

Monthly Activity Report

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

TABLE OF CONTENTS

TABLE OF CONTENTS.....	1
OVERVIEW	2
CONSUMER AFFAIRS BRANCH	2
<i>Monthly Highlights.....</i>	<i>2</i>
<i>Key Activities</i>	<i>3</i>
<i>Citations/Fines/Refunds</i>	<i>4</i>
<i>Compliance with Ordering Paragraphs</i>	<i>4</i>
<i>Docket Activity</i>	<i>5</i>
<i>Outreach/Training/Other Activities</i>	<i>5</i>
<i>Legislation of Interest.....</i>	<i>6</i>
TRANSPORTATION ENFORCEMENT BRANCH.....	6
<i>Monthly Highlights.....</i>	<i>6</i>
<i>Key Activities</i>	<i>6</i>
<i>Citations/Fines/Refunds</i>	<i>8</i>
<i>Compliance with Ordering Paragraphs</i>	<i>10</i>
<i>Docket Activity</i>	<i>11</i>
<i>Outreach/Training/Other Activities</i>	<i>11</i>
<i>Legislation of Interest.....</i>	<i>12</i>
UTILITIES ENFORCEMENT BRANCH	13
<i>Monthly Highlights.....</i>	<i>13</i>
<i>Key Activities</i>	<i>13</i>
<i>Citations/Fines/Refunds</i>	<i>14</i>
<i>Compliance with Ordering Paragraphs</i>	<i>15</i>
<i>Docket Activity</i>	<i>15</i>
<i>Outreach/Training/Other Activities</i>	<i>16</i>
<i>Legislation of Interest.....</i>	<i>16</i>

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

- **Completed Requirements for Upgrade to CAB's Database:** Completed requirements phase for upgrading CAB's Consumer Information Management System. The database upgrade will allow CAB to comply with recommendations from the California State Auditor for improving quality assurance processes and data quality.
- **Created Process to Assist Consumers that Protested Energy Rate Increases:** Created a pilot to assist consumers that have contacted CAB to protest rate increases that have led to higher bills in 2017. Worked with the Energy Division and PG&E to investigate the consumer's bill, provide information about rate increases and offer resources to assist with higher bills.
- **Attended Meeting with the California Research Bureau:** Provided information to researchers on consumer protections as part of a study on the governance and regulation of the communications industry in California.

- **Attended a Meet and Greet with New CPUC Commissioners:** As part of an all-CPED meeting, CAB staff met with Commissioners Guzman-Aceves and Rechtschaffen to get to know everyone, discuss goals, and ask and answer questions.

KEY ACTIVITIES

In March, 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 18,317 times and opted to speak to a live representative 3,012 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 1,375 consumers that were seeking assistance, via U.S. mail, fax, or online complaint form. At the end of March, CAB had closed 1,528 written contacts and was in process of addressing an additional 1,709 written contacts.

CAB Activity for March 2017	
Data for Telephone Contacts	
Calls to Assistance Line	18,317
Live Calls Answered	3,012
Data for Written Contacts Processed*	
New Written Contacts Received	1,375
Written Contacts Closed	1,528
Written Contacts Being Processed**	1,709

* 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 March 2017, CAB responded to four data requests. There was one request on gas disconnections due to nonpayment, one request on consumer complaints

concerning fire restoration companies and two Public Record requests regarding specific utilities.

