

PROPOSED REGULATION OF THE PUBLIC UTILITIES

COMMISSION OF NEVADA

LCB File No. R143-99

October 20, 1999

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1-36, NRS 703.025, 704.977, 704.979 and 704.985.

Section 1. Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 36, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 36, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 10, inclusive, of this regulation, have the meanings ascribed to them in those sections.*

Sec. 3. *“Customer” has the meaning ascribed to it in NRS 704.968.*

Sec. 4. *“Deposit” means security provided by a customer to an alternative seller to ensure payment for service provided by the alternative seller.*

Sec. 5. *“Distribution tariff” means the standard tariff filed with the commission by an electric distribution utility.*

Sec. 6. *“Division” means the division of consumer complaint resolution of the commission.*

Sec. 7. *“Electricity Facts label” means a label of facts about electricity relating to each product offered by the alternative seller to residential and small commercial customers.*

Sec. 8. *“Provider of last resort” means an entity designated by the commission pursuant to NRS 704.982 to provide electric service to end-use customers who are unable to obtain electric service from an alternative seller or who fail to select an alternative seller.*

Sec. 9. *“Residential and small commercial customer” means any:*

- 1. Customer who receives residential electric service; or*
- 2. Customer with an average monthly energy usage less than 3,500 kilowatt hours over the last 12 months.*

Sec. 10. *“Terms of Service brochure” means a brochure created by an alternative seller which sets forth the services which the alternative seller can provide to residential and small commercial customers and the terms pursuant to which the services will be provided to those customers.*

Sec. 11. *The provisions of sections 12, 14, 15 and 17 to 33, inclusive, of this regulation apply to an alternative seller only when the alternative seller provides generation or aggregation services to residential and small commercial customers.*

Sec. 12. *1. At least 10 business days before submitting its first service request form with an electric distribution utility, a licensed alternative seller shall:*

- (a) Post a cash security deposit of \$10,000 with the electric distribution utility;*
- (b) Post a financial guarantee bond or other form of insurance in the amount of \$10,000, payable to the electric distribution utility; or*
- (c) Open a customer trust account in the amount of \$10,000 in a bank or other financial institution which is federally insured or otherwise authorized to do business in this state.*

2. A financial guarantee bond posted as security pursuant to subsection 1 must carry an endorsement that allows the issuer of the bond or the insurer to pay such amounts, and in

such a manner, as ordered by the commission. Any form of security provided pursuant to subsection 1 must be for the exclusive protection of residential and small commercial customers in Nevada.

3. The security posted pursuant to this section must be increased by an amount equal to \$100 for each residential or small commercial customer of the alternative seller in excess of the first 100 such customers enrolled into the service of the alternative seller, as adjusted quarterly by the electric distribution utility. Additional deposits are not required after 1,000 such customers are enrolled. Upon request, a licensed alternative seller shall provide information on the number of its customers to the electric distribution utility in a timely manner.

4. As used in this section, “customer trust account” means an account into which all revenues paid to an alternative seller are deposited and which is overseen by a trustee who pays the obligations of the alternative seller before paying any remaining revenues to the alternative seller.

Sec. 13. *An alternative seller offering generation or aggregation services shall list on each bill that the alternative seller sends to its customers for those services the telephone number of the electric distribution utility which customers may call 24 hours a day, 7 days a week to report outages and other safety-related issues relating to the distribution system of the electric distribution utility.*

Sec. 14. 1. *At least 15 business days before an alternative seller submits its first service request form to an electric distribution utility, the alternative seller shall provide the commission with:*

(a) A copy of the Terms of Service brochure created by the alternative seller in accordance with sections 25 to 29, inclusive, of this regulation; and

(b) Copies of Electricity Facts labels which the alternative seller is required to include in a Terms of Service brochure pursuant to subsection 2 of section 25 of this regulation and in its advertisements pursuant to subsection 1 of section 30 of this regulation,

