

Monthly Activity Report

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

- **Entered Programming Phase of Upgrade to CAB's Database:** Multiple CAB subject matter experts assisted the CPUC's Application Programming Unit with the upgrade to the Consumer Information Management System (CIMS database). The upgrade will allow CAB to comply with recommendations from the California State Auditor for improving quality assurance processes and data quality.

KEY ACTIVITIES

In July, 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 15,591 times and opted to speak to a live representative 4,831 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 received 971 contacts from consumers that were seeking assistance, via U.S. mail, fax, or online complaint form. At the end of July, CAB had closed 1,032 written contacts and was in process of addressing an additional 978 written contacts.

CAB Activity for July 2017	
Data for Telephone Contacts	
Calls to Assistance Line	15,591
Live Calls Answered	4,831
Data for Written Contacts Processed ¹	
New Written Contacts Received	971
Written Contacts Closed	1,032
Written Contacts Being Processed ²	1,164

CAB also responds to requests from internal and external entities for consumer contact data. In July, CAB responded to three CPUC internal data requests, all related to Communications issues. One request sought information on the number of unannounced technician visits to consumer premises, another request sought information on all complaints pertaining to home security alarm systems as monitored by telco equipment, and the third request sought information about system upgrade complaints lodged against one communications provider.

CITATIONS/FINES/REFUNDS

CAB helped California consumers secure \$108,054.02 worth of refunds and credits in July 2017. The cumulative total for 2017 is \$656,456.35

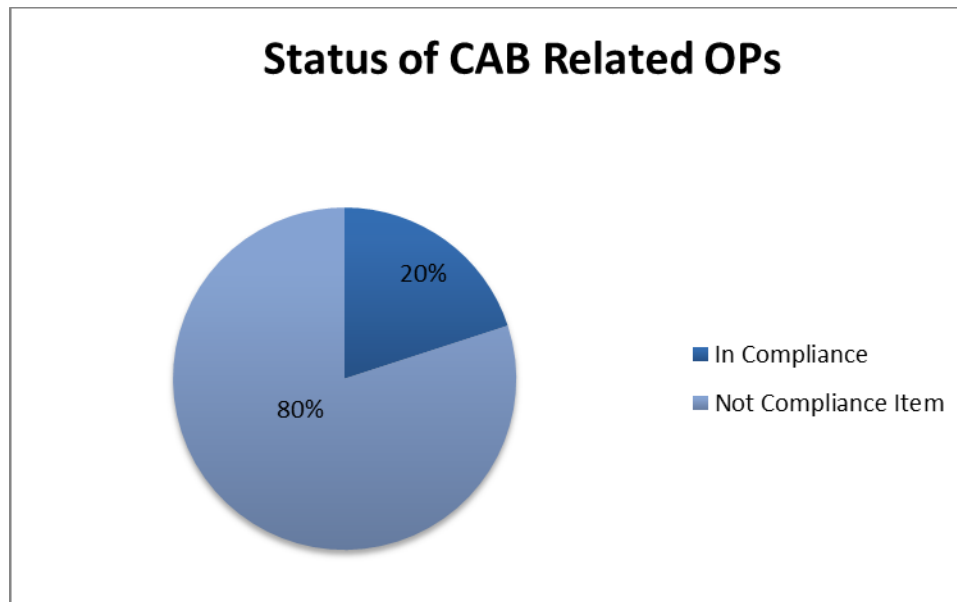
¹ Written contacts closed may differ from the number of written contacts received in a month since cases received in previous months may be resolved in the current month.

² 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.

Date	Refund/Credit Amount ³
July 2017	\$108,054.02
Cumulative 2017	\$656,456.35

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.

COMPLIANCE WITH ORDERING PARAGRAPHS



CAB is currently responsible for 10 Ordering Paragraph (OPs), including one enacted in July as result of D.17-07-009. Of those 10 OPs, two (representing 20%) are "In Compliance".