CITATIONS/FINES/REFUNDS

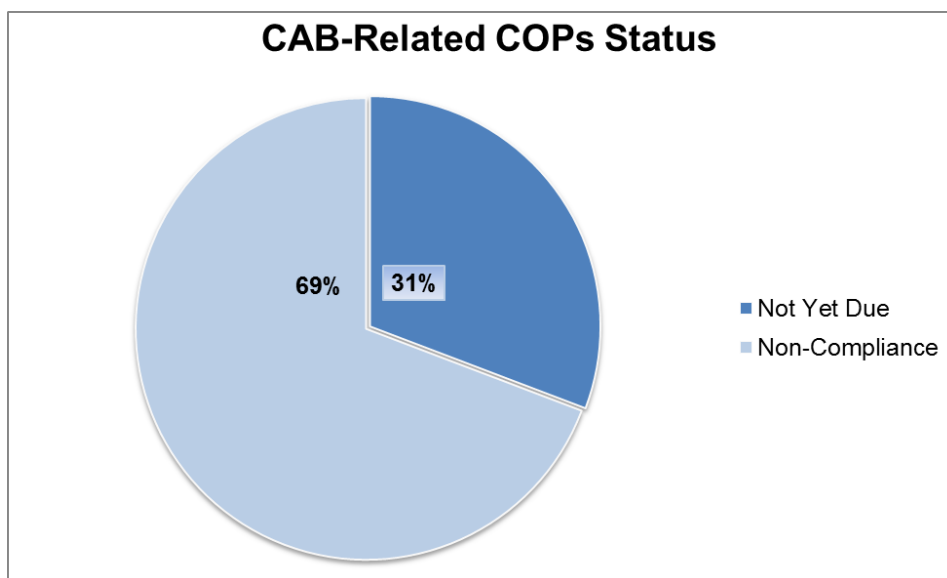
CAB helped California consumers secure \$95,711.62 worth of refunds and credits in March 2017. The cumulative total for 2017 is \$247,308.40.

Date	Refund/Credit Amount*
March 2017	\$95,711.62
Cumulative 2017	\$247,308.40

* 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.

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



Three new CAB-related Ordering Paragraphs were enacted in March. CAB is currently responsible for thirteen 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 eight open proceedings in March that have consumer impacts. Three of the eight items appeared on the CPUC's March Voting Agendas and were approved.

Five of the eight 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. CAB continues to closely monitor the second phase of Rulemaking 14-03-002 on Core Transport Agents.

** 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 March, three CAB supervisors completed Part II of Basic Supervisor Training required by the State of California. CAB Staff participated in email security awareness training presented by the CPUC IT security team.

CAB staff members on the CPUC-wide building emergency response team participated in continuation trainings by the Department of General Services in March. Select staff also received certifications in CPR and First Aid.

CAB participated in multiple California LifeLine Program meetings in March. 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.

LEGISLATION OF INTEREST

CAB is currently tracking one legislative item of interest. No new bills were added to or removed from CAB's tracking list in March 2017.

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 by 50% by 2021, 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). The CPUC will be required develop disconnection metrics, 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.

MONTHLY HIGHLIGHTS

Citation Appeal Proceedings

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

KEY ACTIVITIES

Carrier Application and Permit Activity

TEB staff received 288 applications this month (new, renewals, refiles, and transfers), and issued 260 permits. TEB completed but cannot approve 570 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	Total
New Applications Docketed	68	6	74
Renewal Applications Docketed	183	0	183
Refile Applications Docketed	22	6	28
Transfer Applications Docketed	2	1	3
Authorities Issued	246	14	260
Authorities Suspended	476	29	505
Authorities Revoked	94	8	102
Authorities Reinstated (Suspended/Revoked)	343	45	388
New Applications waiting for CHP inspection or carrier action (drug test results, insurance).	294	74	368
Renewal Applications waiting CHP inspection or carrier action (drug test results, insurance, or other renewal documents).	202	0	202
Pending Reinstatement from Suspension and Revocation	32	9	41
Total Active/Suspended Authorities as of 3/31/2017	8,233	1,040	9,273
Number of Voluntary Suspensions	25		
Number of Voluntary Revocations	21		
Number of vehicles added to Passenger Carrier Equipment Statements	578		
Address and DBA Changes	23		
Vehicle inspection requests sent to CHP	276		
Returned Applications (incomplete package)	37		

Enforcement Activities

TEB is working on a total of 228 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 March 2017, TEB closed 40 cases and initiated 58 new cases.

