

CONSUMER AFFAIRS BRANCH 1st Quarter Report

MAY 2020



California Public Utilities Commission This page intentionally left blank.

ABOUT THIS REPORT

This quarterly report contains highlights of consumer issues related to communications, electric, natural gas, and water utilities regulated by the California Public Utilities Commission.

The data presented in this report is based on inquiries and complaints received by the Consumer Affairs Branch (CAB) from January through March 2020.

This report details:

- <u>CAB Assisted Almost 2,000 Consumers with Resolving Utility Complaints in</u> <u>the First Quarter of 2020</u>
- <u>CAB Returned More Than \$360,000 to Consumers This Quarter</u>
- <u>Public Safety Power Shut-Offs and the LifeLine Transition Drove Spikes in</u> <u>Contacts</u>
- <u>Billing Drives Most Consumer Contacts</u>
- <u>Community Based Organizations Educated More Than 23,000 Consumers in</u> 20 Different Languages

Report Authors

Alan Reynolds – CAB Analyst Justin Fong – CAB Analyst Ravi Mangat - CAB Analyst Carla Remigi – CAB Analyst Tom Ward – CAB Analyst Ken Yang – CAB Analyst Linette Young – CAB Analyst

Contributors

Alan Solomon – Supervisor, Consumer Affairs Branch Analysis Unit Amy Chamarty – Program Manager, Consumer Affairs Branch

About the Consumer Affairs Branch

The Consumer Affairs Branch (CAB) resides within the News and Outreach Office at the California Public Utilities Commission (CPUC). CAB is responsible for supporting the needs of consumers. CAB provides the following services:

- Resolves consumer questions or complaints about their regulated communications, natural gas, electric, and water utility services.
- Resolves appeals for California LifeLine, a discounted phone program.
- Administers Limited English Proficiency (LEP) programs that assist consumers with telecommunications and energy issues.
- Analyzes complaint data to assist CPUC decision-makers, support enforcement against fraud and abuse, and inform the public.

CAB Assisted Almost 2,000 Consumers with Resolving Utility Complaints in the First Quarter of 2020

CAB processes Informal Complaint cases on behalf of consumers. The Informal Complaint process allows consumers an easily accessible way to resolve disputes with their utility. In contrast to the CPUC's Formal Complaint process, the Informal Complaint process does not require a formal proceeding or Administrative Law Judge oversight. In the first quarter, CAB found in favor of consumers 64 percent of the time.

The table below displays the number of Informal Complaints sent to CPUC-regulated utilities and the number of Informal Complaints resolved and closed in the first quarter of 2020. Communications cases resulted in a higher percentage of favorable outcomes

Industry	Informal Complaints Sent	Informal Complaints Closed	% Resolved in Consumer's Favor
Communications	857	996	79%
Energy	932	921	57%
Water	51	56	66%

TABLE 1. INFORMAL CONSUMER COMPLAINTS, FIRST QUARTER 2020

compared to energy or water cases.

CAB Returned More Than \$360,000 to Consumers This Quarter

Most refunds secured through CAB's Informal Complaint process are the result of incorrect billing or from discretionary refunds provided by the utility.

Industry	Amount Refunded
Communications	\$188,371
Energy	\$167,705
Water	\$8,308
Total	\$364,744

TABLE 1. CONSUMER REFUNDS BY INDUSTRY, FIRST QUARTER 2020

This table only accounts for refunds through the Informal Complaint process. Cases where a phone contact was transferred to the utility for expedited resolution are not reflected here.

First Quarter Consumer Refund Highlights

- A residential water consumer was given a refund of nearly **\$2,000** after CAB got involved and the utility determined that the customer's meter was malfunctioning.
- A business consumer received a refund of more than **\$76,000** after CAB intervened and the communications company confirmed the subscriber had been on the wrong rate plan for several years.
- CAB helped a small business owner re-categorize as a micro business, and they received an adjustment of more than **\$36,000**.

Public Safety Power Shut-Offs and the LifeLine Transition Drove Spikes in Contacts

Consumers contact CAB via phone calls (1-800-649-7575), letters (505 Van Ness Ave., San Francisco, CA 94102), and a web portal (www.cpuc.ca.gov/complaints). These contacts may consist of complaints, questions, or feedback from consumers about the policies and practices of a specific utility or the CPUC. Total contacts in the first quarter are consistent with long-term historical levels. However, over the last year, two key events occurred that caused a spike in contacts:

 In April 2019, the California LifeLine Program¹ transitioned to a new Third Party Administrator (TPA), responsible for processing LifeLine applications and renewals. There were several issues with the transition that adversely affected the program participants. Two of the main problems were software glitches and data transfer incompatibility from the previous TPA, which led to consumers not receiving correspondence from the TPA. These problems led to an increased volume in LifeLine-related contacts to CAB, the peak of which was reached during August 2019. In August, contacts were triple the normal volume. Contacts regarding LifeLine have returned to normal as transition issues have been resolved.



