

# *Monthly Activity Report*

**Consumer Protection and Enforcement  
Division | California Public Utilities  
Commission | February 2017**

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## OVERVIEW

The Consumer Protection and Enforcement Division (CPED) serves as the first line of defense for California utility customers. CPED collects and resolves consumer complaints, establishes and enforces rules and regulations for transportation carriers, and investigates allegations of utility waste, fraud, and abuse. CPED is comprised of three separate branches: the Consumer Affairs Branch (CAB), the Transportation Enforcement Branch (TEB), and the Utilities Enforcement Branch (UEB).

This report contains information reflecting the month's activity within each of the three CPED branches. Information about each Branch is collected in seven different sections: (1) Monthly Highlights, (2) Key Activities, (3) Citations/Fines/Refunds, (4) Compliance with Ordering Paragraphs, (5) Docket Activity, (6) Outreach/Training/Other Activities, and (7) Legislation of Interest.

## CONSUMER AFFAIRS BRANCH

CAB provides assistance to consumers over the phone and in writing by answering questions and addressing informal complaints regarding CPUC-regulated communications, energy, and water utilities. CAB also acts as a conduit of consumer information for CPUC decision-makers.

### MONTHLY HIGHLIGHTS

- **Defining Requirements for Upgrade to CAB's Database:** CAB staff engaged in multiple sessions with program developers to define requirements for upgrading its database known as the Consumer Information Management System (CIMS). The database upgrade will allow CAB to comply with recommendations from the California State Auditor for improving quality assurance processes and data quality.
- **CAB's Database Migrated to New Server:** The CIMS database was migrated to an updated Oracle server. The successful migration has improved service to consumers by reducing lag times for database queries and minimizing outages associated with the outdated server.
- **LifeLine Program Changes:** CAB attended and participated in the workshop focusing on rules changes in the California LifeLine Program required under AB

2570 and addressed in D.17-01-032. In the coming months, CAB will work with the Communications Division and the LifeLine Administrator to update case processing as a result of these efforts.

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## KEY ACTIVITIES

In February, CAB provided assistance to consumers that contacted us seeking assistance via our statewide 800 number. Through the 800 number, consumers accessed CAB's consumer assistance information line menus 17,110 times and opted to speak to a live representative 2,713 times. Live consumer calls regularly result in referral to the utilities' high-level internal consumer assistance groups for expedited resolution of consumer-identified issues. Live calls may also result in providing answers to consumer questions or providing them with referral information on utilities, service providers, and other entities that are not regulated by the CPUC.

In addition to assisting consumers with complaints, questions and information referrals via telephone, CAB provided assistance to 1,472 consumers that were seeking assistance, via walk-in, U.S. Mail, fax, or online complaint form. At the end of February, CAB had closed 1,022 written contacts and was in process of addressing an additional 1,732 written contacts.

CAB Activity for February 2017	
Data for Telephone Contacts	
Calls to Assistance Line	17,110
Live Calls Answered	2,713
Data for Written Contacts Processed*	
New Written Contacts Received	1,472
Written Contacts Closed	1,022
Written Contacts Being Processed**	1,732

\* Written contacts closed may differ from the number of written contacts received in a month since cases received in previous months may be resolved in the current month.

\*\* Depending on the timing of when written contacts were received and the complexity of the issue, written contacts may not be resolved during the month in which they were received. These contacts are in process and are under review by CAB and the utility service provider.

CAB also responds to requests from various internal and external entities for CAB data. In February 2017, CAB responded to nine data requests regarding IOU disconnections (1 request), utility services impacted by the Oroville Dam crisis (1 request), gas leak complaints (1 request) a specific utility consumer (1 request), and consumer contacts regarding a specific utility (5 requests).

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## CITATIONS/FINES/REFUNDS

CAB helped California consumers secure \$54,876.55 worth of refunds and credits in February 2017. The cumulative total for 2017 is \$149,330.12.

