

# Requiring a Standard Written Contract for Retail Electric Customers

## HB 1900 by Rep. Sylvester Turner

### Proposal

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- HB 1900 would require the Public Utility Commission to develop a standard form contract that all retail electric providers would have to use with their customers.

### AECT Position

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- AECT supports ensuring that customers receive the information necessary to make an informed decision when choosing their electric provider. A key component to satisfying customers is ensuring that customers understand what they are purchasing.
- The Public Utility Commission of Texas (PUC) recently adopted disclosure rules (Project No. 35768) after carefully considering issues related to residential and small commercial customer contracts over many months of discussions. In its recently adopted rules, among the many issues addressed, the Commission:
  - Established the specific products that REPs can offer to these consumers;
  - Revamped the format of the Electricity Facts Label, a document that REPs must use to set forth the most important terms of their products in a standardized manner;
  - Required that paragraphs in contract documents be no longer than 250 words and in a font no smaller than 10 point;
  - Required that any ambiguities in a contract document be resolved in a consumer's favor and against an REP; and
  - Established clear rules about what prices, terms, and conditions may change in a product, when they may be changed, and what customer notifications must be made.
- AECT supports the recently adopted disclosure rules and believes the recently revamped and standardized Electricity Facts Label provides sufficient uniformity to facilitate consumer shopping among different plans of a single REP as well as among the different plans offered by different REPs.
- AECT does not believe that a single form contract that all retail electric providers must use with all of their customers will encourage the continued development of a robust competitive retail electric market.