Enforcement Activity	Passenger Carrier	Household Goods	Total
Open Cases as of 3/1/17	104	106	210
New Investigation Initiated	29	29	58
Investigations Completed	24	16	40
Cases Open as of 3/31/17	109	119	228
Cease and Desist Notices	11	11	22
Official Notices	2	2	4
Administrative Citations	5	3	8

Consumer Intake Complaint Settlements:

TEB's Consumer Intake Unit (CIU) recovered \$2,220 for consumers: \$2,115 from passenger carriers and \$105 from moving companies, 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 \$36,000. Carriers paid a total of \$24,090.65.00 in outstanding fines, shown below:

TEB Activity	Passenger Carriers	Moving Companies	Total
Fine Assessed	\$21,000.00	\$15,000.00	\$36,000.00
Fine Paid	\$21,040.32	\$3,050.33	\$24,090.65

Citations

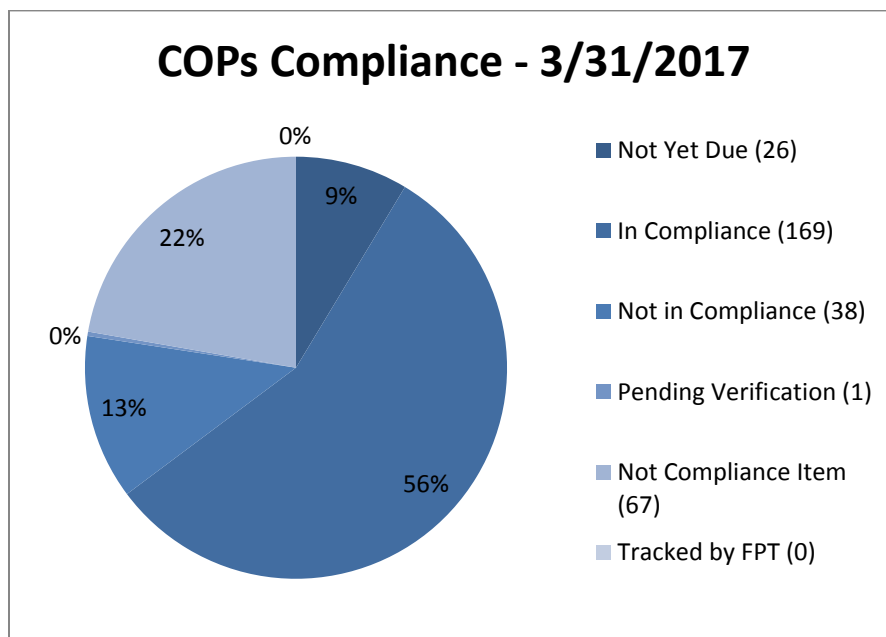
- F-5215. Randall Lee Rogers dba Big Bear Moving & Redlands Moving, Running Springs (T-190858). Case: HHG-2483. Fine: \$8,000. Failed to properly complete multiple required forms, notices and freight bills, and to charge applicable hourly rates.
- F-5219. Bogar A. Arizmendez dba Formalized Transportation, Santa Rosa (TCP 28066). Case: PSG-4231. Fine: \$8,500. Operated without valid CPUC authority, workers compensation insurance, DMV Employer Pull Notice (EPN) or drug and alcohol testing programs.
- F-5221. LL Services Principe, San Diego (TCP 36684). Case: PSG-4346. Fine: \$7,000. Operated prior to permit issuance.
- F-5222. Datta Transport Systems LLC, San Diego (TCP 16948). Case: PSG-4343. Fine: \$1,000. Utilized the services of an unlicensed sub-carrier; failed to update the equipment statement filed with the Commission.
- F-5223. All In One Limousine Service Inc., Discovery Bay (TCP 24869). Case: PSG-4228. Fine: \$2,000. Failed to obtain/maintain Worker's Compensation insurance, maintain an active DMV EPN and enroll several drivers in the EPN and drug and alcohol testing programs, and issue complete waybills.
- F-5224. The Incredible Movers, Inc., Los Angeles (T-191197). Case: HHG-2516. Fine: \$3,000. Failed to properly issue multiple required customer forms, notices and freight bills.
- F-5225. Elice, LLC dba Audrie's Limousine Service, Redlands (TCP 15674). Case: PSG-4309. Fine: \$2,000. Failed to: maintain and enroll multiple drivers in a drug and alcohol testing program and the DMV EPN program; execute sub-carrier agreements; and report accurate fee amounts for 2013, 2014 and 2015.
- F-5226. VIP Relocation Inc., dba VIP Moving & Storage, Pacoima (T-189909). Case: HHG-2470. Fine: \$3,000. Failed to issue multiple required customer forms, notices

