



CHANGES Program

Community Help and Awareness of Natural Gas and Electricity Services

SUPPLEMENTAL DATA ANALYSIS REPORT

MAY 1, 2016 – JANUARY 31, 2017

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TABLE OF CONTENTS

I. Report Overview	3
II. Case Escalation Process	4
III. Responding to “Trends”	5
IV. Most Prevalent Dispute Resolution Types	
Gas Aggregation Disputes	6
Languages and Ethnicities	7
Disputes with Core Transport Agents	8
Other Observations about Gas Aggregation Disputes	8
Example of a Gas Aggregation Dispute	9
Stopped Disconnection/Assisted with Reconnection Disputes	10
Observations on Disconnection	11
Other Dispute Types	11
III. Most Prevalent Needs Assistance Types	13

I. Report Overview

In December 2015, the California Public Utilities Commission (CPUC) approved Decision 15-12-047 establishing the Community Help and Awareness of Natural Gas and Electricity Services (CHANGES) Program as a permanent program and moving the program out of the pilot phase. The Decision called for a more formalized reporting of trends observed through the data collected by CHANGES community based organizations (CBOs) when assisting limited-English speaking consumers with issues related to their utility bills. This report covers the first three quarters of the program, and includes data from services provided from May 1, 2016 – January 31, 2017. Subsequent “trends analysis” reports will be provided quarterly as a part of the regular ongoing CHANGES data reporting process.

Since the beginning of the program, data has been collected and reviewed, and program services have been added in response to issues identified in the data. For example, in 2014 CHANGES CBOs began experiencing issues related to 3rd party gas aggregation companies and consumers who were unaware of the new companies providing them with natural gas. Within a few weeks, an in depth full-day training was provided to CBOs about gas aggregation, consumer education materials were developed and translated into 14 languages, and a topic was added to regular consumer education activities to inform consumers about gas aggregation. Tracking trends and responding to them is not a new concept in the program. However, with the addition of more formalized reporting, it becomes necessary to clarify the limits of trends identification.

The data collected by CBOs is limited to the resources and budgets available to CBOs as well as the types of immediate needs that consumers present to them. On average, a CBO may resolve 5-10 disputes per month. While data can certainly show the most prevalent issues addressed by CBOs, the size of the data pool may not be large enough to identify specific trends in the industry.

Similarly, program data will show ongoing issues within a specific category that may be addressed by the CPUC, however, internal CPUC and investor-owned utility (IOU) procedures may limit the types and amount of data the program is able to collect on some issues that warrant further explanation.

Prevalent issues remain constant month to month. This may not indicate a “trend” in the full sense, but the data does identify ongoing issues that appear to be widespread difficulties for consumers.

II. Case Escalation Process

A progressive system for case resolution has been developed to provide CBOs with a clear path to work toward getting the most appropriate outcomes for consumers. The process is as follows:

1. The CBO attempts to resolve the case by calling the IOU at a dedicated phone number and speaking to a Customer Service Representative (CSR). In some IOUs the calls to the dedicated line are routed to regular customer service, and at others the calls are handled by CSRs who have received training about the program. In either case, CBOs can sometimes face challenges with CSRs who refuse to speak directly with the CBO. This situation persists despite protocols that include written customer authorization forms, IOU-Contractor Agreements, and regular check-ins and discussions with IOU Representatives. In most cases, the CBO is able to resolve the issue with the CSR at the IOU. Many cases are resolved by working with other organizations such as Home Energy Assistance Program (HEAP) Providers as well.
2. If the CBO is unable to reach a satisfactory resolution with the CSR, they will then request to speak with a Supervisor at the company. Often, a CBO will hang up and call again to reach a different CSR before requesting assistance from a Supervisor.
3. If the CBO is still unable to reach an appropriate resolution to the case, they will escalate the case to the “executive office” or to an individual designated by the IOU as the “escalation contact”. CBOs are required to escalate the case in writing via email, and to include Milestone Consulting in all correspondence and discussions related to the case. Milestone Consulting will often intervene when it appears that the IOU is reluctant to provide a satisfactory response.
4. In the event the case is not resolved through escalation, Milestone Consulting will work with the CBO to refer to legal assistance if appropriate or to refer to the CPUC’s Consumer Affairs Branch (CAB). In most cases, CBOs have not received sufficient communication from CAB to adequately advocate for their client. The CAB process is mostly in writing, directly to the consumer and consists of standard “form letters” that do not get sent to the CBO. However, the CHANGES Program has found that it is very rare that CBOs find the need to send a case to CAB.

