

Monthly Activity Report

**Consumer Protection and Enforcement
Division | California Public Utilities
Commission | January 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

- **Stage 1 Business Analysis:** CAB received approval from the California Department of Technology for its Stage 1 Business Analysis to upgrade 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.
- **Sacramento Visit:** CAB management visited the new CPUC offices in Sacramento to determine space and technology needs for potential new hires to be located in Sacramento.
- **LifeLine Program Changes:** CAB coordinated with the CPUC's Communications Division on changes to the California LifeLine Program required under AB 2570 and addressed in D.17-01-032, which was approved by

the CPUC at the voting meeting of January 19, 2017. In the coming months, CAB will adjust LifeLine case processing as a result of these efforts.

KEY ACTIVITIES

In January, CAB received 1,327 new contacts from consumers that were seeking assistance, via U.S. Mail or online complaint form. At the end of January, CAB had closed 713 written contacts and was in process of addressing an additional 1,137 written contacts.

In addition to assisting consumers with their written complaints, CAB provided assistance to consumers that contacted us seeking assistance via our statewide 800 number. Through the 800 number, consumers accessed CAB's customer assistance information line menus 19,856 times and opted to speak to a live representative 3,241 times. Live consumer calls regularly result in referral to the utilities' high-level internal customer assistance groups for expedited resolution. 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.

CAB Activity for January 2017	
-- Data for Telephone Contacts --	
Calls to Assistance Line	19,856
Live Calls Answered	3,241
-- Data for Written Contacts Processed*--	
New Written Contacts Received	1,327
Written Contacts Closed	713
Written Contacts Being Processed**	1,137

* 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 cases, written contacts may not be resolved during the month in which they were received, but instead may be resolved in a subsequent month.

CAB also responds to requests from various internal and external entities for CAB data. In January 2017, CAB responded to five data requests: one on pipeline safety and four regarding specific utility service providers.

CITATIONS/FINES/REFUNDS

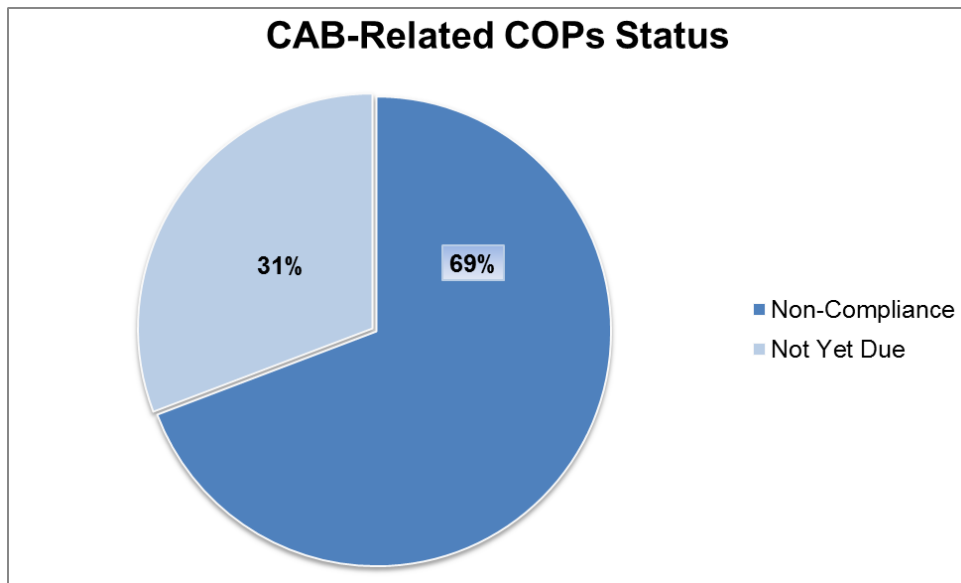
CAB helped California consumers secure \$94,453.57 worth of refunds and credits in January 2017. For reference, the total refunds and credits for 2016 was \$1,388,578.04.

Date	Refund/Credit Amount*
January 2017	\$94,453.57
January 1, 2016 – December 31, 2016	\$1,388,578.04

* 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 customer or from discretionary refunds provided by the utility.

COMPLIANCE WITH ORDERING PARAGRAPHS



Four new CAB-related Ordering Paragraphs were enacted for the month of January. CAB is currently responsible for 13 separate Ordering Paragraphs. Of those 13 Ordering Paragraphs, four (representing 31%) are not yet due. The balance of nine 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 these nine 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.