and freight bills; and adequately maintain claims register for loss and damage. Carrier also misrepresented that “goods are delivered in satisfactory condition”.

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)	113	13	9	12	\$9,5000

COMPLIANCE WITH ORDERING PARAGRAPHS



TEB is currently responsible for 301 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.** No activity since the February 2017 staff 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. Scheduled for a Commission vote at the April 27, 2017 meeting.
- **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. No activity since the February 28, 2017 PHC, and Chariot's filed motion to withdraw its application.
- **A.17-01-002 / Silverado Stages, Inc. / Zanjani.** Seeks to expand PSC 9069 authority to operate in Bakersfield, CA and Los Angeles International Airport. No activity since carrier filed an Application on 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. No activity since carrier filed an Application on February 17, 2017.

OUTREACH/TRAINING/OTHER ACTIVITIES

- **Vehicle inspection at John Wayne Airport, March 15, 2017.** The purpose of the inspection was to check vehicles for PU Code and CPUC compliance as well as for the California Highway Patrol (CHP) to inspect for mechanical safety issues. CPUC investigators inspected 41 vehicles. Of the 41 inspections, the investigators found 10 violations resulting in three misdemeanor reports.
- **Bus inspection at the International Border, San Ysidro, March 15, 2017.** The CPUC and CHP inspected 13 buses, found no misdemeanors and did not impound

any vehicles. Four NTSB Investigators also attended to observe CPUC and CHP inspection procedures.

- **Casino Bus Inspection, March 2017.** A TEB investigator inspected the buses of eight operators transporting passengers from multiple pick-up points located in San Francisco, Oakland and Chico to various Northern California casinos. The investigator found several infractions, including failure to report the addition of fleet vehicles or new company names (doing-business as or DBA) to the CPUC; and incorrect TCP numbers posted on vehicles and in advertisements.

LEGISLATION OF INTEREST

TEB is currently tracking five legislative items of interest. One bill (AB 758) was removed from TEB's tracking list and two bills (AB 711 and SB 182) were added to the list in March 2017.

AB 25 (Nazarian) – This bill was substantively amended on March 21st. The amended bill would establish new safety regulations for modified tour buses and allow California's Attorney General and local DAs to recommend that the CPUC suspend a carrier permit.

AB 711 (Low) – This bill was substantively amended on March 21st. The amended bill would authorize a beer manufacturer to provide consumers free or discounted rides with certain CPUC-regulated transportation providers.

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 was substantively amended on March 23rd. The amended 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.