III. Responding to “Trends”

When case data or anecdotal reports from CBOs indicate that new issues are emerging, or existing issues appear to have increasing numbers of cases, the CHANGES Program will respond in the manner that is most appropriate for the individual situation.

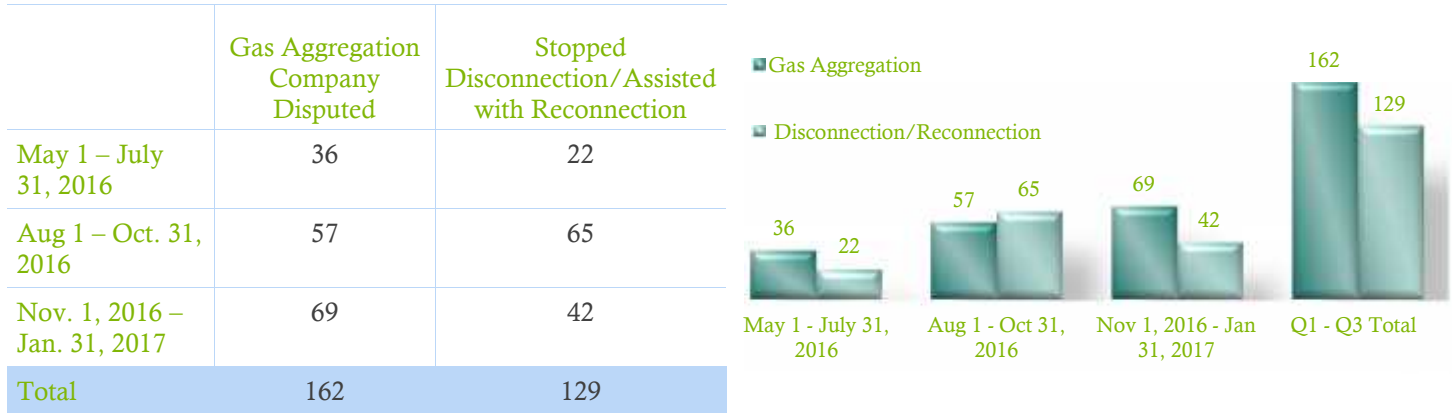
For example, the CHANGES Program has been contacted by CPUC Investigators inquiring about an IOU’s willingness to work with CBOs. This issue had been raised by entities other than the CHANGES Program, and data was provided to illustrate CBOs’ experiences related to the issue.

In August 2014, CHANGES CBOs began receiving numerous cases from consumers on two issues that they had not previously experienced. Many consumers began complaining about 3rd gas aggregation companies appearing on their bills, or exhibiting aggressive marketing practices. At the same time, CBOs also began to see consumers who had been dropped from the CARE Program because of high energy use.

In response, the CHANGES Program researched both issues, and within 6 weeks developed consumer education materials in 16 languages about both issues. CHANGES CBOs were brought together for a full-day training about the issues and learned how to respond to and resolve such cases. The CHANGES database was updated to track the issues, and budget was allocated for additional consumer education on the two “special topics”. Both topics are now part of the standard array of consumer education topics and educational materials.

IV. Most Prevalent Dispute Resolution Types

During the first three quarters of the program year, CHANGES CBOs resolved 495 disputes on behalf of consumers. Of those, 291 disputes, or 59% addressed two issues -- disconnections and issues with 3rd party gas aggregation companies.