DOCKET ACTIVITY

CAB monitored nine open proceedings in January. One item appeared on the Agenda for the CPUC's January 19, 2017 voting meeting that will impact consumers. CAB is closely monitoring the proposed decision in the Order Instituting Rulemaking Regarding Revisions to the California Universal Telephone Service (LifeLine) Program (R.11-03-013).

Six of the nine open 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. The remaining two open proceedings that CAB is monitoring regard a formal consumer complaint and an application to modify rules for certain water utilities.

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

OUTREACH/TRAINING/OTHER ACTIVITIES

In January, CAB management attended the Adaptive Leadership training provided to all managers and supervisors at the CPUC. CAB also commenced intensive training of newly-hired Consumer Affairs Representatives in January.

CAB participated in multiple California LifeLine Working Group and Administrative Committee meetings in December. These groups are comprised of CPUC staff, the California LifeLine Program Administrator, as well as industry and stakeholders that advise the CPUC on the LifeLine program.

LEGISLATION OF INTEREST

CAB is not currently tracking any legislation. No bills were added to or deleted from CAB's tracking list in January 2017.

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.

MONTHLY HIGHLIGHTS

Citation Appeal Proceedings

- **K.16-09-006 (Kelley): J & I Transportation LLC dba Apollo Shuttle (TCP 16363). FC-834.** On January 19, 2017, the Commission approved ALJ-335, which affirmed TEB's citation for violations of the Public Utilities Code and General Order 157-D, and reduced the fine from \$4,000 to \$2,000. Carrier agreed to pay the fine in two installments. Case closed.
- **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.

KEY ACTIVITIES

Carrier Application and Permit Activity

TEB staff received 334 applications this month (new, renewals, refiles, and transfers), and issued 331 permits. TEB completed but cannot approve 524 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.

Activity	Passenger Carrier	Household Goods
New Applications Docketed	73	10
Renewal Applications Docketed	229	0
Refile Applications Docketed	18	1
Transfer Applications Docketed	2	1
Authorities Issued	323	8
Authorities Suspended	405	38
Authorities Revoked	87	12
Authorities Reinstated (Suspended/Revoked)	266	26
New Applications waiting for CHP inspection or carrier action (drug test results, insurance).	186	90
Renewal Applications waiting CHP inspection or carrier action (drug test results, insurance, or other renewal documents).	248	0
Total Active/Suspended Authorities as of 1/31/2017	8347	1048
Number of Voluntary Suspensions	21	
Number of Voluntary Revocations	18	
Number of vehicles added to Passenger Carrier Equipment Statements	534	
Address and DBA Changes	58	
Vehicle inspection requests sent to CHP	186	

Enforcement Activities

TEB is working on a total of 214 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 January 2017, TEB closed 14 cases and initiated 21 cases.

Enforcement Activity	Passenger Carrier	Household Goods	Total
Open Cases as of	121	86	207

01/01/17			
New Investigation Initiated	11	10	21
Investigations Completed	12	2	14
Cases Open as of 01/31/17	120	94	214
Cease and Desist Notices	19	16	35
Official Notices	3	0	
Administrative Citations	4	0	4

Consumer Intake Complaint Settlements:

TEB's Consumer Intake Unit (CIU) recovered \$2,083 for consumers: \$1,415.00 from moving companies and \$668.02 from passenger carriers, as follows:

- **CIU 20160478. Goldstar Mover Inc. dba Burbank Movers, Valley Village (T-191230).** Carrier provided a \$1,000 refund as goodwill settlement.
- **CIU 20160601. Eagle Moving and Storage Inc., San Francisco (T-190673).** Carrier paid \$415 for loss and damage.
- **CIU 20160622. Rasier-CA, LLC, San Francisco (TCP 32512).** Carrier refunded \$68.02 for overcharges.
- **CIU 20170005. Mike Nitiphan Jongkobkeait dba 4Ever Limousine, Torrance (TCP 18718).** Negotiated a \$600 refund for complainant.