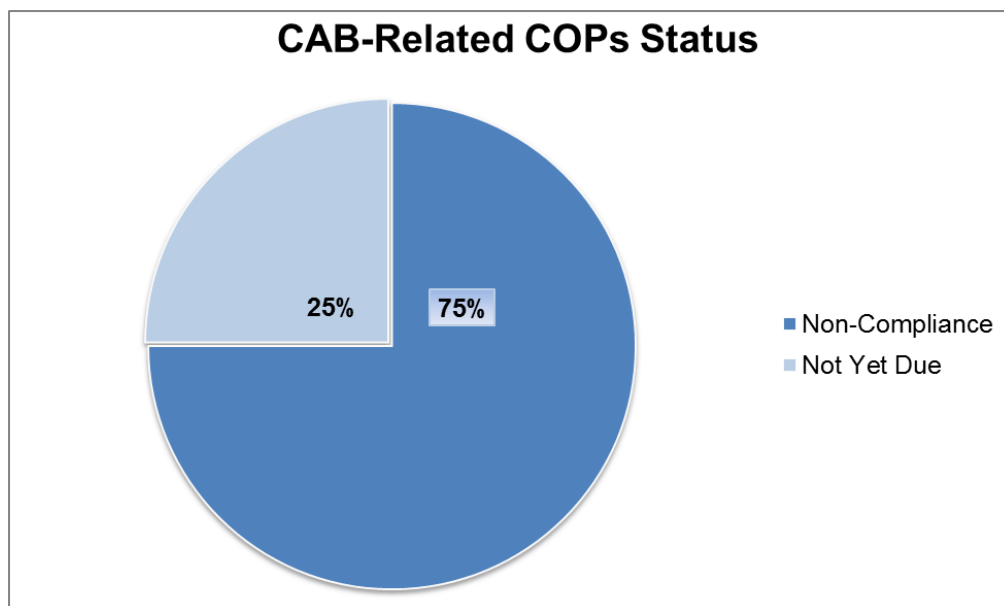
Date	Refund/Credit Amount*
February 2017	\$54,876.55
Cumulative 2017	\$149,330.12

\* Refund amounts may be underreported in cases where a utility does not share refund information in its response to CAB. This may occur in cases where Voice over Internet Protocol telephone (VoIP) service is involved. VoIP services are governed under Public Utilities Code Section 710. Also, CAB does not currently have a process that enables follow-up on consumer phone contacts that are transferred to the company for expedited resolution. Thus, the refund amount reflected may be underreported since the company may resolve the consumer's issue after the warm transfer is made, including the offering of a refund.

CAB does not issue citations or fines, but instead may negotiate refunds through its informal complaint resolution process. Most refunds secured by CAB are the result of incorrect billing of a utility consumer or from discretionary refunds provided by the utility.

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## COMPLIANCE WITH ORDERING PARAGRAPHS



Three new CAB-related Ordering Paragraphs were enacted in February. CAB is currently responsible for 16 separate Ordering Paragraphs. Of those 16 Ordering

Paragraphs, four (representing 25%) are not yet due. The balance of 12 CAB-related Ordering Paragraphs require that regulated utilities, that have been granted authority to operate by the CPUC, provide CAB with contact information needed in processing informal complaints (Not Compliance Items).

For the 12 CAB-related Non-Compliance items, CAB has proactively contacted the utility in an attempt to gather the information and inform the utility of CAB's role. Once received, the contact information will be entered into the CPUC's Utility Contact System (UCS) database that houses contact information for utilities authorized to provide service in California.

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#### DOCKET ACTIVITY

CAB monitored nine open proceedings in February that have consumer impacts. Three of the nine items appeared on the CPUC's February Voting Agendas and were approved. One item that CAB is closely reviewing for consumer impacts is the Phase II Scoping Memo in Rulemaking 14-03-002 on Core Transport Agents.

Six of the nine proceedings noted are regarding applications for CPCNs\*. CAB monitors all CPUC non-transportation CPCN proceedings due to the requirement for CAB to maintain contact information for all certificated non-transportation companies in its database.

\* A Certificate of Public Convenience and Necessity is required to lawfully operate a utility company in California and is granted by the CPUC.

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#### OUTREACH/TRAINING/OTHER ACTIVITIES

In February, CAB management completed an intensive training of nine newly-hired Consumer Affairs Representatives. Three newly hired CAB supervisors completed Part I of Basic Supervisor Training required by the State of California.

