

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 7, 2009

The Honorable Darrell Steinberg
President Pro Tempore
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

Dear Senator Steinberg:

President Peevey asked me to respond to your concerns about the CPUC's consumer complaint backlog reduction efforts. Commissioner Chong also brought your concerns to my attention after her meeting with you on November 17th.

The Commission's Consumer Affairs Branch currently answers about 85,000 calls a year in eight languages, and maintains an average call-answering time of about 1 minute 40 seconds. Half of all consumer complaints are resolved in 22 days or less. In 2008, CAB helped customers receive about \$2.7 million in refunds and bill credits.

But that's now. In 2006, the Commission had allowed a massive complaint backlog of about 25,000 cases to accumulate over years. A number of factors contributed to the backlog. Competition in the telecommunications industry brought more services, more service providers, more consumer inquiries, and more complaints. CAB was inundated with consumer complaints on many new issues while depending on a small staff and outmoded processing and database tools.

This backlog prevented CAB from resolving new complaints in a timely manner. In 2006, the Commission took on the task of eliminating the backlog. CAB closed 4,890 backlog cases in September 2006. These case closures were the end result of a resource-intensive, step-by-step approach over a period of months that focused on the oldest cases first – those over 8 months old.

After removing unworkable cases (those with missing customer information) and duplicate cases (duplicate cases were opened when a customer called for status or to provide supplemental information regarding their complaint), CAB closed cases if:

- CAB had reviewed the complaint and entered it in the database, sent the complaint to the utility for their side of the story and received a response from the utility. CAB assumed that the customer's complaint was resolved to the customer's satisfaction by the utility if the customer had not made further contact with CAB. This process accounted for approximately 1,246 case closures. Today, no case is closed without an independent assessment by CAB, and written notice to the customer.
- CAB had reviewed the complaint and entered it in the database, sent the complaint to the utility for their side of the story, but had not received a response from the utility. CAB assumed that the customer's complaint was resolved to the customer's satisfaction by the utility if the customer had not made further contact with CAB. This process accounted for about 3,023 cases. Today, no case is closed without an independent assessment by CAB, and written notice to the customer.
- CAB had failed to send the complaint to the utility for response. This accounted for about 621 cases. Today's electronic system prevents this mistake from ever happening in the first place.

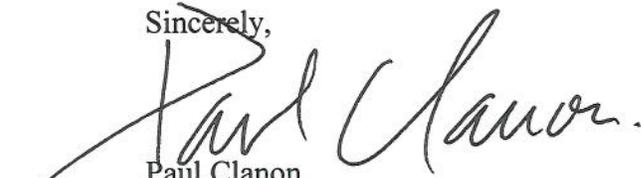
Each closed case contained a notation to "re-open the case if customer re-established contact with CAB."

A great disservice was done to customers by our allowing their complaints to languish unanswered for a year or longer due to the backlog. CAB management made a regrettable but necessary decision to close the thousands of cases as outlined above. I support that decision. Significantly reducing the backlog, coupled with more resources and a new electronic system, has freed staff to respond to incoming complaints in a timely manner and ultimately break the vicious cycle of delay.

The painful lessons learned in the closing of the backlog have guided our efforts to overhaul our consumer-complaint response systems. The overhaul efforts have borne fruit. Since 2006, CAB has made over 20 hires and implemented the Consumer Information Management System (CIMS) database. CAB has moved to a paperless environment that has increased its processing efficiencies and virtually eliminated duplicate cases. Earlier this year, CAB launched an internal quality assurance check that is reducing complaint processing errors and allowing for real-time identification of any anomalies so they can be quickly corrected. CAB is committed to maintaining an average complaint resolution time of less than 90 days.

If you have any questions, please call me at (415) 703-3808.

Sincerely,


Paul Clanon
Executive Director

cc: The Honorable Sam Aanestad, Vice Chair, Senate Rules Committee
The Honorable Gil Cedillo, Member, Senate Rules Committee
The Honorable Bob Dutton, Member, Senate Rules Committee
The Honorable Jenny Oropeza, Member, Senate Rules Committee
Nettie Sabelhaus, Senate Appointments Director