³ 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 (VoIP) telephone 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 transfer is made, including the offering of a refund.

The remaining eight CAB-related OPs require that regulated utilities, that have been granted authority to operate by the CPUC, provide CAB with contact information needed for processing informal complaints; these OPs are categorized as “Not Compliance Items”.

For these CAB-related “Not Compliance Items”, CAB has proactively contacted six of the utilities in an attempt to gather the information and inform the utility of CAB’s role. In addition, one utility has responded to a previous outreach, and the information has been 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 four open proceedings in July that have consumer impacts. Two of the four proceedings noted are regarding applications for CPCNs.^{4*} 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. CAB continues to closely monitor the second phase of Rulemaking 14-03-002 on Core Transport Agents.

In addition, an item not captured on a previous Activity Report is of interest. The Resolution which approved TracFone to provide handsets capable of being unlocked without a hardware swap to eligible federal Lifeline and California LifeLine wireless customers’ was approved on May 25th, 2017.

OUTREACH/TRAINING/OTHER ACTIVITIES

CAB management and staff attended training on Budget Change Proposals that was provided by the CPUC Office of Governmental Affairs.

Southern California Edison provided a demonstration on how Smart Meters function with respect to residential photovoltaic solar systems for the Los Angeles CAB office.

CAB meeting with counterparts at Frontier Communications to update information on process and personnel changes.

⁴ A Certificate of Public Convenience and Necessity (CPCN) is required to lawfully operate a utility company in California and is granted by the CPUC.

LEGISLATION OF INTEREST

SB 598 (Hueso) – CAB continues to monitor this bill, which addresses disconnection of gas and electric consumers. It requires the CPUC to reduce gas and electric service disconnections to 2010 levels by the year 2024, prioritize provision of universal gas and electric service to every residential household and prohibits a gas or electrical corporation from disconnecting service for nonpayment by a residential customer dependent on life-support equipment (under certain conditions). If the bill is enacted, the CPUC will be required to develop disconnection metrics and to report to the Legislature and incorporate the metrics into certain proceedings.

This bill was amended on July 19, 2017. The amendments narrowed the scope of commission proceedings where impact of rates on disconnections to general rate proceedings only. The amendments put restrictions on disconnections for Medical Baseline customers by requiring them to enter into an amortization agreement to avoid disconnection.

The bill was referred to the Assembly Appropriations Committee.

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," acts as the CPUC's subject matter expert and advises decision makers 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 Commission and supports civil and criminal cases brought by local prosecutors, such as a district or city attorney.

MONTHLY HIGHLIGHTS

- TEB investigators obtained seven individual Findings of Probable Cause from Superior Court judges to disconnect telephone service of six illegal moving companies and one passenger carrier. Local district attorney offices are more likely to prosecute a TEB investigation that includes one or more telephone disconnects, because it establishes a clear intent to continue illegal operation in defiance of state statutes, CPUC regulations and CPED enforcement.

KEY ACTIVITIES

Carrier Application and Permit Activity

TEB staff received 235 applications this month (new, renewals, refiles, transfers), and issued 286 permits. TEB completed but cannot approve 486 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). TEB issued one new TNC permit to Ainos LLC, Doing Business as WITZ.

Activity	Passenger Carrier	Household Goods	Total
New Applications Docketed	57	16	73
Renewal Applications Docketed	143	N/A	143
Refile Applications Docketed	15	1	16
Transfer Applications Docketed	2	1	3
Authorities Issued	277	9	286
Authorities Suspended	457	111	568
Authorities Revoked	77	13	90
Authorities Reinstated (Suspended/Revoked)	296	65	361
New Applications waiting for CHP inspection or carrier action (drug test results, insurance).	177	75	252
Renewal Applications waiting CHP inspection or carrier action (drug test results, insurance, or other renewal documents).	234	N/A	234
Pending Reinstatement from Suspension and Revocation	29	5	34
Total Active/Suspended Authorities as of 7/31/2017	7880	1118	8,998
Number of Voluntary Suspensions	15		15
Number of Voluntary Revocations	14		14
Number of vehicles added to Passenger Carrier Equipment Statements	603		603
Address and DBA Changes	97		97
Vehicle inspection requests sent to CHP	247		247
Returned Applications (incomplete package)	36		36

