



California Public Utilities Commission Committee on Finance and Administration



Report on Strategic Directive 04 Supporting and Empowering Consumers June 26, 2019

From: Communication, Energy, Water, Consumer Protection and Enforcement, and Administrative Law Judge Divisions



Strategic Directive–04

Supporting and Empowering Consumers

The CPUC promotes policies and rules that provide customers access to and affordable essential services for energy, communications, water and transportation. Within its jurisdictional authority, the CPUC will:

- 1) Educate and assist consumers with the services they use, ensure accuracy and accessibility of consumer and rate information from regulated entities so that consumers can make informed choices, minimize costs and gain fair value from service providers;**
- 2) Assure that essential services are available to all Californians at an affordable price;**
- 3) Assist customers in filing, tracking and resolving complaints; monitor trends; and, prosecute violations of law or CPUC rules, including instances of fraud and abuse;**
- 4) Administer the efficient and fair collection of surcharges and fees that support public purpose programs and to equitably expand services to those who are underserved;**
- 5) Ensure that any necessary and appropriate rate changes are approved in a timely manner and are fairly amortized over time;**
- 6) Where the CPUC does not directly regulate prices, monitor market conditions and take appropriate action to keep rates and costs just and reasonable, including representing the interests of California ratepayers before the Federal Energy Regulatory Commission and the Federal Communications Commission.**





Consumer Affairs Branch (CAB) Provides Consumer Assistance

Assisting consumers in filing, tracking, and resolving complaints

- CAB 800 Phone Line
 - 800 line with a robust informative interactive voice response (IVR).
 - Answers inquiries about CPUC mandated matters such as surcharges, Baseline and wildfire safety.
 - Provides options for a quick resolution to simple billing and service matters by transferring callers to their regulated utility's executive office.
 - After hour voicemail option is available.
- Written Complaints
 - Consumers can submit complaints via US Mail, fax, email, online and in person (in Los Angeles office).
 - Issues related to regulated entities are submitted electronically to utility. Customers have the option to file formal complaints if not satisfied.
 - Issues not related to regulated utilities are referred to an appropriate agency.





Improving Consumer Assistance 2019 and Beyond

- Interagency Coordination
 - Collaborating with the California Contractors State License Board and The Department of Business Oversight to refer and track solar complaints related to contractors or loans.
- Technology upgrades
 - CAB database upgrades will be implemented in late 2019 which will allow CAB to more efficiently audit cases for case coding accuracy resulting in improved data quality and reporting to decision makers.
 - Explore methods for obtaining useful consumer feedback to improve service.





Web Site Updates in Response to State Auditor Recommendations



Water Rates and General Rate Case Proceedings

Fact sheets summarizing the rate changes from Class A Water and Sewer Utilities general rate case proceedings.

[Learn More](#)



Decisions and Resolutions applied to all investor-owned water utilities

Decisions and resolutions that give all investor-owned water utilities authority to change rates for reasons external to the general rate-case process.

[Learn More](#)



Advice Letter Information

Information about what advice letters are, a general order that contains rules and more information, and a way to find individual advice letters.

[Learn More](#)



Resolutions

[Learn More](#)



Available Documents

Please use the link below to access information regarding Advice Letters.

[Learn More](#)





More Information About Advice Letters

[Home](#) ... [Water Division](#) ... [Advice Letters Section](#)

Water and Sewer Utilities Advice Letters

- [About Advice Letters](#)
- [Commission General Order 96-B](#)
- [How can I get involved \(Service List\)?](#)
- [Protesting an Advice Letter](#)
- [Repository of Advice Letters](#)
- [Advice Letter Search Engine](#)
- [Advice Letter Statistics](#)
- [Suspended Advice Letters](#)





Strategic Directive–04

Supporting and Empowering Consumers

1) Educate and assist consumers with the services they use, ensure accuracy and accessibility of consumer and rate information from regulated entities so that consumers can make informed choices, minimize costs and gain fair value from service providers;

2) Assure that essential services are available to all Californians at an affordable price;

3) Assist customers in filing, tracking and resolving complaints; monitor trends; and, prosecute violations of law or CPUC rules, including instances of fraud and abuse;

4) Administer the efficient and fair collection of surcharges and fees that support public purpose programs and to equitably expand services to those who are underserved;

5) Ensure that any necessary and appropriate rate changes are approved in a timely manner and are fairly amortized over time;

6) Where the CPUC does not directly regulate prices, monitor market conditions and take appropriate action to keep rates and costs just and reasonable, including representing the interests of California ratepayers before the Federal Energy Regulatory Commission and the Federal Communications Commission.





Water Affordability



Q: Is water affordable?

- Water IOUs serve approximately 15% of the state's population.
 - Districts span the entire state.
- Median California Household Income for 2013-17 is **\$67,169.***
 - Varies among the cities that contain the service areas of our nine Class-A Water Utilities.
- Median Average Monthly California IOU Water Bill is **\$64.22.****
 - The latest calculation available is for the year 2017.

* US Census Bureau: Quick Facts California. The number is for 2013-17 in 2017 Dollars

** 2017 – Latest available calculation





Water Affordability

- Applying the Affordability Criteria shown below to California Median Household Income, hypothetical affordable monthly water bills would be as follows:

Former Health & Safety Code	US Environmental Protection Agency	United Nations
1.5%	2%	3%
\$83.96	\$111.95	\$167.92

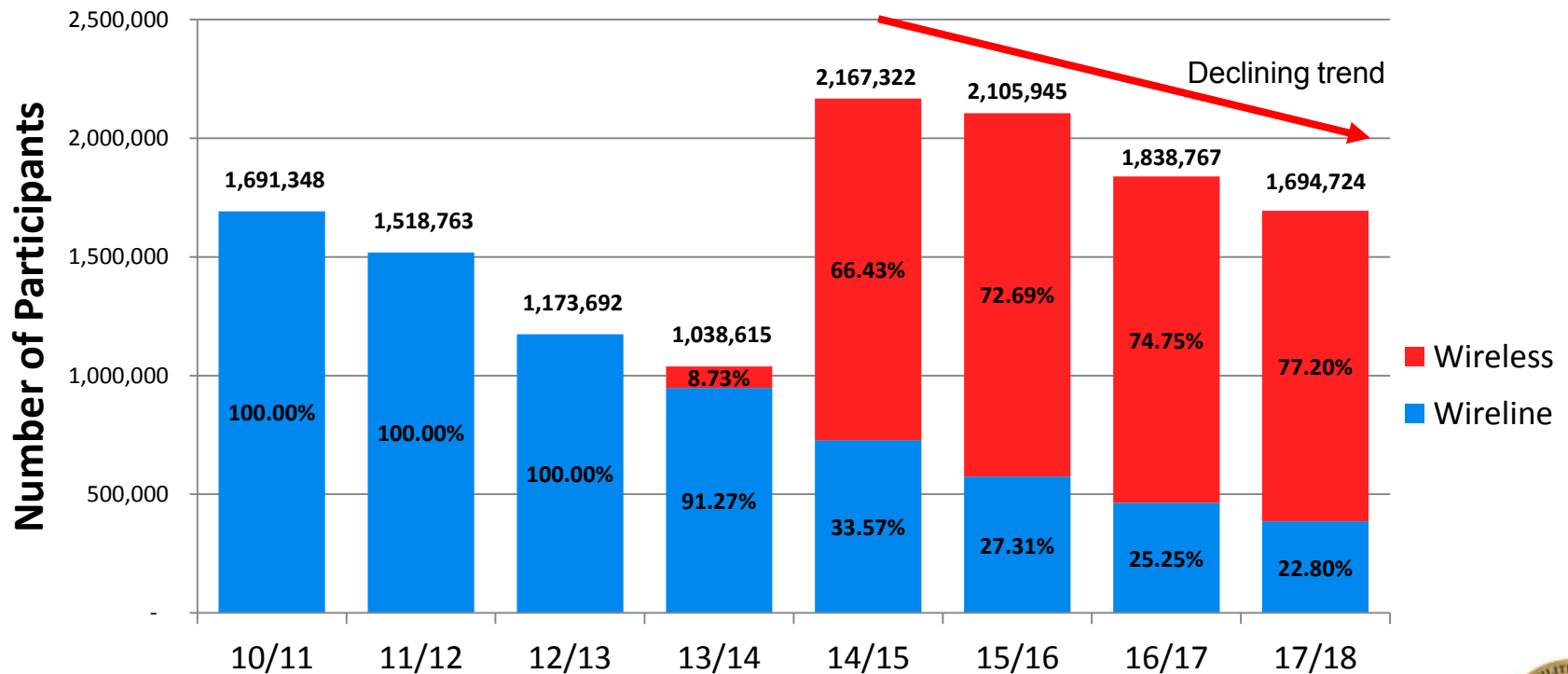
- All of these calculated values are much higher than the California Water IOUs' Median Average Monthly Bill of **\$64.22**.





The CA LifeLine Program Assures that Essential Communications Services are Available at an Affordable Price

CA LifeLine: Historical Participation



*Participation numbers shown are as of June 30 of each FY





Assure That Essential Services Are Available To All Californians At An Affordable Price

Electricity Burden, Average Bundled Residential Customer (2017)

IOU	Average Rate (\$/kWh) ¹⁴	Average Monthly Usage (kWh) ¹⁵	Average Monthly Electricity Bill (\$)	Average Monthly Household Income (\$) ¹⁶	Electricity Burden
SCE	0.16599	554	92	5,699	1.6%
PG&E	0.21182	521	110	5,827	1.9%
SDG&E ¹⁷	0.22086	428	95	6,741	1.4%

¹⁴ U.S. EIA, 2017, California Electricity Data, Retail Sales, Total Electric Industry, Bundled Residential. The most-recently available year for which data is available is 2017.

¹⁵ *Ibid.*

¹⁶ U.S. Census Bureau, 2017, median household income based on zip codes in each IOU service territory. Median values were averaged to obtain average household income. U.S. Census Bureau reports household income before taxes. No tax adjustment has been made to the figures in Table 1.