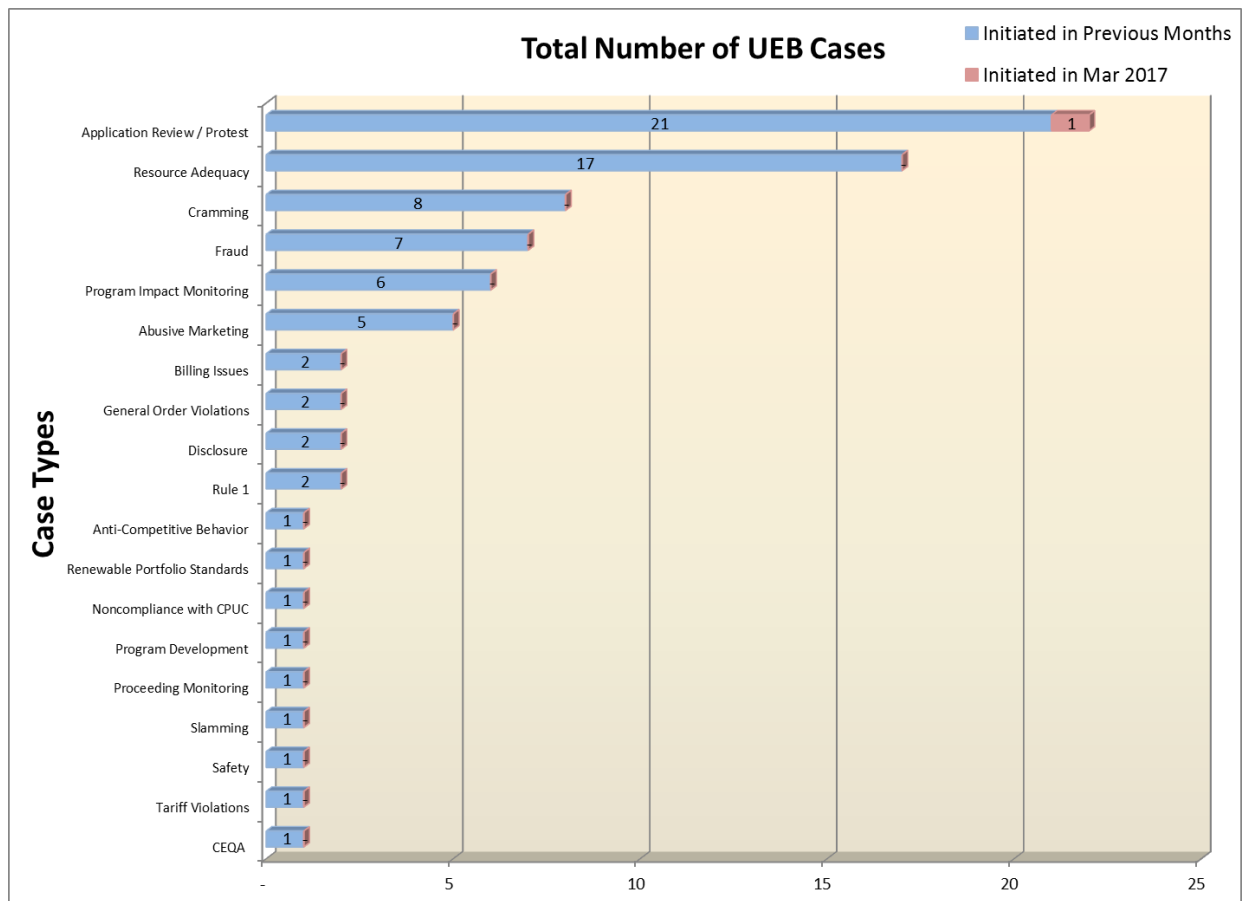
MONTHLY HIGHLIGHTS

- **Issuance of Slamming Citations:** Under Resolution UEB-001 and UEB-002, staff issued 167 slamming citations for a total of \$167,000 against Onelink Communications, Inc. for failing to provide Third Party Verifications showing that changes in provider have been authorized.
- **SoCalGas CEQA Citation (E-4550-01):** CPED and SoCalGas filed a joint party settlement for approval to resolve all disputed issues raised in the CEQA citation. SoCalGas agreed to make a settlement payment in the amount of \$250,000 to the General Fund and retain an independent firm at shareholders' expense, at an amount not to exceed \$25,000, to conduct a CEQA compliance training seminar.
- **Resource Adequacy (RA) Citation:** Staff issued Citation E-41950034 for \$4,500 to Commercial Energy of California for failure to file a Month-Ahead System Resource Adequacy Compliance Filing at the time and manner required.
- **Ceretel Incorporated (A.16-04-006) (Commissioner Peterman/ALJ Park) (Advocacy):** Pursuant to the ALJ's scoping memo, staff filed opening testimony to present CPED's position that Ceretel operated in California prior to receiving the requisite Commission approval in violation of Public Utilities Codes.

KEY ACTIVITIES

UEB is currently working on a total of 82 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 March 2017.