Enforcement Activities

TEB is working on a total of 220 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, referrals from the CHP and those opened on TEB's own initiative. Eleven cases submitted to local district attorneys' offices are in various stages of prosecution in Los Angeles, Orange, Riverside and San Diego counties. The San Diego district attorney's office declined to prosecute one case against an illegal moving company, which TEB submitted in June 2017.

In July 2017, TEB closed 21 cases and initiated 14 new cases.

Enforcement Activity	Passenger Carrier	Household Goods	Total
Open Cases as of 7/1/17	118	109	227
New Investigation Initiated	9	5	14
Investigations Completed	11	10	21
Cases Open as of 7/31/17	116	104	220
Cease and Desist Notices	15	9	24
Official Notices	2	2	4
Telephone Disconnects	2	1	3
Administrative Citations	5	3	8
Overcharge Notices	7	6	13
New Criminal Actions	0	0	0
Back fees received	\$1,857.52	\$9,140.00	\$10,997.52

CITATIONS/FINES/REFUNDS

TEB Activity	Passenger Carriers	Moving Companies	Total
Fine Assessed	\$24,000	\$6,500	\$30,500
Fines Paid	\$14,636.24	\$250.00	\$14,886.24
Overcharge Refunds/Claims Settlements by CIU Rep	\$2,982.40	\$4,073.01	\$7,055.41

- **F-5337. Bushnell's Best LLC dba Taylor Coaches and Wine Tours, Vacaville (TCP 26223). Case: PSG-4296. Fine: \$4,000. Violations:** Operated and advertised without valid authority and Workers' Compensation insurance; failed to enroll drivers in Department of Motor Vehicle (DMV) Employer Pull Notice (EPN) program and the required Controlled Substance and Alcohol Testing Certification program; failed to update drivers and equipment lists; incomplete waybills.
- **F-5350. VIP Tours of California, Inc., Los Angeles (TCP 29323). Case: PSG-4322. Fine: \$10,000. Violations:** Operated after permit suspension; failed to enroll drivers in DMV EPN program and a mandatory controlled substance program.
- **F-5351. LPA Transportation LLC, Cathedral City (TCP 31958). Case: PSG-4415. Fine: \$3,000. Violations:** Operated as a charter-party after suspension of its authority; lacked workers' compensation insurance; failed to enroll employee-drivers in the DMV/EPN program and a mandatory Controlled Substance and Alcohol Testing Certification Program.
- **F-5352. James T. Edens III dba Smooth Luxury Limousine, Petaluma (Unlicensed). Case: PSG-4288. Fine: \$2,000. Violations:** Unauthorized use of operating authority.
- **F-5353. Justin Carrillo dba A Fresh Start Moving, Folsom (Unlicensed). Case: HHG-2568. Fine: \$2,000. Violations:** Advertised as a household goods mover without a valid permit.
- **F-5354. Nacer Hidouche dba H and B Tours, Los Angeles (TCP 28466). Case: PSG 4302. Fine: \$5,000. Violations:** Operated without evidence of workers compensation insurance; failed to enroll drivers in DMV EPN program and a mandatory controlled substance program.
- **F-5356. 21st Century Van Lines, Inc. dba A 21st Century Van Lines, Santa Ana (T-188430). Case: HHG-2630 Fine: \$3,000. Violation:** Failed to report accurate Public Utilities Commission Transportation Rate Fund (TRF) fees for years 2014, 2015, and 2016; failed to complete required service agreement and to indicate a "Not to Exceed Price" on the service agreement based on the

