of the contract for the retail electric product.
 - (7) **Contract expiration notice.** For a term contract, the terms of service must contain a statement informing the customer that a contract expiration notice will be sent at least 14 days prior to the end of the initial contract term. The terms of service must also state that if the customer fails to take action to ensure the continued receipt of retail electric service upon the contract's expiration, the customer will continue to be served by the REP automatically pursuant to a default renewal product, which must be a month-to-month product.
 - (8) A statement describing the conditions under which the contract can change and the notice that will be provided if there is a change.
 - (9) **Version number.** A REP must assign an identification number to each version of its terms of service, and must publish the number on the terms of service document.
- (g) **Electricity Facts Label.** The EFL must be unique for each product offered and must include the information required in this subsection. Nothing in this subsection precludes a REP from charging a price that is less than its EFL would otherwise provide.

- (1) **Identity and contact information.** The REP's certified name and business name (dba) (if applicable), mailing address, e-mail and Internet address (if applicable), certification number, and a toll-free telephone number (with hours of operation and time-zone reference).
- (2) **Pricing disclosures.** Pricing information must be disclosed by a REP in an EFL. The EFL must state specifically whether the product is a fixed rate or variable price product.
 - (A) For a fixed rate product, the EFL must provide the total average price for electric service reflecting all recurring charges, excluding state and local sales taxes, and reimbursement for the state miscellaneous gross receipts tax, to the customer.
 - (B) For a variable price product, the EFL must provide the total average price for electric service for the first billing cycle reflecting all recurring charges, including any TDU charges that may be passed through and excluding state and local sales taxes, and reimbursement for the state miscellaneous gross receipts tax, to the customer. Actual changes in TDU charges, changes to the ERCOT or Texas Regional Entity administrative fees charge to loads or changes resulting from federal, state or local laws or regulatory actions that impose new or modified fees or costs on a REP that were not implemented prior to the issuance of the EFL and were not included in the average price calculation may be directly passed through to customers beginning with the customer's first billing cycle.

- (C) The total average price for electric service must be expressed in cents per kilowatt hour, rounded to the nearest one-tenth of one cent for the following usage levels:
- (i) For residential customers, 500, 1,000 and 2,000 kilowatt hours per month; and
 - (ii) For small commercial customers, 1,500, 2,500, and 3,500 kilowatt hours per month. If demand charges apply assume a 30 percent load factor.
- (D) If a REP combines the charges for retail electric service with charges for any other product, the REP must:
- (i) If the electric product is sold separately from the other products, disclose the total price for electric service separately from other products; and
 - (ii) If the REP does not permit a customer to purchase the electric product without purchasing the other products or services, state the total charges for all products and services as the price of the total electric service. If the product has a one-time cost up front, for the purposes of the average price calculation, the cost of the product may be figured in over a 12-month period with 1/12 of the cost being attributed to a single month.
- (E) The following must be included on the EFL for specific product types:
- (i) For a variable price product that increases no more than a defined percentage as indexed to the customer's previous billing

month's price, a notice in bold type no smaller than 12 point font: "Except for price changes allowed by law or regulatory action, this price is the price that will be applied during your first billing cycle; this price may increase by no more than {insert percentage} percent from month-to-month." For residential customers, the following additional statement is required: "Please review the historical price of this product available at {insert specific website address and toll-free telephone number}." In the disclosure chart, the box describing whether the price can change during the contract period must include the following statement: "The price applied in the first billing cycle may be different from the price in this EFL if there are changes in TDSP charges; changes to the Electric Reliability Council of Texas or Texas Regional Entity, Inc. administrative fees charged to loads; or changes resulting from federal, state or local laws or regulatory actions that impose new or modified fees or costs that are outside our control."

- (ii) For all other variable price products, a notice in bold type no smaller than 12 point font: "Except for price changes allowed by law or regulatory action, this price is the price that will be applied during your first billing cycle; this price may change in subsequent months at the sole discretion of {insert REP name}." In the disclosure chart, the box describing whether the price can change during the contract period must include the following

statement: “The price applied in the first billing cycle may be different from the price in this EFL if there are changes in TDSP charges; changes to the Electric Reliability Council of Texas or Texas Regional Entity administrative fees charged to loads; or changes resulting from federal, state or local laws or regulatory actions that impose new or modified fees or costs that are outside our control.” For residential customers, the following additional statement is required: “Please review the historical price of this product available at {insert specific website address and toll-free telephone number}.”

(3) **Fee Disclosures.**

(A) If customer may be subject to a special charge for underground service or any similar charge that applies only in a part of the TDU service area, the EFL must include a statement in the electricity price section that some customers will be subject to a special charge that is not included in the total average price for electric service and must disclose how the customer can determine the price and applicability of the special charge.

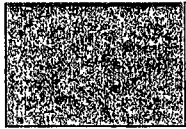
(B) A listing of all fees assessed by the REP that may be charged to the customer and whether the fee is included in the recurring charges.

(4) **Term Disclosure.** EFL must include disclosure of the length of term, minimum service term, if any, and early termination penalties, if any.

- (5) **Renewable Energy Disclosures.** The EFL must include the percentage of renewable energy of the electricity product and the percentage of renewable energy of the statewide average generation mix.
- (6) **Format of Electricity Facts Label.** REPs must use the following format for the EFL with the pricing chart and disclosure chart shown. The additional language is for illustrative purposes. It does not include all reporting requirements as outlined above. Such subsections should be referred to for determination of the required reporting items on the EFL. Each EFL must be printed in type no smaller than ten points in size, unless a different size is specified in this section, and must be formatted as shown in this paragraph:

Electricity Facts Label (EFL)				
{Name of REP}, {Name of Product}, {Service area (if applicable)}, {Date}				
Electricity price	Average Monthly Use	500kWh	1,000kWh	2,000kWh
	For Non-POLR usage:			
	Average price per kWh	{x.x}¢	{x.x}¢	{x.x}¢
	For POLR usage:			
	Maximum price per kWh	{x.x}¢	{x.x}¢	{x.x}¢
	{If applicable} On-peak {season or time}: {xxx}			
	{If applicable} Average on-peak price per kilowatt-hour: {x.x}¢			
	{If applicable} Average off-peak price per kilowatt-hour: {x.x}¢			
	{If applicable} Potential surcharges corresponding to the given electric service.			
	<p>{If variable that does not change within a defined percentage} Except for price changes allowed by law or regulatory action, this price is the price that will be applied during your first billing cycle; this price may change in subsequent months at the sole discretion of {insert REP name}. {If residential} Please review the historical price of this product available at {insert website address and toll-free number}.</p> <p>{If variable that changes within a defined percentage} Except for price changes allowed by law or regulatory action, this price is the price that will be applied during your first billing cycle; this price may increase by no more than {insert percentage} percent from month-to-month. {If residential} Please review the historical price of this product available at {insert website address and toll-free number}.</p>			
Other Key Terms and Questions	See Terms of Service statement for a full listing of fees, deposit policy, and other terms.			
	Type of Product	(fixed rate or variable rate)		

Disclosure Chart	Contract Term	(number of months)
	Do I have a termination fee or any fees associated with terminating service?	(yes/no) (if yes, how much)
	Can my price change during contract period?	(yes/no)
	If my price can change, how will it change, and by how much?	(formula/description of the way the price will vary and how much it can change) In addition, if the REP chooses to pass through regulatory changes the following must be required: "The price applied in the first billing cycle may be different from the price in this EFL if there are changes in TDSP charges; changes to the Electric Reliability Council of Texas or Texas Regional Entity administrative fees charged to loads; or changes resulting from federal, state or local laws or regulatory actions that impose new or modified fees or costs that are outside our control."
	What other fees may I be charged?	(List or give direct location in terms of service.)
	Is this a pre-pay or pay in advance product?	(yes/no)
	Does the REP purchase excess distributed renewable generation?	(yes/no)
	Renewable Content	(This product is x% renewable.)
	What is the statewide average for renewable content is?	(% of statewide average for renewable content)



Contact info, certification number, version number, etc.
Additional information may be added below.

