

# Consumer Affairs Branch

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THIRD QUARTER REPORT-2022

December 2022



**California Public  
Utilities Commission**

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## ABOUT THIS REPORT

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

Unless otherwise noted, the data presented in this report are based on inquiries and complaints received by the Consumer Affairs Branch (CAB) from July through September 2022.

This report details:

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- [CAB Returned More Than \\$566,000 to Consumers in the Third Quarter of 2022](#)
  - [CAB Received Over 4,700 Consumer Contacts](#)
  - [CAB Assisted About 1,700 Consumers Resolve Complaints](#)
  - [Southern California Edison Consumer Billing Issues](#)

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## ABOUT THE CONSUMER AFFAIRS BRANCH

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The Consumer Affairs Branch (CAB) resides within the News and Outreach Office at the CPUC. CAB is responsible for supporting the diverse 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, supports enforcement against fraud and abuse and inform the public.

## CONSUMER REFUNDS – CAB Returned \$566,231 to Consumers

In the third quarter of 2022, consumers were reimbursed **\$566,231** from the utilities by reaching out to CAB and utilizing the **Informal Complaint (IC)** process. An IC is a written consumer contact expressing dissatisfaction with or a dispute with an action or practice that is regulated through tariffs, rules, orders, or any other form of authority that originates from the CPUC.<sup>1</sup>

Many of the refunds were the result of incorrect billing and were disbursed by the utility following CAB’s involvement. The average refund in Q3 by industry: Communications **\$539**, Energy, **\$1,510**, Water, **\$483**.

**Table 1: Consumer Refunds by Industry<sup>2</sup> and Quarter**

Industry	2021		2022	
	Q4	Q1	Q2	Q3
Communications	\$89,667	\$113,676	\$121,619	\$137,475
Energy	\$297,316	\$442,422	\$394,431	\$424,412
Water	\$4,597	\$3,613	\$5,425	\$4,344
<b>Totals</b>	<b>\$391,580</b>	<b>\$559,711</b>	<b>\$521,475</b>	<b>\$566,231</b>

### Third Quarter Refund Highlights

- CAB investigated a complaint from a customer of San Diego Gas & Electric Company regarding high bills that they believed were the result of a faulty meter. The utility dispatched a technician to the property and confirmed that the meter reading was correct, but the account number associated with that meter was incorrect. The consumer received a credit of **\$1,275.51** in addition to a **\$100** credit for the oversight and the length of time to resolve the issue.
- A consumer reported to CAB that for 18 months they were improperly billed for service charges that had not been disclosed to them. After CAB’s intervention, the consumer received **\$579.00** credit from T- Mobile.
- With the help of CAB, California American Water Company adjusted a consumer’s account in the amount of **\$311.67** due to meter reading errors.

<sup>1</sup> In comparison to an IC, the CPUC has a Formal Complaint (FC) process. A FC is a written legal document that claims a utility regulated by the CPUC has violated state laws or the CPUC’s orders or rules. A FC describes these violations, the injury suffered, because of them, and the resolution requested from the CPUC and is overseen by an Administrative Law Judge. CAB focuses on ICs and presents results of Q3 in this report.

<sup>2</sup> This table only accounts for refunds through the Informal Complaint process. Cases where a phone contact was transferred to a utility for expedited resolution are not reflected here.

## CAB RECEIVED OVER 4,700 CONSUMER CONTACTS

CAB’s team of representatives are responsible for assisting consumers with answering questions and resolving disputes with their utility providers. These contacts are received via phone calls, letters, or the Internet. In the third quarter of 2022, CAB received **4,768** contacts, see **Figure 1**.