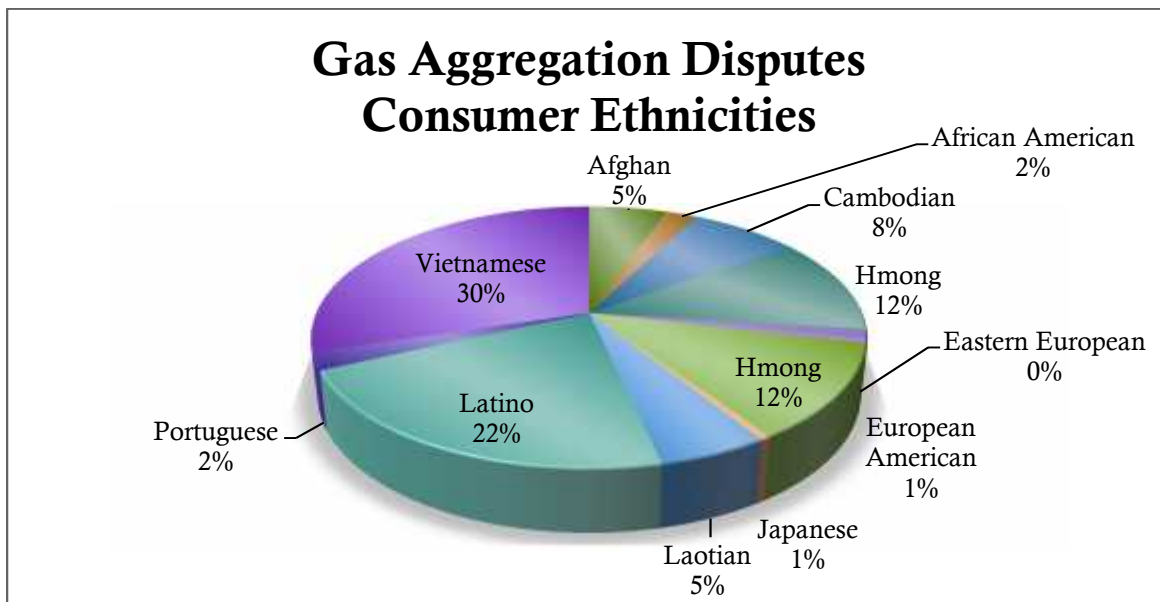
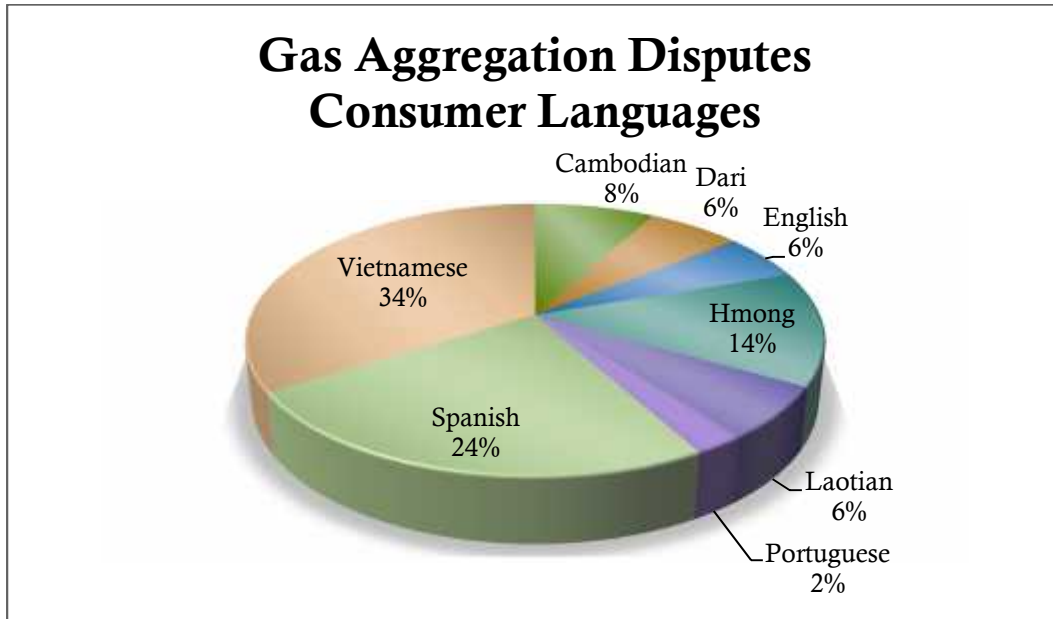
1. Gas Aggregation Disputes