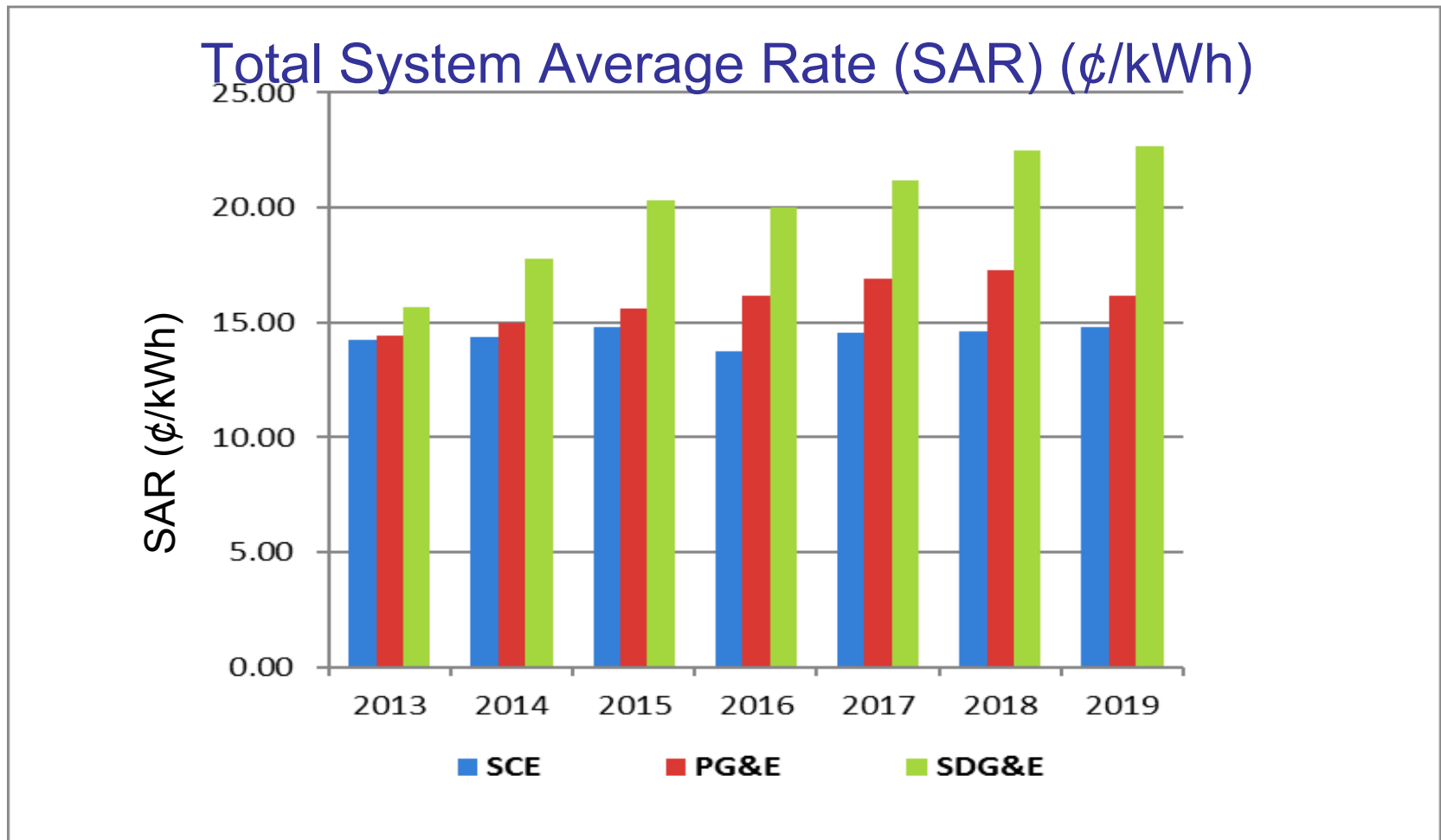
¹⁷ SDG&E residential rates have increased substantially since 2017. The bundled residential average rate effective January 1, 2019 is \$0.26251/kWh, which results in an electricity bill of \$112 and an electricity burden of 1.7% in Table 1.

¹⁸ California Average Rate \$0.18154/kWh; U.S. Average Monthly Usage 560 kWh; Average Monthly Electricity Bill \$102; California Average Monthly Household Income \$5,315. (Same data sources as for Table 1.)





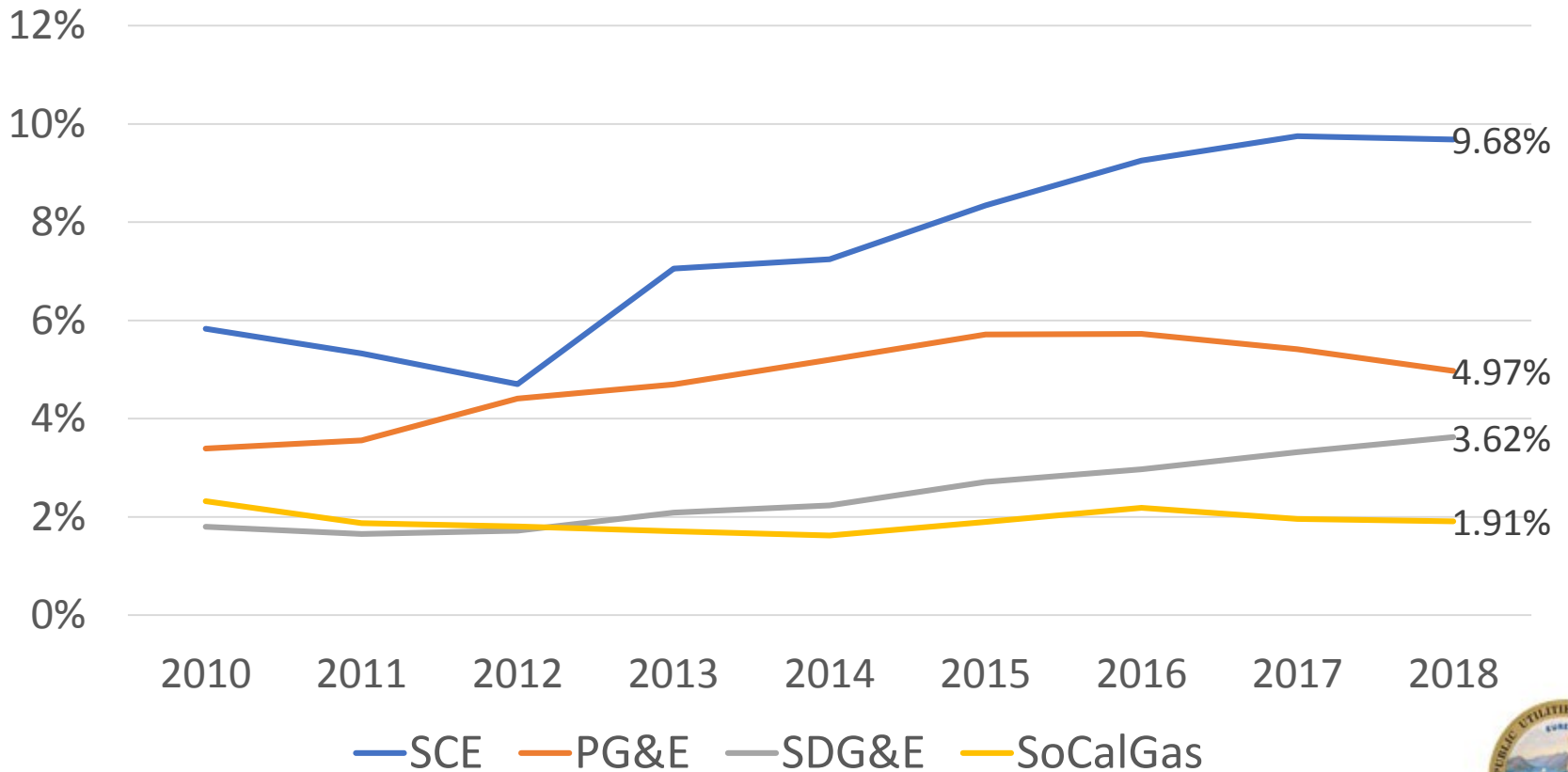
Assure that essential services are available to all Californians at an affordable price





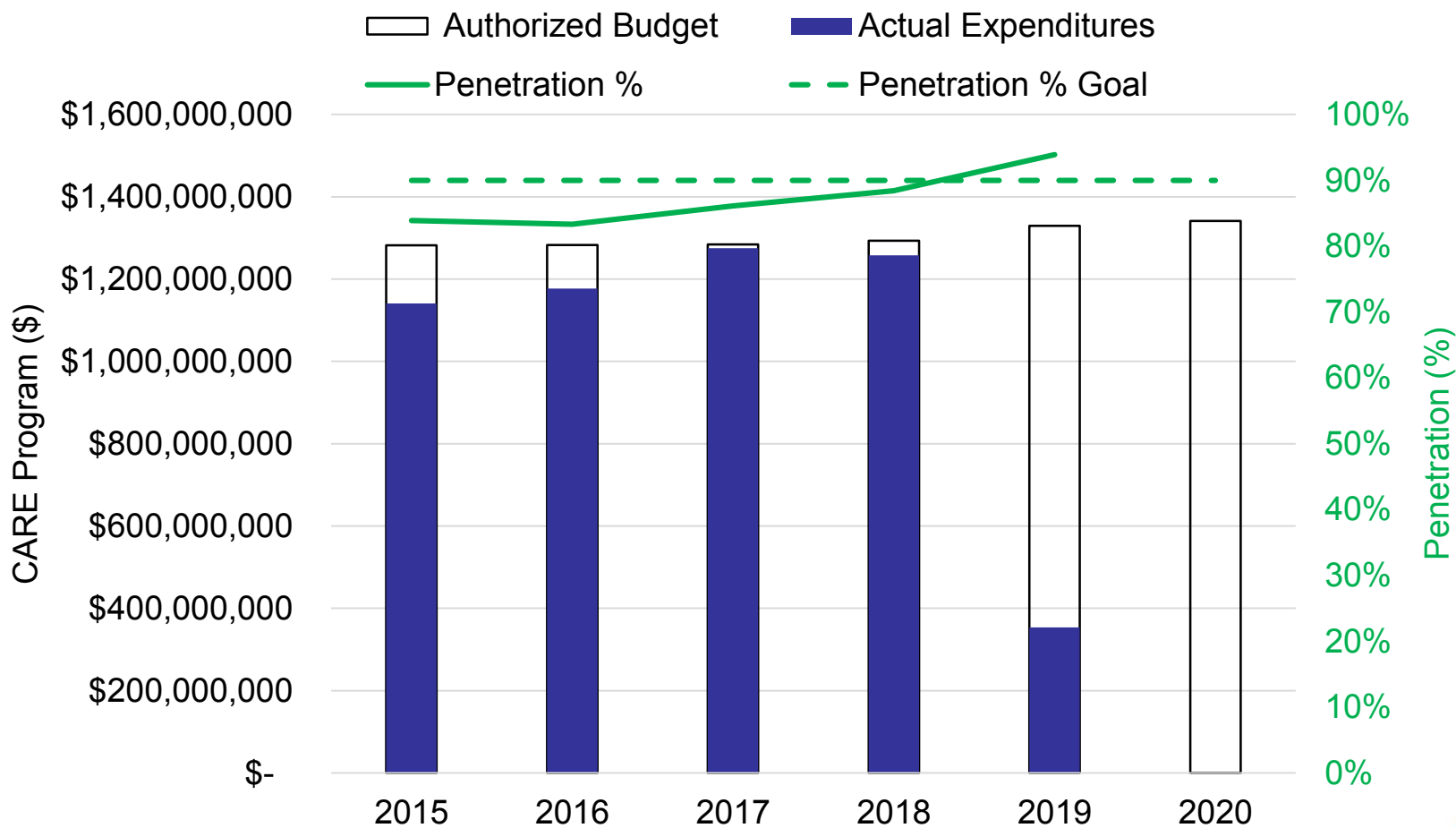
Assure That Essential Services Are Available To All Californians At An Affordable Price

Annual Disconnection Rates, 2010-2018





CARE Program Statistics





Assure That Essential Services Are Available To All Californians At An Affordable Price