FLUSH *for each product offered by the alternative seller to residential and small commercial customers.*

2. After the market opens for potentially competitive services, no later than January 31 and July 31 of each year, an alternative seller shall provide the commission:

(a) A current copy of the Terms of Service brochure created by the alternative seller in accordance with sections 25 to 29, inclusive, of this regulation; and

(b) Current copies of the Electricity Facts labels which the alternative seller is required to include in a Terms of Service brochure pursuant to subsection 2 of section 25 of this regulation and in its advertisements pursuant to subsection 1 of section 30 of this regulation,

FLUSH *for each product being offered by the alternative seller to residential and small commercial customers as of that January 31 and July 31, except that if no changes have been made in the brochure or label from the brochure or label most recently provided to the commission, the alternative seller shall submit a statement stating that fact in lieu of submitting the brochure or label.*

Sec. 15. *If an alternative seller that offers generation service, aggregation service or any other potentially competitive service to residential and small commercial customers has contracted with a separate entity to solicit individual customers, in person, by telephone or*

electronically, on behalf of the alternative seller, the alternative seller shall ensure that the entity:

- 1. Clearly advises the customers which it contacts that the entity is marketing on behalf of the alternative seller;*
- 2. Complies with all applicable laws, decisions and orders of the commission; and*
- 3. Includes the name of the alternative seller on all advertising, marketing and billing materials, and communications of the entity relating to the alternative seller.*

Sec. 16. An alternative seller that offers any potentially competitive service which requires its personnel to enter onto the premises of a customer shall, at least 30 days before the date on which the provision of the potentially competitive service will commence, certify that the personnel have the training and knowledge to comply with the generally accepted technical protocols approved by the commission that are applicable to the service to be provided.

Sec. 17. 1. Before submitting a service request form with an electric distribution utility on behalf of a new customer pursuant to the distribution tariff of the electric distribution utility, an alternative seller shall obtain the authorization of the customer, in writing, via electronic mail or over the telephone, for the alternative seller to submit the service request form to the electric distribution utility on behalf of the customer.

2. An alternative seller shall retain evidence of the authorization of a customer obtained pursuant to subsection 1, including, without limitation, copies of the written authorization, authorizations transmitted via electronic mail, tapes of the phone conversation or other similar evidence, for at least 12 months. The evidence must contain:

- (a) The name and address of the customer;*

- (b) The date on which the authorization was obtained;*
- (c) The name of the product, pricing plan or service that is being subscribed; and*
- (d) An acknowledgement that the alternative seller has informed the customer of all applicable switching fees, minimum contract terms, usage requirements and penalties for canceling the product, plan or service before the end of the minimum term of the contract.*

Sec. 18. *An alternative seller shall:*

1. Provide a Terms of Service brochure which it creates pursuant to sections 25 to 29, inclusive, of this regulation:

(a) Upon receiving the authorization of a new customer for the alternative seller to provide service to that customer pursuant to section 17 of this regulation, to the new customer at least 5 days before the alternative seller submits a service request form on behalf of the customer with an electric distribution utility pursuant to the distribution tariff of the electric distribution utility;

(b) To each of its customers at least annually;

(c) To any person upon request;

(d) In English or Spanish, as specified by the customer; and

(e) In an electronic or a printed form, if requested by the customer.

2. Allow a customer to cancel, without a fee or penalty, any contract within 5 business days after the customer receives the Terms of Service brochure from the alternative seller.

3. Notify each customer in a conspicuous written statement entitled “Notice of New Terms” of any changes in prices, fees or other charges at least 10 business days before the date on which the change is to take effect.