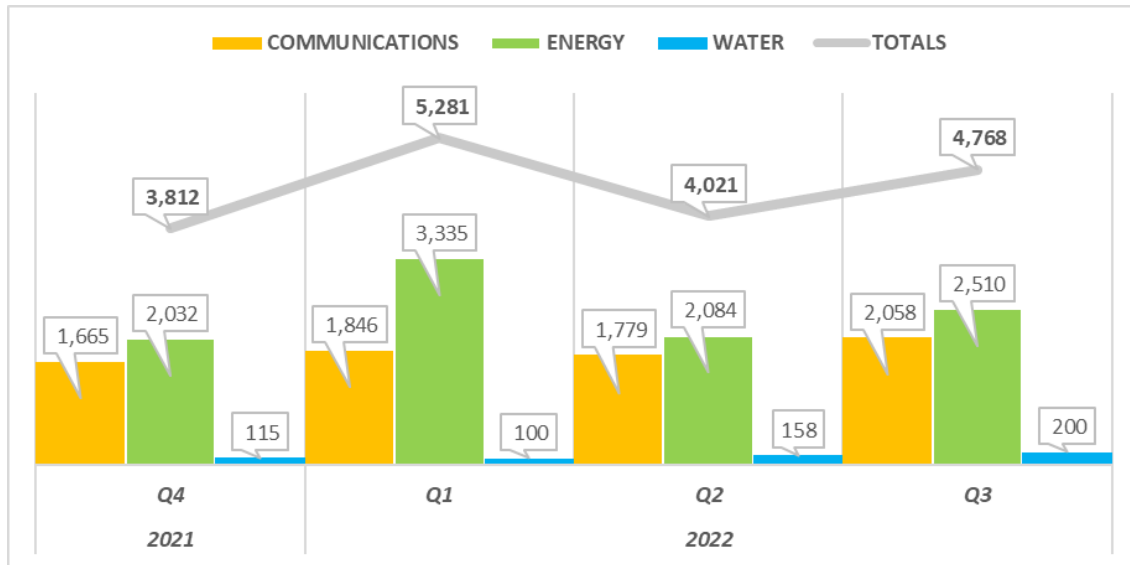


Figure 1: Consumer Contacts by Industry and Quarter

Across all industries, communications, energy, or water, billing issues accounted for **39 percent** of the contacts, followed by service issues at **22 percent**, see **Table 2**. Within the Billing category, the subcategory High Bill accounted for **48 percent** of the contacts and within the Service category, **49 percent** of the contacts were attributed to the subcategory Outage, followed by Delayed Orders/Missed Appointments at **29 percent**.

Table 2: Consumer Contacts by Category and Industry

Category	Communications	Energy	Water	Total	% of Total
Billing	583	1,170	112	1,865	39%
Service	482	500	48	1,030	22%
Not Regulated - No Jurisdiction	512	263	28	803	17%
Lifeline	362	n/a	n/a	362	8%
Policy and Practices	93	236	9	338	7%
Public Purpose Programs	0	244	0	244	5%
Unknown	24	39	1	64	1%
Rates	2	58	2	62	1%
<b>Totals</b>	<b>2,058</b>	<b>2,510</b>	<b>200</b>	<b>4,768</b>	<b>100%</b>

## CAB ASSISTED 1,688 CONSUMERS RESOLVE COMPLAINTS

CAB’s Informal Complaint process allows consumers an easily accessible way to resolve disputes with their utility. In the third quarter of 2022, CAB resolved **1,688** Informal Complaints, see **Figure 2**.