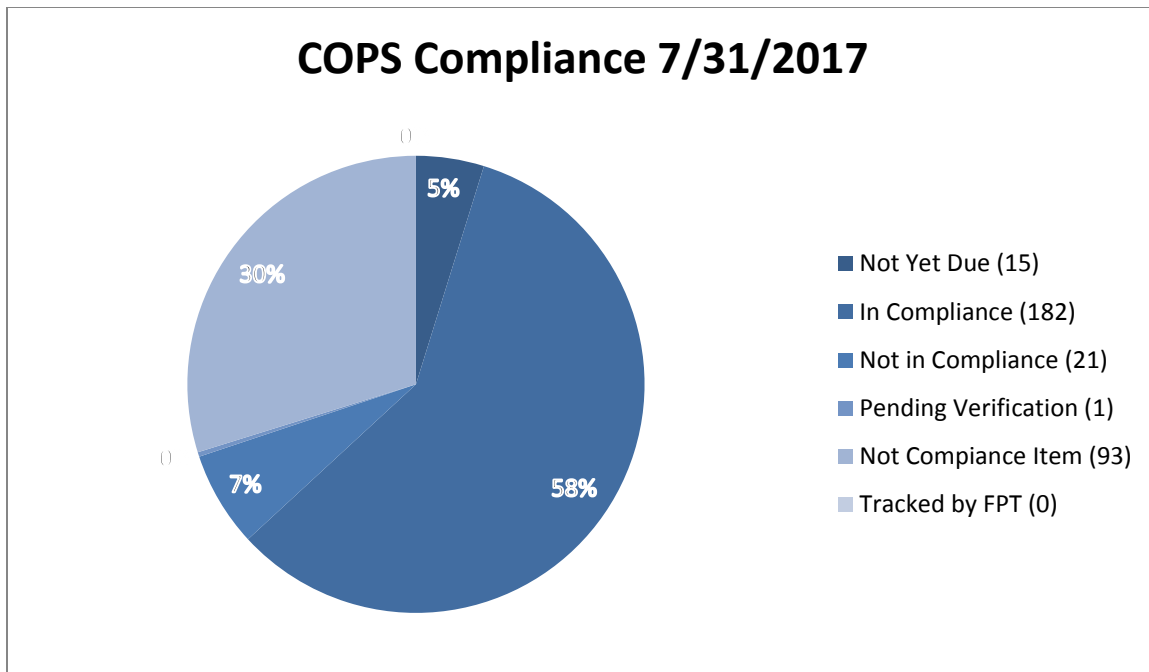
specific circumstances of the move; failed to properly and legibly compute time for loading, unloading and double drive time indicate accurate time periods.

- **F-5358. Market Street Movers, South San Francisco (T-191147). Case: HHG-2521. Fine: \$1,500. Violations:** Failed to provide shipper with the “Important Notice About Your Move” document; failed to file certified copies of fictitious business name statements with the Commission; failed to issue complete service agreements and under-reported gross revenue for 2015.

Airport Citation Program

Airport	Citations issued by LAX police	Vehicles impounded	Citations issued by PUC	C&D letters issued	Total fines collected
LAX (Los Angeles International Airport)	4	4	2	3	\$2,000

COMPLIANCE WITH ORDERING PARAGRAPHS



TEB is responsible for 312 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). Parties filed opening comments on the Track 3 issue regarding TNC Data on July 17, 2017, and reply comments on July 31, 2017.

Enforcement Proceedings

- I.17-04-009 (Why the Commission Should not Impose Appropriate Fines and Sanctions Against Rasier-CA LLC for Failing to Comply with The Zero Tolerance Rules and Public Utilities Code 5381.) No July activity.

