



CONSUMER AFFAIRS BRANCH

SECOND QUARTER REPORT

August 2020



**California Public
Utilities Commission**

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ABOUT THIS REPORT

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

Unless otherwise noted, the data presented in this report is based on inquiries and complaints received by the Consumer Affairs Branch (CAB) from April through June 2020.

This report details:

- [CAB Assisted Nearly 1,800 Consumers with Resolving Utility Complaints in the Second Quarter of 2020](#)
- [CAB Returned More Than \\$561,000 to Consumers This Quarter](#)
- [Consumers are Concerned About Maintaining Service During the Pandemic](#)
- [Southern California Edison Accounts for the Most Billing Contacts](#)
- [CAB Continues to Coordinate on Safety Contacts](#)
- [The Change in VoIP's Regulatory Status Has Not Impacted Complaints](#)
- [Core Transport Agent Contacts Reached a Record Low in May 2020](#)

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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 Nearly 1,800 Consumers with Resolving Utility Complaints in the Second 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 second quarter, CAB found in favor of consumers 65 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 in the second quarter of 2020. Communications cases resulted in a higher percentage of favorable outcomes compared to energy or water cases.

TABLE 1. INFORMAL CONSUMER COMPLAINTS, SECOND QUARTER 2020

Industry	Informal Complaints Sent	Informal Complaints Closed	% Resolved in Consumer’s Favor
Communications	764	759	70%
Energy	711	955	63%
Water	44	45	55%

TEAM and CHANGES

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. In addition to the informal contacts received and the informal complaints forwarded to the utilities by CAB, the [TEAM and CHANGES](#) programs support limited English proficient (LEP) consumers with telecommunications and energy services respectively.

CBOs in these programs received close to 680 complaints in this quarter. Significantly more energy complaints were received (418) than telecommunications complaints in this quarter. The preponderance of these individuals were provided resolution. If the utility has not found in favor of the consumer, the CBO will work with them to provide assistance. Examples of this support can include help in applying for a discount or emergency assistance program.

CAB Returned More Than \$561,000 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.

TABLE 2. CONSUMER REFUNDS BY INDUSTRY, FIRST AND SECOND QUARTER 2020¹

Industry	First Quarter Refunds	Second Quarter Refunds	Year to Date Refunds
Communications	\$188,371	\$220,235	\$408,606
Energy	\$167,705	\$337,646	\$505,351
Water	\$8,308	\$3,915	\$12,223
Total	\$364,744	\$561,796	\$926,540

¹ 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.

Second Quarter Consumer Refund Highlights

- In April, a business consumer received a refund of over \$76,000 for a telephone account that had been set up incorrectly on the wrong plan. The consumer had attempted to resolve the issue with the utility for three years before filing an Informal Complaint.
- In April, a residential consumer received a \$3,800 refund from her utility after promotional enticements to port her cellular service from a different utility were not honored.
- In May, a residential consumer received a refund of over \$149,000 from his utility when the software used for meter reading had a technical issue during a system upgrade, resulting in high overcharges.

Additionally, through the [TEAM and CHANGES](#) programs, CBOs assisted 580 individuals secure refunds of approximately \$15,430 on their telecommunications bills; the average refund secured was \$26.60².

Consumers are Concerned About Maintaining Service During the Pandemic

Widespread shelter-in-place orders began in mid-March³. Between March 15, 2020 and June 30, 2020 CAB received 813 total contacts related to COVID-19. Disconnections, payment arrangements, and outages were the top reasons consumers contacted CAB. See [Appendix A](#) for more detailed numbers.

Consumers are experiencing unemployment and financial distress. Many consumers are working from home and need reliable energy and communications services. Service outages cause additional problems for consumers working from home or educating children at home. They may be unable to make and receive phone calls, lose Internet connectivity, or must replace spoiled food. Consumers who stay at home are reporting increased energy bills due to additional energy use during all times of day.