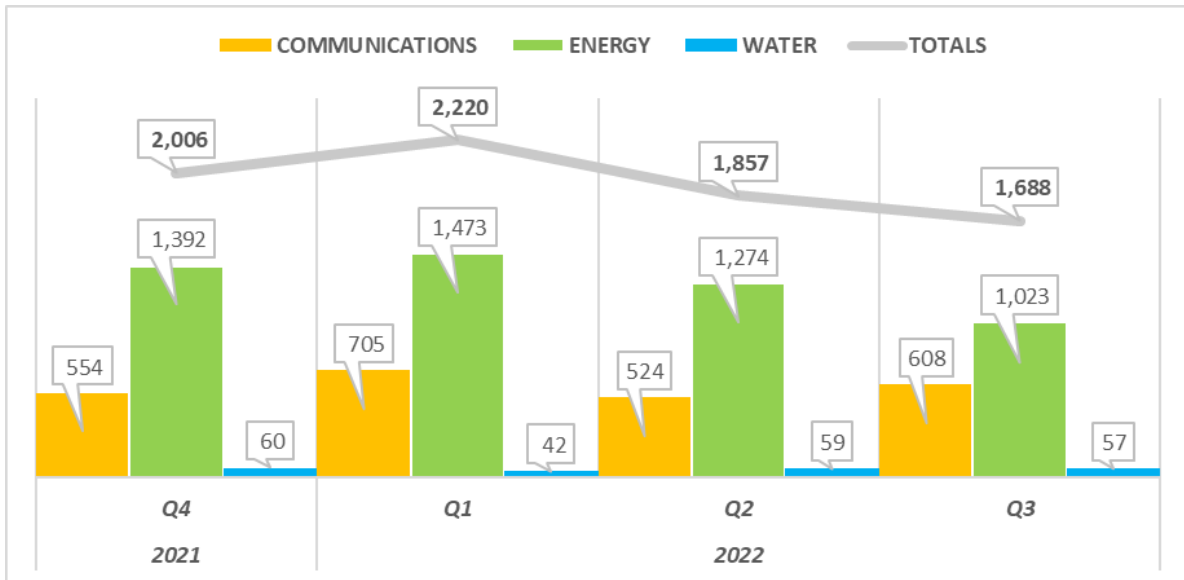


Figure 2: Informal Consumer Complaints Resolved by Industry and Quarter

Across all industries, billing issues accounted for **51 percent** of Informal Complaints sent to the utilities, which is a **9 percent** decrease from the prior quarter, with service issues at **29 percent**, see **Table 3**.

Table 3: Informal Consumer Complaints Resolved by Category and Industry

Category	Communications	Energy	Water	Total	% of Total
<b>Billing</b>	232	585	36	<b>853</b>	<b>51%</b>
<b>Service</b>	214	267	12	<b>493</b>	<b>29%</b>
<b>Policy and Practices</b>	58	63	9	<b>130</b>	<b>8%</b>
<b>Public Purpose Programs</b>	0	108	0	<b>108</b>	<b>6%</b>
<b>Lifeline</b>	104	n/a	n/a	<b>104</b>	<b>6%</b>
<b>Totals</b>	<b>608</b>	<b>1,023</b>	<b>57</b>	<b>1,688</b>	<b>100%</b>