Citation Appeals

- Randall Lee Rogers, an individual doing business as Big Bear Moving & Redlands Moving (T-190858) filed an appeal of Citation CFP-5215 for violations

of the Public Utilities Code and Commission's Maximum Rate Tariff 4 (MAX 4) on May 31, 2017. Hearing scheduled Monday, August 21, 2017, in Redlands.

Carrier Application Proceedings

- **A.17-04-012 / Proper Sightseeing Corporation / Yacknin.** Seeks authority to operate as a scheduled Passenger Stage Corporation with Hop On/Hop Off Service on fixed routes between points in Hollywood and Santa Monica, and to establish a Zone of Rate Freedom. ALJ Yackin held a Pre-hearing conference on July 24, 2017.
- **A.17-04-026 / Cabin Technologies, Inc. (PSC-36920) /Zanjani.** Seeks authority to add service points and revise rates and the Zone of Rate Freedom for passenger stage corporation service between points in the counties of San Francisco, San Diego and Los Angeles. D. 17-07-002 approved the Application and closed the proceeding.
- **A.17-06-014 / Rolla Shuttle / Kim.** Seeks authority to provide regularly scheduled passenger stage service, between points in San Diego County and the Los Angeles International Airport (LAX); and, to establish a Zone of Rate Freedom. No July activity.
- **A.17-07-003 / Yuba Bus, LLC /MacDonald and Kline.** Seeks authority to operate as a Scheduled Passenger Stage Corporation between Points in Nevada City, and 49 Crossing South Yuba River State Park, Nevada City.

OUTREACH/TRAINING/OTHER ACTIVITIES

- **Moovers, Inc., Pittsburg (T-190167).** In late June 2017, the California Moving and Storage Association (CMSA) notified TEB that Moovers, Inc. abruptly filed for emergency bankruptcy in federal court in May 2017, and that the bankruptcy trustee was preparing to abandon all the goods in storage for approximately 40 shippers.

In July, TEB and legal counsel attended three bankruptcy hearings in Oakland and met with the trustee and storage facility's property owner to discuss options to reunite the shippers with their goods. One option may be for the CPUC to petition the superior court to seek receivership of the goods as allowed by Public Utilities Code 5259.5. TEB gained access to Moovers Inc's storage records and contacted each of the 40 shippers.

On July 13, the bankruptcy judge granted the trustee's motion to abandon the goods, and subsequently closed the bankruptcy proceeding. Throughout July,

TEB emailed weekly updates to all shippers regarding the bankruptcy court's decisions and likely next steps. On July 24, TEB and legal counsel held a conference call with the shippers to answer their questions and discuss the possibility of a CPUC receivership. The receivership approach received a positive response from the facility's property owner and shippers.

LEGISLATION OF INTEREST

TEB is currently tracking six legislative items of interest. No bills were added to or removed from TEB's tracking list in May 2017.

AB 25 (Nazarian) – This bill would affirm the existing authority of local governments to adopt ordinances prohibiting tour buses from travelling on or using loudspeakers on certain streets.

AB 711 (Low) – This bill would authorize a beer manufacturer to provide consumers free or discounted rides with certain CPUC-regulated transportation providers.

AB 1099 (Gonzalez-Fletcher) – This bill would require TNCs to allow for tipping their “workers” without categorizing those “workers” as employees.

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.

SB 182 (Bradford) – This bill would prohibit municipalities from requiring more than one business license from a TNC driver, regardless of the number of cities he or she operates in.

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.