Type used in this format:

Title: 12 point

Headings: 12 point boldface

Body: 10 point

(7) **Version number.** A REP must assign an identification number to each version of its EFL, and must publish the number on the EFL.

(h) **Your Rights as a Customer disclosure.** The information set out in this section must be included in a REP's "Your Rights as a Customer" document in plain language, to summarize the standard customer protections provided by this subchapter or additional protections provided by the REP.

(1) A YRAC document must be consistent with the terms of service for the retail product.

(2) The YRAC document must inform the customer of the REP's complaint resolution policy pursuant to §25.485 of this title (relating to Customer Access and Complaint Handling) and payment arrangements and deferred payment policies pursuant to §25.480 of this title (relating to Bill Payment and Adjustments).

(3) The YRAC document must inform the customer of the REP's procedures for reporting outages and the steps necessary to have service restored or reconnected after an involuntary suspension or disconnection.

(4) The YRAC must provide information the REP has received from the TDU pursuant to PURA §17.003(e) regarding the TDU's procedures for implementing involuntary load shedding initiated by the independent organization certified under PURA §39.151 for the ERCOT power region, and, if applicable, where any additional details regarding those procedures or relevant updates may be located. The REP may fulfill this requirement by providing a website address with the required information. Each TDU must develop such information and resources by

September 1, 2021 and make the website address where such information can be viewed available to REPs. A REP may provide this information at a website address other than the website addresses made available by the TDUs. A TDU or other entity providing a website address is required to update this information within 30 days of any material change in the information.

(5) The YRAC document must inform the customer of the customer's right to have the meter tested pursuant to §25.124 of this title (relating to Meter Testing), or in accordance with the tariffs of a transmission and distribution utility, a municipally owned utility, or an electric cooperative, as applicable, and the REP's ability in all cases to make that request on behalf of the customer by a standard electronic market transaction, and the customer's right to be instructed on how to read the meter, if applicable.

(6) The YRAC document must inform the customer of the availability of:

(A) Financial and energy assistance programs for residential customers;

(B) Any special services such as readers or notices in Braille or TTY;

(C) Special policies or programs available to residential customers designated as chronic condition or critical care under §25.497 of this title and the procedure for a customer to apply to be considered for such designations; and

(D) Any available discounts that may be offered by the REP for qualified low-income residential customers. A REP may comply with this requirement by providing the customer with instructions for how to inquire about such discounts.

(7) The YRAC document must inform the customer of the following customer rights and protections:

(A) Unauthorized switch protections applicable under §25.495 of this title (relating to Unauthorized Change of Retail Electric Provider);

(B) The customer's right to dispute unauthorized charges on the customer's bill as set forth in §25.481 of this title (relating to Unauthorized Charges);

(C) Protections relating to disconnection of service pursuant to §25.483 of this title;

(D) Non-English language requirements pursuant to §25.473 of this title (relating to Non-English Language Requirements);

(E) Availability of a Do Not Call List pursuant to §25.484 of this title (relating to Electric No-Call List) and §26.37 of this title (relating to Texas No-Call List); and

(F) Privacy rights regarding customer proprietary information as provided by §25.472 of this title (relating to Privacy of Customer Information).

(8) **Identity and contact information.** The REP's certified name and business name (dba), certification number, mailing address, e-mail and Internet address (if applicable), and a toll-free telephone number (with hours of operation and time-zone reference) at which the customer may obtain information concerning the product.

(i) **Advertising claims.** If a REP or aggregator advertises or markets the specific benefits of a particular electric product, the REP or aggregator must provide the name of the electric

product offered in the advertising or marketing materials to the commission or its staff, upon request. All advertisements and marketing materials distributed by or on behalf of a REP or aggregator must comply with this section. REPs and aggregators are responsible for representations to customers and prospective customers by employees or other agents of the REP concerning retail electric service that are made through advertising, marketing or other means.

(1) **Print advertisements.** Print advertisements and marketing materials, including direct mail solicitations that make any claims regarding price, savings, or environmental quality for an electricity product of the REP compared to a product offered by another REP must include the EFL of the REP making the claim. In lieu of including an EFL, the following statement must be provided: “You can obtain important standardized information that will allow you to compare this product with other offers. Contact (name, telephone number, and Internet address (if available) of the REP).” If the REPs phone number or website address is included on the advertisement, such phone number or website address is not required in the disclaimer statement. Upon request, a REP must provide to the commission the contract documents relating to a product being advertised and any information used to develop or substantiate comparisons made in the advertisement.

(2) **Television, radio, and internet advertisements.** A REP must include the following statement in any television, Internet, or radio advertisement that makes a specific claim about price, savings, or environmental quality for an electricity product of the REP compared to a product offered by another REP: “You can obtain important standardized information that will allow you to compare this product with other

offers. Contact (name, telephone number and website (if available) of the REP).” If the REPs phone number or website address is included on the advertisement, such phone number or website address is not required in the disclaimer statement. This statement is not required for general statements regarding savings or environmental quality, but must be provided if a specific price is included in the advertisement, or if a specific statement about savings or environmental quality compared to another REP is made. Upon request, a REP must provide to the commission the contract documents relating to a product being advertised and any information used to develop or substantiate comparisons made in the advertisement.

(3) **Outdoor advertisements.** A REP must include, in a font size and format that is legible to the intended audience, its certified name or commission authorized business name, certification number, telephone number and Internet address (if available).

(4) **Renewable energy claims.** A REP must authenticate its sales of renewable energy in accordance with §25.476 of this title (relating to Renewable and Green Energy Verification). If a REP relies on supply contracts to authenticate its sales of renewable energy, it must file a report with the commission, not later than March 15 of each year demonstrating its compliance with this paragraph and §25.476 of this title.

1 **§25.479. Issuance and Format of Bills.**

2 (a) **Application.** This section applies to a retail electric provider (REP) that is responsible for
3 issuing electric service bills to retail customers, unless the REP is issuing a consolidated
4 bill (both energy services and transmission and distribution services) on behalf of an
5 electric cooperative or municipally owned utility. This section does not apply to a
6 municipally owned utility or electric cooperative issuing bills to its customers in its own
7 service territory.

8
9 (b) **Frequency and delivery of bills.**

10 (1) A REP must issue a bill monthly to each customer unless service is provided for
11 a period of less than one month. A REP may issue a bill less frequently than
12 monthly if both the customer and the REP agree to such an arrangement.

13 (2) A bill must be issued no later than 30 days after the REP receives the usage data
14 and any related invoices for non-bypassable charges, unless validation of the usage
15 data and invoice received from a transmission and distribution utility by the REP
16 or other efforts to determine the accuracy of usage data or invoices delay billing
17 by a REP past 30 days. The number of days to issue a bill must be extended beyond
18 30 days to the extent necessary to support agreements between REPs and
19 customers for less frequent billing, as provided in paragraph (1) of this subsection
20 or for consolidated billing.

21 (3) A REP must issue bills to residential customers in writing and delivered via the
22 United States Postal Service. REPs may provide bills to a customer electronically
23 in lieu of written mailings if both the customer and the REP agree to such an

1 arrangement. An affiliated REP or a provider of last resort must not require a
2 customer to agree to such an arrangement as a condition of receiving electric
3 service.

- 4 (4) A REP must not charge a customer a fee for issuing a standard bill, which is a bill
5 delivered via U.S. mail that complies with the requirements of this section. The
6 customer may be charged a fee or given a discount for non-standard billing in
7 accordance with the terms of service document.