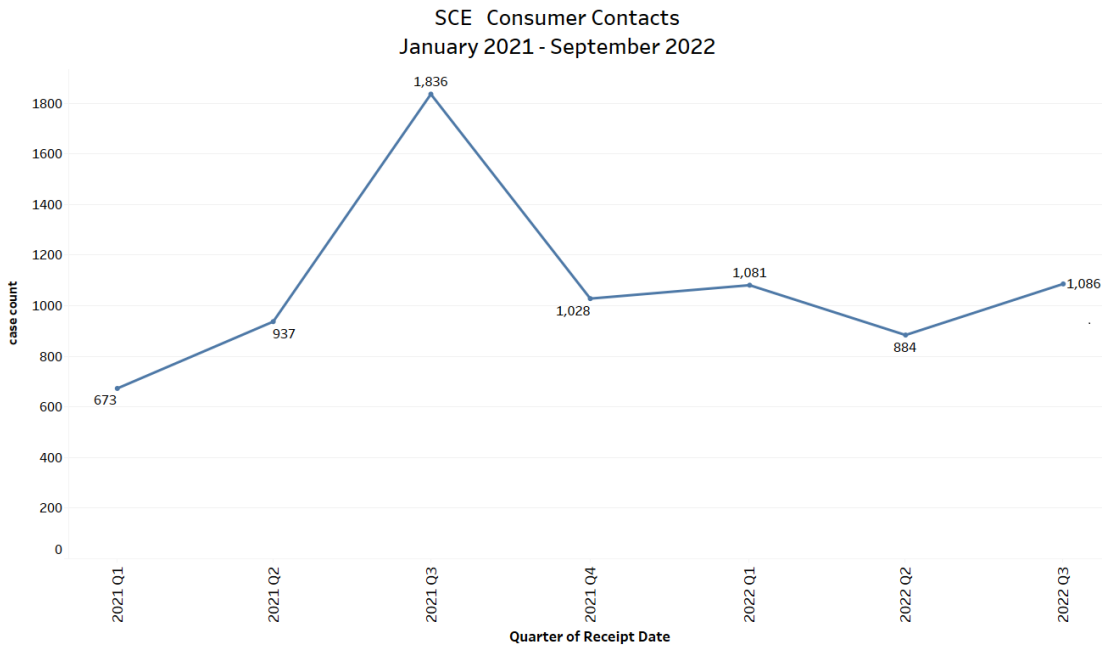
## SOUTHERN CALIFORNIA EDISON CONSUMER BILLING ISSUES

### SCE Billing Issue Update Q3-2022

SCE’s billing issues persist into Q3-2022 as the number of consumer contacts increased **32 percent** over the previous quarter. The elephant in the room is Bill Not Received/Delayed Billing, which emerged as the dominant issue currently affecting **42,000** of SCE’s customers. While various factors can contribute to a delayed bill, the evidence points to SCE’s 18-month-old billing system combined with a shortage of replacement meters to address aging and faulty meters.<sup>3</sup> SCE’s billing cutover in Spring of 2021 got off to a rocky start as billing issues ballooned. While the surge in complaints subsided, billing issue problems remain coupled with the ramifications caused by SCE’s inability to replace aging and malfunctioning meters due to ongoing supply chain disruptions starting in the COVID pandemic resulting in economic harm to consumers.

### SCE Q3-2022 Contacts

CAB received over **32 percent** more contacts in the third quarter of 2022 than the previous quarter. The data indicates that the decline in overall complaints is only relative to the surge in complaints that occurred between the second and fourth quarter of 2021. **Figure 3** below, illustrates there is no indication of a future downturn in the numbers of total SCE contacts.



**Figure 3: SCE Consumer Contacts: January 2021-September 2022**

<sup>3</sup> SCE must estimate bills when they are unable to replacement of faulty meters due to supply constraints that developed during the COVID pandemic. The bill estimates take time and are a factor in delayed billing.



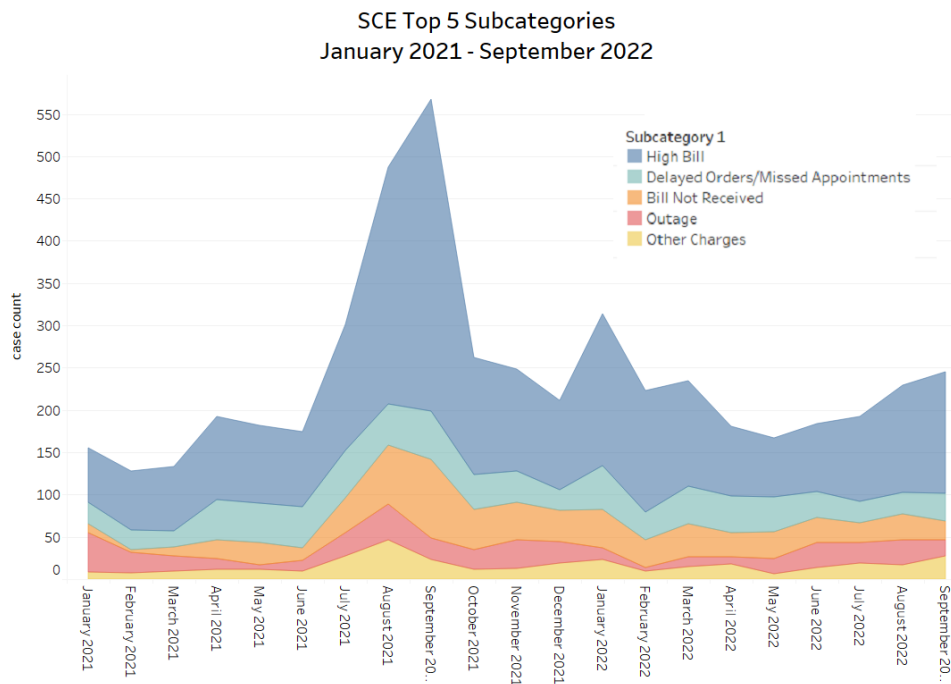
In addition to a substantial increase in consumer contacts between the second and third quarters, CAB sent 80 more Informal Complaints (ICs) to SCE than the previous quarter for a **19 percent** increase. Utility responses declined, and CAB is again issuing extensions to SCE for utility responses to ICs. This resulted in **84** fewer utility responses; however, the average utility response interval decreased by **5**-calendar days. **Table 4** below shows the detail of the past three quarters of contact and informal complaint statistics.