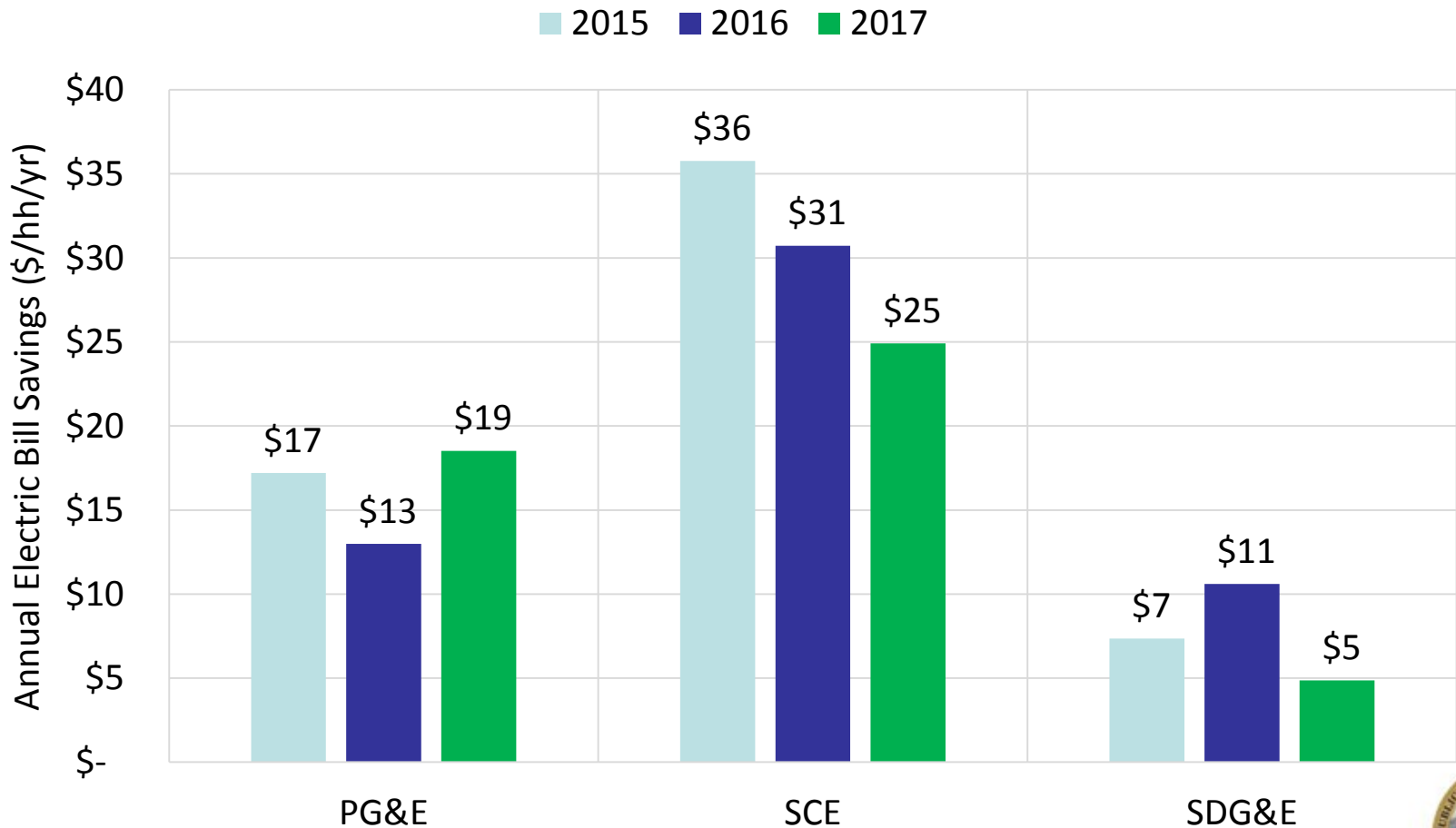
Family Electric Rate Assistance (FERA) Program Statistics

Program Year:	2015	2016	2017	2018
Statewide Penetration Rate	13%	13%	13%	12%
Statewide FERA Administrative Budgets & Subsidies	\$7.4 million	\$12.1 million	\$12.1 million	\$10.2 million
Avg Savings on Monthly Electric Bill	\$10.23 - \$22.70	\$12.42 - \$23.42	\$13.61 - \$18.07	\$15.96 - \$17.30



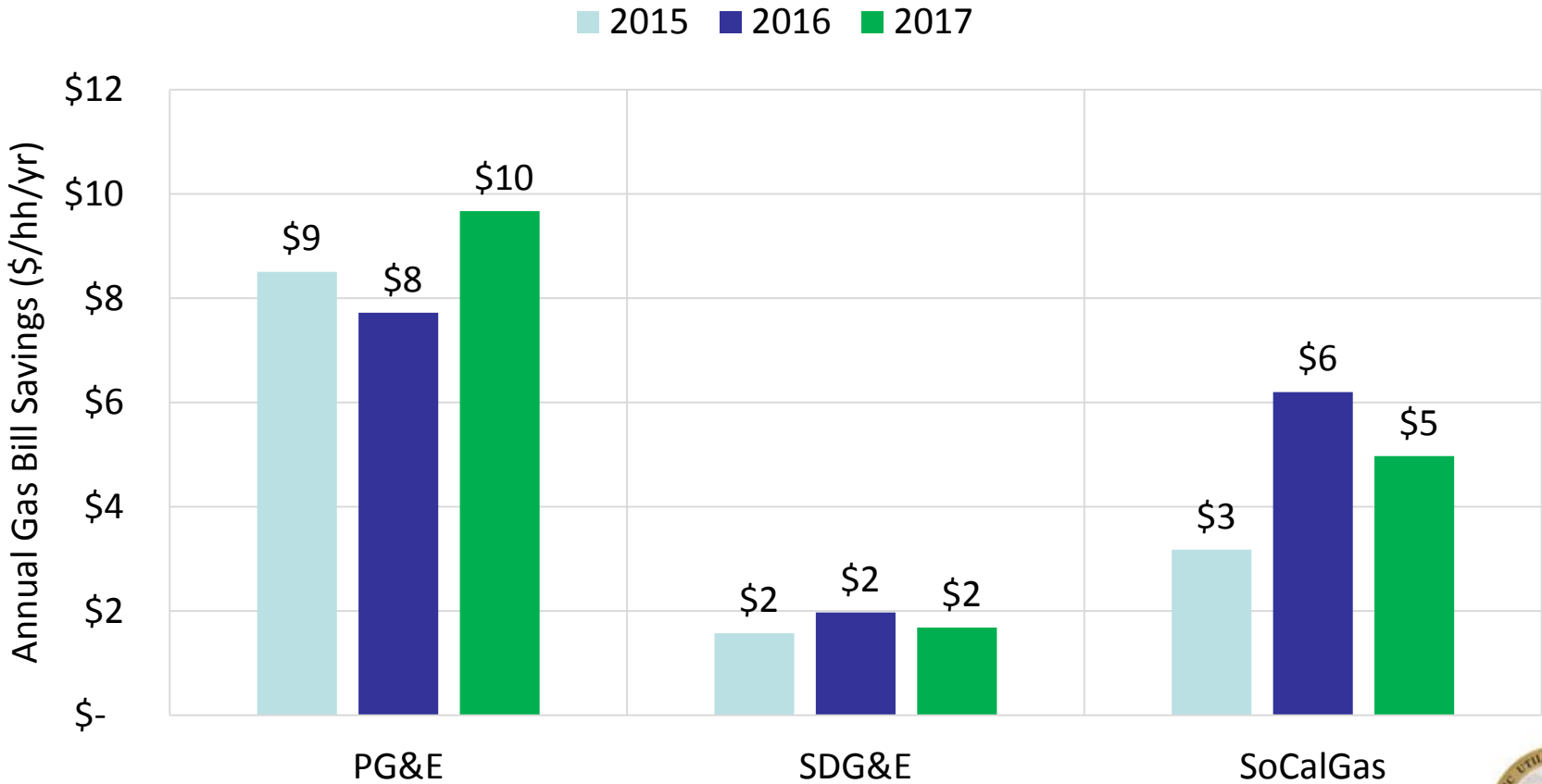


Energy Savings Assistance (ESA) Program Trends: Annual Household Electric Bill Savings (Evaluated)





Energy Savings Assistance (ESA) Program Trends: Annual Household Gas Bill Savings (Evaluated)





Enabling On-Demand Transportation for Wheelchair Users

- Establish a new surcharge-funded program to support greater adoption of wheelchair accessible vehicles (WAVs) through TNC apps and other on-demand transportation providers.
- Hosted public workshops in San Francisco, Sacramento, and Los Angeles to receive input on the new program from stakeholders including persons with disabilities. More workshops will occur throughout the State in 2019-2020.