FIGURE 1. NUMBER OF CONSUMER CONTACTS RECEIVED BY CAB MARCH 2019-MARCH 2020

2) In October 2019, utility Public Safety Power Shut-offs (PSPS) resulted in a doubling of energy related contacts to CAB. The largest PSPS event was called by Pacific Gas and Electric Company (PG&E) and spanned 38 counties and affected almost a million customers. The longest event lasted five days in Southern California Edison's (SCE) territory.² CAB received 601 contacts related to these events: 475 contacts

¹ The California LifeLine Program is a state program that provides discounted home phone and cell phone services to eligible households. CAB assists consumers in resolving application denials (appeals) for program participation and assists consumers in resolving LifeLine billing issues with their service providers.

² The CPUC's Order Instituting Investigation on the Late 2019 PSPS Events: <u>http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M319/K527/319527577.PDF</u>

were attributed to PG&E, 117 to SCE, and nine were attributed to San Diego Gas & Electric (SDG&E). Most consumers expressed disagreement with PSPS policies and were frustrated with their inability to contact the utilities by phone and the failures of utility websites. They were also concerned about spoiled food and loss of income and business revenue.

CAB expects that COVID-19 will influence the number and type of contacts in the second quarter of 2020.

Billing Drives Most Consumer Contacts

In the first quarter of 2020, CAB received 5,050 contacts from consumers. Billing issues were the most prevalent reason that consumers contacted CAB; 38 percent of contacts were related to billing, followed by service issues at 18 percent.

By industry, billing makes up 49 percent of the energy related contacts and 73 percent of the water related contacts. Service issues were second with 21 percent and 10 percent, respectively. Communications contacts were driven by LifeLine issues at 36 percent, followed by billing at 25 percent.

Industry	Number of Contacts	Percentage of Total
Communications	2,393	47%
Energy	2,533	50%
Water	124	3%
Total	5,050	100%

TABLE 2. CONTACTS RECEIVED BY CAB BY INDUSTRY, FIRST QUARTER 2020

Community Based Organizations Educated More Than 23,000 Consumers in 20 Different Languages

The Telecommunications Education and Assistance in Multiple-Languages (TEAM) and Community Help and Awareness of Natural Gas and Electric Services (CHANGES) programs assist Limited English Proficient (LEP) consumers with telecommunications and energy issues, respectively. Support is provided statewide through 28 community based organizations (CBOs) that work with LEP consumers in their preferred language with cultural sensitivity. The programs provide consumer outreach, education, needs assistance, and dispute resolution.

The quarterly data cited in this section refers to November 2019 – February 2020.³ In this time period, CBOs educated more than 23,000 consumers in 20 different languages⁴. Just over three-quarters of the consumers were educated in the following four languages: Spanish (39 percent), Vietnamese (17 percent), Cantonese (13 percent), and Korean (6 percent).

CBOs participated in 31 community events in this time period. At these community events, a CBO typically sets up a table with information about TEAM and CHANGES and educates attendees about the different services provided at their offices, such as dispute resolution, understanding utility bills, and financial assistance and discount applications.

The programs together assisted 2,277 individual consumers. Almost half of CHANGESrelated services helped consumers with a potential disconnection or financial assistance concern – HEAP/LIHEAP⁵ (34 percent of services provided) and stop disconnection/setup payment plan (12 percent). Almost two-thirds of all TEAM services helped consumers in the following areas: 26 percent of services: changes to account (such as name change, rate plan, etc.); 24 percent: overbilling ; and 16 percent: LifeLine.

More information about TEAM and CHANGES, including more detailed reports, can be found at: <u>www.cpuc.ca.gov/team_and_changes</u>.

³ The data in this section is one month behind the rest of the CAB data because it is collected externally from the 28 CBOs. It is then subjected to a thorough validation process by the lead contractor before the data is published.

⁴ Armenian, ASL, Cambodian, Cantonese, Dari, English, Farsi, Hindi, Hmong, Japanese, Korean, Laotian, Mandarin, Mixteco, Native American English, Portuguese, Somali, Spanish, Tagalog, and Vietnamese.

⁵ Low Income Home Energy Assistance Program (LIHEAP)