8
9 (c) **Bill content.**

- 10 (1) Each customer's bill must include the following information:

- 11 (A) The certified name and address of the REP and the number of the license
12 issued to the REP by the commission;
- 13 (B) A toll-free telephone number, in bold-face type, which the customer can
14 call during specified hours for inquiries and to make complaints to the REP
15 about the bill;
- 16 (C) A toll-free telephone number that the customer may call 24 hours a day,
17 seven days a week, to report power outages and concerns about the safety
18 of the electric power system;
- 19 (D) The service address, electric service identifier (ESI), and account number
20 of the customer;
- 21 (E) The service period for which the bill is rendered;
- 22 (F) The date on which the bill was issued;

- 1 (G) The payment due date of the bill and, if different, the date by which
2 payment from the customer must be received by the REP to avoid a late
3 charge or other collection action;
- 4 (H) The current charges for electric service as disclosed in the customer's
5 terms of service document, including applicable taxes and fees labeled
6 "current charges." If the customer is on a level or average payment plan,
7 the level or average payment due must be clearly shown in addition to the
8 current charges;
- 9 (I) A calculation of the average unit price for electric service for the current
10 billing period, labeled, "The average price you paid for electric service this
11 month." The calculation of the average price for electric service must
12 reflect the total of all fixed and variable recurring charges, but not include
13 state and local sales taxes, reimbursement for the state miscellaneous gross
14 receipts tax, and any nonrecurring charges or credits, divided by the
15 kilowatt-hour consumption, and must be expressed as a cents per kilowatt-
16 hour amount rounded to the nearest one-tenth of one cent.
- 17 (J) The identification and itemization of charges other than for electric service
18 as disclosed in the customer's terms of service document;
- 19 (K) The itemization and amount of any non-recurring charge, including late
20 fees, returned check fees, restoration of service fees, or other fees disclosed
21 in the REP's terms of service document provided to the customer;

- (L) The balances from the preceding bill, payments made by the customer since the preceding bill, and the amount the customer is required to pay by the due date, labeled “amount due;”
- (M) A notice that the customer has the opportunity to voluntarily donate money to the bill payment assistance program, pursuant to §25.480(g)(2) of this title (relating to Bill Payment and Adjustments);
- (N) If available to the REP on a standard electronic transaction, if the bill is based on kilowatt-hour (kWh) usage, the following information:
- (i) the meter reading at the beginning of the period for which the customer is being billed, labeled “previous meter read,” and the meter reading at the end of the period for which the customer is being billed, labeled “current meter read,” and the dates of such readings;
 - (ii) the kind and number of units measured, including kWh, actual kilowatts (kW), or kilovolt ampere (kVa);
 - (iii) if applicable, billed kW or kVa;
 - (iv) whether the bill was issued based on estimated usage; and
 - (v) any conversions from meter reading units to billing units, or any other calculations to determine billing units from recording or other devices, or any other factors used in determining the bill, unless the customer is provided conversion charts;
- (O) Any amount owed under a written guarantee agreement, provided the guarantor was previously notified in writing by the REP of an obligation on

1 a guarantee as required by §25.478 of this title (relating to Credit
2 Requirements and Deposits);

3 (P) A conspicuous notice of any services or products being provided to the
4 customer that have been added since the previous bill;

5 (Q) Notification of any changes in the customer's prices or charges due to the
6 operation of a variable rate feature previously disclosed by the REP in the
7 customer's terms of service document;

8 (R) The notice required by §25.481(d) of this title (relating to Unauthorized
9 Charges); and

10 (S) For residential customers, on the first page of the bill in at least 12-point
11 font the phrase, "for more information about residential electric service
12 please visit www.powertochoose.com."

13 (2) If a REP separately identifies a charge defined by one of the terms in this paragraph
14 on the customer's bill, then the term in this paragraph must be used to identify that
15 charge, and such term and its definition must be easily located on the REP's website
16 and available to a customer free of charge upon request. Nothing in this paragraph
17 precludes a REP from aggregating transmission and distribution utility (TDU) or
18 REP charges. For any TDU charge(s) listed in this paragraph, the amount billed by
19 the REP must not exceed the amount of the TDU tariff charge(s). The label for any
20 TDU charge(s) may also identify the TDU that issued the charge(s). A REP may use
21 a different term than a defined term by adding or deleting a suffix, by adding the
22 word "total" to a defined term, where appropriate, changing the use of lowercase
23 or capital letters or punctuation, or using the acceptable abbreviation specified in

1 this paragraph for a defined term. If an abbreviation other than the acceptable
2 abbreviation is used for the term, then the term must also be identified on the
3 customer's bill.

4 (A) Advanced metering charge -- A charge assessed to recover a TDU's charges
5 for Advanced Metering Systems, to the extent that they are not recovered in
6 a TDU's standard metering charge. Acceptable abbreviation: Advanced
7 Meter.

8 (B) Competition Transition Charge -- A charge assessed to recover a TDU's
9 charges for nonsecuritized costs associated with the transition to
10 competition. Acceptable abbreviation: Competition Transition.

11 (C) Energy Efficiency Cost Recovery Factor -- A charge assessed to recover a
12 TDU's costs for energy efficiency programs, to the extent that the TDU
13 charge is a separate charge exclusively for that purpose that is approved by
14 the Public Utility Commission. Acceptable abbreviation: Energy
15 Efficiency.

16 (D) Late Payment Penalty -- A charge assessed for late payment in accordance
17 with Public Utility Commission rules.

18 (E) Meter Charge -- A charge assessed to recover a TDU's charges for metering
19 a customer's consumption, to the extent that the TDU charge is a separate
20 charge exclusively for that purpose that is approved by the Public Utility
21 Commission.

22 (F) Miscellaneous Gross Receipts Tax Reimbursement -- A fee assessed to
23 recover the miscellaneous gross receipts tax imposed on retail electric

providers operating in an incorporated city or town having a population of more than 1,000. Acceptable abbreviation: Gross Receipts Reimb.

(G) Nuclear Decommissioning Fee -- A charge assessed to recover a TDU's charges for decommissioning of nuclear generating sites. Acceptable abbreviation: Nuclear Decommission.

(H) PUC Assessment -- A fee assessed to recover the statutory fee for administering the Public Utility Regulatory Act.

(I) Sales tax -- Sales tax collected by authorized taxing authorities, such as the state, cities and special purpose districts.

(J) TDU Delivery Charges -- The total amounts assessed by a TDU for the delivery of electricity to a customer over poles and wires and other TDU facilities not including discretionary charges.

(K) Transmission Distribution Surcharges -- One or more TDU surcharge(s) on a customer's bill in any combination. Surcharges include charges billed as tariff riders by the TDU. Acceptable abbreviation: TDU Surcharges.

(L) Transition Charge -- A charge assessed to recover a TDU's charges for securitized costs associated with the transition to competition.

(3) If the REP includes any of the following terms in its bills, the term must be applied in a manner consistent with the definitions, and such term and its definition must be easily located on the REP's website and available to a customer free of charge upon request:

(A) Base Charge -- A charge assessed during each billing cycle without regard to the customer's demand or energy consumption.

(B) Demand Charge -- A charge based on the rate at which electric energy is delivered to or by a system at a given instant, or averaged over a designated period, during the billing cycle.

(C) Energy Charge -- A charge based on the electric energy (kWh) consumed.

(4) A REP must provide an itemization of charges, including non-bypassable charges, to the customer upon the customer's request and, to the extent that the charges are consistent with the terms set out in paragraph (2), of this subsection, the terms must be used in the itemization.

(5) A customer's electric bill must not contain charges for electric service from a service provider other than the customer's designated REP.

(6) A REP must include on each residential and small commercial billing statement, in boldfaced and underlined type, the date, as provided for in §25.475(c)(3)(B) of this title (relating to General Retail Electric Provider Requirements and Information Disclosure to Residential and Small Commercial Customers) that a fixed rate product will expire.