Review of data collected by CHANGES CBOs related to gas aggregation disputes shows that the issues are not limited to a few specific companies, nor do the issues appear to target consumers who speak any certain language.

<p>ALL gas aggregation disputes during this period were in the PG&E service territory.</p>	<ul style="list-style-type: none"> • Data collected in previous quarters/program years shows a limited number of gas aggregation disputes in other IOU territories, but the vast majority were in the PG&E service area.
<p>Data does not show the targeting of a specific ethnicity or language.</p>	<ul style="list-style-type: none"> • CHANGES CBOs resolved gas aggregation disputes in a variety of languages for consumers of diverse ethnicities.
<p>Disputes resolved were not limited to a single gas aggregation company.</p>	<ul style="list-style-type: none"> • Data reflects disputes with numerous gas aggregation companies.

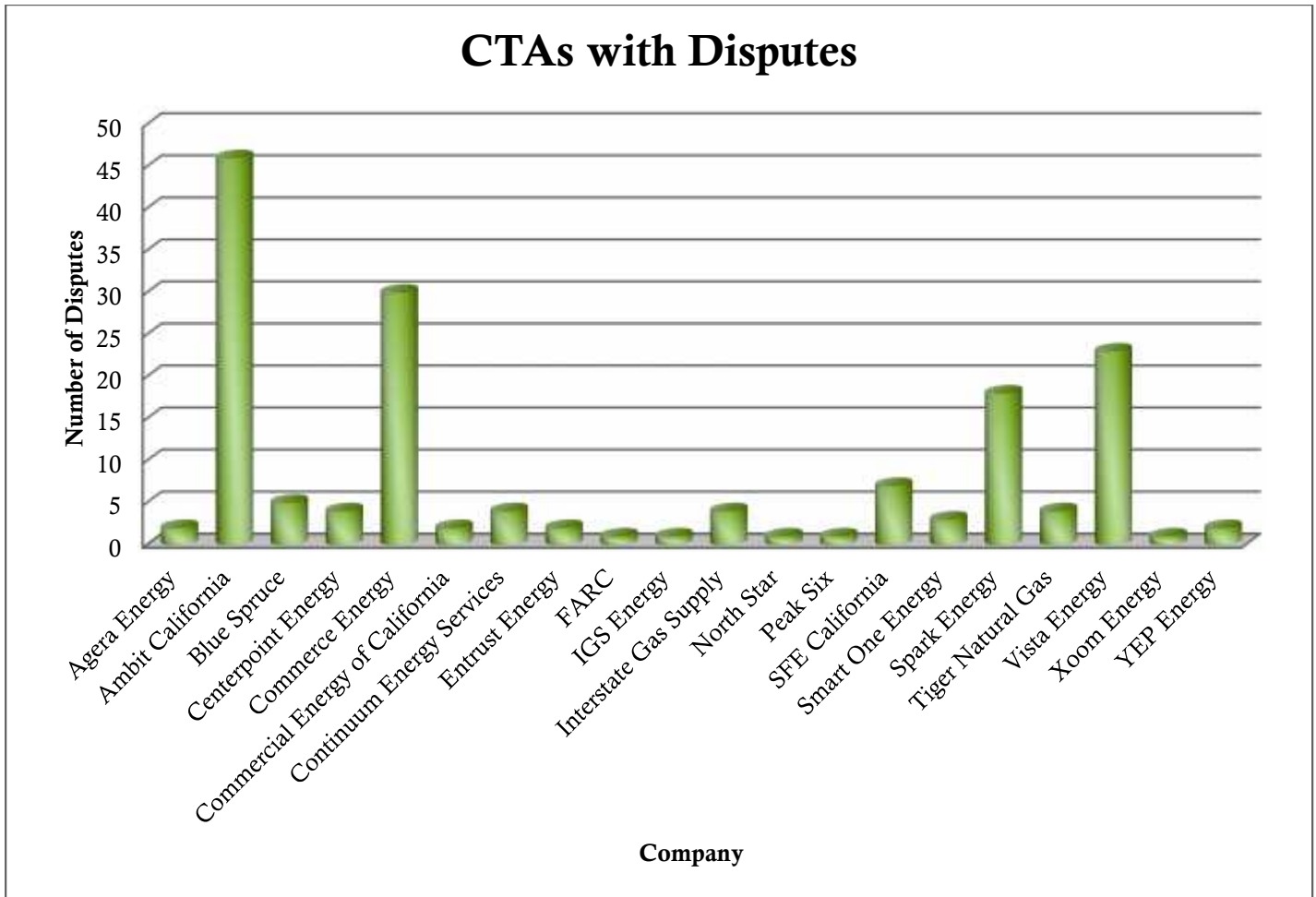
Languages and Ethnicities of Consumers with Gas Aggregation Disputes