Cases by Type as of March 31, 2017



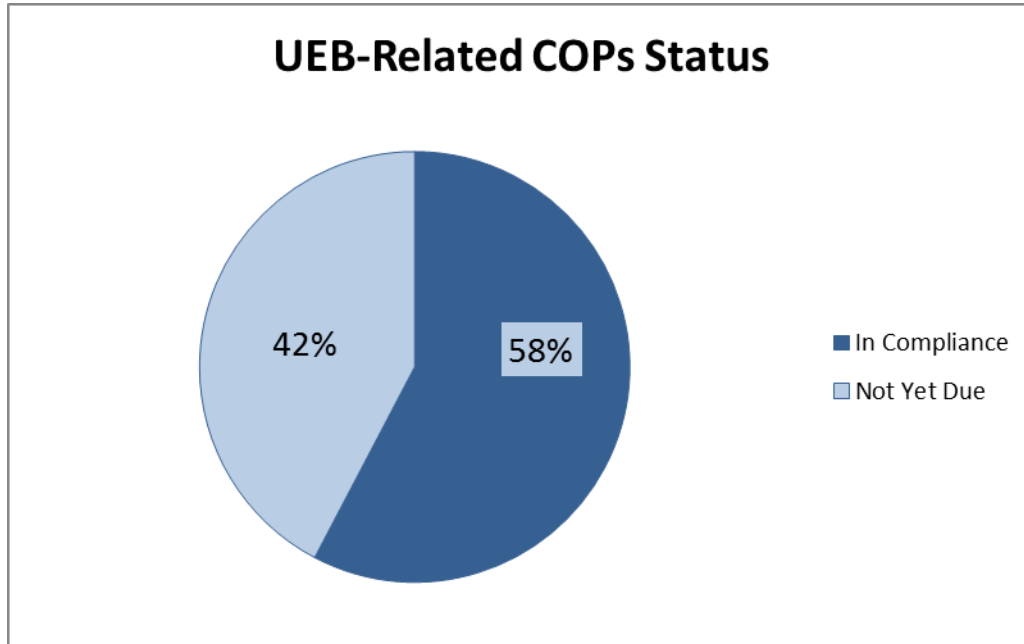
CITATIONS/FINES/REFUNDS

In March 2017, the CPUC imposed \$171,500 in fines against telecommunication and energy 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
March 2017	\$171,500
Cumulative 2017	\$197,500

COMPLIANCE WITH ORDERING PARAGRAPHS



Two new Ordering Paragraphs were enacted and added to UEB's COPs tracker for the month of March. UEB is currently responsible for 26 separate Ordering Paragraphs. Of those 26 Ordering Paragraphs, 15 (representing 58%) 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 were two UEB-related agenda items voted out in March 2017. 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.

OUTREACH/TRAINING/OTHER ACTIVITIES

UEB management attended the final two-day session of the Adaptive Leadership Training, which featured large and small group case consultations and exercises to assess one's relative positioning in a 4-quadrant model having accountability and psychological safety on the axes.

Staff attended the March SNAP (State National Action Plan) conference call, where the focus was on how participating states gather and track complaints from consumers.

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 March 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.