CAB participated in multiple California LifeLine Program meetings in February. These meetings are comprised of CPUC staff, the California LifeLine Program Administrator, as well as industry and stakeholders that advise the CPUC on the LifeLine program.

CAB staff members have volunteered to perform in various roles in the CPUC-wide emergency response team. These staff members participated in two CPUC-wide trainings on emergency response presented by the Department of General Services in February.

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## LEGISLATION OF INTEREST

CAB is currently tracking one legislative item of interest. One bill was added to CAB's tracking list in February 2017.

**SB 598 (Hueso)** – CAB is tracking consumer impacts of this bill, which addresses disconnection of gas and electric consumers. It requires the CPUC to 1) reduce gas and electric service disconnections by 50% by 2021, 2) prioritize provision of universal gas and electric service to every residential household, and 3) prohibits a gas or electrical corporation from disconnecting service for nonpayment by a residential customer dependent on life-support equipment (under certain conditions). The CPUC will be required develop disconnection metrics and report to the Legislature and incorporate the metrics into certain proceedings.

## TRANSPORTATION ENFORCEMENT BRANCH

TEB oversees for-hire passenger carriers (limousines, airport shuttles, chartered and scheduled bus operators, and transportation network companies) and moving companies. To that end, TEB analyzes applications from carriers, writes proposed decisions to approve or deny a carrier's CPCN application, issues permits and tracks carrier compliance with permit requirements. TEB also serves a role analogous to that of an "industry division," and acts as the CPUC's subject matter expert regarding for-hire carriers. And finally, TEB staffs a consumer complaint 800 phone line; educates consumers, carriers and state and local law enforcement and prosecutors; investigates alleged violations; issues citations; brings cases before the CPUC and supports civil and criminal cases brought by local prosecutors, such as a district or city attorney.

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## MONTHLY HIGHLIGHTS

### Citation Appeal Proceedings

- **K.16-10-006. (Kelley): Crossroads Investments Inc. dba American Limousine Services (TCP 20028): FC-839.** The Commission will consider a Proposed ALJ Resolution to uphold TEB's citation and \$8,000 penalty at the March 2, 2017 voting meeting.

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## KEY ACTIVITIES

### Carrier Application and Permit Activity

TEB staff received 290 applications this month (new, renewals, refiles, and transfers), and issued 228 permits. TEB completed but cannot approve 554 additional applications until the CHP completes bus terminal inspections (CHP requires 60 days) and/or the carrier provides proof of insurance or enrollment in a drug testing program (up to 7 days).

Activity	Passenger Carrier	Household Goods
New Applications Docketed	81	22
Renewal Applications Docketed	165	0
Refile Applications Docketed	17	3
Transfer Applications Docketed	1	1
Authorities Issued	224	4
Authorities Suspended	294	70
Authorities Revoked	103	9
Authorities Reinstated (Suspended/Revoked)	220	41
New Applications waiting for CHP inspection or carrier action (drug test results, insurance).	196	87
Renewal Applications waiting CHP inspection or carrier action (drug test results, insurance, or other renewal documents).	271	0
Pending Reinstatement from Suspension and Revocation	23	9
<b>Total Active/Suspended Authorities as of 2/28/2017</b>	8231	1048
Number of Voluntary Suspensions	21	
Number of Voluntary Revocations	18	
Number of vehicles added to Passenger Carrier Equipment Statements	456	
Address and DBA Changes	23	
Vehicle inspection requests sent to CHP	287	
Returned Applications (incomplete package)	44	

## Enforcement Activities



TEB is working on a total of 210 cases. Investigations center on illegal carriers and violations of the Public Utilities Code, General Orders, and/or Commission decisions. TEB's cases come from a variety of sources, such as complaints from carriers or consumers, and those opened on TEB's own initiative. Eight cases submitted to local district attorneys' offices are in various stages of prosecution in Los Angeles, Orange, and Riverside counties.

In February 2017, TEB closed 36 cases and initiated 32 cases.