CITATIONS/FINES/REFUNDS

TEB issued four citations for a total fine amount of \$10,500.00 in January 2017. Carriers paid a total of \$18,839.66 in outstanding fines, shown below:

TEB Activity	Passenger Carriers	Moving Companies	Total
Fine Assessed	\$10,500.00	\$0.00	\$10,500.00
Fines Paid	\$16,914.66	\$1,975.00	\$18,839.66

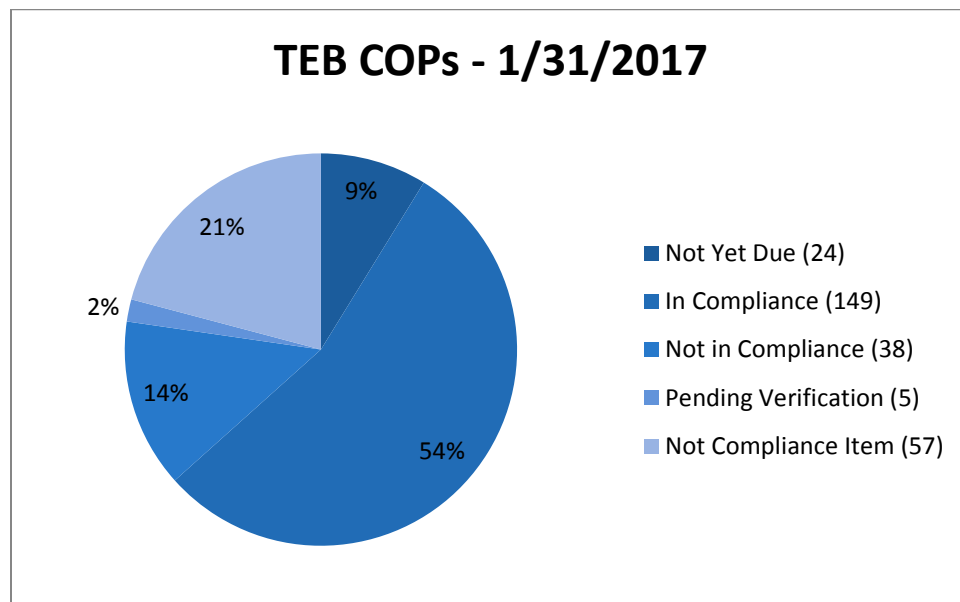
- **F-5208. Chariot Transit Inc., San Francisco (TCP 35485). Case: PSG-4206. Fine:** \$2,000 for failure to produce records requested by an investigator.
- **FC-829. Elliana Corp dbas LAX Express Car, Shalom Express, Rolling Hills Estates (TCP 31351). Case: PSG-4173. Fine:** \$3,000 for failure to 1) maintain workers' compensation insurance; 2) enroll employee drivers into the DMV EPN program; 3) enroll employee-

drivers into a mandatory controlled substance testing program; and 4) maintain waybills containing required information.

- **FC-875. E.A.M. Enterprises LLC dba VIP Hollywood Limousine Service, Burbank (TCP 21698). Case: PSG-4286.** Fine: \$2,500 for failure to 1) enroll drivers in DMV EPN Program; 2) enroll drivers in the mandatory controlled substance program; 3) provide access to waybills; and 4) obtain workers compensation coverage;
- **FC-877. Limo for You Inc., Fresno (TCP 7685). Case: PSG-4263.** Fine: \$3,000 for operating without authority and failure to fully complete waybills. Carrier agreed to pay.

Airport	Citations issued by LAX police	Vehicles impound	Citations issued by PUC	C&D letters issued	Total fines collected
LAX (Los Angeles International Airport)	7	7	5	5	\$5,000

COMPLIANCE WITH ORDERING PARAGRAPHS



TEB is currently responsible for 273 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 scheduled and prepared for a February 17, 2017 workshop regarding TNC background checks.

Carrier Application Proceedings

- **A. 16-05-002 / Pacific Maritime Freight, Inc. and Catalina Freight Line, Inc. / Bemederfer / Randolph.** Transfer CPCN from Pacific Freight to Catalina Freight. 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. On January 27, 2017, the ALJ issued an Order to Show Cause for Chariot's failure to: 1) meet and confer with protestants; 2 appear at a pre-hearing conference (PHC) on December 16, 2017; and 3) failure to file a PHC statement. Chariot must file and serve protest response, PHC statement and an explanation regarding why it failed to appear, all due within five working days of the ruling, or February 7, 2017.
- **A.16-08-018 / SleepBus, Inc. / Examiner Zanjani.** Seeks CPCN to operate between San Francisco, Santa Monica and San Diego. D.17-01-001 grants application, closes proceeding.
- **A.16-10-008 / Turismo Express, Inc. / Examiner Zanjani.** Seeks CPCN to operate between three airports: Tijuana, San Diego and San Francisco. D.17-01-002 grants application, closes proceeding.
- **A.16-10-013 / KanDu Rides, LLC / Examiner Zanjani.** Seeks CPCN for child in the geographic area of Rancho Penasquitos and surrounding communities. D.17-01-035 granted authority.