**Table 4: SCE Contact and Informal Complaint Statistics**

	2022			
	Q1	Q2	Q3	% Change Q2-Q3
<b>Total Contacts Received</b>	1,179	884	1,170	32.4%
<b>Informal Complaints Sent to Utility</b>	558	421	501	19.0%
<b>Utility Response Received</b>	534	502	416	-17.1%
<b>Average Utility Response Interval in Calendar Days</b>	56.2	61.3	55.9	-8.8%
<b>Open Informal Complaints as of 10/14/2022</b>	-	-	496	-

### SCE's Top 5 Subcategories of Customer Contacts

The Top 5 Chosen Subcategories remain consistent over the reporting period. Of the Top 5, Bill Not Received is a subcategory of interest. See **Figure 4** below for the distribution of the Top 5 Subcategories.



**Figure 4: SCE Top 5 Subcategories January 2021 - September 2022**

Bill Not Received is the strong indicator of SCE’s ongoing problems with its 18-month-old billing system and the emerging meter replacement issue.<sup>4</sup> SCE admits that “system blockers<sup>5</sup>” are system issues that prevent SCE from billing its customers.<sup>6</sup> Consumers have been complaining to CAB of not receiving their bills since the billing cutover in Spring 2021.

**Examples of Consumer Affairs Representative Intake Notes in Database Case File:**

Example #1:

Consumer says he has not received a bill since Feb, he's online acct doesn't also give him how much he owes. He has been in contact with SCE and they keep advising him there is a glitch in the system so they can't tell him why he hasn't received a bill or how much he owes. Consumer is frustrated that it's taking this long to fix the issue and still cannot see how much he owes, consumer wants to file a complaint. Advised consumer he could file a complaint online gave web address. (Consumer Contact dated 9/22/2022)

Example #2

I had not received a bill since July 2021. I contacted SCE a number of times and was told that they are having billing problems and a bill would be coming. This is not the first time this has happened, so I waited. It was nearly a year later that I received a bill for approx \$75, then one for \$400, then one for \$500 all in a few weeks of one another. Meanwhile, I received a letter from SCE Staff (VP Customer Service SCE) that said, "sorry for a delay in your bill... but you are only responsible for the charges incurred during the most recent 3 months from the date we generate the bill". I contacted SCE and they admitted the bill was incorrect, that I only owed for three months. Since the Bill was dated August, I owed for May, June, and July. I was given itemized bills for June and July and paid those. The SCE person said they were unable to itemize a bill for me for May that the remaining \$330 was for August of 2021 thru and including May 2022.

SCE suggested on multiple calls that I not pay the balance since it was not an accurate bill. They told me this! Then my most recent bill indicated **notice of disconnection** even though I have been paying the amounts they told me to and did not pay what they told me not to. I followed their instructions given over phone calls and letters from them. (Consumer Contact dated 9/12/2022)

SCE also attributes the following issues as reasons for delayed bills.<sup>7</sup>

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<sup>4</sup> Ibid.

<sup>5</sup> CAB loosely interprets “system blockers” as possible bugs, other programming errors or errors in system design. Further research needs to be undertaken to determine the type and extent of system blockers that still plague SCE’s billing system.

<sup>6</sup> SCE Data Request Response dated 11-17-2022. The data attributed to SCE and referred to in this section come from this data request response.

<sup>7</sup> Ibid

We tracked delayed bills in timeframes of (1) **35-60**-days where SCE failed to submit bills to customers, (2) **61-90**-days and (3) **91+**-days. Drivers of delayed bills in **35-60**-days and **61-90**-days categories include:

- Routine exceptions such as meters not collecting enough data on day of meter read date or bills out of alignment with previous bills.
- Bills temporarily held to ensure Community Choice Aggregator (CCA) and SCE charges go out together with routine manual adjustments that needed to be made to bills.
- Bills delayed **91+**-days generally have more complex metering or billing solutions to apply requiring longer handle times; focused teams at SCE are in place to reduce volume.