Strategic Directive–04

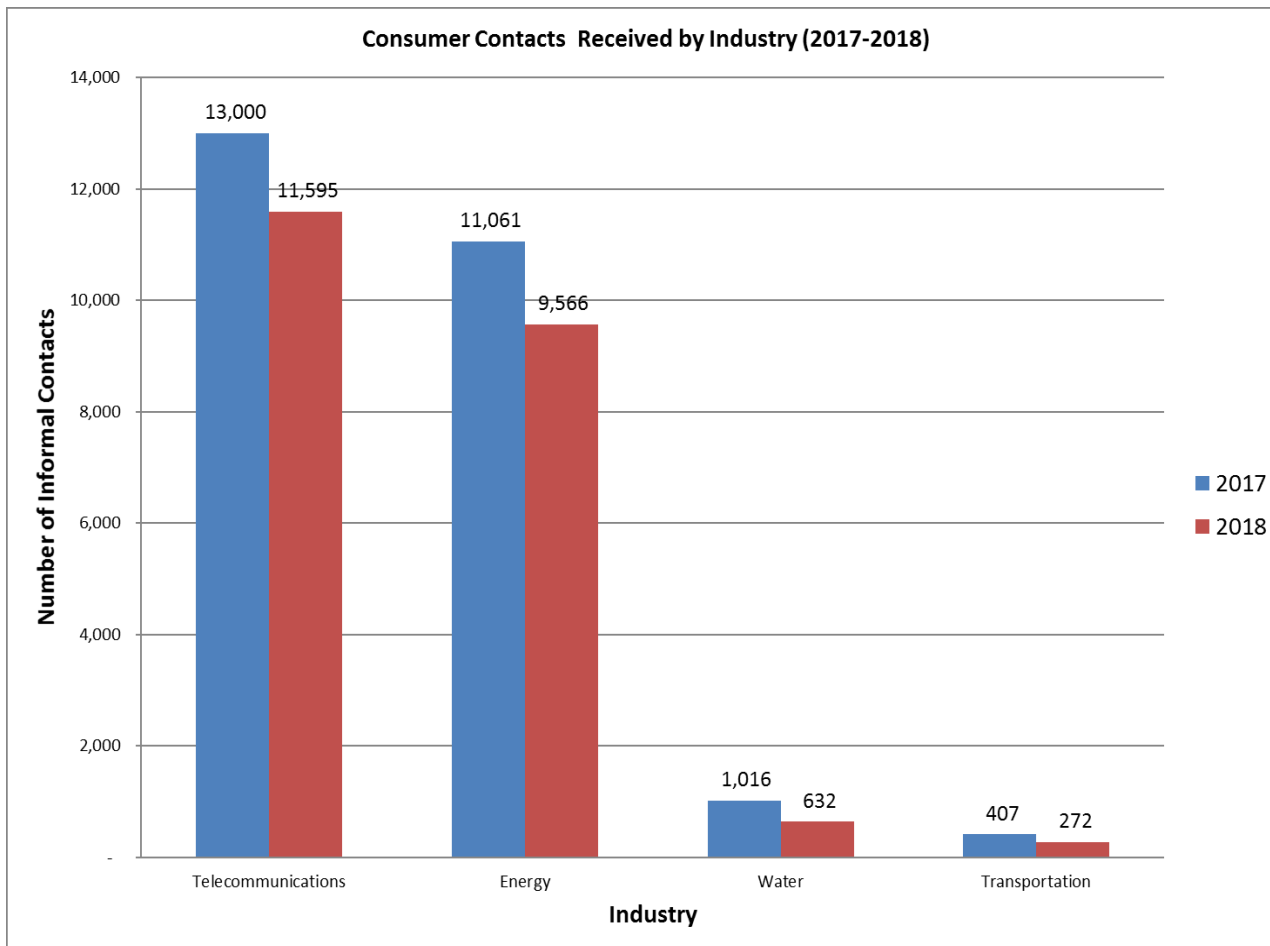
Supporting and Empowering Consumers

- 1) Educate and assist consumers with the services they use, ensure accuracy and accessibility of consumer and rate information from regulated entities so that consumers can make informed choices, minimize costs and gain fair value from service providers;
- 2) Assure that essential services are available to all Californians at an affordable price;
- 3) Assist customers in filing, tracking and resolving complaints; monitor trends; and, prosecute violations of law or CPUC rules, including instances of fraud and abuse;
- 4) Administer the efficient and fair collection of surcharges and fees that support public purpose programs and to equitably expand services to those who are underserved;
- 5) Ensure that any necessary and appropriate rate changes are approved in a timely manner and are fairly amortized over time;
- 6) Where the CPUC does not directly regulate prices, monitor market conditions and take appropriate action to keep rates and costs just and reasonable, including representing the interests of California ratepayers before the Federal Energy Regulatory Commission and the Federal Communications Commission.



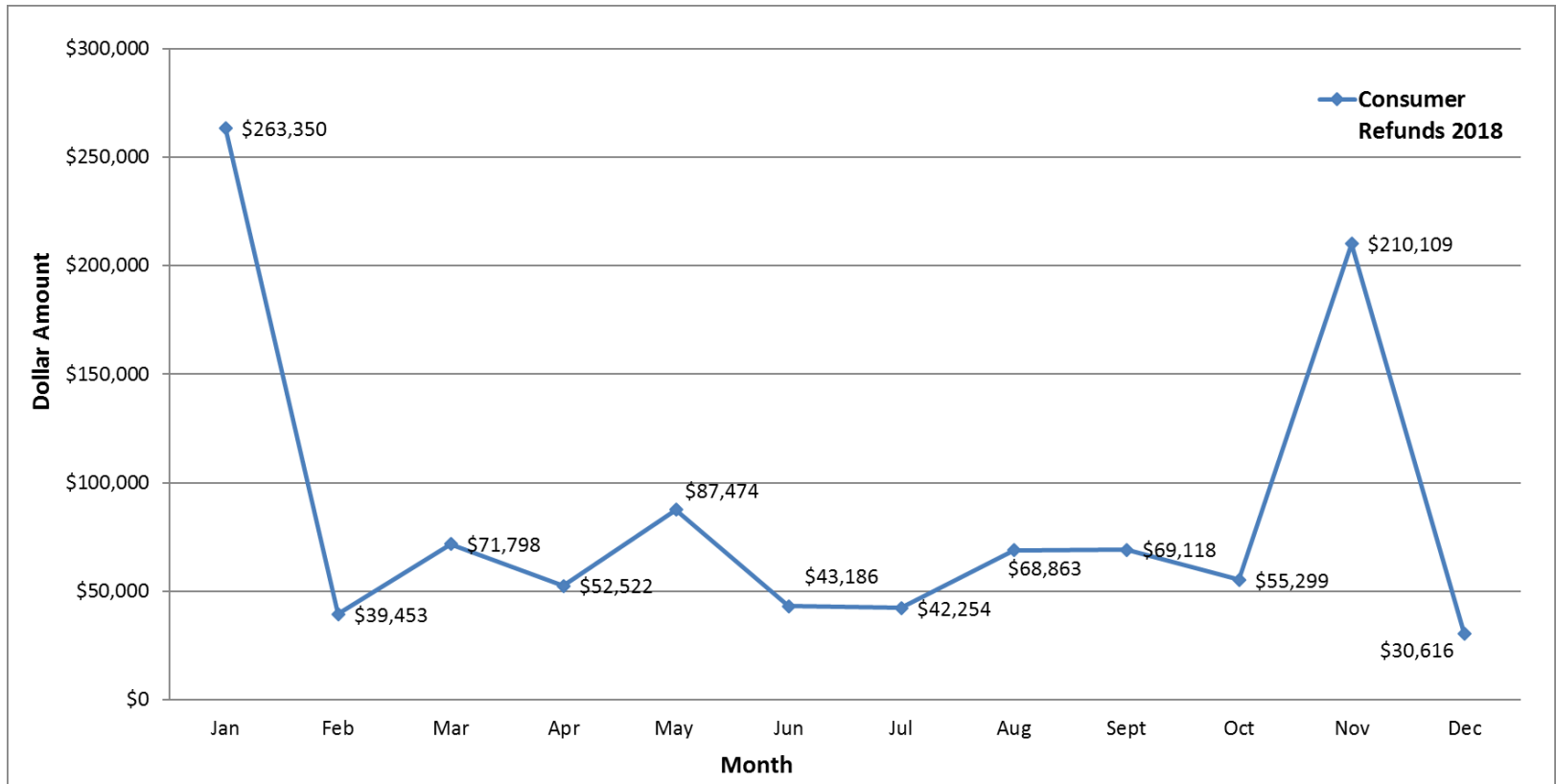


Categorized Informal Consumer Contacts Phone and Written





Consumer Refunds 2018



Refunds	
2017	2018
\$ 1,046,416	\$ 1,034,042





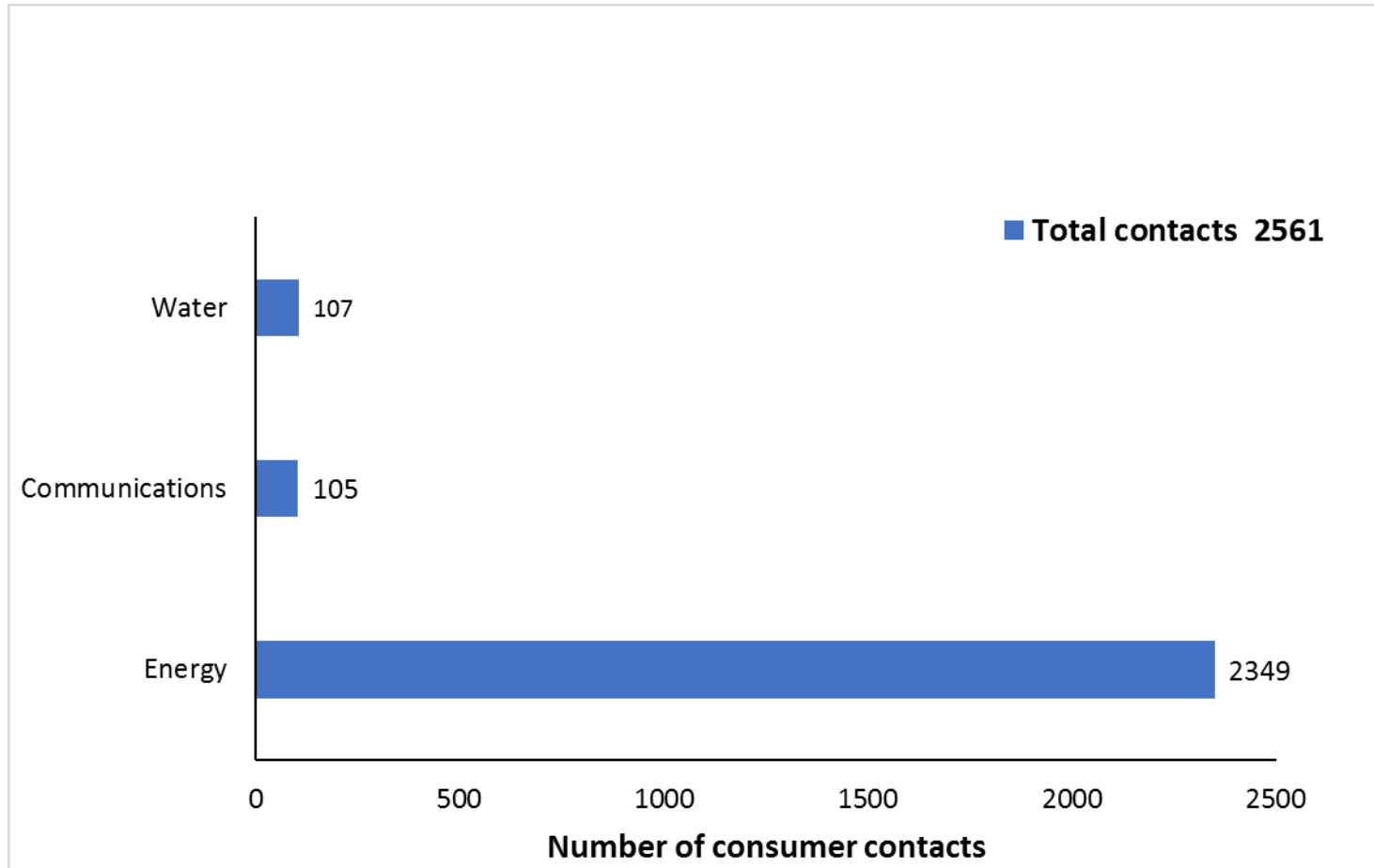
CAB Contacts for 2018 Phone and Written

800 Number contacts received		
	2017	2018
Interactive Voice Response (IVR) calls	165,042	160,359
IVR Calls handled by CAB	34,636	34,380
Written contacts received		
	2017	2018
Informal Complaints (Non-LifeLine)	6,268	5,635
Consumer Concerns, Inquiries, Misdirected	3,605	3,165
LifeLine (Appeals, Billing, Other)	3,145	2,876
Total	13,018	11,676