(7) To the extent that a REP uses the concepts identified in this paragraph in a customer's bill, it must use the term set out in this paragraph, and the definitions in this paragraph must be easily located on the REP's website. A REP may not use a different term for a concept that is defined in this paragraph.

(A) kW -- Kilowatt, the standard unit for measuring electricity demand, equal to 1,000 watts;

(B) kWh -- Kilowatt-hour, the standard unit for measuring electricity energy consumption, equal to 1,000 watt-hours; and

(8) Notice of contract expiration may be provided in a bill in accordance with §25.475 of this title.

(d) **Public service notices.** A REP must, as required by the commission after reasonable notice, provide brief public service notices to its customers. The REP must provide these public service notices to its customers on its billing statements, as a separate document issued with its bill, by electronic communication, or by other acceptable mass communication methods, as approved by the commission. Additionally, in April and October of each year, or as otherwise directed by the commission, the REP must provide information to each customer along with the customer's bill about:

- (1) The electric utility's procedures for implementing involuntary load shedding initiated by the independent organization certified for the ERCOT power region under PURA §39.151;
- (2) The types of customers who may be considered critical care residential customers, critical load industrial customers, or critical load according to commission rules adopted under PURA §38.076;
- (3) The procedure for a customer to apply to be considered a critical care customer, a critical load industrial customer, or critical load according to commission rules adopted under PURA §38.076; and
- (4) Reducing electricity use at times when involuntary load shedding events may be implemented.

1 (e) **Estimated bills.** If a REP is unable to issue a bill based on actual meter reading due to the
2 failure of the TDU, the registration agent, municipally owned utility or electric cooperative
3 to obtain or transmit a meter reading or an invoice for non-bypassable charges to the REP
4 on a timely basis, the REP may issue a bill based on the customer's estimated usage and
5 inform the customer of the reason for the issuance of the estimated bill.

6
7 (f) **Non-recurring charges.** A REP may pass through to its customers all applicable non-
8 recurring charges billed to the REP by a TDU, municipally owned utility, or electric
9 cooperative as a result of establishing, switching, disconnecting, reconnecting, or
10 maintaining service to an applicant or customer. In the event of a meter test, the TDU,
11 municipally owned utility, electric cooperative, and REP must comply with the
12 requirements of §25.124 of this title (relating to Meter Testing) or with the requirements
13 of the tariffs of a TDU, municipally owned utility, or electric cooperative, as applicable.
14 The TDU, municipally owned utility, or electric cooperative must maintain a record of all
15 meter tests performed at the request of a REP or a REP's customers.

16
17 (g) **Record retention.** A REP must maintain monthly billing and payment records for each
18 account for at least 24 months after the date the bill is mailed. The billing records must
19 contain sufficient data to reconstruct a customer's billing for a given period. A copy of a
20 customer's billing records may be obtained by that customer on request, and may be
21 obtained once per 12-month period, at no charge.

1 (h) **Transfer of delinquent balances or credits.** If the customer has an outstanding balance or
2 credit owed to the customer's current REP that is due from a previous account in the same
3 customer class, then the customer's current REP may transfer that balance to the customer's
4 current account. The delinquent balance and specific account or address must be identified
5 as such on the bill. There must be no balance transfers between REPs, other than transfer of
6 a deposit, as specified in §25.478(j)(2) of this title.

1 **§25.498. Prepaid Service.**

2 (a) **Applicability.** This section applies to retail electric providers (REPs) that offer a payment
3 option in which a customer pays for retail service prior to the delivery of service and to
4 transmission and distribution utilities (TDUs) that have installed advanced meters and
5 related systems. A REP may not offer prepaid service to residential or small commercial
6 customers unless it complies with this section. The following provisions do not apply to
7 prepaid service, unless otherwise expressly stated:

8 (1) §25.479 of this title (relating to Issuance and Format of Bills);

9 (2) §25.480(b), (e)(3), (h), (i), (j), and (k) of this title (relating to Bill Payment and
10 Adjustments); and

11 (3) §25.483 of this title (relating to Disconnection of Service), except for
12 §25.483(b)(2)(A) and (B), (d), and (e)(1)-(6) of this title.

13
14 (b) **Definitions.** The following terms, when used in this section, have the following meanings
15 unless the context indicates otherwise.

16 (1) **Connection balance** -- A current balance, not to exceed \$75 for a residential
17 customer, required to establish prepaid service or reconnect prepaid service
18 following disconnection.

19 (2) **Current balance** -- An account balance calculated consistent with subsection
20 (c)(6) of this section.

21 (3) **Customer prepayment device or system (CPDS)** -- A device or system that
22 includes metering and communications capabilities that meet the requirements of
23 this section, including a device or system that accesses customer consumption

information from a TDU's advanced metering system (AMS). The CPDS may be owned by the REP, and installed by the TDU consistent with subsection (c)(2)-(4) of this section.

(4) **Disconnection balance** -- An account balance, not to exceed \$10 for a residential customer, below which the REP may initiate disconnection of the customer's service.

(5) **Landlord** -- A landlord or property manager or other agent of a landlord.

(6) **Postpaid service** -- A payment option offered by a REP for which the customer normally makes a payment for electric service after the service has been rendered.

(7) **Prepaid service** -- A payment option offered by a REP for which the customer normally makes a payment for electric service before service is rendered.

(8) **Prepaid disclosure statement (PDS)** -- A document described by subsection (e) of this section.

(9) **Summary of usage and payment (SUP)** -- A document described by subsection (h) of this section.

(c) **Requirements for prepaid service.**

(1) A REP must file with the commission a notice of its intent to provide prepaid service prior to offering such service. The notice of intent must include a description of the type of CPDS the REP will use, and the initial Electricity Facts Label (EFL), terms of service, and PDS for the service. Except as provided in subsection (m) of this section, a REP-controlled CPDS or TDU settlement provisioned meter is required for any prepaid service.

- (2) A CPDS that relies on metering equipment other than the TDU meter must conform to the requirements and standards of §25.121(e) of this title (relating to Meter Requirements), §25.122 of this title (relating to Meter Records), and section 4.7.3 of the tariff for retail electric delivery service, which is prescribed by §25.214 of this title (relating to Terms and Conditions of Retail Delivery Service Provided by Investor Owned Transmission and Distribution Utilities).
- (3) A TDU may, consistent with its tariff, install CPDS equipment, including meter adapters and collars on or near the TDU's meters. Such installation does not constitute competitive energy services as this term is defined in §25.341(3) of this title (relating to Definitions).
- (4) A CPDS must not cause harmful interference with the operation of a TDU's meter or equipment, or the performance of any of the TDU's services. If a CPDS interferes with the TDU's meter or equipment, or TDU's services, the CPDS must be promptly corrected or removed. A CPDS that relies on communications channels other than those established by the TDU must protect customer information in accordance with §25.472 of this title (relating to Privacy of Customer Information).
- (5) A REP may choose the means by which it communicates required information to a customer, including an in-home device at the customer's premises, United States Postal Service, email, telephone, mobile phone, or other electronic communications. The means by which the REP will communicate required information to a customer must be described in the terms of service and the PDS.

1 (A) A REP must communicate time-sensitive notifications required by
2 paragraph (7)(B), (D), and (E) of this subsection by telephone, mobile
3 phone, or electronic means.

4 (B) A REP must, as required by the commission after reasonable notice, provide
5 brief public service notices to its customers. The REP must provide these
6 public service notices to its customers by electronic communication, or by
7 other acceptable mass communication methods, as approved by the
8 commission.

9 (6) A REP must calculate the customer's current balance by crediting the account for
10 payments received and reducing the account balance by known charges and fees
11 that have been incurred, including charges based on estimated usage as allowed in
12 paragraph (11)(E) of this subsection.