CHANGES CBOs addressed gas aggregation disputes for diverse communities. Data collected does not indicate that gas aggregation companies are targeting specific communities, however, resources do not allow for a detailed “company to consumer matching process” to confirm whether disputes with a particular company are also related to a particular ethnicity. A cursory review of data identified at least one company that appeared to be focused on a specific language or ethnicity. It is also possible that the company instead focused marketing on a particular neighborhood.



Gas Aggregation Companies

Disputes were addressed with twenty (20) different Core Transport Agents (CTAs). There are currently 27 companies listed on PG&E’s website as having completed the CTA certification process, which would mean that CHANGES CBOs have received complaints related to 74% of companies approved to provide gas aggregation services.



Additional Observations on Gas Aggregation Disputes

- Most consumers seeking CHANGES assistance were unaware that they had been enrolled with a Core Transport Agent. In most instances, enrollment with the company was discovered by the CBO when the consumer sought help for a bill that was higher than usual.
- Some consumers did recall a CTA “marketing agent” coming to their door, and described a variety of experiences, including:
 - They declined the opportunity to change companies and later learned that they had been enrolled anyway;

- They were told that everyone was required to change companies;
 - They signed a contract in English that they did not understand but felt compelled to sign;
 - The person at the door wore clothing or “lanyards” with PG&E logos and the consumer did not realize they represented a different company.
- Consumers who did agree to switch services to a CTA did so after being told that they would have significantly lower bills. CHANGES CBOs observe that every bill with services provided by a CTA has been higher than it would have been had the consumer remained with PG&E.
 - In addition to higher gas charges, some CTAs billed additional charges such as “administrative fees” at \$0.16 per day, and “customer charges” at \$5 per month.
 - In many instances, consumers were dropped from the CARE program at the time of the switch, and most were required to reapply after being changed back to PG&E. Discounts were not applied retroactively in most cases.
 - CTAs often charged early termination fees ranging from \$50 to \$100. In some cases, CBOs were able to get the termination fees waived. Some companies required proof that a consumer was low income in order to waive an early termination fee.
 - When disputing enrollment, CBO often asked for copies of signed contracts or recordings of consumers agreeing to change service providers. In most cases, those requests were denied. In some cases, the CTAs agreed to remove the consumer from their rolls when the CBO insisted on proof of agreement to enroll.
 - CTAs do not recognize the CHANGES program and are not required to work with CBOs. In many cases, the CBO needed to make several attempts to find someone at the CTA that would negotiate with them.

Example of a Gas Aggregation Dispute

Each case resolved in the program is slightly different, but many have similarities. Following are case notes for one gas aggregation dispute (case notes have been edited for spelling, grammar and complete information, as well as to protect confidentiality).