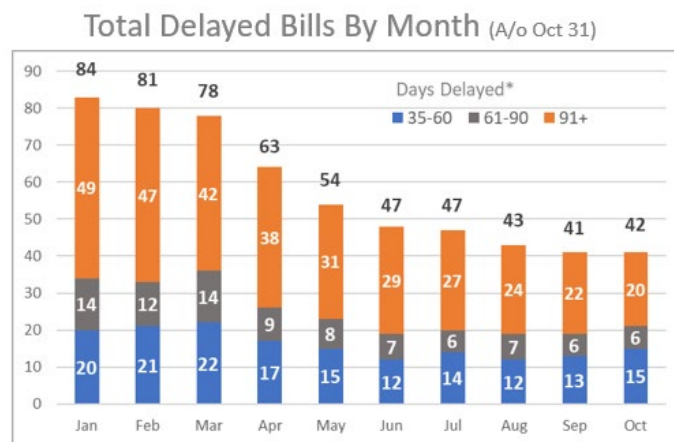
SCE has made efforts to reduce the number of delayed bills in 2022 by approximately **50 percent** since January 2022.:

- SCE is executing plans to reduce the number of delayed bills falling in the delayed by **91+**-days to the **17k - 19k** range by year end (**19k** are **91+**-days as of 11/17); efforts to reduce further will continue.
- Reduced Net Energy Metering (NEM) delayed bills in this category by **40 percent** from July to October 2022.
- Bills delayed **91+**-days generally have more complex metering or billing solutions to apply requiring longer handle times; focused teams in place to reduce volume.

### Tens of Thousands of SCE Customers Go Without Bills for Months

According to SCE, the company regularly has tens of thousands of unbilled customers at any point in time.

**Figure 5** below shows SCE’s number of delayed bills for the first ten months of 2022. The period represented follows SCE’s peak of complaints peak that subsided in the first quarter of 2022. At that time SCE still had **84,000** customers who were not receiving their bills. By October 2022, that number was cut in half to **42,000** unbilled customers. Most customers were waiting over **90-days** to receive a bill.