13 (A) The REP may also reduce the account balance by:

14 (i) estimated applicable taxes; and

15 (ii) estimated TDU charges that have been incurred in serving the
16 customer and that, pursuant to the terms of service, will be passed
17 through to the customer.

18 (B) If the customer's balance reflects estimated charges and taxes authorized by
19 subparagraph (A) of this paragraph, the REP must promptly reconcile the
20 estimated charges and taxes with actual charges and taxes, and credit or
21 debit the balance accordingly within 72 hours after actual consumption data
22 or a statement of charges from the TDU is available.

(C) A REP may reverse a payment for which there are insufficient funds available or that is otherwise rejected by a bank, credit card company, or other payor.

(D) If usage sent by the TDU is estimated or the REP estimates consumption according to paragraph (11)(E) of this subsection, the REP must promptly reconcile the estimated consumption and associated charges with the actual consumption and associated charges within 72 hours after actual consumption data is available to the REP.

(7) A REP must:

(A) on the request of the customer, provide the customer's current balance calculated pursuant to paragraph (6) of this subsection, including the date and time the current balance was calculated and the estimated time or days of paid electricity remaining; and

(B) make the current balance available to the customer either:

(i) continuously, via the internet, phone, or an in-home device; or

(ii) within two hours of the REP's receipt of a customer's balance request, by the means specified in the Terms of Service for making such a request.

(C) communicate to the customer the current price for electric service calculated as required by §25.475(g)(2)(A)-(E) of this title (relating to General Retail Electric Provider Requirements and Information Disclosures to Residential and Small Commercial Customers);

- 1 (D) provide a warning to the customer at least one day and not more than seven
2 days before the customer's current balance is estimated by the REP to drop
3 to the disconnection balance;
- 4 (E) provide a confirmation code when the customer makes a payment by credit
5 card, debit card, or electronic check. A REP is not required to provide a
6 confirmation code or receipt for payment sent by mail or electronic bill
7 payment system. The REP must provide a receipt showing the amount paid
8 for payment in person. At the customer's request, the REP must confirm
9 all payments by providing to the customer the last four digits of the
10 customer's account number or Electric Service Identifier (ESI ID), payment
11 amount, and the date the payment was received;
- 12 (F) ensure that a CPDS controlled by the REP does not impair a customer's
13 ability to choose a different REP or any electric service plans offered by the
14 REP that do not require prepayment. When the REP receives notice that a
15 customer has chosen a new REP, the REP must take any steps necessary to
16 facilitate the switch on a schedule that is consistent with the effective date
17 stated on the Electric Reliability Council of Texas (ERCOT) enrollment
18 transaction and ERCOT's rules for processing such transactions; and
- 19 (G) refund to the customer or an energy assistance agency, as applicable, any
20 unexpended balance from the account within ten business days after the
21 REP receives the final bill and final meter read from the TDU.
- 22 (i) In the case of unexpended funds provided by an energy assistance
23 agency, the REP must refund the funds to the energy assistance

1 agency and identify the applicable customer and the customer's
2 address associated with each refund.

3 (ii) In the case of unexpended funds provided by the customer that are
4 less than five dollars, the REP must communicate the unexpended
5 balance to the customer and state that the customer may contact the
6 REP to request a refund of the balance. Once the REP has received
7 the request for refund from the customer, the REP must refund the
8 balance within ten business days.

9 (8) Nothing in this subsection limits a customer from obtaining a SUP.

10 (9) The communications provided under paragraph (7)(A)-(D) of this subsection and
11 any confirmation of payment as described in paragraph (7)(E) of this subsection,
12 except a receipt provided when the payment is made in person at a third-party
13 payment location, must be provided in English or Spanish, at the customer's
14 election.

15 (10) A REP must cooperate with energy assistance agencies to facilitate the provision
16 of energy assistance payments to requesting customers.

17 (11) A REP must not:

18 (A) tie the duration of an electric service contract to the duration of a tenant's
19 lease;

20 (B) require, or enter into an agreement with a landlord requiring, that a tenant
21 select the REP as a condition of a lease;

22 (C) require a connection balance in excess of \$75 for a residential customer;

23 (D) require security deposits for electric service; or

(E) base charges on estimated usage, other than usage estimated by the TDU or estimated by the REP in a reasonable manner for a time period in which the TDU has not provided actual or estimated usage data on a web portal within the time prescribed by §25.130(g) of this title (relating to Advanced Metering) and in which the TDU-provided portal does not provide the REP the ability to obtain on-demand usage data.

(12) A REP providing service must not charge a customer any fee for:

(A) transitioning from a prepaid service to a postpaid service, but notwithstanding §25.478(c)(3) of this title (relating to Credit Requirements and Deposits), a REP may require the customer to pay a deposit for postpaid service consistent with §25.478(b) or (c)(1) and (2) of this title and may:

(i) require the deposit to be paid within ten days after issuance of a written disconnection notice that requests a deposit; or

(ii) bill the deposit to the customer.

(B) the removal of equipment; or

(C) the switching of a customer to another REP, or otherwise cancelling or discontinuing taking prepaid service for reasons other than nonpayment, but may charge and collect early termination fees pursuant to §25.475 of this title.

(13) If a customer owes a debt to the REP for electric service, the REP may reduce the customer's account balance by the amount of the debt. Before reducing the account balance, the REP must notify the customer of the amount of the debt and that the

customer's account balance will be reduced by the amount of the debt no sooner than 10 days after the notice required by this paragraph is issued.

(14) In addition to the connection balance, a REP may require payment of applicable TDU fees, if any, prior to establishing electric service or reconnecting electric service.

(15) A REP that provides prepaid service to a residential customer must not charge an amount for electric service that is higher than the price charged by the POLR in the applicable TDU service territory. The price for prepaid service to a residential customer calculated as required by §25.475(g)(2)(A)-(E) of this title must be equal to or lower than the maximum POLR rate for the residential customer class at the 500 kilowatt-hour (kWh), 1,000 kWh, and 2,000 kWh usage levels as shown on the POLR EFL posted on the commission's website for the applicable TDU service territory. When an updated POLR EFL is posted on the commission's website, the REP, at the REP's option, may continue to reference the prior POLR EFL to ensure compliance with this paragraph for prepaid service prices charged during the first 30 days, beginning the date that the updated POLR EFL is posted. For a fixed rate product, the REP must show that the prepaid service prices calculated under §25.475(g)(2)(A), (D)-(E) of this title are equal to or lower than the test described in this paragraph at the time the REP makes the offer and provided that the customer accepts the offer within 30 days.

(d) **Customer acknowledgement.** As part of the enrollment process, a REP must obtain the applicant's or customer's acknowledgement of the following statement: "The continuation

1 of electric service depends on your prepaying for service on a timely basis and if your
2 balance falls below {insert dollar amount of disconnection balance}, your service may be
3 disconnected with little notice. Some electric assistance agencies may not provide
4 assistance to customers that use prepaid service.” The REP must obtain this
5 acknowledgement using any of the authorization methods specified in §25.474 of this title
6 (relating to Selection of Retail Electric Provider).