Enforcement Activity	Passenger Carrier	Household Goods	Total
<b>Open Cases as of 02/01/17</b>	120	94	214
<b>New Investigation Initiated</b>	7	25	32
<b>Investigations Completed</b>	23	13	36
<b>Cases Open as of 02/28/17</b>	104	106	210
<b>Cease and Desist Notices</b>	1	20	21
<b>Official Notices</b>	4	0	4
<b>Administrative Citations</b>	7	0	7

#### Consumer Intake Complaint Settlements:

TEB's Consumer Intake Unit (CIU) recovered \$1,676 for consumers: \$1,285.00 from moving companies and \$15.00 from passenger carriers, as follows:

- **CIU 20160517. Movers Alliance Inc., Los Angeles (T-191197).** Carrier conducted a move using a denied authority. Shipper was refunded full payment of \$1,270.
- **CIU 20170002. Rasier-CA, LLC, San Francisco (TCP 32512).** Carrier refunded \$15 for failure to provide contracted services.
- **CIU 20170037. Terry Moving and Storage Inc. dba Terry Moving, Lake Forest (T-189603).** Carrier paid \$390.60 for loss and damages.

## CITATIONS/FINES/REFUNDS

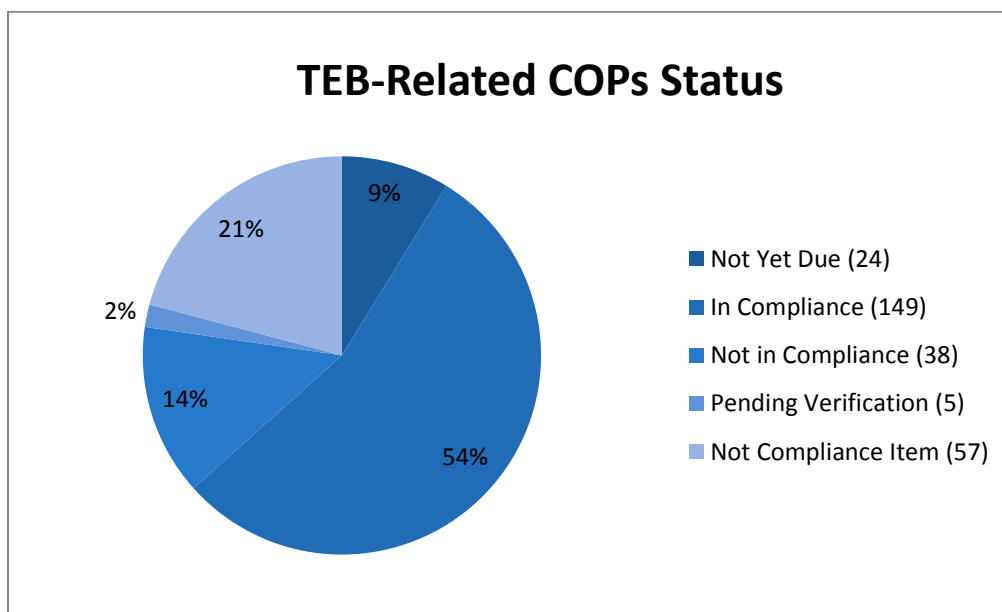
TEB issued seven citations for a total fine amount of \$21,000.00. Carriers paid a total of \$29,950.00 in outstanding fines, shown below:

TEB Activity	Passenger Carriers	Moving Companies	Total
<b>Fine Assessed</b>	\$21,000.00	\$0.00	\$21,000.00
<b>Fines Paid</b>	\$27,317.00	\$2,633.00	\$29,950.00