Sec. 19. 1. *An alternative seller shall not collect a deposit from a customer which exceeds an amount equal to 150 percent of the estimated average monthly charge which the alternative seller will collect from the customer. If the customer has made timely payments to an alternative seller for 12 consecutive months, the alternative seller shall return any deposit paid by a customer to the customer, including interest calculated at the rate set forth in NRS 704.655 for customer deposits.*

2. *An alternative seller shall not charge late fees or interest which is in excess of 1.5 percent of the amount due per month.*

3. *An alternative seller shall return any deposits and release a customer from any obligations that result from the early termination of a contract if:*

(a) The license of the alternative seller is suspended or revoked; or

(b) If the customer moves to a new residence which is outside of the territory served by the alternative seller.

4. *When circumstances beyond the control of an alternative seller are present, the alternative seller may calculate the bill of a customer based upon an estimated usage of the customer. In calculating a bill based upon estimated usage, the alternative seller shall consider:*

(a) The usage of the customer during the same month of the preceding year, if applicable;

(b) Any change in temperature from the preceding month;

(c) The usage of the customer during the preceding month, if applicable; and

(d) Seasonal load factors.

FLUSH *The alternative seller shall notify the customer of the circumstances that caused the bill to be estimated. Circumstances beyond the control of the alternative seller, include, without*

limitation, severe weather, the presence of an animal on the premises of the customer which prevents an employee of the alternative seller from reading the meter without risk of injury and any other circumstance which makes it unreasonably difficult to read the meter of the customer.

5. If an alternative seller calculates a bill of a customer based on the estimated usage pursuant to subsection 4, the alternative seller shall adjust the estimated usage of a customer upon the first reading of the meter of the customer after an estimated reading was made.

Sec. 20. An alternative seller shall have a toll-free telephone number which its customers can call during specified hours to get answers to their questions or to make complaints about their bills.

Sec. 21. If an alternative seller declines to provide service to a customer, the alternative seller shall inform the customer of his right to obtain a written statement from the alternative seller disclosing the reasons why the alternative seller declined to provide the service. Upon the verbal or written request of a customer, an alternative seller shall disclose its reasons for declining to provide the service to the customer in writing within 3 business days after receiving the request.

Sec. 22. As least 20 business days before an alternative seller may cancel a contract with a customer, the alternative seller shall send notification of cancellation to the customer which includes:

- 1. The reason for the cancellation of the contract.*
- 2. The actions, if any, that the customer may take to avoid the cancellation of the contract.*

3. If the customer is in default, the amount of all fees or charges which will be assessed against the customer as a result of the early termination of the contract, if any, as set forth in the Terms of Service brochure provided to the customer at the time that the contract was executed, as updated pursuant to the most recent notice of new terms sent to the customer by the alternative seller pursuant to subsection 3 of section 18 of this regulation.

4. Any amount overdue.

5. A toll-free telephone number which the customer can use to call the alternative seller to discuss the notice of cancellation or to file a complaint, and the following statement:

If you are not satisfied with our response to your inquiry or complaint, you can contact the Public Utilities Commission of Nevada and file a complaint by calling or writing to the Consumer Complaint Resolution Division of the Public Utilities Commission in Carson City or Las Vegas.

FLUSH *The statement must include the current telephone numbers and mailing addresses for the commission.*

6. A statement that informs the customer of his right to obtain services from another licensed alternative seller or a provider of last resort, and that information about other alternative sellers or the provider of last resort can be obtained from the division and the provider of last resort.

7. If a deposit is being held by the alternative seller on behalf of the customer, a statement that the deposit will be refunded to the customer or applied against the final bill of the customer, or both.

8. Notification advising the customer that if the customer does not select another alternative seller by a certain date, which must be at least 20 business days after the date on

which the notice of cancellation is sent, the customer will be automatically assigned to a provider of last resort for service.

9. The availability of deferred payment or other billing arrangements from the alternative seller, and the availability of any state or federal payment assistance programs and information on how to get further information about those programs.

10. A description of the activities that the alternative seller will use to collect payment, including the use of debt collection agencies, small claims court and other legal remedies allowed by law, if the customer does not pay or make acceptable arrangements with the alternative seller. The alternative seller shall not state or imply that nonpayment by the customer will affect his ability to access the electric distribution system.