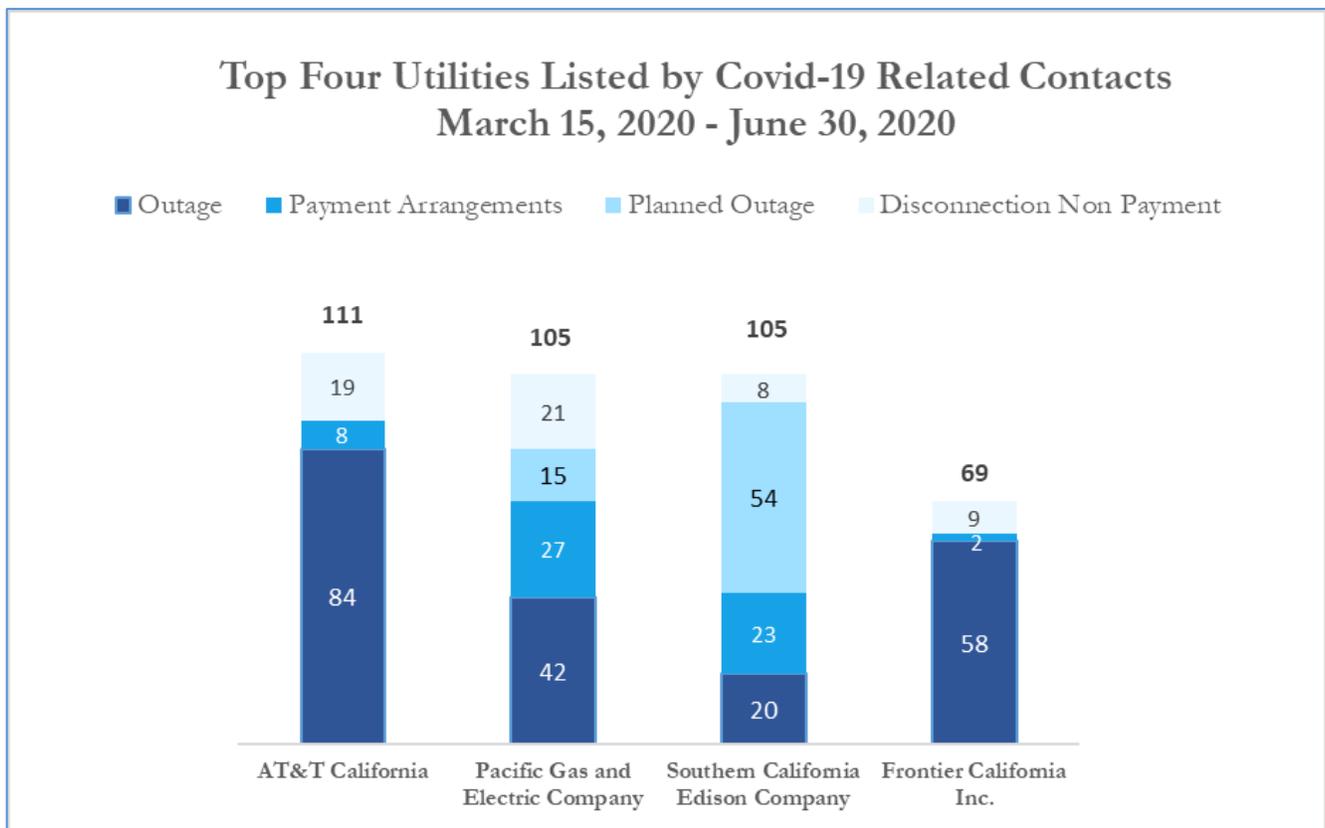


² March 2020 – May 2020 data

³ For a more detailed timeline, please see Appendix B

The chart below shows the utilities with the most contacts related to disconnections, payment arrangements, and outages. As of June 30, 2020, AT&T California received the most COVID-19 related contacts due to the high number of Outage contacts. Two-thirds of the service outage complaints received were attributed to Telecommunication companies for the period.

CHART 1. COVID-19 CONTACTS BY UTILITY AND CATEGORY



CAB has been prioritizing consumer complaints related to disconnections, payment arrangements, and outages to resolve them as quickly as possible. Consumer protections appear to be working. As of June 30, 2020, CAB has successfully assisted 43 customers with getting re-connected and 51 with obtaining payment arrangements.

Southern California Edison Accounts for the Most Billing Contacts

In the second quarter of 2020, CAB received 3,516 contacts from consumers. Billing issues were the most prevalent reason that consumers contacted CAB; 39 percent of contacts were related to billing, followed by service issues at 18 percent.

TABLE 3. CONTACTS RECEIVED BY CAB BY INDUSTRY, SECOND QUARTER 2020

Industry	Number of Contacts	Percentage of Total
Communications	2,047	58%
Energy	1,383	39%
Water	86	3%
Total	3,516	100%

Within the energy sector, Southern California Edison (SCE) accounted for 22 percent of all billing-related complaints and they had the most complaints leveled at them in all categories at 49 percent. Pacific Gas and Electric (PG&E) has a comparable customer base of 16 million compared to SCE’s 15 million customers, but only accounted for 13 percent of all billing-related complaints and 30 percent of complaints in all categories.