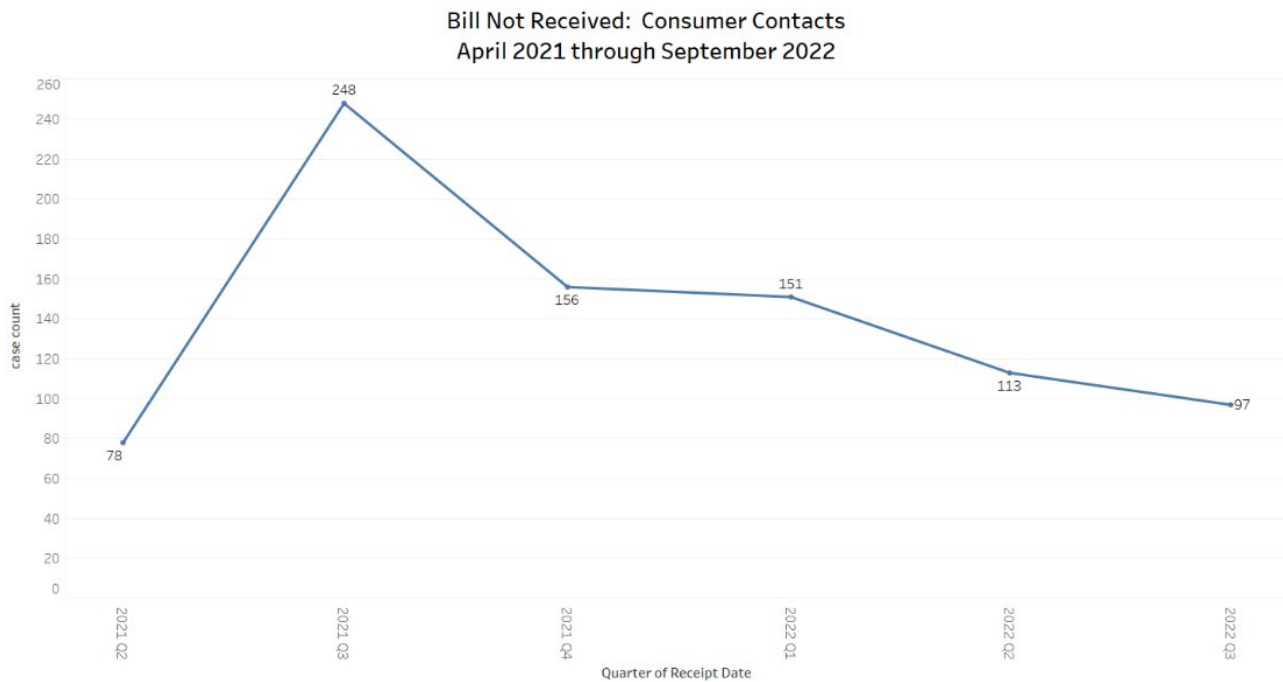


\*Pre- system implementation total delayed bills volume: 40-50k  
Volume in thousands

**Figure 5: Total Delayed Bills by Month as Reported By SCE**

### SCE's Bill Not Received Customer Contacts Trend Downwards

The data in **Figure 6** below reflect a similar declining curve depicted in **Figure 5** above for the timeframe January 2022 - September 2022 and shows that SCE made progress reducing the Bill Not Received consumer contacts. The chart omits the Q1-2021 data point because that reflects the pre-cutover conditions and the billing system related issues only started occurring in Q2-2021. Hopefully, SCE's efforts towards reducing the number of delayed bills will continue the downward trend in CAB's consumer contacts.



**Figure 6: Bill Not Received: Consumer Contacts – April 2021 Through September 2022**

### Delayed Billing Is Economically Harmful to Consumers

The economic and emotional costs to consumers for delayed billing are high. A bill that is delayed over three or more months risks consumers not realizing the impacts of rate increases and/or other charges, customers can be shocked by the bill increase when the delayed bill finally arrives. Some consumers find the bills confusing, and consumers are left with few options to find a way to pay the bill. SCE offers various payment arrangement options, but this does not mitigate the harm to consumers regarding lack of knowledge about their energy usage and related billing or the extended financial pain that accompanies payment arrangements. Consumers are unable to plan and budget for necessary monthly expenditures and suffer when the bill arrives and relate their frustrations to CAB.

**Examples of Consumer Affairs Representative Intake Notes in Database Case File:**

Example #1

Consumer states that she had services with So. Cal Edison and had solar. States she was paying \$0.97 per month with her solar. Consumer says she had not received a bill for 2 months and then suddenly received a bill for over \$5000. Consumer says she contacted SCE customer services several times and was told that she was disconnected from solar/the button was turned off. Se states she had also received a bill for \$600.00 none of which she can afford to pay. Consumer says the bill for \$5000 has been transferred to her ex-husband and he is now threatening to sue her. Says she has contacted Edison several times and asked them to transfer the bill back to her and she states they keep telling her it’s going to get done and it hasn’t. (Consumer Contact dated 9-2-2022)

Example #2

Consumer states that she hasn’t received a bill in four and a half months. Every time she calls, she is told that she will receive a bill next month, and she doesn’t. Consumer expressed that she doesn’t want to receive an extremely high bill because of SCE negligence. (Consumer Contact dated 9-29-2022)

Example #3

If I call SCE again, I'm just going to get the same song and dance from them, because as far as I can tell, they have done NOTHING to rectify the situation. At this point I'm eventually going to get a bill for THIRTEEN MONTHS of electric bills at once, currently totaling \$890.21. That's not just incompetence on the part of SCE, that's a hardship for me--not because I can't pay it, but because it blows up my personal budget for a couple of months. (Consumer Contact dated 8-21-2022)

Example #4

On 7-11-22 I was told that billing office still had incorrect meter on file and it may be several billing cycles before it can be corrected. On 7-22-22, they would look into it and call me back but it may take some time before it can be corrected. I am very fearful of receiving a bill for the past year of a few thousand dollars. I would like to receive a bill on a monthly basis so I know what I owe and keep up with monthly payments. I would like to know if I can afford to use my air conditioner this summer. (Consumer Contact dated 7-22-2022)

The CAB data illustrates the potential impacts of delayed billing on consumers (see **Table 5** below). The table shows that over a third of consumers experience or fear bill shock when they talk about their delayed bills. Some people seek or experience problems with payment arrangements. CAB believes the actual percentage of customers who sought payment arrangements due to delayed bills is higher, because consumers who contact CAB represent only the fraction of customers who are unable to resolve their issues with the utility by themselves. Further research needs to be performed to determine the actual number of SCE customers turned to payment arrangements because of delayed billing.