Sec. 23. 1. An alternative seller shall prepare and maintain records for each customer for at least 2 years, or as long as available if less than 2 years. The records for a customer must contain information concerning:

(a) Payment performance of the customer;

(b) Usage of electric energy by the customer for each billing period;

(c) The number of discontinuances and reestablishments of service to the customer;

(d) The number of deposits which have been collected from and returned to the customer;

and

(e) The number and a general description of written complaints filed with the alternative seller by the customer.

2. An alternative seller shall, upon the request of the commission, submit to the commission or a provider of last resort, or both, a written summary of the information

contained in the records kept by the alternative seller pursuant to subsection 1 relating to a particular customer.

3. An alternative seller shall, upon the request of another alternative seller which has received authorization from a customer for the other alternative seller to provide service to the customer, submit to the requesting alternative seller data on the monthly usage of the customer for the previous 12 months, or for as long as the alternative seller has provided service to the customer, whichever is shorter.

4. An alternative seller shall not publicly disclose or make available for sale any data about its customers which was provided to the alternative seller pursuant to a distribution tariff of an electric distribution utility.

5. Upon the request of a customer, an alternative seller shall notify a third person chosen by the customer of any pending termination of services to the customer.

Sec. 24. *An alternative seller shall notify the commission at least 45 business days before any planned discontinuation by the alternative seller of service to residential and small commercial customers.*

Sec. 25. *For each service or product which it offers, an alternative seller shall create a Terms of Service brochure which must prominently present:*

1. A statement on the front of the brochure written in Spanish that the brochure contains important information and that the information contained within the brochure may be obtained in Spanish by calling a specified toll-free telephone number.

2. A box in bold font on the front or back page of the brochure which contains an Electricity Facts label that includes the following disclosures for each product and pricing plan, regardless of actual price structure:

(a) For the total cost of electric services, exclusive of applicable taxes:

(1) If the billing is based on rates that will not vary by season or time of day, the average price reflecting all recurring charges, expressed as cents per kilowatt hour rounded to the nearest one-tenth of a cent for each usage level as follows:

(I) The average price for residential customers must be shown for 500, 1,000 and 1,500 kilowatt hours per month; and

(II) The average price for small commercial customers must be shown for 1,500, 2,500 and 3,500 kilowatt hours per month;

(2) If the billing is based on rates that vary by season or time of day, the average price, reflecting all recurring charges, expressed as cents per kilowatt hour rounded to the nearest one-tenth of a cent for each usage level as follows:

(I) The average price for residential customers must be shown for 500, 1,000 and 1,500 kilowatt hours per month; and

(II) The average price for small commercial customers must be shown for 1,500, 2,500 and 3,500 kilowatt hours per month,

using a generic load profile for Nevada, as periodically determined by the commission, for residential and small commercial customers.

(b) If the pricing plan envisions prices which will vary according to the season or time of day, the statement:

This is an example based on average usage patterns – your average electricity price will vary according to when you use electricity. See the Terms of Service brochure for actual prices.

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FLUSH *The statement must also identify on-peak times and seasons, and the location of the actual prices within the brochure.*

(c) If the pricing plan envisions prices which will vary during the term of the contract because of factors other than season and time of day, the statement:

This is an example based on average contract prices – your average electricity price will vary according to (insert description of the basis for and the frequency of price changes during the contract period). See the Terms of Service brochure for actual prices.

FLUSH *The statement must also identify the location of the actual prices within the brochure.*

(d) If the price of the contract will not vary, the phrase “fixed price” and the length of time for which the price will be fixed.

(e) If billing is based on the season or time of day, the on-peak seasons or times.

(f) A statement as to whether there is a minimum contract term, a minimum usage requirement, start-up fee or any minimum of fixed charges.

(g) A statement as to whether there are penalties to cancel service before the end of the minimum term of the contract.