In 2019, [SCE acknowledged](#) a technical issue while updating software which resulted in some customers not receiving their bills on time. Still, as our data suggests, the problem persists. From June 1, 2019 – May 31, 2020, there were 633 billing-related contacts from SCE customers. In 67.4% of the contacts, the consumer had not received a bill in three months or more and/or SCE’s billing system was specifically mentioned.

CAB assisted numerous consumers with their SCE billing-related issues through our Informal Complaint process. In fact, one consumer contacted CAB in April 2020; “On July 12, 2019, I received the ok to turn on my new solar installation. To this date, April 27, 2020, they (SCE) have not converted my billing to net metering...Thank you for any assistance you can provide”. In June 2020, the same consumer wrote to CAB to thank the staff... “for excellent customer service”. The consumer further stated that CAB’s involvement... “was the sole reason that their billing concerns were finally resolved.”



CAB Continues to Coordinate on Safety Contacts

The CPUC's mission is to empower California through access to safe, clean, and affordable utility services and infrastructure. To support this mission, the Commission has a public safety complaint hotline where consumers can report public safety problems related to gas, electric, cable, telephone, water, or mobile home park utilities.⁴ If CAB receives a safety contact, staff works closely with utilities and other CPUC branches such as the Safety and Enforcement Division (SED) to resolve safety issues promptly. Each safety contact is carefully reviewed by the CAB team to ensure that consumer concerns are completely captured.

From January 1, 2020 – June 30, 2020, CAB recorded 50 consumer safety contacts. Of the 50 total cases received, 17 were referred to another CPUC division for assistance and the utility was contacted by CAB. For the remaining 33 safety contacts, CAB worked diligently with the utility's executive office to resolve the consumer's safety concern.

Below are excerpts from a sampling of consumer safety-related contacts:

- CAB assisted several elderly consumers who had either lost power and/or telecommunications services due to faulty utility infrastructure, by contacting the utility's executive office, and the repairs and restoral of service were expedited.
- Upon being contacted by a consumer about a utility pole equipment that was causing sparks, CAB contacted the utility's (SCE) executive office and a technician was dispatched the same day.
- In January 2019, a consumer notified PG&E of a gas leak from a main line in his neighborhood. As the issue was not resolved, the consumer contacted CAB in January 2020 for assistance. CAB contacted the utility's executive office and the gas leak was repaired in two days.

⁴ 1-800-755-1447

The Change in VoIP’s Regulatory Status Has Not Impacted Complaints

Senate Bill (SB) 1161⁵ prohibited the CPUC from exercising regulatory jurisdiction over Voice over Internet Protocol (VoIP) enabled services. Although lacking jurisdiction over VoIP, CAB continued to assist consumers by forwarding the complaint to the service providers when the underlying reason for the consumer contact was a jurisdictional matter, such as billing issues or service outages. Although not legally required, most utilities responded to CAB’s requests to assist the consumer and provided details of the resolution.

Section 710 of SB 1161 sunset on January 1, 2020 and restored the Commission’s regulatory jurisdiction over VoIP enabled services. Hence, CAB can now assist consumers with full authority when requesting responses and resolutions to Informal Complaints sent to the utilities. However, AT&T continues to push back in their responses to CAB by continuing to state that “VoIP is a non-regulated service.”

Overall, the change in VoIP’s regulatory status does not appear to have had an impact in the volume of contacts received during 2020, with the number of VoIP identified contacts being at par with those received in 2019, at about 3 percent of total communications contacts. Of those, approximately 95 percent of the written cases were forwarded to the utilities as an Informal Complaint.

The top reasons for VoIP consumer contacts remain the same in 2020 as 2019 and within the same order of magnitude; complaints about high bills accounted for 28 percent and service outages 20 percent. In addition, the service providers with the greater number of contacts remains the same as in 2019, except for Frontier, which has received fewer complaints in 2020 to date.