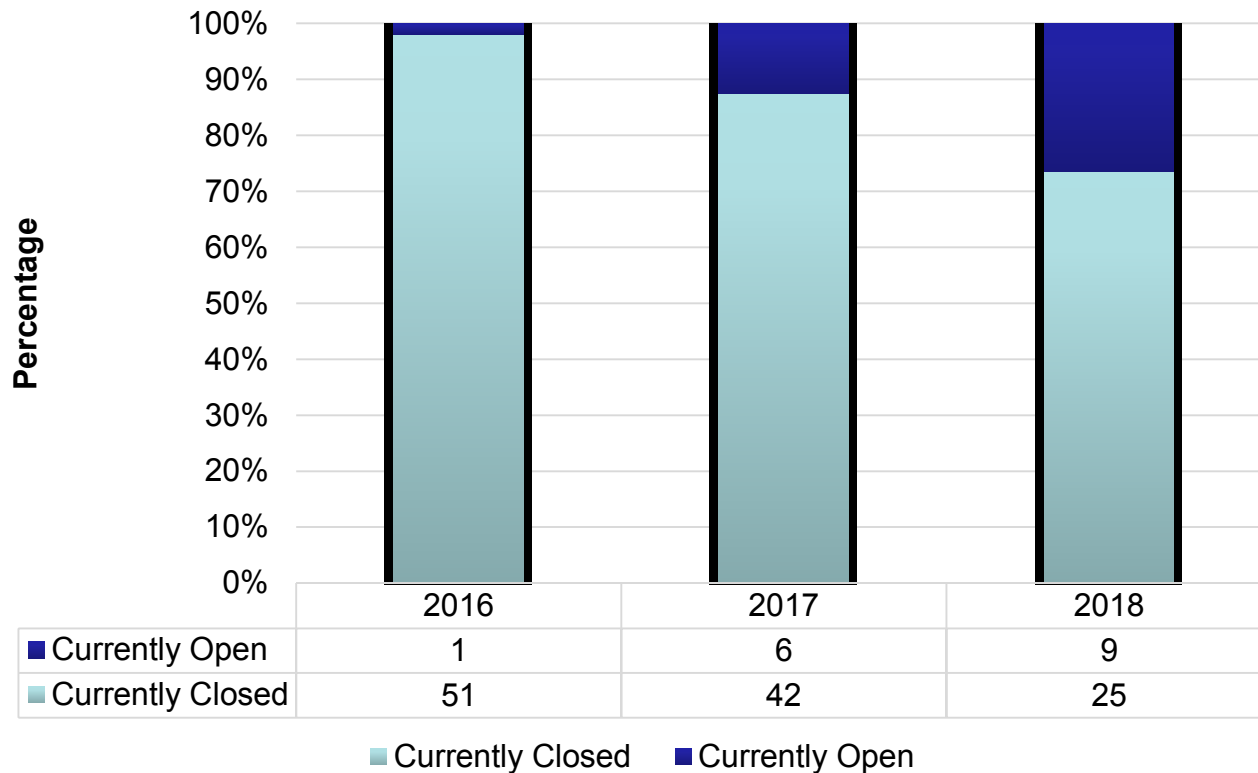
Assistance with Payment Arrangements 2018





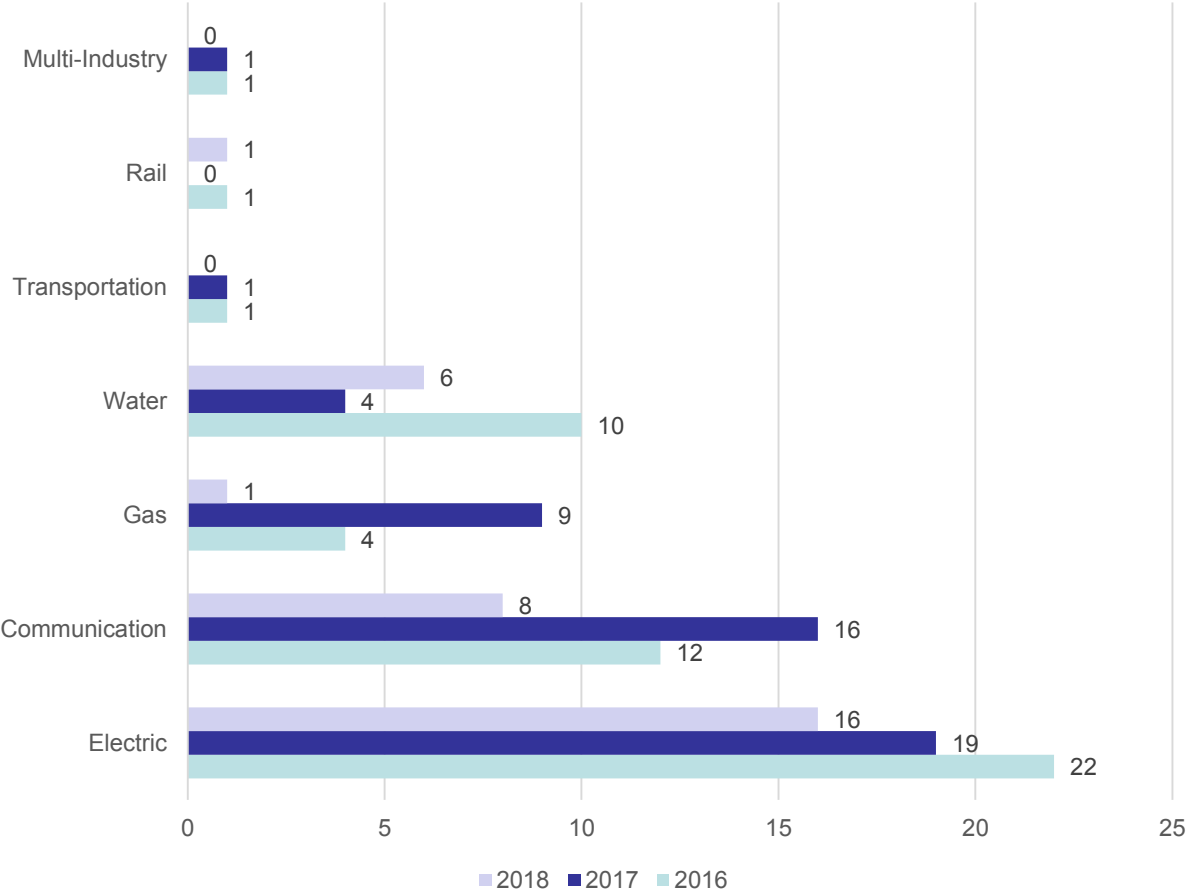
Percentage of Total Formal Complaints Currently Open by Year

Percentage Closed Per Year





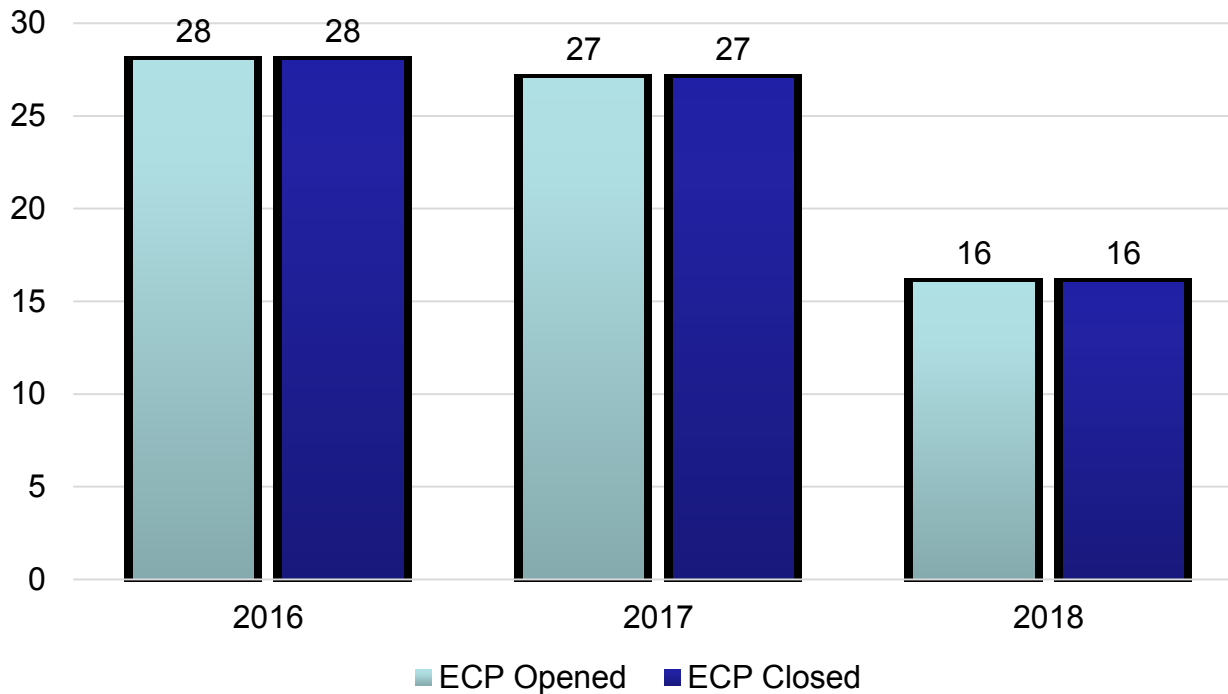
Formal Complaint Trends by Industry





ECPs Resolved Each Year

ECP Opened vs. Closed



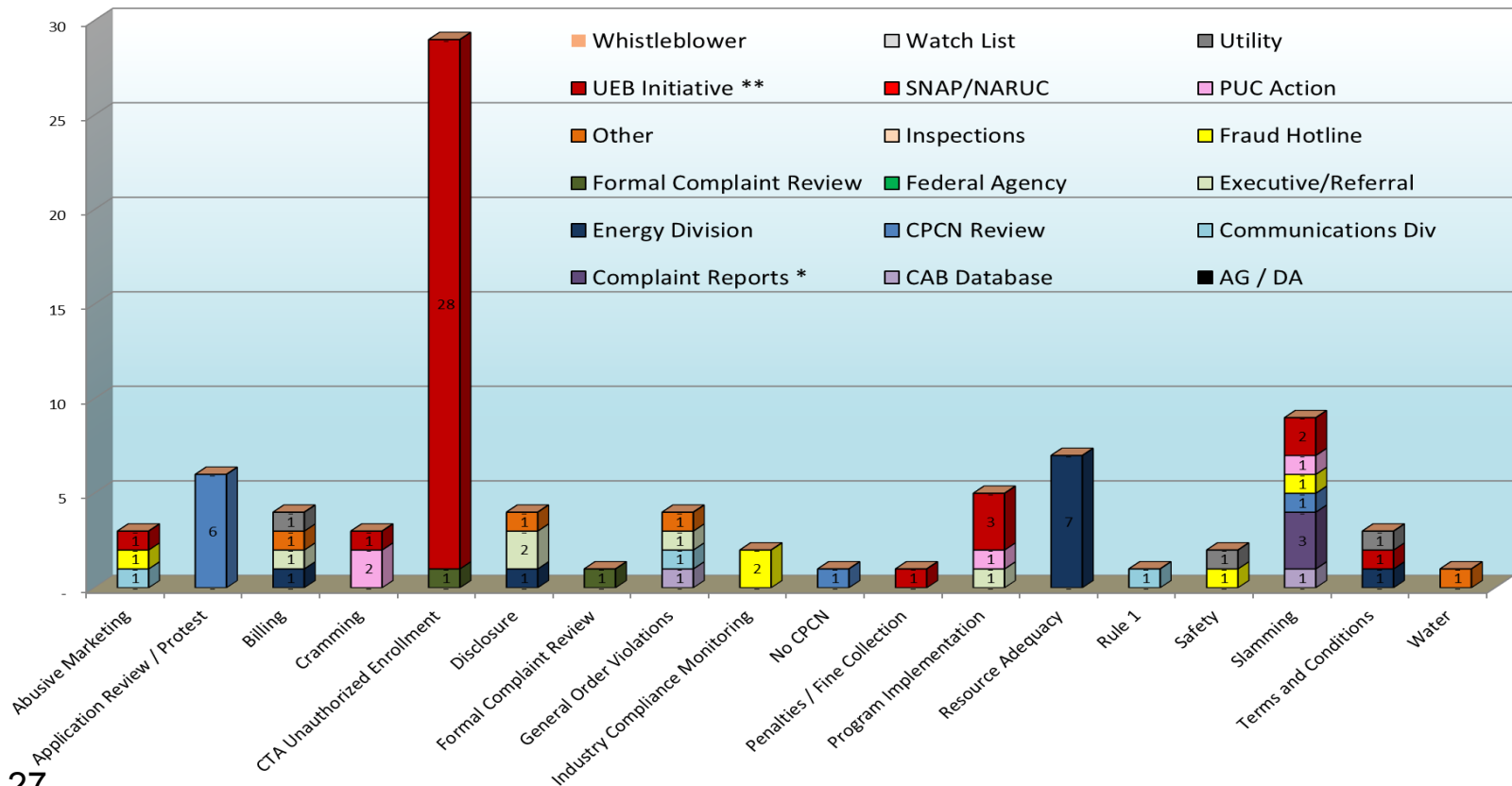
Expedited Complaint Proceedings (ECPs) are individual consumer complaints involving less than \$1500.