3. If the alternative seller requires deposits from its customers, a description of the conditions that will trigger a request for a deposit, the maximum amount of the deposit, a statement that interest will be paid on the deposit including the amount of the interest that will be paid, and the conditions under which the customer may obtain a refund of a deposit.

4. The amount of any late payment fees, fees that may be charged to the customer for returned checks and any other fees and charges.

5. *The policies of the alternative seller regarding estimated meter readings, payment arrangements, late payments, payments in dispute and defaults by the customer.*

6. *A statement of the availability of any state or federal payment assistance programs and information on how to get further information about those programs.*

7. *The policy of the alternative seller for handling disputes and complaints, which includes:*

(a) *A toll-free telephone number that a customer can call for customer service and to register complaints; and*

(b) *The statement:*

If you are not satisfied with our response to your inquiry or complaint, you can contact the Public Utilities Commission and file a complaint by calling or writing to the Consumer Complaint Resolution Division of the Commission in Carson City or Las Vegas.

FLUSH *The statement must also include the current telephone numbers and mailing addresses of the commission for its offices in Carson City and in Las Vegas.*

8. *All other material terms and conditions, including, without limitation, exclusions, reservations, limitations and conditions of the contract for services offered by the alternative seller.*

9. *In a separate paragraph or box, in bold font type:*

(a) *A description of the right of a new customer to cancel a contract within 5 business days after receiving the Terms of Service brochure sent to the customer after the alternative seller has obtained the customer's authorization to provide service to the customer, without penalty or further obligation; and*

(b) Instructions for canceling a contract, including the mailing address, telephone number and facsimile machine number which the customer must use to cancel the contract.

11. If the contract imposes any costs on the customer other than energy usage charges, including, without limitation, switching fees and fixed monthly fees, or imposes any minimum requirements, including, without limitation, a fixed-length contract or fees for early termination of the contract, a statement on the front of the brochure, in bold font type:

New customers have the right to cancel a contract within 5 business days after receiving this brochure – see (location of procedures for cancellation within the brochure).

12. A statement informing the customer that, if the alternative seller declines to provide service to the customer, the customer has the right to request from the alternative seller a written statement of the reason for the denial of service, which the alternative seller must provide within 3 days after the customer requests the written statement.

Sec. 26. For pricing information disclosed by an alternative seller in an Electricity Facts label included in a Terms of Service brochure pursuant to section 25 of this regulation:

1. The value of any credits or gifts provided to a customer which do not recur monthly may be stated in plain language on a separate line within the Electricity Facts label, but the alternative seller shall not factor the value of such credits and gifts in the average charges of the customer.

2. If an alternative seller combines the charges for electric services with charges for any other product, the alternative seller shall:

(a) If the electric services are sold separately from the other products, disclose the total price for electric services separately from other products; and

(b) If the alternative seller does not permit a customer to purchase the electric services without purchasing the other products, state the total charges for all products as the price of the total electric services.

3. If the Terms of Service brochure created by an alternative seller is for a product which is available exclusively or primarily to residential and small commercial customers, the alternative seller need only disclose price information for the usage levels of the targeted customer class.

Sec. 27. An Electricity Facts label that must be included in a Terms of Service brochure by an alternative seller pursuant to section 25 of this regulation must be:

1. Presented in a standard format as shown in an example of the label that is available upon request from the commission;

2. No less than 5 inches in width and 2 inches in height; and

3. Approved by the commission before the alternative seller may disseminate the label.

Sec. 28. If an alternative seller offers services related to the conservation of electricity in conjunction with electricity services, the alternative seller may include in the Terms of Service brochure a separate price disclosure based on the effect of these services on the cost of electricity for climates and typical dwellings in Nevada.

Sec. 29. If an alternative seller wishes to use advertisements and marketing materials in a Terms of Service brochure that make any claims regarding fuel mix or environmental characteristics, the alternative seller must file data supporting those claims with the commission before the service may be offered.