- **F-5209. Americana Charter LLC, Van Nuys (TCP 33862). Case: PSG-4244.** Fine: \$3,000 for 1) advertising without a valid CPUC permit; 2) failure to provide workers' compensation insurance; 3) failure to execute sub-carrier agreements; 4) outdated equipment statement fails to report all vehicles; 5) failure to prepare adequate waybills.
- **F-5210. My Driver SF LLC, San Francisco (TCP 34050). Case: PSG-4318.** Fine: \$3,500 for advertising after revocation of permit; failure to produce records.
- **F-5211. Roger & Rebecca, LLC, dba Walnut Creek Airport Shuttle, Pleasant Hill (TCP 32791). Case: PSG-4195.** Fine: \$2,000 for failure to: 1) provide evidence of Workers Compensation insurance; 2) enroll employee driver in the Department of Motor Vehicles Employer Pull Notice program; 3) enroll driver in the Controlled Substance and Alcohol Testing Certification Program; 4) maintain an accurate equipment list; and 5) prepare adequate waybills.
- **F-5212. OC Ride Transportation Services LLC, Fountain Valley (TCP 36884). Case: PSG-4253.** Fine: \$5,000 for operating and advertising without a CPUC permit, and failure to 1) obtain adequate liability insurance; 2) produce evidence of workers' compensation insurance coverage; 3) enroll an employee-driver in the DMV EPN program; 4) enroll an employee-driver in the Controlled Substance and Alcohol Testing certification program; 5) prepare adequate waybills.
- **F-5213. Skye Limousine, Inc., National City (TCP 28976). Case: PSG-4342.** Fine: \$2,000 for advertising as a charter-party carrier after suspension of operating authority, and failure to produce records.
- **F-5217. Napa Private Tours LLC, Napa (TCP 28246). Case: PSG-4232.** Fine: \$3,000 for failure to: 1) provide evidence of workers compensation insurance; 2) enroll drivers in DMV EPN program; 3) enroll in drug and alcohol testing program and 4) correctly classify employees (misclassified employees as independent contractors).
- **F-5218. Oleg G. Sorokin dba Pacific Towncar, S. San Francisco (TCP 12600). Case: PSG-4177.** Fine: \$2,500 for 1) underreported gross operating revenue for 2014, and failure to 2) provide workers' compensation insurance for at least one employee; 3) utilize and maintain waybills; and 4) produce records.

Airport	Citations issued by LAX police	Vehicles impound	Citations issued by PUC	C&D letters issued	Total fines collected
<b>LAX</b> (Los Angeles International Airport)	18	18	17	14	\$17,5000

## COMPLIANCE WITH ORDERING PARAGRAPHS



TEB is currently responsible for 293 separate Ordering Paragraphs. Most Ordering Paragraphs result from decisions to approve CPCNs for passenger stage corporations, and include permit requirements such as obtaining appropriate insurances, enrolling in drug testing and DMV pull-notice programs, receiving bus terminal inspections by the CHP and others. Other OPs uphold TEB citations and impose fines that result from those citations for violations of law and wrongdoing against consumers, or introduce new reporting requirements on carriers.

## DOCKET ACTIVITY

### Policy Proceedings

- **R.12-12-011 / TNC Rulemaking / Mason / Randolph.** TEB held a workshop on February 17, 2017 regarding TNC background checks.

### Carrier Application Proceedings

- **A. 16-05-002 / Pacific Maritime Freight, Inc. and Catalina Freight Line, Inc. / Bemdesderfer / Randolph.** Transfer CPCN from Pacific Freight to Catalina Freight. No activity since the Assigned Commissioner issued Scoping Memo on January 31, 2017.
- **A.16-08-015 / Chariot Transit Inc., dba Chariot Transit / Miles / Randolph.** Seeks CPCN to operate in Bay Area counties. As required by the January 27, 2017 Order to Show Cause, Chariot filed and served a protest response, prehearing conference (PHC) statement and an explanation regarding why it failed to appear at the December 2016 PHC, on February 7, 2017. On February 28, 2017, the ALJ held a PHC, and Chariot filed a motion to withdraw its application.
- **A.16-12-013 / Pacific Coast Shuttles, LLC / Zanjani.** Seeks a CPCN to operate in multiple cities in Los Angeles, Orange and San Diego counties. Approved in D. 17-02-018; proceeding closed.
- **A.17-01-002 / Silverado Stages, Inc. / Zanjani.** Seeks to expand PSC 9069 authority to operate in Bakersfield, CA and Los Angeles International Airport. Application filed January 6, 2017.
- **A.17-02-004 / Abdolkarim Nouranian / Zanjani.** Seeks to transfer Passenger Stage Authority PSC-15808 to Abdoulrahim Daneshnia, under Section 8561 et seq., of the Public Utilities Code. Application filed February 17, 2017.