**Table 5: Potential Impacts from Delayed Billing on Customers**

Case Totals	Q3-2022 Count	Percent
<b>Bill Not Received (BNR)</b>	100	100%
<b>Combined with Secondary Billing Subcategories</b>		<b>Percent of BNR</b>
<b>High Bill</b>	35	35%
<b>Payment Arrangements</b>	6	6%
<b>Bill Adjustment</b>	5	5%
<b>Disconnection Non-Payment (3-Residential, 1-Small Bus.)</b>	4	4%

## LIFELINE

CAB has five dedicated California LifeLine specialists to assist consumers in answering inquiries and questions related to the LifeLine program. In addition, CAB reviews appeals filed by consumers who were disqualified by the program’s Third-Party Administrator (TPA). CAB also facilitates LifeLine billing issues to service providers for investigation and resolution as necessary. In the third quarter of 2022, CAB received **362** LifeLine consumer contacts, which is a **two percent** decrease from the prior quarter, see **Table 6**.

During the third quarter of 2022, the CPUC reviewed the best and final offers for the new TPA contract, and the Notification of Award will be released at the beginning of the fourth quarter.

**Table 6: LifeLine Contacts Received and Closed**

LifeLine Contacts Received	2021	2022		
	Q4	Q1	Q2	Q3
Phone Contacts Received	145	136	157	144
Written Contacts Received	170	139	214	218
<b>Total Contacts Received</b>	<b>315</b>	<b>275</b>	<b>371</b>	<b>362</b>
LifeLine Contacts Closed				
LifeLine Appeals Closed	164	110	118	138
LifeLine Billing Contacts Closed	182	191	225	249
<b>Total LifeLine Contacts Closed</b>	<b>346</b>	<b>301</b>	<b>343</b>	<b>387</b>

## TEAM AND CHANGES

In addition to the customer contacts handled by CAB, the Telecommunications Education and Assistance in Multiple-Languages ([TEAM](#)) and Community Help and Awareness of Natural Gas and Electric Services

(CHANGES) programs overseen by CAB assist Limited English Proficient (LEP) consumers with telecommunications and energy issues, respectively.

The most recent TEAM and CHANGES contract was awarded to the non-profit organization Self-Help for the Elderly (SHE) from June 7, 2019, to June 6, 2022, with two one-year options to extend the contract. The CPUC is currently in the first option year, which is due to expire on June 6, 2023. If a second option year is approved, the contract will end on June 6, 2024. TEAM is authorized for an annual budget up to **\$1.6 million**, and CHANGES is authorized up to **\$1.68 million** per year.

TEAM and CHANGES support LEP utility consumers statewide through **26** CBOs that offer services in their preferred language, and with cultural sensitivity. The CBOs provide consumer outreach, education, and case assistance (needs assistance and dispute resolution). In the third quarter of 2022, CBOs provided case assistance to **2,457 consumers**, for financial and other needs (e.g., CARE/LifeLine or other financial assistance programs), or with utility disputes. This was a very slight decrease from the previous quarter, as shown in **Table 7**. In the same quarter, CBOs educated **7,916** consumers on a range of topics to assist them in managing their utility services, which was a decrease of almost **10 percent** compared to the previous quarter but higher than each of the two quarters prior to Q2.

Finally, the TEAM program helped consumers resolve disputes with their telecommunications provider that resulted in reclaiming almost **\$20,000** on their behalf in the third quarter. Over the last four quarters, CBOs reclaimed approximately **\$124,000** from telecommunications providers on behalf of their TEAM clients.

**Table 7: CBO Case Support and Education Services Provided and Amount Recovered**

	2021		2022	
	Q4	Q1	Q2	Q3
<b>Individual Case Support</b>	2,216	2,769	2,472	2,457
<b>Education Provided</b>	5,855*	7,670*	8,757*	7,916
<b>Amount Recovered (TEAM)</b>	\$31,746	\$38,770	\$33,023	\$19,995

\* Data in the previous three quarters has been revised after it was discovered that it included a duplicate count. The updated totals are shown here to provide a comparable dataset over 4-quarters.