After attending a CHANGES consumer education workshop on Gas Aggregation, (client’s name) checked her bill and noticed a company she did not recognize. She brought me the bill to review and I confirmed that she was enrolled with (CTA company name). After I reviewed cost per kWh and fees with her, (client) decided she wanted to be switched back to PG&E. She did not recall ever agreeing to change companies to (CTA).

I called (CTA) and spoke with Esteban. He told me that my client’s contract had already expired two months ago. However he insisted that she would be charged a \$50.00 early termination fee. He stated that her contract was automatically renewed and she now had a new start date. He said that there is a law in California that says all contracts will automatically renew if the customer does not call to cancel. I asked for the language of the law or information from the company’s terms and conditions to confirm this. He was unable to provide this information.

I then asked him to provide me with a copy of the signed contract and/or a voice recording of my client’s agreement to switch companies. He said it would take 7 – 10 days. He cancelled the contract, but I will

need to wait for the voice recording to determine whether my client will have to pay an early termination fee or not.

1 week later:

I called (CTA) to follow up on the recordings and spoke with Andrea. She indicated that there was no early termination fee and that my client could cancel at any time. She said that she did not know why Esteban said that to us and she has emailed her supervisor about the details.

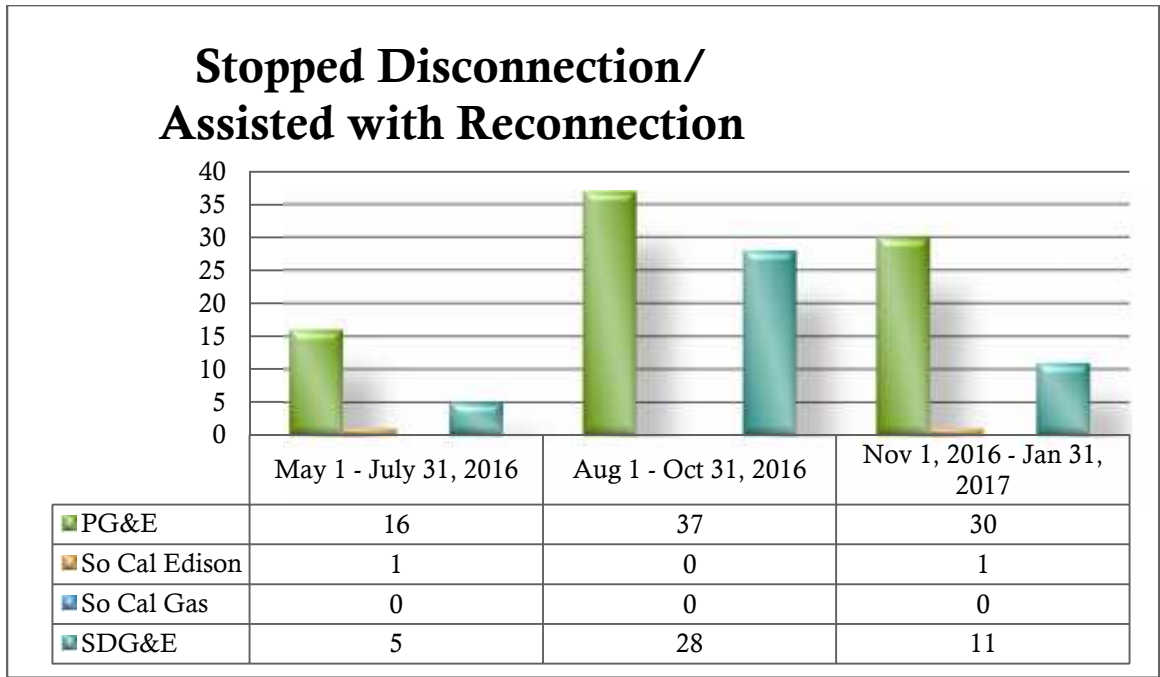
I cancelled the contract with (CTA) and then called PG&E to notify them. It may take 2 – 3 billing cycles for the change to take effect. I reviewed the steps taken with my client and also discussed tips for energy conservation. (Client) will bring me future bills to be sure the change is made.