Prosecute Violations Of Law Or CPUC Rules, Including Instances Of Fraud And Abuse

- Utilities Enforcement Branch has 86 open cases as of 5/31/2019; cases center primarily on core transport agents, slamming, resource adequacy, application reviews and implementation of enforcement programs, as illustrated below.
- From 1/1/2018 to 5/31/2019, 121 cases were opened and 84 were concluded.





Prosecute Violations Of Law Or CPUC Rules, Including Instances Of Fraud And Abuse

Key Data on Enforcement Activities

Resource Adequacy Citation

- 22 case referrals from Energy Division
- 22 citations issued with penalties totaling \$11,863,947
- 16 citations paid totaling \$5,003,456
- 1 citation under appeal totaling \$6,791,155
- 5 citation pending payment/appeal totaling \$69,335

Core Transport Agent Citation

- Reviewed 1,008 CTA-related complaint, with 280 related unauthorized enrollment
- Reviewed 148 proof of authorization
- Issued 4 cease and desist letters
- Issued 3 citations
- 2 other ongoing investigations

Application & Advice Letter Reviews

- 30 CPCN applications reviewed resulting in 1 protest
- 16 wireless applications reviewed resulting in 3 opposed
- 4 Lifeline advice letter filings reviewed resulting in 1 opposed

Key Formal Investigations

SoCalGas I.17-04-021

- Oll on Billing Practices
- \$3,000,000 in penalties for failure to prorate bills
- \$5,058,200 in penalties for issuing delayed bills
 - \$365,000 to general funds
 - \$4,693,200 as \$100 bill credit to affected customers

Mesa Crest Water Co. I.15-06-018

- Repayment of \$384,000 debt owed by officer and shareholder
- Payment of \$217,000 that will not be included in rate base
- Waiver of recovery of approximately \$53,000 in balance account
- Waiver of \$12,448 loan balance
- Payment of \$105,000 to general fund

PG&E Disconnections I.18-07-008

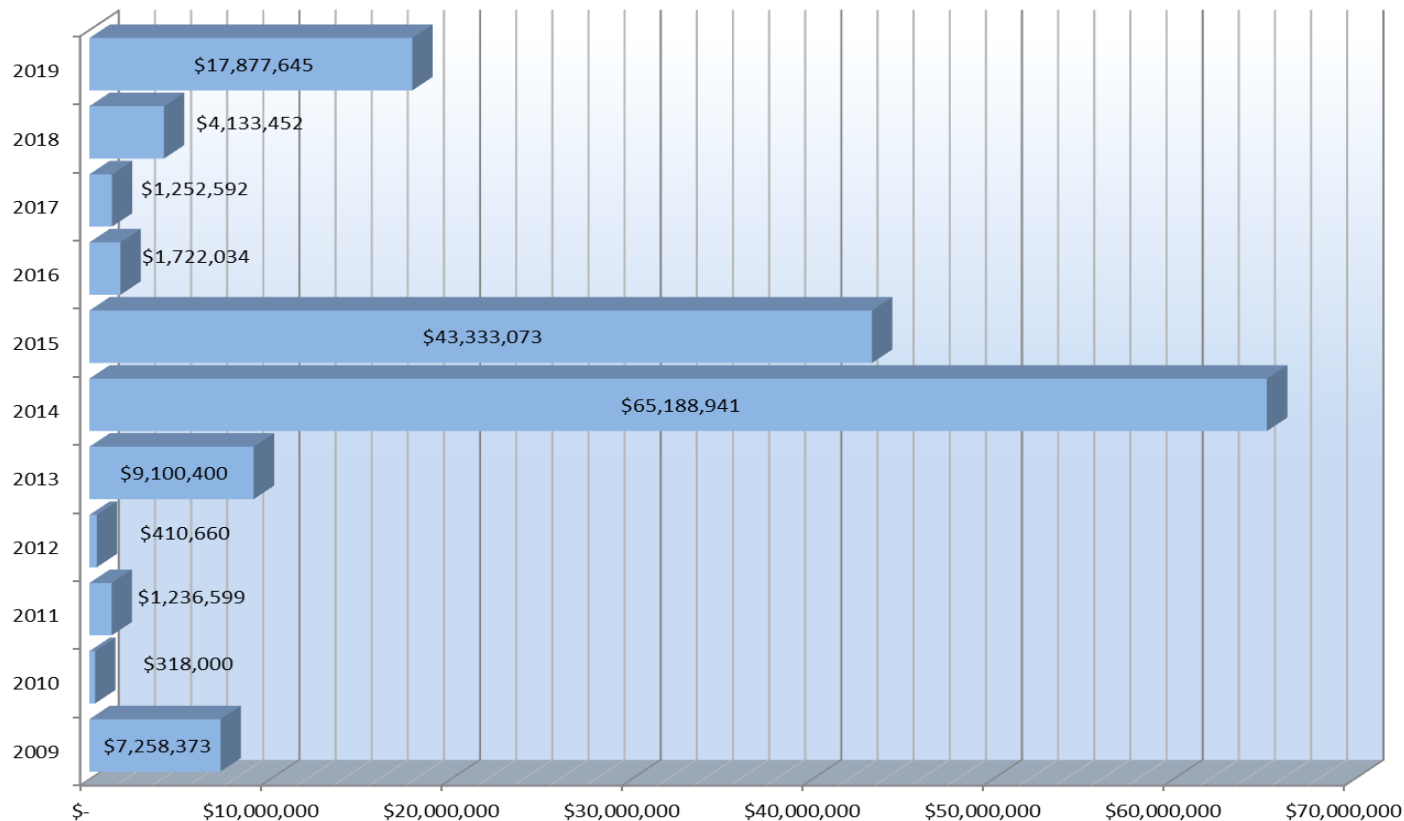
- Filed motion to consider settlement that includes:
 - \$100 bill credit to 6,371 customers, paid for by shareholders
 - Contribute \$637,100 to support PG&E customers facing difficulties in paying their bills, paid for by shareholders





Prior Prosecutions Of Violations Of Law Or CPUC Rules

**\$151,831,769 in Commission Ordered Fines and Restitution on UEB
Cases from 2009 Through May 31, 2019**



For a list of UEB cases from 2004 through 2018, please see

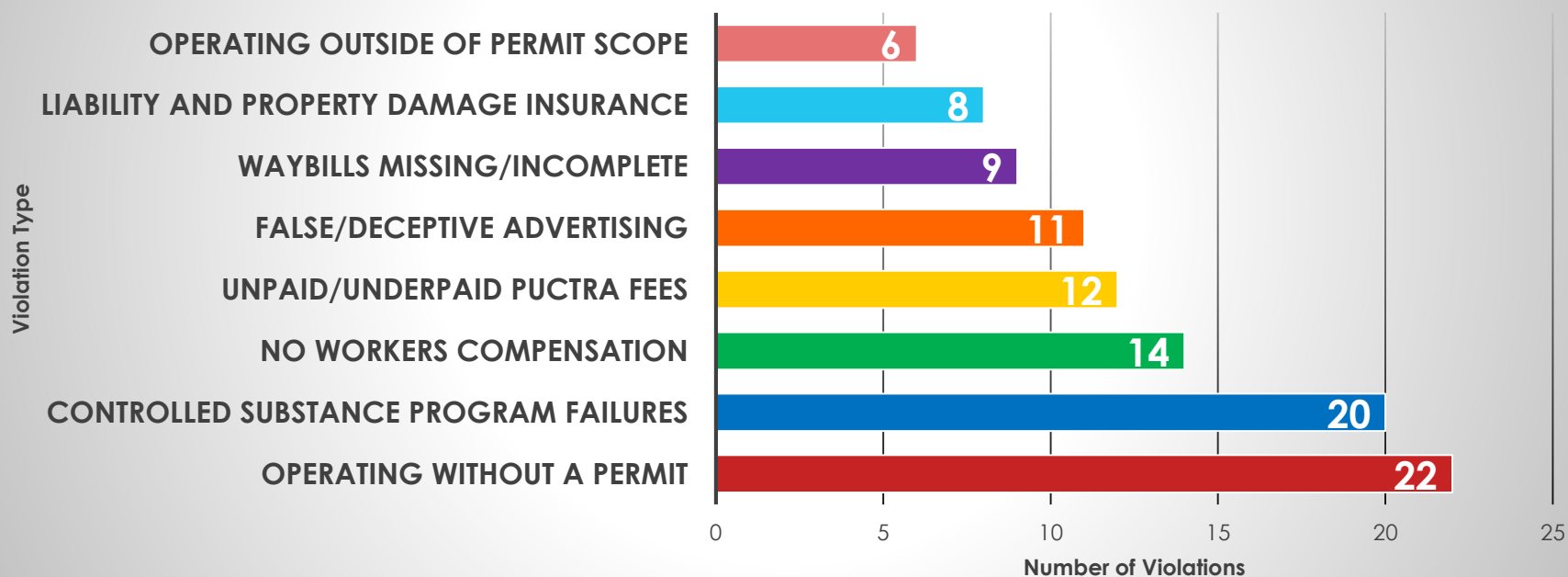
https://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Safety/Utility_Enforcement/UEB%20Citations_Fines_Restitutions.pdf





Prosecute Violations Of Law Or CPUC Rules

52 Transportation Carrier Citations issued through May 31, 2019. Most citations include at least two of the following common violations:





Strategic Directive–04

Supporting and Empowering Consumers

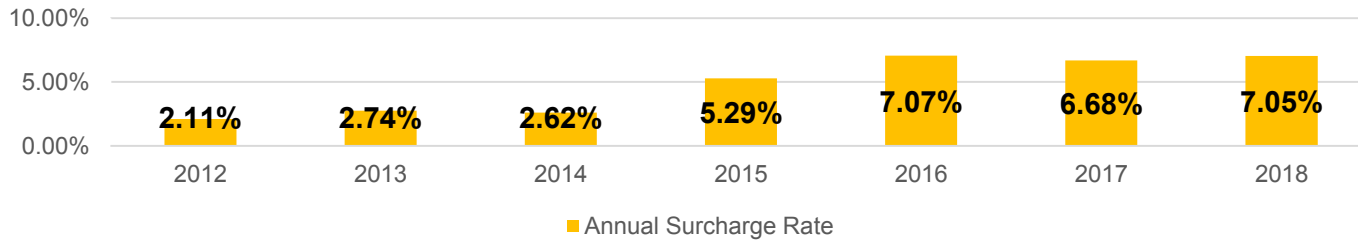
- 1) Educate and assist consumers with the services they use, ensure accuracy and accessibility of consumer and rate information from regulated entities so that consumers can make informed choices, minimize costs and gain fair value from service providers;
- 2) Assure that essential services are available to all Californians at an affordable price;
- 3) Assist customers in filing, tracking and resolving complaints; monitor trends; and, prosecute violations of law or CPUC rules, including instances of fraud and abuse;
- 4) Administer the efficient and fair collection of surcharges and fees that support public purpose programs and to equitably expand services to those who are underserved;
- 5) Ensure that any necessary and appropriate rate changes are approved in a timely manner and are fairly amortized over time;
- 6) Where the CPUC does not directly regulate prices, monitor market conditions and take appropriate action to keep rates and costs just and reasonable, including representing the interests of California ratepayers before the Federal Energy Regulatory Commission and the Federal Communications Commission.