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### OUTREACH/TRAINING/OTHER ACTIVITIES

- **SFO TNC Operation - February 1, 2017.** TEB staff, along with DMV and SFO's Ground Transportation Unit staff, performed a joint inspection at SFO. TEB inspected 186 vehicles and found numerous violations. TEB issued 84 warnings to TNC drivers for displaying incorrect or outdated trade dress, lack of trade dress, and trade dress not visible at 50 feet as required. DMV cited 23 infractions and GTU cited 46 infractions.
- **Tour Bus Summits – February 9th & 23rd – Los Angeles.** TEB staff held two “tour bus summits” at the PUC office in Los Angeles. TEB designed the summits as informal meetings with local tour bus carriers to educate them on how to operate within PUC regulations. TEB staff gave staff presentations on multiple topics,

such as: types of CPUC authorities required for tour bus operations, vehicle maintenance requirements, G.O.157 requirements, local “hot topics” and SB-812. After each presentation, staff facilitated a question and answer session. At the conclusion of the summit, TEB staff remained to review account records with each carrier to verify the accuracy of equipment records.

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## LEGISLATION OF INTEREST

TEB is currently tracking four legislative items of interest. Three bills were added to TEB’s tracking list in February 2017.

**AB 25 (Nazarian)** – This bill would make a nonsubstantive change relating to tour buses.

**AB 758 (Eggman)** – This bill would make a nonsubstantive change relating to the definition of a participating driver of a Transportation Network Company.

**SB 19 (Hill)** – This bill would make a number of changes relating to the governance of the CPUC. The bill includes language that presumes the future transfer of certain TEB responsibilities to the California State Transportation Agency.

**SB 20 (Hill)** – This bill would require that charter-party carrier vehicle drivers inform their passengers of the requirement to wear seatbelts and the penalties associated with not doing so.

## UTILITIES ENFORCEMENT BRANCH

UEB protects California utility consumers from fraud and abuse by ensuring that service providers comply with consumer protection laws and regulations. UEB investigates alleged violations by utilities, including communications (both wireline and wireless), energy (both electric and gas), and water companies. When sufficient evidence of violation is uncovered, UEB brings cases before the CPUC to seek appropriate remedies for consumers and/or penalties.

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## MONTHLY HIGHLIGHTS

- **M5 Networks, LLC (D.17-03-004) (Commissioner Peterman/ALJ Haga)**  
**(Advocacy):** This decision adopted the All-Party Settlement Agreement between CPED and M5 Networks, which orders M5 Network to pay a \$20,000 fine and

provide FCC Form 477 for the next two years to the Commission due to its failure to disclose violations of the Securities Exchange Act on its CPCN application.