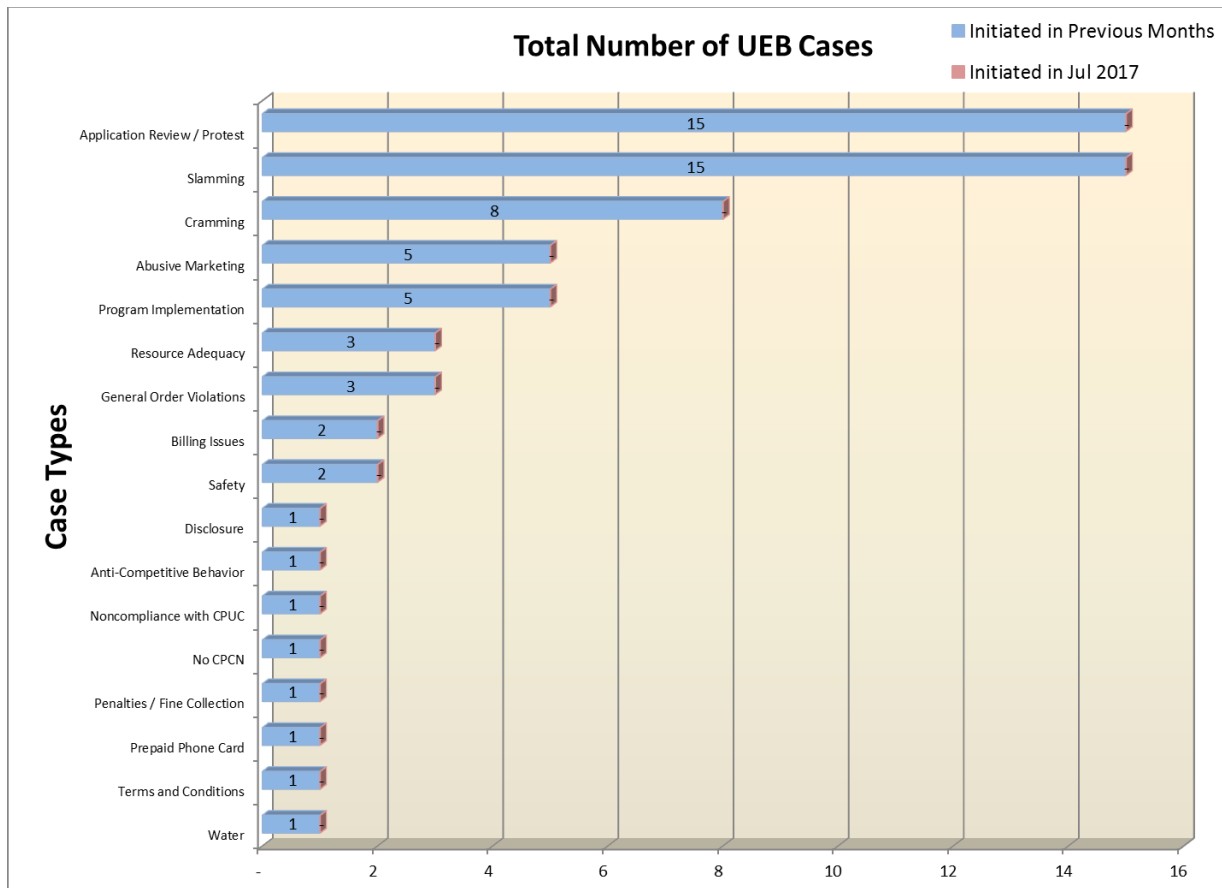
MONTHLY HIGHLIGHTS

- **Ceretel (A.16-04-006) (Commissioner Peterman/ALJ Park) (Advocacy):** In accordance with the schedule established by the ALJ, UEB filed opening and reply briefs to address Ceretel's application for a registration license.
- **SoCalGas (I.17-04-021) (Commissioner Rechtschaffen/ALJ Ayoade) (Advocacy):** In accordance with the ALJ's request at the prehearing conference, UEB and several parties jointly filed a statement of stipulated facts in this proceeding. In addition, UEB filed opening and reply briefs addressing five legal issues outlined by the ALJ.
- **SIGCA Holdings, LLC (A.17-02-007) (Commissioner Guzman Aceves/ALJ Ayoade) (Advocacy):** UEB staff and legal counsel participated in a prehearing conference to determine the positions of the parties, issues, and other procedural matters. UEB had requested part status in this proceeding, which is considering an application by SIGCA for a CPCN to operate in California. Staff had discovered that SIGCA had failed to disclose its CEO's previous employment in a company that filed for bankruptcy, allegedly violating Rule 1.1.
- **Mass Third-Party Verification (TPV) Slamming Citations:** Staff issued a Notice of Apparent Liability for slamming citations to Quasar Communications, Inc. for failure to comply with TPV requirements under Resolutions UEB-001 and UEB-002. The Notice states that 411 TPVs were non-compliant and that CPED would be issuing a citation for a fine of \$1,000 per non-compliant TPV.