OUTREACH/TRAINING/OTHER ACTIVITIES

TEB management attended the second module of the Adaptive Leadership training, sponsored by the Commission. The training focused on methods to address challenges around collaboration across different internal and external stakeholder groups.

TEB staff assisted the CPUC Information Technology (IT) Branch to develop the Transportation Carrier Portal, which will provide electronic application filing and fee payment capabilities to regulated carriers.

LEGISLATION OF INTEREST

TEB is currently tracking one legislative item of interest. No bills were added to or deleted from TEB's tracking list in January 2017.

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.

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.

MONTHLY HIGHLIGHTS

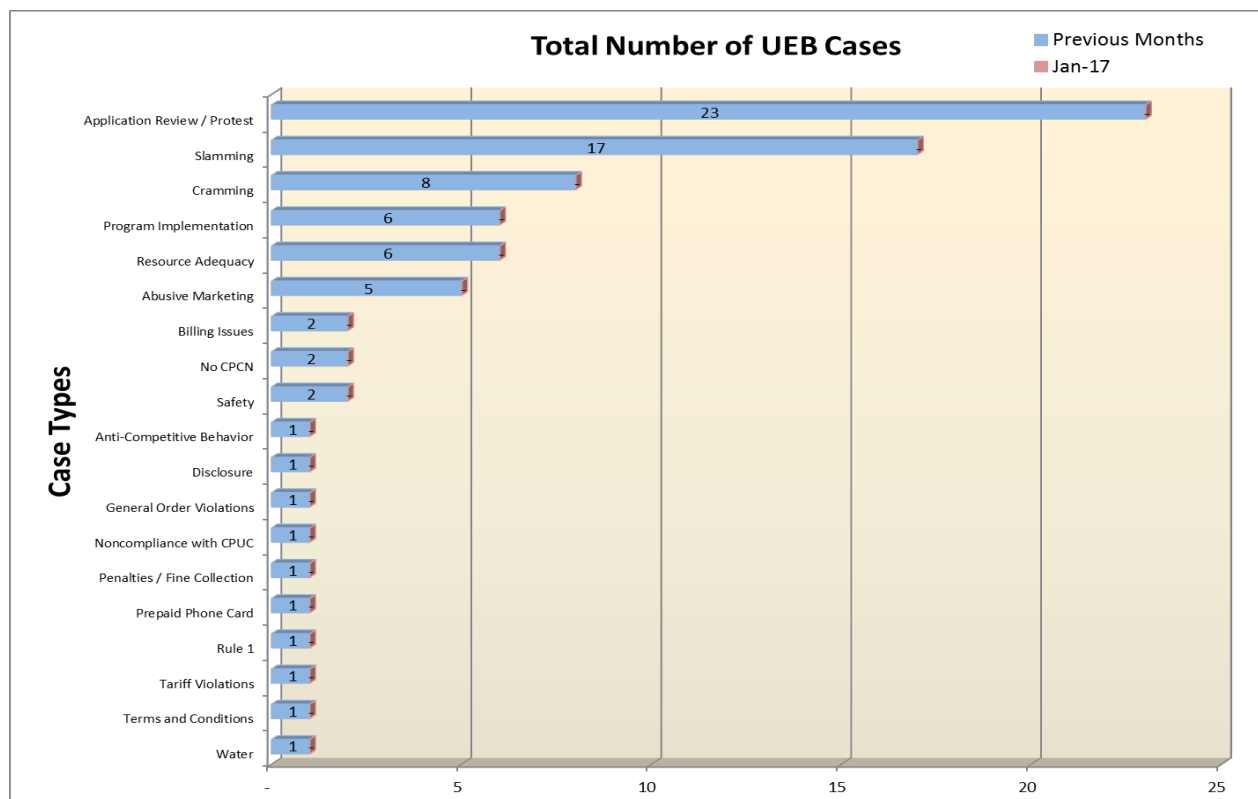
- **Mass Third-Party Verification (TPV) Slamming Citations:** Last year UEB issued over \$500,000 in slamming citations to TeleUno Incorporated and TeleDias Communications, Inc. for failure to comply with the CPUC's Third-Party Verification (TPV) requirements. The CPUC approved Resolution ALJ-334 late last year, dismissing, with prejudice, appeals by the two companies. UEB is currently pursuing collection of the company's performance bonds through their bond company and working with the CPUC's Legal Division to pursue other options for collecting the remainder of the citation amounts.
- **Mesa Crest (I.15-06-018, D.17-01-011) (Commissioner Sandoval/ALJ Wilson) (Advocacy):** This decision adopted the All-Party Settlement Agreement between CPED and Mesa Crest Water Company. Adoption of this settlement resolved the following issues presented in Investigation 15-06-018: 1) Sale of Mesa Crest, 2) Payment of various one-time payments and principals, including \$105,000 to the State General Fund and \$217,000 in capital

improvements, and 3) Filing of a separate application regarding sale of Mesa Crest.