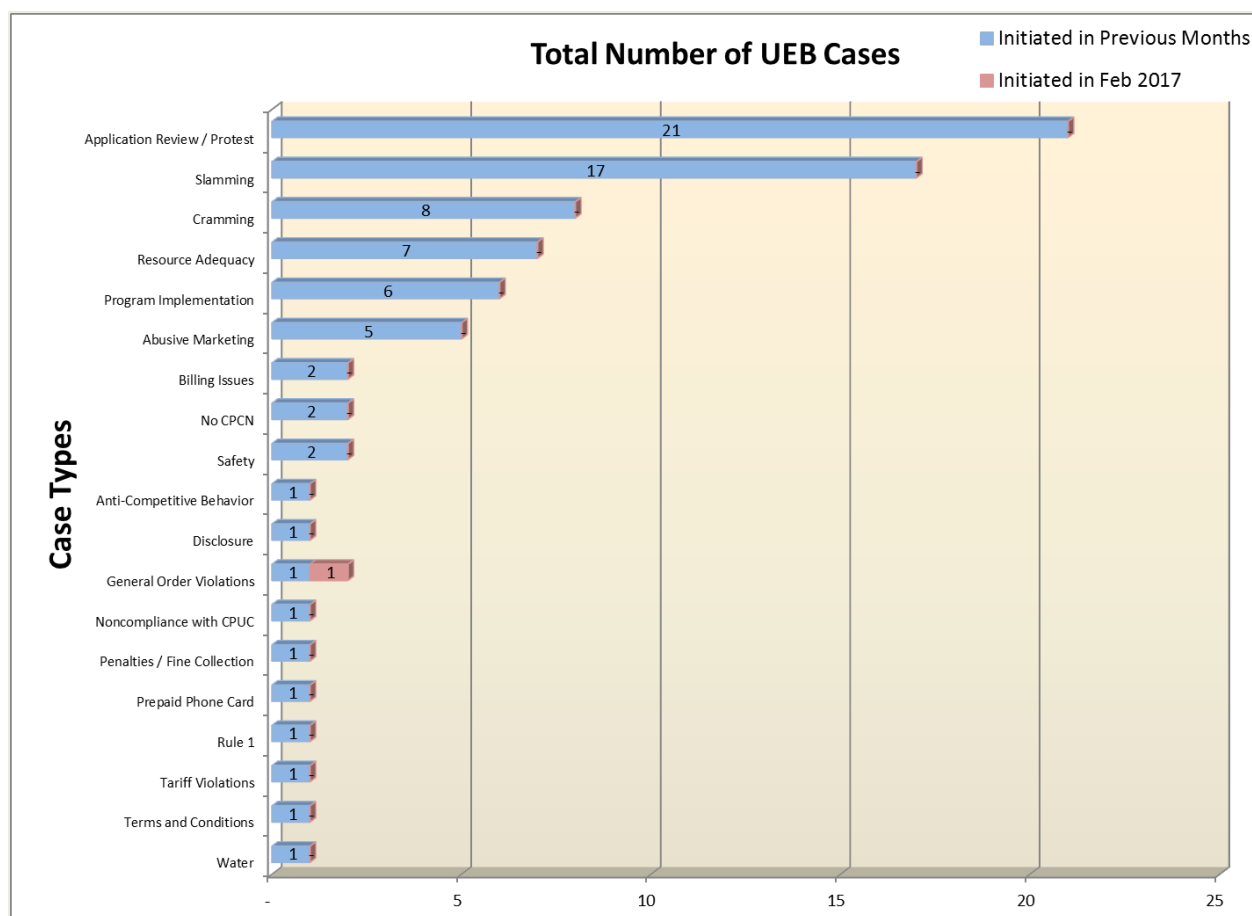
- **SP Licenses, Inc. (D.17-03-005) (Commissioner Randolph/ALJ Houck) (Advocacy):** This decision adopted the All-Party Settlement Agreement between CPED and SP Licenses, Inc., which orders it to pay a \$6,000 fine to resolve allegations of a Rule 1.1 violation raised by CPED in its review of SP Licenses' CPCN application.
- **ComNet (I.16-08-019) (Commissioner Peterman/ALJ Burcham) (Advocacy):** CPED and ComNet attended a prehearing conference with the assigned judge, who has set a schedule for filing testimony and holding a hearing if necessary. CPED and ComNet filed a joint case management statement pursuant to the prehearing conference results.
- **Veritas (I.16-10-011) (Commissioner Randolph/ALJ Colbert) (Advocacy):** CPED and Veritas attended a prehearing conference with the assigned judge, who has set a schedule for filing testimony and holding a hearing if necessary. The judge will be issuing a proposed decision regarding Veritas' motion to withdraw the application.

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#### KEY ACTIVITIES

UEB is currently working on a total of 81 cases. Investigations center primarily on Application Protests, Cramming, and Slamming. UEB's cases come from a variety of sources, with CPCN application reviews and consumer complaints playing key roles. One new case was opened in February 2017.