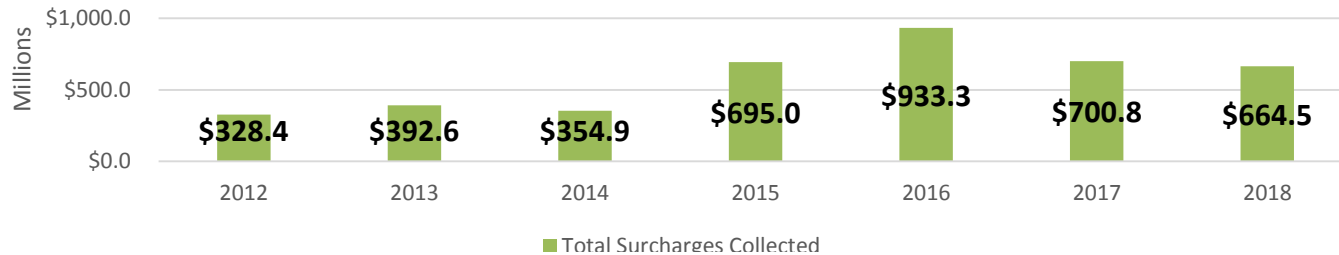


Administer Efficient & Fair Collection of Surcharges to Support Public Purpose Programs

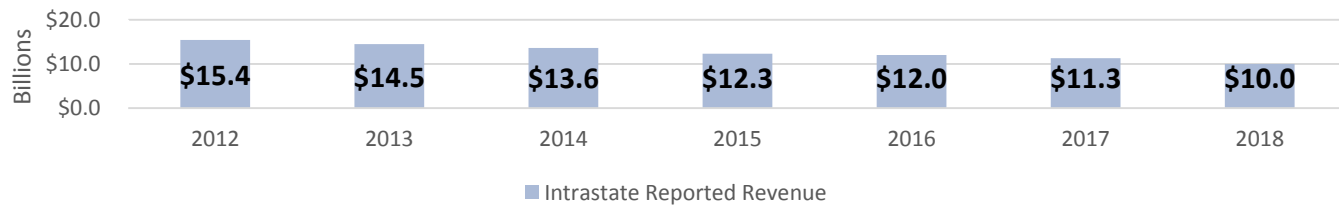
Trends in Combined Surcharge Rates (Percentage of Intrastate Revenues)



Trends in Surcharges Collected (Millions)



Trends in Intrastate Reported Revenues (Billions)





Strategic Directive–04

Supporting and Empowering Consumers

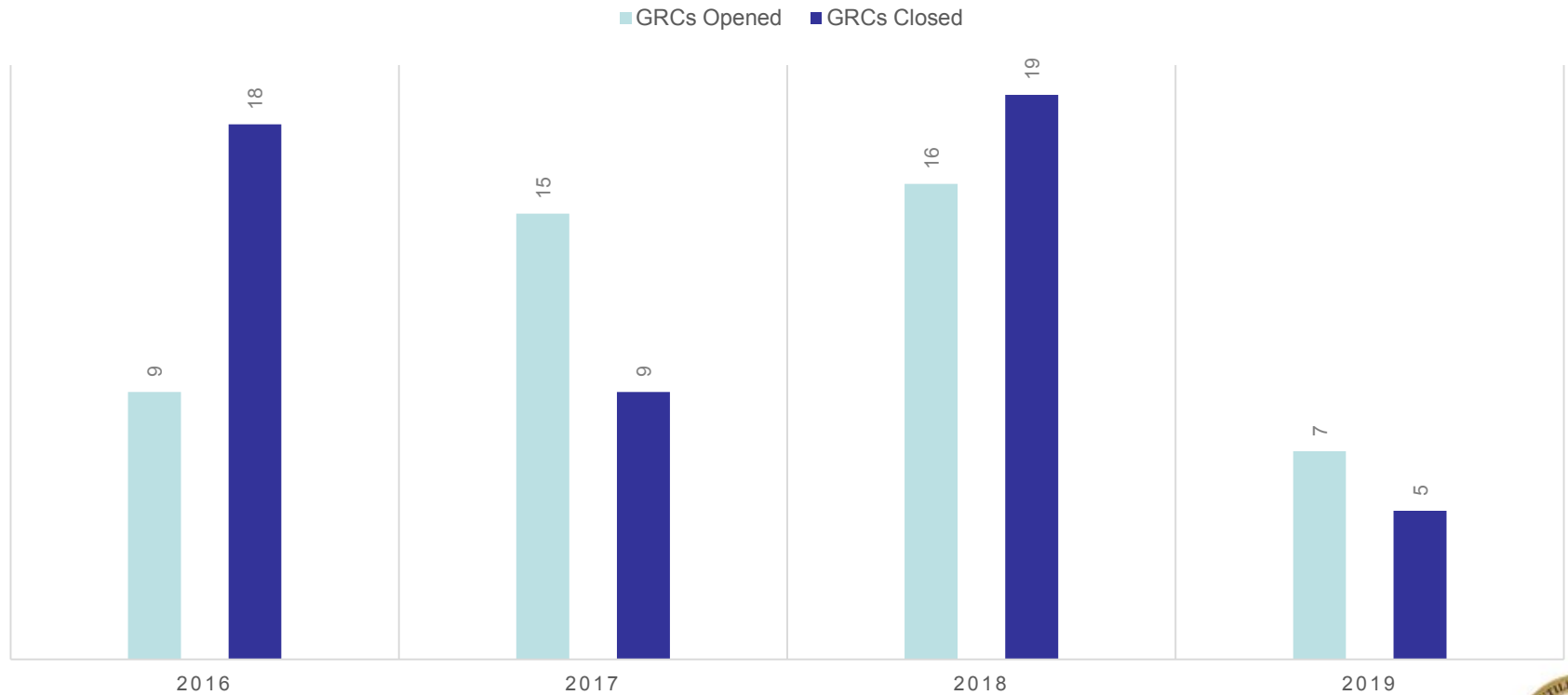
- 1) Educate and assist consumers with the services they use, ensure accuracy and accessibility of consumer and rate information from regulated entities so that consumers can make informed choices, minimize costs and gain fair value from service providers;
- 2) Assure that essential services are available to all Californians at an affordable price;
- 3) Assist customers in filing, tracking and resolving complaints; monitor trends; and, prosecute violations of law or CPUC rules, including instances of fraud and abuse;
- 4) Administer the efficient and fair collection of surcharges and fees that support public purpose programs and to equitably expand services to those who are underserved
- 5) Ensure that any necessary and appropriate rate changes are approved in a timely manner and are fairly amortized over time;
- 6) Where the CPUC does not directly regulate prices, monitor market conditions and take appropriate action to keep rates and costs just and reasonable, including representing the interests of California ratepayers before the Federal Energy Regulatory Commission and the Federal Communications Commission.





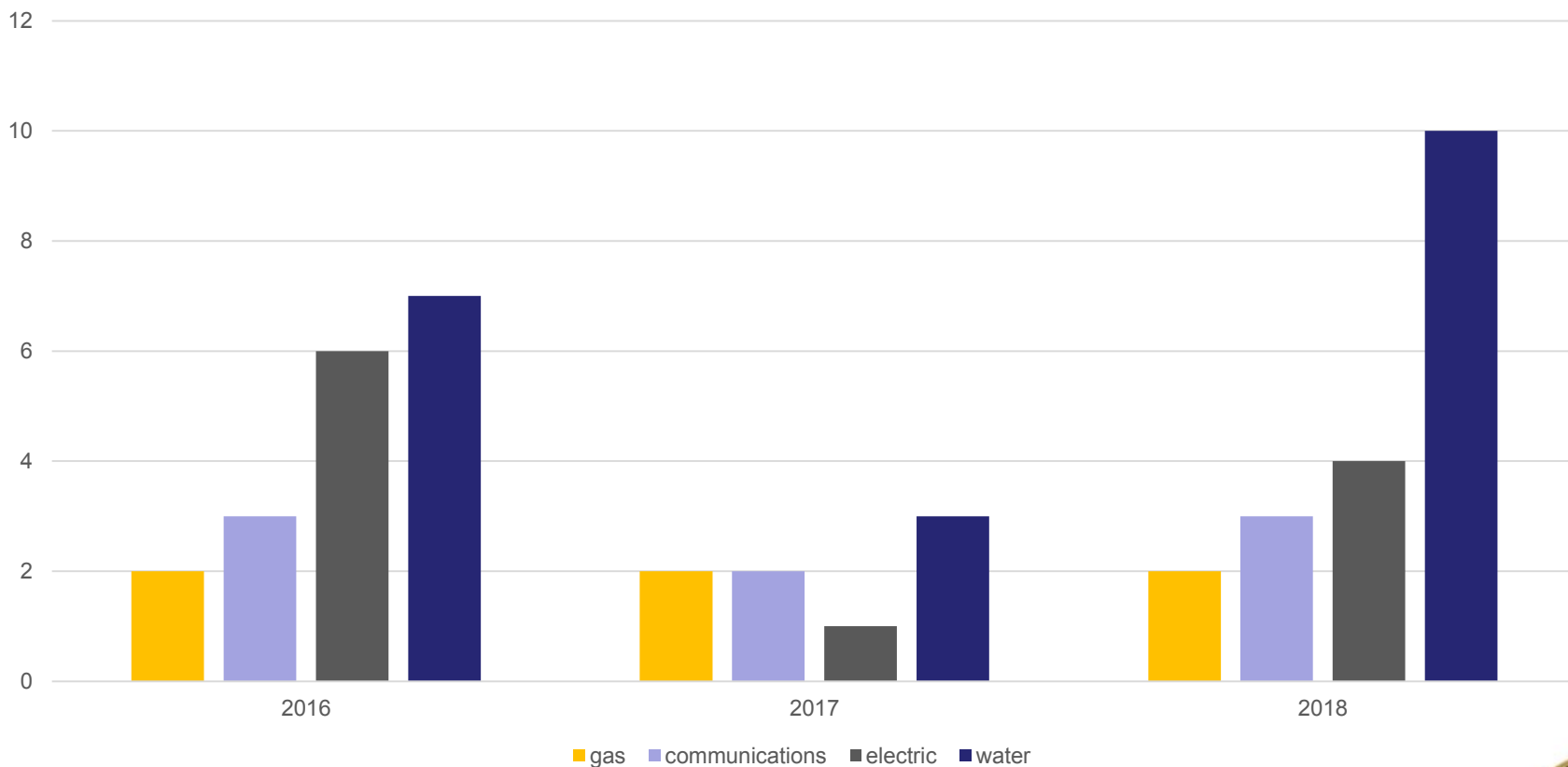
General Rate Cases (GRCs) Required by Rate Case Plans (RCPs)