Sec. 30. Printed advertisements in general circulation newspapers and periodicals, direct mail marketing materials and Internet advertisements of an alternative seller that are directed at residential and small commercial customers must conform to the following:

1. Except as otherwise provided in this section, advertisements and marketing materials that make any claims regarding price or cost competitiveness must include an Electricity Facts label in a bold font box, which contains, without limitation, the information set forth in paragraphs (a), (f) and (g) of subsection 2 of section 25 of this regulation. The label must conform to the requirements set forth in section 26 of this regulation and must be not less than 3 inches in width and 2 inches in height.

2. Except as otherwise provided in this section, if a printed advertisement that is less than 6 1/2 inches in width is used in general circulation newspapers and periodicals, an alternative seller may include the following statement in lieu of including an Electricity Facts label as required by subsection 1:

For a copy of important standardized information and contract terms regarding this product, call (name and telephone number of the alternative seller or his agent).

FLUSH *An alternative seller or his agent shall provide a Terms of Service brochure relating to the service or product being advertised to each person who contacts the alternative seller or his agent in response to this statement.*

3. If an alternative seller targets advertisements and marketing material exclusively or primarily to residential customers or small commercial customers, the alternative seller need only disclose price and policy information for the targeted customer class.

Sec. 31. 1. *An alternative seller shall include the following statement in any television or radio advertisement that makes a claim about price or cost competitiveness for an electricity product from the alternative seller:*

You can obtain an Electricity Facts label that will allow you to compare the price and terms of this product with others. Call (name and telephone number of the alternative seller) for your Electricity Facts label.

2. *An alternative seller shall provide an Electricity Facts label which the alternative seller is required to include in a Terms of Service brochure to each person who contacts the alternative seller in response to the statement set forth in subsection 1.*

Sec. 32. 1. *Any printed or electronic communication from an alternative seller or his agent to a residential customer or small commercial customer that informs the customer about the current amount due by the customer on his current account or that confirms an automated billing transaction on the current account of the customer:*

(a) Must be issued no less frequently than monthly; and

(b) Must list the cost of noncompetitive services according to the actual charges that the alternative seller is paying to the electric distribution utility.

2. *An alternative seller shall include on the front page of each printed electric service bill or on the first section of each electronically communicated electric service bill sent to a residential customer or small commercial customer:*

(a) The name and address of the alternative seller and the number of the license issued to the alternative seller by the commission.

(b) The service address and account number of the customer.

- (c) The name of the product or pricing plan from the alternative seller for which the customer is being charged.*
- (d) The service period for which the bill is rendered.*
- (e) The date on which the bill was rendered.*
- (f) The date by which payment from the customer must be received by the alternative seller to avoid a late charge or other collection action.*
- (g) The type of meter used by the customer and the identification number of the meter.*
- (h) A statement as to whether the bill is based on a meter reading by the alternative seller, a meter reading by the customer or an estimated reading of the meter. If the bill is based on an estimated reading of the meter, the bill must conspicuously disclose that fact.*
- (i) The meter readings for the beginning and end of the billing period.*
- (j) The total current charges, balances on the immediately preceding bill, payments made since the preceding bill and the current balance due.*
- (k) A conspicuous notice of any services or products being provided to the customer that have been added since the previous bill.*

3. An alternative seller shall include on the front page of a printed bill, the back of the first page of the printed bill or the front of the next separate page of the printed bill, and in all electronic communications:

- (a) A statement describing the policies of the alternative seller concerning:*
 - (1) Past due payments;*
 - (2) Applicable late fees;*
 - (3) Methods by which the customer can make payments; and*
 - (4) Disputed bills.*

(b) A statement of the consequences of nonpayment, specifying the time at which events occur, including, without limitation, when deposit requirements for the customer will be triggered and when a notice of cancellation of the contract will be mailed. The alternative seller shall include a disclosure as to whether the customer can negotiate a payment arrangement or may qualify for additional billing options.