7
8 (e) **Prepaid disclosure statement (PDS).** A REP must provide a PDS contemporaneously
9 with the delivery of the contract documents to a customer pursuant to §25.474 of this title
10 and as required by subsection (f) of this section. A REP must also provide a PDS
11 contemporaneously with any advertisement or other marketing materials not addressed in
12 subsection (f) of this section that include a specific price or cost for prepaid service. The
13 commission may adopt a form for a PDS. The PDS must be a separate document and must
14 be at a minimum written in 12-point font, and must:

15 (1) provide the following statement: “The continuation of electric service depends on
16 you prepaying for service on a timely basis and if your current balance falls below
17 the disconnection balance, your service may be disconnected with little notice.”;

18 (2) inform the customer of the following:

19 (A) the connection balance that is required to initiate or reconnect electric
20 service;

21 (B) the acceptable forms of payment, the hours that payment can be made,
22 instructions on how to make payments, any requirement to verify payment
23 and any fees associated with making a payment;

- 1 (C) when service may be disconnected and the disconnection balance;
- 2 (D) that prepaid service is not available to critical care or chronic condition
- 3 residential customers as these terms are defined in §25.497 of this title
- 4 (relating to Critical Load Industrial Customers, Critical Load Public Safety
- 5 Customers, Critical Care Residential Customers and Chronic Condition
- 6 Residential Customers);
- 7 (E) the means by which the REP will communicate required information;
- 8 (F) the availability of deferred payment plans and, if a REP reserves the right
- 9 to apply a switch-hold while the customer is subject to a deferred payment
- 10 plan, that a switch-hold may apply until the customer satisfies the terms of
- 11 the deferred payment plan, and that a switch-hold means the customer will
- 12 not be able to buy electricity from other companies while the switch-hold is
- 13 in place;
- 14 (G) the availability of energy bill payment assistance, including the disclosure
- 15 that some electric assistance agencies may not provide assistance to
- 16 customers that use prepaid service and the statement “If you qualify for low-
- 17 income status or low-income assistance, have received energy assistance in
- 18 the past, or you think you will be in need of energy assistance in the future,
- 19 you should contact the billing assistance program to confirm that you can
- 20 qualify for energy assistance if you need it.”; and
- 21 (H) an itemization of any non-recurring REP fees and charges that the customer
- 22 may be charged.

(3) be prominently displayed in the property management office of any multi-tenant commercial or residential building at which the landlord is acting as an agent of the REP.

(f) **Marketing of prepaid services.**

(1) This paragraph applies to advertisements conveyed through print, television, radio, outdoor advertising, prerecorded telephonic messages, bill inserts, bill messages, and electronic media other than Internet websites. If the advertisement includes a specific price or cost, the advertisement must include in a manner that is clear and conspicuous to the intended audience:

(A) any non-recurring fees, and the total amount of those fees, that will be deducted from the connection balance to establish service;

(B) the following statement, if applicable: "Utility fees may also apply and may increase the total amount that you pay.";

(C) the maximum fee per payment transaction that may be imposed by the REP; and

(D) the following statement: "You can obtain important standardized information that will allow you to compare this product with other offers. Contact (name, telephone number, and Internet address (if available) of the REP)." If the REP's phone number or website address is already included on the advertisement, the REP need not repeat the phone number or website as part of this required statement. The REP must provide the PDS and EFL to a person who requests standardized information for the product.

(2) This paragraph applies to all advertisements and marketing that include a specific price or cost conveyed through Internet websites, direct mail, mass e-mails, and any other media not addressed by paragraphs (1), (3), and (4) of this subsection. In addition to meeting the requirements of §25.474(d)(7) of this title, a REP must include the PDS and EFL on Internet websites and in direct mail, mass e-mails, and any other media not addressed by paragraphs (1), (3), and (4) of this subsection. For electronic communications, the PDS and EFL may be provided through a hyperlink.

(3) This paragraph applies to outbound telephonic solicitations initiated by the REP.

A REP must disclose the following:

- (A) information required by paragraph (1)(A)-(C) of this subsection;
- (B) when service may be disconnected, the disconnection balance, and any non-TDU disconnection fees;
- (C) the means by which the REP will communicate required information; and
- (D) the following statement: “You have the right to review standardized documents before you sign up for this product.” The REP must provide the PDS and EFL to a person who requests standardized information for the product.

(4) This paragraph applies to solicitations in person. In addition to meeting the requirements of §25.474(e)(8) of this title, before obtaining a signature from an applicant or customer who is being enrolled in prepaid service, a REP must provide the applicant or customer a reasonable opportunity to read the PDS.

1 (g) **Landlord as customer of record.** A REP offering prepaid service to multiple tenants at
2 a location may designate the landlord as the customer of record for the purpose of
3 transactions with ERCOT and the TDU.

4 (1) For each ESI ID for which the REP chooses to designate the landlord as the
5 customer of record, the REP must provide to the TDU the name, service and
6 mailing addresses, and ESI ID, and keep that information updated as required in
7 the TDU's Tariff for Retail Delivery Service.

8 (2) The REP must treat each end-use consumer as a customer for purposes of this
9 subchapter, including §25.471 of this title (relating to General Provisions of
10 Customer Protection Rules). Nothing in this subsection affects a REP's
11 responsibility to provide customer billing contact information to ERCOT in the
12 format required by ERCOT.

13
14 (h) **Summary of usage and payment (SUP).**

15 (1) A REP must provide a SUP to each customer upon the customer's request within
16 three business days of receipt of the request. The SUP must be delivered by an
17 electronic means of communications that provides a downloadable and printable
18 record of the SUP or, if the customer requests, by the United States Postal Service.
19 If a customer requests a paper copy of the SUP, a REP may charge a fee for the
20 SUP, which must be specified in the terms of service and PDS provided to the
21 customer. For purposes of the SUP, a billing cycle must conform to a calendar
22 month.

23 (2) A SUP must include the following information:

(A) the certified name and address of the REP and the number of the license issued to the REP by the commission;

(B) a toll-free telephone number, in bold-face type, that the customer can call during specified hours for questions and complaints to the REP about the SUP;

(C) the name, meter number, account number, ESI ID of the customer, and the service address of the customer;

(D) the dates and amounts of payments made during the period covered by the summary;

(E) a statement of the customer's consumption and charges by calendar month during the period covered by the summary;

(F) an itemization of non-recurring charges, including returned check fees and reconnection fees; and

(G) the average price for electric service for each calendar month included in the SUP. The average price for electric service must reflect the total of all fixed and variable recurring charges, but not including state and local sales taxes, reimbursement for the state miscellaneous gross receipts tax, and any nonrecurring charges or credits, divided by the kilowatt-hour consumption, and must be expressed as a cents per kilowatt-hour amount rounded to the nearest one-tenth of one cent.

(3) If a REP separately identifies a charge defined by one of the terms in this paragraph on the customer's SUP, then the term in this paragraph must be used to identify the charge, and such term and its definition must be easily located on the REP's website

and available to a customer free of charge upon request. Nothing in the paragraph precludes a REP from aggregating TDU or REP charges. For any TDU charge(s) listed in this paragraph, the amount billed by the REP must not exceed the amount of the TDU charge(s). The label for any TDU charge(s) may also identify the TDU that issued the charge(s). A REP may use a different term than a defined term by adding or deleting a suffix, adding the word “total” to a defined term, where appropriate, changing the use of lower-case or capital letters or punctuation, or using the acceptable abbreviation specified in this paragraph for a defined term. If an abbreviation other than the acceptable abbreviation is used for the term, then the term must also be identified on the customer’s SUP.

(A) Advanced metering charge -- A charge assessed to recover a TDU’s charges for Advanced Metering Systems, to the extent that they are not recovered in a TDU’s standard metering charge. Acceptable abbreviation: Advanced Meter.

(B) Competition Transition Charge -- A charge assessed to recover a TDU’s charges for nonsecuritized costs associated with the transition to competition. Acceptable abbreviation: Competition Transition.

(C) Energy Efficiency Cost Recovery Factor -- A charge assessed to recover a TDU’s costs for energy efficiency programs, to the extent that the TDU charge is a separate charge exclusively for that purpose that is approved by the Public Utility Commission. Acceptable abbreviation: Energy Efficiency.