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 application Reviews and consumer Complaints playing key roles. No new cases were opened in January 2017.

Cases by Type as of January 31, 2017



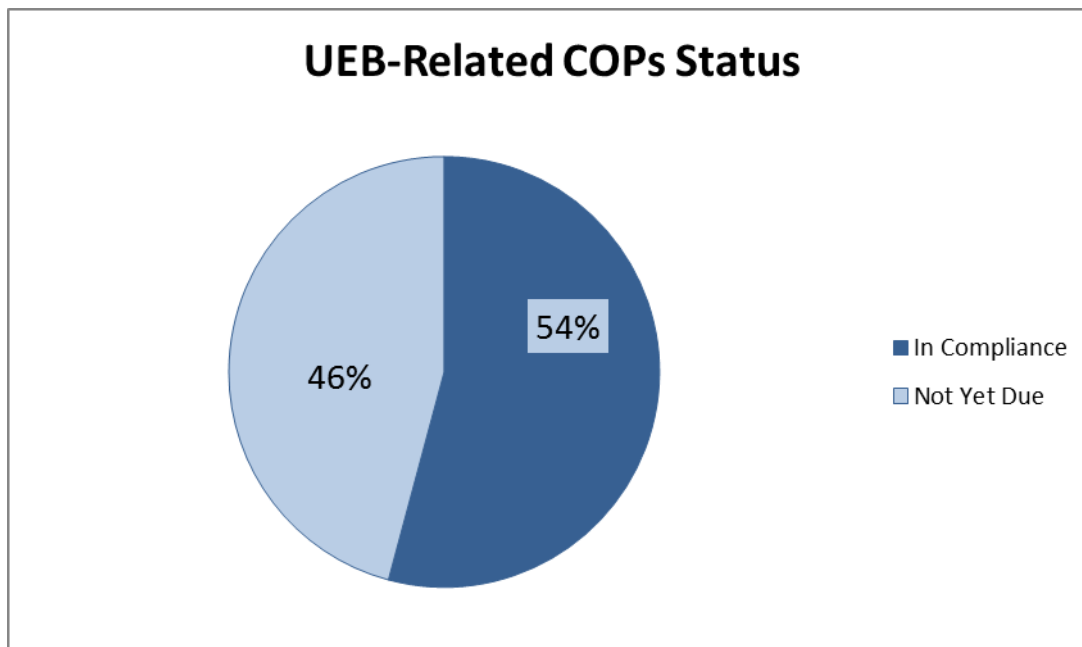
CITATIONS/FINES/REFUNDS

In January 2017, the CPUC did not issue any citations with regards 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/Refunds Amount
January 1, 2016 - December 31, 2016	\$2,421,534
January 2017	\$0

COMPLIANCE WITH ORDERING PARAGRAPHS



One new Ordering Paragraph was enacted and added to UEB's COPS tracker for the month of January. 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.

DOCKET ACTIVITY

There was only one UEB-related agenda item for the CPUC voting meetings in January 2017. On January 19, 2017, the CPUC adopted the settlement agreement between UEB

and Mesa Crest Water (Item #21). This item is described in greater detail in the Monthly Highlights section above.

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.

OUTREACH/TRAINING/OTHER ACTIVITIES

Staff attended the January SNAP (State National Action Plan) conference call, where the FCC's Intergovernmental Outreach Liaison discussed how state and local governments can utilize their office to make requests of the FCC.

UEB management attended the second module of the Adaptive Leadership training being sponsored by the Commission. The focus was on methods for addressing challenges around collaboration across different internal and external stakeholder groups.

UEB staff assisted the CPUC Information Technology (IT) Branch by testing the performance of UEB's Utility Enforcement Work Module with the new Oracle Database platform recently developed by IT.

LEGISLATION OF INTEREST

UEB is not currently tracking any legislation. No bills were added to or deleted from UEB's tracking list in January 2017.