NUMBER OF GRCs





GRCs Completed Each Year By Industry (Per Rate Case Plans)





Timeliness of Completed Water GRCs

Utility	Test Year	Application Filing Date	Decision Issuance Date	Completed by Test Year
Apple Valley	2015	January 2, 2014	November 19, 2015	11 mos. late
Park Water	2016	January 2, 2015	January 14, 2016	1 mo. late
Great Oaks	July 2016	July 1, 2015	May 26, 2016	✓
Cal Water	2017	July 9, 2015	December 15, 2016	✓
San Gabriel	July 2017	January 4, 2016	June 15, 2017	✓
Cal Am	2018	July 1, 2016	December 13, 2018	12 mos. late
Suburban	2018	January 3, 2017	May 30, 2019	17 mos. late
Golden State	2019	July 19, 2017	May 30, 2019	5 mos. late
San Jose	2019	January 4, 2018	November 29, 2018	✓


 In order of Filing Date





Timeliness of Ongoing Water GRCs

Utility	Test Year	Application Filing Date	Expected Decision Issuance Date	Completed by Test Year
Apple Valley	July 2019	January 2, 2018	June 2019	No
Park Water	July 2019	January 2, 2018	June 2019	No
Great Oaks	July 2019	July 2, 2018	July 11, 2019	No
Cal Water	2020	July 2, 2018	December 2019	
San Gabriel	July 2020	January 4, 2019	June 15, 2020	


In order of Filing Date and conforming with the order of the previous table





Timeliness of Completed Communications GRCs

Current GRCs are Under Rate Case Plan (D.15-06-048) Previous GRCs had Advice Letter Option (Target under Rate Case Plan is 13 to 14 Months)

Post D.15-06-048 Rate Case Plan, Requiring Formal Application Process to Create a Proceeding Record						Pre D.15-06-048 Rate Case Plan and Option to Submit Via AL, Addressed by Resolution with No Proceeding Record					
Carrier	Test Year	Date Application Filed	Decision Number	Date of Issuance	Months to Completion	Carrier	Test Year	Date Application /AL Filed	Resolution/ Decision Number	Date of Issuance	Months to Completion
Siskiyou	2017	12/1/2015	D.16-09-047	9/29/2016	10	Sierra	2008	12/27/2006	T-17082	9/6/2007	9
Volcano	2017	12/1/2015	D.16-09-049	9/29/2016	10	Foresthill	2012	12/22/2010	D.11-12-001	12/9/2011	11
Ponderosa	2018	10/3/2016	D.17-11-013	11/30/2017	13	Volcano	2008	11/20/2006	T-17108	11/1/2007	12
Sierra	2018	10/3/2016	D.17-11-016	11/30/2017	13	Calaveras	2009	12/21/2007	T-17184	1/29/2009	13
Cal-Ore	2018	10/3/2016	D.18-01-011	1/11/2018	16*	Cal-Ore	2009	12/27/2007	T-17133	1/29/2009	13
Calaveras	2018	10/3/2016	D.18-04-006	4/26/2018	19*	Ducor	2009	12/19/2007	T-17157	1/29/2009	13
Foresthill	2019	10/2/2017	D.19-04-017	4/25/2019	19*	Pinnacles	2009	12/19/2007	T-17158	1/29/2009	13
Ducor	2019	10/2/2017	PD Issued	TBD	Pending*	Ponderosa	2009	12/28/2007	T-17132	1/29/2009	13
Pinnacles	2019	12/1/2017	TBD	TBD	Pending	Siskiyou	2011	10/1/2009	D.10-11-007	11/19/2010	13





Timeliness of Electric and Gas GRCs

COMPLETED

Utility	Test Year	Application Filing Date	Decision Issuance Date	Completed by Test Year
Sempra	2016	November 14, 2014	July 1, 2016	6 months late
PG&E	2017	September 1, 2015	May 18, 2017	5.5 months late
SCE	2018	September 1, 2016	May 16, 2019	17 months late

PENDING

Utility	Test Year	Application Filing Date	Decision Issuance Date	Completed by Test Year
Sempra	2019	October 6, 2017	Summer 2019 (est.)	?
PG&E	2020	December 13, 2018	Winter 2019-20 (est.)	?
SCE	2021	September 1, 2019 (est.)	Winter 2020-21 (est.)	?





Strategic Directive–04

Supporting and Empowering Consumers

- 1) Educate and assist consumers with the services they use, ensure accuracy and accessibility of consumer and rate information from regulated entities so that consumers can make informed choices, minimize costs and gain fair value from service providers;
- 2) Assure that essential services are available to all Californians at an affordable price;
- 3) Assist customers in filing, tracking and resolving complaints; monitor trends; and, prosecute violations of law or CPUC rules, including instances of fraud and abuse;
- 4) Administer the efficient and fair collection of surcharges and fees that support public purpose programs and to equitably expand services to those who are underserved;
- 5) Ensure that any necessary and appropriate rate changes are approved in a timely manner and are fairly amortized over time;
- 6) Where the CPUC does not directly regulate prices, monitor market conditions and take appropriate action to keep rates and costs just and reasonable, including representing the interests of California ratepayers before the Federal Energy Regulatory Commission and the Federal Communications Commission.





Monitor Market Conditions, Take Appropriate Action to Keep Rates Just and Reasonable

The Conclusions of the Staff Report on Retail Communications Services in California (Per D.16-12-025) Finds that at a High Level, Conditions in the Communications Markets Appear to Be Improving Since the Last Report in 2016...

- Voice services are almost universally available to Californians from multiple providers.
- Almost 99% of California's Census Blocks have access to at least some broadband from wireline and fixed wireless providers.
- Voice telephone lines are decreasing slightly but most voice service is bundled with broadband.

...but Drilling Down Reveals Some Disturbing Issues

- Regional broadband markets are highly concentrated – but the digital divide between urban and rural and Tribal areas is significant.
- Competitive choices decrease at higher broadband speeds.
- Mobile broadband is available to most Californians, but not reliably at higher speeds.

Market failure is not all encompassing, but there is a role for the state to encourage infrastructure deployment and programs to address the digital divide.





Represent the Interests of California Ratepayers Before the Federal Communications Commission

CPUC Provided Comments to the FCC in Docket 18-141:
US Telecom Forbearance Petition

US Telecom Asserts that Fully Competitive Markets Exist --Carriers Should No Longer Be Required to Offer Unbundled Network Elements (UNEs)

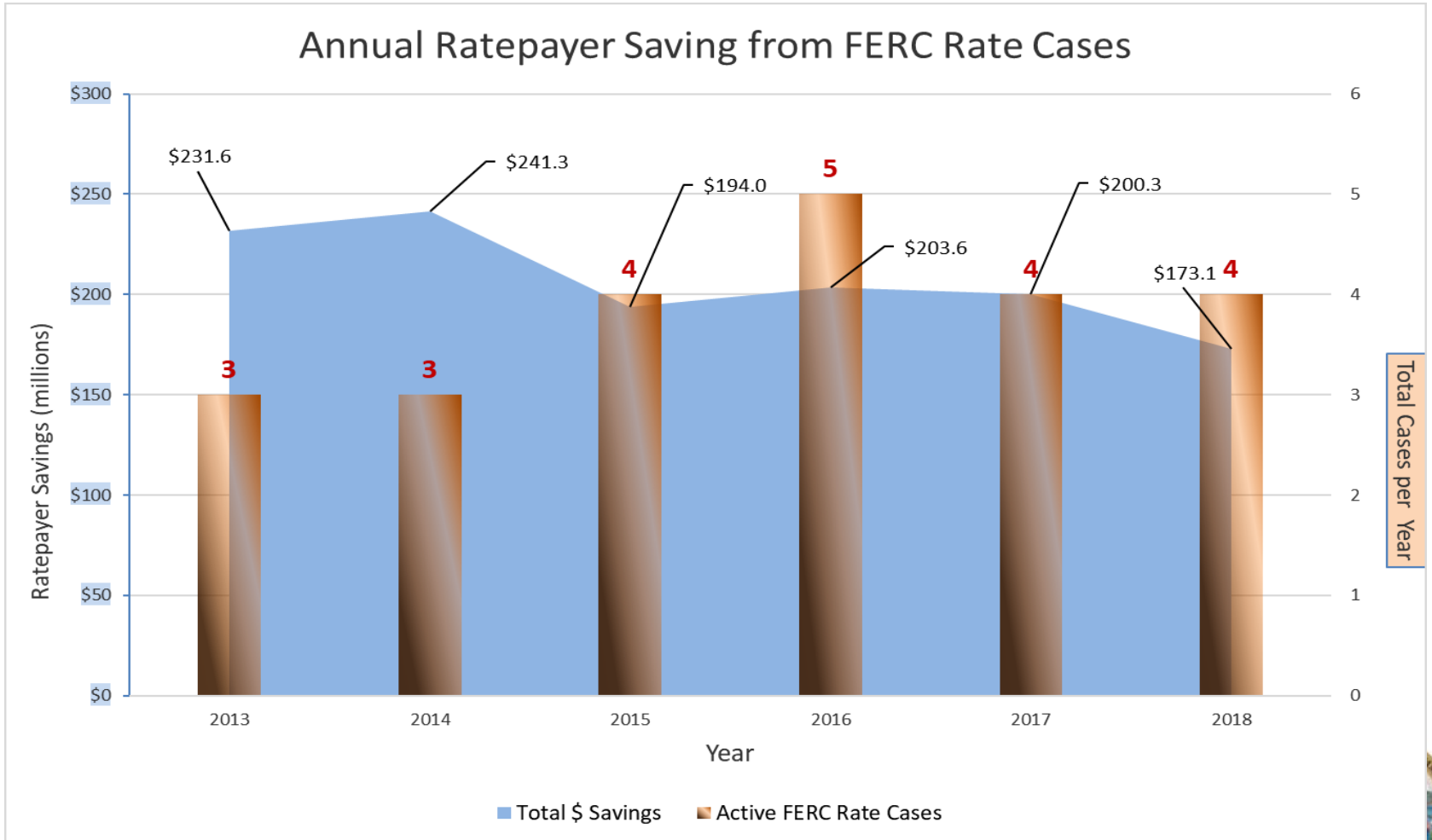
CPUC Provided Evidence to Counter Claims that Markets are Fully Competitive:

- CLECs in California Rely on UNEs to Provide Voice and Internet Service.
- Alternatives to UNEs are Limited and Expensive.
- 911 Provision and Next Generation 911 Adoption Would be Impacted—the FCC needs to address this impact before granting forbearance.





...Representing The Interests Of California Ratepayers Before The Federal Energy Regulatory Commission And The Federal Communications Commission.





Compliance with Strategic Directive–04

- CPUC staff believe the organization is substantially in compliance with SD-04.





Questions?