- (D) Late Payment Penalty -- A charge assessed for late payment in accordance with Public Utility Commission rules.
- (E) Meter Charge -- A charge assessed to recover a TDU's charges for metering a customer's consumption, to the extent that the TDU charge is a separate charge exclusively for that purpose that is approved by the Public Utility Commission.
- (F) Miscellaneous Gross Receipts Tax Reimbursement -- A fee assessed to recover the miscellaneous gross receipts tax imposed on retail electric providers operating in an incorporated city or town having a population of more than 1,000. Acceptable abbreviation: Gross Receipts Reimb.
- (G) Nuclear Decommissioning Fee -- A charge assessed to recover a TDU's charges for decommissioning of nuclear generating sites. Acceptable abbreviation: Nuclear Decommission.
- (H) PUC Assessment -- A fee assessed to recover the statutory fee for administering the Public Utility Regulatory Act.
- (I) Sales tax -- Sales tax collected by authorized taxing authorities, such as the state, cities and special purpose districts.
- (J) TDU Delivery Charges -- The total amounts assessed by a TDU for the delivery of electricity to a customer over poles and wires and other TDU facilities not including discretionary charges.
- (K) Transmission Distribution Surcharges -- One or more TDU surcharge(s) on a customer's bill in any combination. Surcharges include charges billed as tariff riders by the TDU. Acceptable abbreviation: TDU Surcharges.

(L) Transition Charge -- A charge assessed to recover a TDU's charges for securitized costs associated with the transition to competition.

(4) If the REP includes any of the following terms in its SUP, the term must be applied in a manner consistent with the definitions, and such term and its definition must be easily located on the REP's website and available to a customer free of charge upon request:

(A) Base Charge -- A charge assessed during each billing cycle of service without regard to the customer's demand or energy consumption.

(B) Demand Charge -- A charge based on the rate at which electric energy is delivered to or by a system at a given instant, or averaged over a designated period during the billing cycle.

(C) Energy Charge -- A charge based on the electric energy (kWh) consumed.

(5) Unless a shorter time period is specifically requested by the customer, information provided must be for the most recent 12 months, or the longest period available if the customer has taken prepaid service from the REP for less than 12 months.

(6) In accordance with §25.472(b)(1)(D) of this title, a REP must provide a SUP to an energy assistance agency within one business day of receipt of the agency's request, and must not charge the agency for the SUP.

(i) **Deferred payment plans.** A deferred payment plan for a customer taking prepaid service is an agreement between the REP and a customer that requires a customer to pay a negative current balance over time. A deferred payment plan may be established in person, by

1 telephone, or online, but all deferred payment plans must be confirmed in writing by the
2 REP to the customer.

3 (1) The REP must place a residential customer on a deferred payment plan, at the
4 customer's request:

5 (A) when the customer's current balance reflects a negative balance of \$50 or
6 more during an extreme weather emergency, as defined in §25.483(j)(1) of
7 this title, if the customer makes the request within one business day after
8 the weather emergency has ended; or

9 (B) during a state of disaster declared by the governor pursuant to Texas
10 Government Code §418.014 if the customer is in an area covered by the
11 declaration and the commission directs that deferred payment plans be
12 offered.

13 (2) The REP must offer a deferred payment plan to a residential customer who has been
14 underbilled by \$50 or more for reasons other than theft of service.

15 (3) The REP may offer a deferred payment plan to a customer who has expressed an
16 inability to pay.

17 (4) The deferred payment plan must include both the negative current balance and the
18 connection balance.

19 (5) The customer has the right to satisfy the deferred payment plan before the
20 prescribed time.

21 (6) The REP may require that:

22 (A) no more than 50% of each transaction amount be applied towards the
23 deferred payment plan; or

(B) an initial payment of no greater than 50% of the amount due be made, with the remainder of the deferred amount paid in installments. The REP must inform the customer of the right to pay the remaining deferred balance by reducing the deferred balance by five equal monthly installments. However, the customer can agree to fewer or more frequent installments. The installments to repay the deferred balance must be applied to the customer's account on a specified day of each month.

(7) The REP may initiate disconnection of service if the customer does not meet the terms of a deferred payment plan or if the customer's current balance falls below the disconnection balance, excluding the remaining deferred amount. However, the REP must not initiate disconnection of service unless it has provided the customer at least one day's notice that the customer has not met the terms of the plan or, pursuant to subsection (c)(7)(D) of this section, a timely notice that the customer's current balance was estimated to fall below the disconnection balance, excluding the remaining deferred amount.

(8) The REP may apply a switch-hold while the customer is on a deferred payment plan.

(9) A copy of the deferred payment plan must be provided to the customer.

(A) The plan must include a statement, in clear and conspicuous type, that states, "If you have any questions regarding the terms of this agreement, or if the agreement was made by telephone and you believe this does not reflect your understanding of that agreement, contact (insert name and contact number of REP)."

- 1 (B) If a switch-hold will apply, the plan must include a statement, in a clear and
2 conspicuous type, that states “By entering into this agreement, you
3 understand that {company name} will put a switch-hold on your account.
4 A switch-hold means that you will not be able to buy electricity from other
5 companies until you pay this past due amount. The switch-hold will be
6 removed after your final payment on this past due amount is processed.
7 While a switch-hold applies, if you are disconnected for not paying, you
8 will need to pay {us or company name}, to get your electricity turned back
9 on.”
- 10 (C) If the customer and the REP’s representative or agent meet in person, the
11 representative must read to the customer the statement in subparagraph (A)
12 of this paragraph and, if applicable, the statement in subparagraph (B) of
13 this paragraph.
- 14 (D) The plan may include a one-time penalty in accordance with §25.480(c) of
15 this title, but must not include a finance charge.
- 16 (E) The plan must include the terms for payment of deferred amounts,
17 consistent with paragraph (6) of this subsection.
- 18 (F) The plan must state the total amount to be paid under the plan.
- 19 (G) The plan must state that a customer’s electric service may be disconnected
20 if the customer does not fulfill the terms of the deferred payment plan, or if
21 the customer’s current balance falls below the disconnection balance,
22 excluding the remaining deferred amount.

1 (10) The REP must not charge the customer a fee for placing the customer on a deferred
2 payment plan.

3 (11) The REP, through a standard market process, must submit a request to remove the
4 switch-hold, pursuant to §25.480(m)(2) of this title if the customer pays the
5 deferred balance owed to the REP. On the day the REP submits the request to
6 remove the switch-hold, the REP must notify the customer that the customer has
7 satisfied the deferred payment plan and that the switch-hold is being removed.
8

9 (j) **Disconnection of service.** As provided by subsection (a)(4) of this section, §25.483
10 (b)(2)(A) and (B), (d), (e)(1)-(6), and the definition of extreme weather in §25.483(j)(1) of
11 this title apply to prepaid service. In addition to those provisions, this subsection applies
12 to disconnection of a customer receiving prepaid service.

13 (1) **Prohibition on disconnection.** A REP must not initiate disconnection for a
14 customer's failure to maintain a current balance above the disconnection balance
15 on a weekend day or during any period during which the mechanisms used for
16 payments specified in the customer's PDS are unavailable; or during an extreme
17 weather emergency, as this term is defined in §25.483 of this title, in the county in
18 which the service is provided.

19 (2) **Initiation of disconnection.** A REP may initiate disconnection of service when
20 the current balance falls below the disconnection balance, but only if the REP
21 provided the customer a timely warning pursuant to subsection (c)(7)(D) of this
22 section; or when a customer fails to comply with a deferred payment plan, but only
23 if the REP provided the customer a timely warning pursuant to subsection (i)(7) of

1 this section. A REP may initiate disconnection if the customer's current balance
2 falls below the disconnection balance due to reversal of a payment found to have
3 insufficient funds available or is otherwise rejected by a bank, credit card company,
4 or other payor.

5 (3) **Pledge from electric assistance agencies.** If a REP receives a pledge, letter of
6 intent, purchase order, or other commitment from an energy assistance agency to
7 make a payment for a customer, the REP must immediately credit the customer's
8 current balance with the amount of the pledge.