(c) A statement of charges for which the bill is rendered, including, an itemization of each element of the pricing structure or product showing the rate, charge and provider for each element and the total of all current charges, which will enable the customer to recreate each itemized charge and the total charges.

(d) The total kilowatt-hours used and, if rates vary according to time of use, a usage profile.

(e) A box or other typographically separated graphic labeled “Billing Facts” which contains:

(1) The average daily usage of the customer for the month being billed and for the same month of the previous year if the customer is at the same location, if applicable;

(2) The average unit price of the current electricity charge for the current billing period reflecting all recurring charges, but not including any nonrecurring credits, which is expressed as cents per kilowatt-hour rounded to the nearest one-tenth of a cent;

(3) A statement concerning the term of the contract and a reference to any applicable early termination charges; and

(4) A statement as to whether the contract price is a fixed price or a variable price. If the price is variable, the basis for the price variations must be stated, such as time of day or

seasonal pricing or price that varies with some published index. If the price of electricity is fixed, the end of the term in which the prices will be fixed must be stated.

(f) A toll-free number, in bold font type, that the customer can call during specified hours for inquiries and to make complaints about the bill.

(g) A toll-free telephone number that the customer can call 24 hours a day, 7 days a week, to report power outages and concerns about the safety of the power system.

(h) A statement that refers the customer to the appropriate Terms of Service brochure of the alternative seller for further information.

Sec. 33. *An alternative seller shall, as required by the commission, provide brief public service announcements to the residential and small commercial customers of the alternative seller. The alternative seller shall provide the public service announcements to its customers:*

- 1. On the billing statements of the customers;*
- 2. As an insert in the billing statements of the customers; or*
- 3. Via electronic media,*

as specified by the commission.

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Sec. 34. 1. *All printed advertisements, electronic advertising over the Internet, direct marketing materials, billing statements and Terms of Service brochures of an alternative seller must disclose information as follows:*

- (a) All disclosures must be clear and understandable.*
- (b) All disclosures must be written in plain, easily understood English or foreign language if the materials are written in a foreign language such as Spanish, by:*

- (1) Using short words, sentences and paragraphs;*
- (2) Using everyday words that have commonly understood meanings;*

(3) Not using technical terms, Latin or other foreign terms, except in those materials that are written in a foreign language such as Spanish, or words with obsolete meanings;

(4) Using simple and active forms of verbs;

(5) Using personal pronouns to refer to the contracting parties;

(6) Not using double negatives; and

(7) Not using sentences that include more than one condition.

(c) All required disclosures must be in a type size of at least 10 points and in a color that clearly contrasts with the background colors.

2. An alternative seller shall, upon receipt of a license to act as an alternative seller from the commission, include the number of the license in all of its printed advertisements, electronic advertising over the Internet, direct marketing materials, billing statements and Terms of Service brochures.

Sec. 35. 1. *If a customer disputes any bill, charge or service from an alternative seller, the alternative seller shall promptly investigate the matter and report its determination to the customer. If the customer so requests, the report must be made to the customer in writing. In its report to the customer, an alternative seller shall inform the customer of his right to file a complaint with the division.*

2. If a customer is not satisfied with the determination made by an alternative seller concerning the dispute, the customer may file a complaint with the division.

3. If a customer files a complaint against an alternative seller with the division pursuant to this section, the alternative seller may require the customer to pay any disputed amount to the alternative seller pending resolution of the complaint unless, at the request of the division, the alternative seller agrees to waive the requirement to pay the disputed amount.

Sec. 36. 1. *Each failure by an alternative seller to disclose information to a customer as required by sections 2 to 36, inclusive, of this regulation constitutes a separate failure to disclose the required information.*

2. *Repeated failure by an alternative seller to disclose information to a customer as required by sections 2 to 36, inclusive, of this regulation may result in a revocation of the license of the alternative seller, after notice and opportunity for hearing.*