TABLE 4. TOP 5 UTILITIES WITH THE GREATEST NUMBER OF VOIP CONTACTS 2020

Utility Name	Number of Contacts	Percentage of Total
AT&T	50	28%
Time Warner	33	18%
Charter Fiberlink CA-CCO, LLC	32	18%
Frontier California Inc.	23	13%
Comcast Phone of California, LLC	13	7%

⁵ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB1161S



Core Transport Agent Contacts Reached a Record Low in May 2020

Core Transport Agents (CTAs) are non-utility gas suppliers who purchase gas on behalf of residential and small commercial end-use customers. The CPUC does not regulate the rates CTAs charge their customers. However, following the passage of [Senate Bill 656](#), CTAs are required to register with the Commission in order to conduct business in California. As a result, the Commission can effectively process customer complaints against CTAs.

In the first half of 2020, CAB received 592 contacts related to CTAs. February had a high of 140 contacts while May had the lowest number of contacts recorded at 58, which is the fewest number of contacts recorded since May 2018 when CAB began direct complaint processing with the CTAs.

We believe that the decrease in contacts is attributable to COVID-19 and the shelter in place order, as the CTA's adapted their sales strategies from a field operation to phone sales.

Abusive Marketing was the primary reason for consumers' contacts at 62 percent. This category includes issues such as service being switched from the utility without prior knowledge or consent, promised savings not materializing, and omitting pertinent information such as the utility's continued role and responsibility to bill for gas distribution and transmission charges.

Another issue captured as a subtext of the Abusive Marketing complaints (11 percent) is the misrepresentation of identity which involves salespeople claiming to work for the utility and offering special programs to assist consumers. While the in-person sales force tactics have abated during the pandemic, the nature of the complaints remains the same.

CAB continues to partner with the Utility Enforcement Branch by providing the CTA raw monthly data to assist in citation program efforts.

Appendix A – Top 10 Issues Related to COVID-19 Contacts

Top 10 COVID-19 Related Issues – March 15, 2020 through June 30, 2020			
Category	Contacts	Description	Trend
Outage	226	All outage contacts received for regulated utilities.	↓
Payment Arrangements	111	All requests for payment arrangements for regulated utilities.	↓
Disconnection Non-Payment	98	All disconnection nonpayment contacts for regulated utilities.	↓
Planned Outage	71	All planned outage contacts for regulated energy utilities.	↓
High Bill	42	High bill contacts where there is reference to COVID-19. Consumers receiving higher bills because of the stay at home order, increased usage, and warming temperatures.	↑
Non-Jurisdictional Internet	36	All Non-Jurisdictional Internet related contacts where there is reference to COVID-19. Includes, but not limited to, internet speed, outages, disconnections non-payment, and payment arrangements.	↓
Rates	29	Rates related contacts where there is reference to COVID-19 such as Time of Use rates.	↓
Delayed Order	22	Delayed order contacts where there is reference to COVID-19.	↑
Non-Jurisdictional Municipal Utility	21	Non-jurisdictional municipal utility contacts where there is reference to COVID-19. Includes disconnections, outages, payment arrangements etc.	↓
Lifeline	20	Lifeline related contacts where there is reference to COVID-19 usually related to Lifeline renewal.	↑

Appendix B - Covid-19 Timeline

- March 4, 2020 - Governor Newsom declares a State of Emergency in California due to COVID-19.
- March 16, 2020 - Governor Newsom issues Executive Order placing a moratorium on residential evictions and required the California Public Utilities Commission to monitor measures undertaken by public and private utility providers to implement customer service protections for critical utilities, including but not limited to electric, gas, water, internet, landline telephone, and cell phone service, in response to COVID-19, and to report on a weekly basis
- March 17, 2020 - The California Public Utilities Commission's Executive Director determined that all companies under CPUC jurisdiction should halt customer disconnections for non-payment because of the State of Emergency.
- March 19, 2020 - An Executive Order and Public Health Order directed all Californians to stay home except to go to an essential job or to shop for essential needs.
- March 20, 2020 - The California Public Utilities Commission temporarily suspended renewal requirements for the California Universal Telephone Service Program (LifeLine), California Alternate Rates for Energy (CARE), and Family Electric Rate Assistance (FERA) programs to ensure continued affordable access to communications and energy services during the COVID-19 pandemic.
- May 4, 2020 - An Executive Order informed local health jurisdictions and industry sectors that they may gradually reopen under new modifications and guidance provided by the state per the May 7, 2020 Public Health Order.
- May 7, 2020 - The CPUC temporarily modified rates for high energy use customers to minimize the impacts of electricity bills in the summer related to the COVID-19 pandemic.