2. “Stopped Disconnection/ Assisted with Reconnection” Disputes

In the first three quarters of the program year, CHANGES CBOs resolved 129 complaints that resulted in stopping a pending disconnection or assisting with getting services reconnected. CBOs may accomplish this with a variety of actions including:

- Setting up payment extensions;
- Negotiating payment plans;
- Securing payment assistance through HEAP, IOU-facilitated assistance programs, and other payment assistance resources;
- Identifying and disputing incorrect bills and/or meter readings.

Disputes resulting in stopped disconnection were resolved with all four IOUs:



Observations on Disconnections

Data collected by CBOs when assisting clients with pending disconnections and reconnections show the following:

Many of the accounts related to disconnections had outstanding balances of many hundreds, and often, thousands of dollars. Utility companies avoided immediate disconnections when overdue balances were lower. By the time a consumer receives a disconnection notice, account balances are often so high a low income consumer cannot pay the required amount to avoid disconnection. CHANGES CBOs are then unable to negotiate payment plans they can reasonably expect their clients to maintain.

Accounts that have already been disconnected do not have the option of any payment plan and balances must be paid in full before services will be reconnected. When consumers' accounts are allowed to increase to thousands of dollars, it is nearly impossible for a low income consumer to meet those requirements.

Without the option of a realistic payment plan available to them, most cases were resolved by helping consumers access the HEAP program to pay outstanding balances.

3. Other Dispute Categories

The disputes classified as “Stopped Disconnection/Assisted with Reconnection” are cases in which the consumer has received a notice of disconnection or has already been disconnected. Other dispute categories may result in the same types of CBO activities described above but have been completed on accounts for which a disconnection notice has not yet been received. For example, a consumer may have a bill they are unable to pay but are not in danger of immediate disconnection.

One of the goals of the CHANGES program is to educate limited-English proficient consumers that they have the right to dispute a bill or challenge a utility company if they believe they have been incorrectly billed or not received the service or treatment to which they are entitled. The concept of “complaining” to a large company that provides a product and service they require for their basic quality of life can be daunting to many immigrants and refugees. CBOs also resolve disputes related to other issues. In the first three quarters of the program year, the following dispute cases were resolved:

Type of Service Provided by CBOs (5/1/16 – 1/31/17)	No. of Cases
Gas Aggregation	162
Stopped Disconnection/Reconnection	129
Application/Enrollment in Assistance Programs	74
Negotiated Bill Adjustment	64
Negotiated Payment Plan	40
Scheduled Meter Testing or Service	11
Set Up Payment Extension	8
Added Level Pay Plan	3
Scheduled Energy Audit	2
Scheduled Service Visit	1
Consumer Education Only	1
TOTAL	495

V. Most Prevalent Needs Assistance Types

Needs Assistance is provided to consumers who need assistance dealing with the utility companies or their utility accounts, but who do not feel they have a dispute with the company.

The most prevalent Needs Assistance service provided by CHANGES CBOs was assisting securing HEAP assistance for consumers.

Type of Needs Assistance Service Provided	No. of Cases
HEAP/LIHEAP Application Assistance	626
Set Up New Account	86
Assist with Changes to Account	75
Medical Baseline Application Assistance	75
Set Up Payment Plan	66
Enrolled in Neighbor to Neighbor (SDG&E)	57
Energy Savings Assistance Program	50
Billing Language Changed	37
Set Up Payment Extension	28
Enrolled in Energy Assistance Fund (SCE)	26
Assisted with Reconnection	12
Added Level Pay Plan	7
Set Up 3rd party Notification	2
REACH Application Assistance	2
Assisted High Energy User with Document Submission	2
Reported Safety Problem	2
Energy Efficiency Tool	1
Assistance Fund (PGE)	1
Enrolled in Gas Assistance Fund (SCG)	1
Total	1,158