9 (A) The REP must not initiate disconnection of service if the pledge from the
10 energy assistance agency (or energy assistance agencies) establishes a
11 current balance above the customer's disconnection balance or, if the
12 customer has been disconnected, must request reconnection of service if the
13 pledge from the energy assistance agency establishes a current balance for
14 the customer that is at or above the customer's connection balance required
15 for reconnection.

16 (B) The REP may initiate disconnection of service if payment from the energy
17 assistance agency is not received within 45 days of the REP's receipt of the
18 commitment or if the payment is not sufficient to satisfy the customer's
19 disconnection balance in the case of a currently energized customer, or the
20 customer's connection balance if the customer has been disconnected for
21 falling below the disconnection balance.

22 (4) **Reconnection of service.** Within one hour of a customer establishing a connection
23 balance or any otherwise satisfactory correction of the reasons for disconnection,

the REP must request that the TDU reconnect service or, if the REP disconnected service using its CPDS, reconnect service. The REP's payment mechanism may include a requirement that the customer verify the payment using a card, code, or other similar method in order to establish a connection balance or current balance above the disconnection balance when payment is made to a third-party processor acting as an agent of the REP.

(k) **Service to Critical Care Residential Customers and Chronic Condition Residential Customers.** A REP must not knowingly provide prepaid service to a customer who is a critical care residential customer or chronic condition residential customer as those terms are defined in §25.497 of this title. In addition, a REP must not enroll an applicant who states that the applicant is a critical care residential customer or chronic condition residential customer.

(1) If the REP is notified by the TDU that a customer receiving prepaid service is designated as a critical care residential customer or chronic condition residential customer, the REP must diligently work with the customer to promptly transition the customer to postpaid service or another REP in a manner that avoids a service disruption. The REP must not charge the customer a fee for the transition, including an early termination or disconnection fee.

(2) If the customer is unresponsive, the REP must transfer the customer to a competitively offered, month-to-month postpaid product at a rate no higher than the rate calculated pursuant to §25.43(1)(2)(A) of this title. The REP must provide

the customer notice that the customer has been transferred to a new product and must provide the customer the new product's Terms of Service and EFL.

(l) **Compliance period.** No later than October 1, 2011, prepaid service offered by a REP pursuant to a new contract to a customer being served using a "settlement provisioned meter," as that term is defined in Chapter 1 of the TDU's tariff for retail delivery service, or using a REP-controlled collar or meter must comply with this section. Before October 1, 2011, prepaid service offered by a REP to a customer served using a settlement provisioned meter or REP-controlled collar or meter must comply with this section as it currently exists or as it existed in 2010, except as provided in subsection (m) of this section.

(m) **Transition of Financial Prepaid Service Customers.** A REP may continue to provide a financial prepaid service (*i.e.*, one that does not use a settlement provisioned meter or REP-controlled collar or meter) only to its customer that was receiving financial prepaid service at a particular location on October 1, 2011. A customer who is served by a financial prepaid service must be transitioned to a service that complies with the other subsections of this section by the later of October 1, 2011 or sixty days after the customer begins to be served using either a settlement provisioned meter or a REP-controlled collar or meter. The customer must be notified by the REP that the customer's current prepaid service will no longer be offered as of a date specified by the REP by the later of either October 1, 2011 or sixty days after the customer begins to be served using either a settlement provisioned meter or REP-controlled collar or meter, as applicable. The REP must provide the notification no sooner than 60 days and not less than 30 days prior to the termination of the

1 customer's current prepaid service. The customer must be notified that the customer will
2 be moved to a new prepaid service, and the REP must transmit an EFL and PDS to the
3 customer with the notification, if the customer does not choose another service or REP.
4
5

1 **§25.499. Acknowledgement of Risk Requirements for Certain Commercial Contracts.**

2 (a) **Purpose.** This section establishes requirements for the offering of wholesale indexed
3 products and products containing separate assessment of ancillary services costs to a
4 customer other than a residential or small commercial customer.

5 (b) **Application.** This section applies to all retail electric providers (REPs), aggregators and
6 brokers. The Acknowledgement of Risk (AOR) for wholesale indexed products required
7 by this section is effective for enrollments or re-enrollments entered into on or after
8 September 1, 2021. The AOR required for other product types required under this section
9 are effective for enrollments or re-enrollments entered into on or after April 1, 2021. REPs
10 are not required to modify contract documents related to contracts or enrollments entered
11 into before this date.

12 (c) **Definitions.** The definitions set forth in §25.5 (relating to Definitions) and §25.471(d)
13 (relating to General Provisions of Customer Protection Rules) of this title apply to this
14 section. In addition, wholesale indexed product, when used in this section, means a retail
15 electric product in which the price a customer pays for electricity includes a direct pass-
16 through of real-time settlement point prices determined by the independent organization
17 certified under the Public Utility Regulatory Act (PURA) §39.151 for the ERCOT power
18 region.

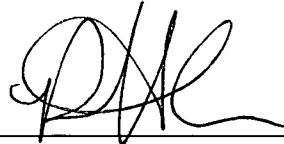
19 (d) **Acknowledgement of Risk (AOR).** Before a customer other than a residential or small
20 commercial customer is enrolled in a wholesale indexed product, or a product that contains
21 a separate assessment of ancillary service charges, an aggregator, broker, or REP must
22 obtain an AOR, signed by the customer, verifying that the customer accepts the potential
23 price risks associated with the product.

- 1 (1) For Wholesale Indexed Products, the AOR must include the following statement
2 in clear, boldfaced text: “I understand that the volatility and fluctuation of
3 wholesale energy pricing may cause my energy bill to be multiple times higher in
4 a month in which wholesale energy prices are high. I understand that I will be
5 responsible for charges caused by fluctuations in wholesale energy prices.”
- 6 (2) For products that contain a separate assessment of ancillary service charges the
7 AOR must include the following statement in clear, boldfaced text: “I understand
8 that my energy bill may include a separate assessment of ancillary service charges,
9 which may cause my energy bill to be multiple times higher in a month in which
10 ancillary services charges are high. I understand that I will be responsible for
11 charges caused by fluctuations in ancillary service charges.”
- 12 (3) An AOR may be included as an addendum to a contract.
- 13 (4) A REP, aggregator, or broker must retain a record of the AORs for each customer
14 during the time the applicable plan is in effect and for four years after the contract
15 ceases to be in effect for any customer. A REP must provide such documents at
16 the request of the commission or its staff.

1 This agency certifies that the adoption has been reviewed by legal counsel and found to be within
2 the agency's legal authority to adopt. It is therefore ordered by the Public Utility Commission of
3 Texas that §25.43, relating to Provider of Law Resort, §25.471, relating to General Provisions
4 of Customer Protection Rules, §25.475, relating to General Retail Electric Provider
5 Requirements and General Information Disclosures to Residential and Small Commercial
6 Customers, §25.479, related to Issuance and Format of Bills, §25.498, relating to Prepaid
7 Service, and §25.499, relating to Acknowledgement of Risk Requirements for Certain
8 Commercial Contracts are hereby adopted with changes to the text as proposed.
9

Signed at Austin, Texas the 16th day of December 2021.

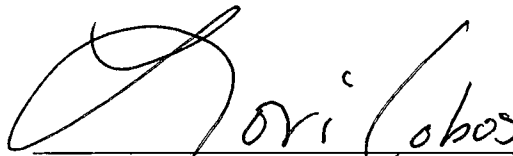
PUBLIC UTILITY COMMISSION OF TEXAS



PETER LAKE, CHAIRMAN



WILL MCADAMS, COMMISSIONER



LORI COBOS, COMMISSIONER



JIMMY GLOZFELTY, COMMISSIONER