#### **Cases by Type as of February 28, 2017**



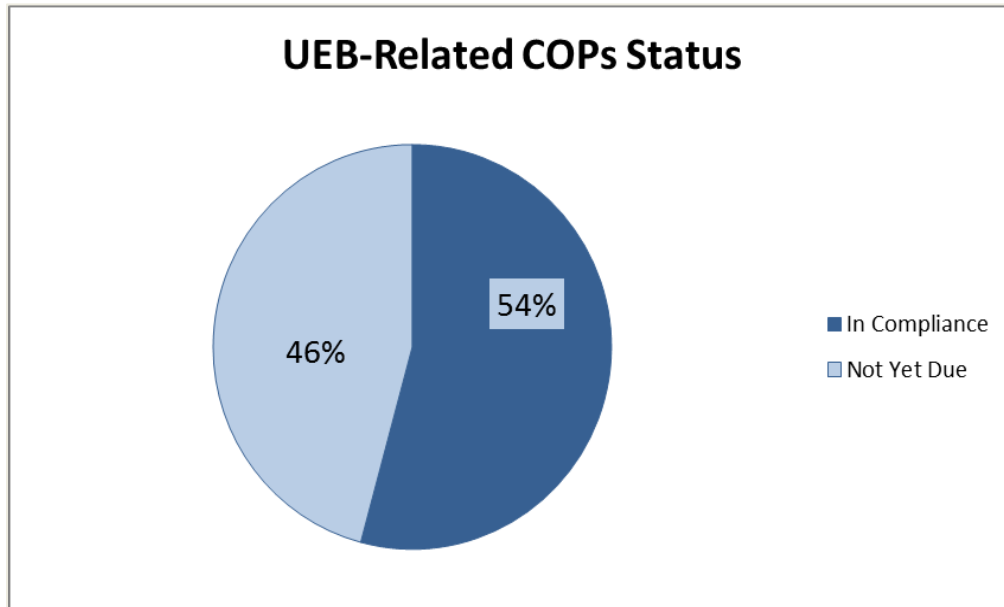
## CITATIONS/FINES/REFUNDS

In February 2017, the CPUC ordered \$26,000 in fines against telecommunication companies related to UEB's enforcement efforts.

UEB's work for 2016 resulted in \$2,421,534 in fines and citations as follows: \$1,169,534 in fines against telecommunications companies, \$539,000 in citations to two telecommunications providers for slamming violations, a \$699,000 citation to an energy company for failure to comply with mitigation measures outlined in the Environmental Impact Report and three citations totaling \$14,000 to energy companies for deficient month-ahead resource adequacy and late-filed month-ahead system resource adequacy reports.

Date	Citations/Fines/Refund Amounts
February 2017	\$26,000

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**COMPLIANCE WITH ORDERING PARAGRAPHS**

No new Ordering Paragraphs were enacted and added to UEB's COPS tracker for the month of February. UEB is currently responsible for 24 separate Ordering Paragraphs. Of those 24 Ordering Paragraphs, 13 (representing 54%) have been complied with, and compliance with the remaining 11 are not yet due. None are out of compliance.

Ordering Paragraphs related to UEB's work are attributable to the imposition of fines, adoption of settlements, ordering of consumer refunds or reparation and other remedies and corrective actions, including reporting requirements, resulting from UEB's investigations of violations of law and wrongdoing against consumers.

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**DOCKET ACTIVITY**

There were two UEB-related agenda items for the CPUC voting meetings in February 2017. As noted in the Monthly Highlights above, one is the order accepting the All-Party Settlement Agreement resolving the M5 Networks' CPCN application and the



other is the order accepting the All-Party Settlement Agreement resolving SP Licenses, Inc.'s CPCN application.

UEB is currently monitoring 11 separate CPUC proceedings. UEB serves an advocacy role in proceedings relating to formal investigations of alleged violations and wrongdoings by energy (both electric and gas), telecommunications (both wireline and wireless), and water companies. UEB is often a party in applications for operating authority when it protests the filings of telecommunications providers with alleged fitness issues. UEB also monitors and participates in an advisory role in consumer-protection-related Rulemakings when needed.

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#### OUTREACH/TRAINING/OTHER ACTIVITIES

UEB staff assisted HR by providing subject matter expertise in an all-day session for developing the PURA I/II examination.

Staff attended an online Robocall Seminar hosted by the FCC about consumer's rights and the steps consumers can take to prevent robocalls. The webinar summarized the Telephone Consumer Protection Act and summarized the FCC's continued involvement in eliminating unwanted robocalls.

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#### LEGISLATION OF INTEREST

UEB is currently tracking one legislative item of interest. One bill was added to UEB's tracking list in February 2017.

**SB 549 (Bradford)** – This bill would require an energy corporation to report to the CPUC, within 60 days, when moneys authorized by the CPUC for maintenance or safety are reprioritized for other purposes.