KEY ACTIVITIES

UEB is currently working on a total of 66 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.

Cases by Type as of July 31, 2017



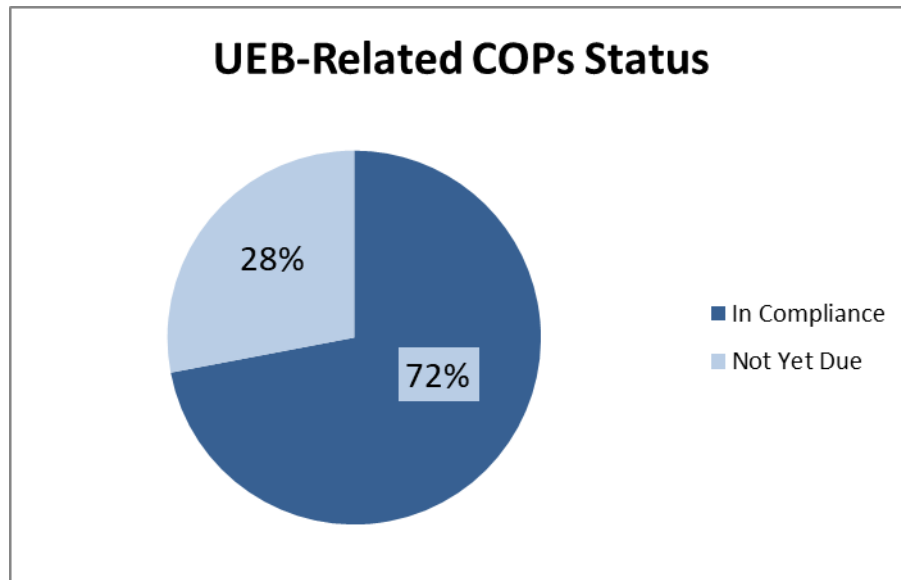
CITATIONS/FINES/REFUNDS

UEB's work for 2016 resulted in \$1,722,034 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, and three citations totaling \$13,500 to energy companies for deficient month-ahead resource adequacy and late-filed month-ahead system resource adequacy reports.

No fines or citations were imposed in July 2017. 2017 results are shown below.

Date	Citations/Fines/ Reparation Amounts
July 2017	\$285,000
Cumulative 2017	\$482,500

COMPLIANCE WITH ORDERING PARAGRAPHS



No new Ordering Paragraphs were added to UEB's COPS tracker for the month of July. UEB is currently responsible for 25 separate Ordering Paragraphs. Of those 25 Ordering Paragraphs, 18 (representing 72%) have been complied with, and compliance with the remaining 7 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.

The numbers reported above tracks compliance with ordering paragraphs assigned to UEB and do not include tracking for compliance with payment of fines, penalties, surcharges or the like, which are assigned to Fiscal Office.

DOCKET ACTIVITY

UEB is currently monitoring 19 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 July SNAP (State National Action Plan) conference call, where the focus was on the Public Safety and Homeland Security Bureau's National Blue Alert Network. This network is intended to notify the public through television and radio of threats to law enforcement and to help apprehend dangerous suspects.

LEGISLATION OF INTEREST

UEB is currently tracking one legislative item of interest. No bills were added to or deleted from UEB's tracking list in the month.

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.