

Customer Interface: Experiences of Texas and California

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1

Disclaimer

- This presentation represents Judge Minkin's and Commissioner Hudson's views.
- It does not necessarily reflect the views of other Commission staff or the respective Commissions as a whole.

2

- **Section 1 – Customer Participation in PUC Processes**
- **Section 2 – California Division of Ratepayer Advocacy, Office of the Public Advisor and Texas OPUC**
- **Section 3 – Customer Complaints and Customer Care**
- **Section 4 – Customer Education**

3

Section 1 Customer Participation in Public Utility Commission Processes

4

PUCT Obtains Public Input Prior To Action

- Contested Cases
- Administrative Rulemakings
- Electric Choice Campaign
- Agency Call Center
- Meetings—business meetings open to public
- Written Communication
- Workshops
- Published agendas, orders, proposed and final rule changes in Texas Register and on internet
- Subject to freedom of information law
- Required utility notices, e.g. transmission line routes

5

Processing a Contested Case

- Entity files petition
- Staff decides to either retain docket or transfer to Administrative Law Judge (ALJ)
- General opportunity to intervene
- Discovery process begins
- Normally direct testimony is in writing, subject to cross-examination in hearing
- Hearings conducted either by ALJ, or full evidentiary hearings before the commissioners
 - Settlements are encouraged at any time
- Initial record is finalized

6

Processing a Contested Case, Continued

- Briefs are filed by all interested parties
- Reply briefs received
- Record complete
- ALJ formulates recommendations
- Case is now returned to the Commission
- Commission rules and can adopt/reject/modify the recommendations of the ALJ
- Parties can file motions for rehearing
- If motions for rehearing denied by PUCT, opportunity for judicial review

7

Processing an Administrative Rulemaking

- Commission takes stakeholder comments into account to draft a staff “strawman” rule
- Parties then comment on strawman and rule is presented in Open Meeting to Commissioners who adopt a Proposal for Publication
- Proposal for Publication is published in Texas Register
 - Commission receives written comments and reply comments
 - Generally a public hearing is also held on rules changes
- Staff drafts a Proposal for Adoption where again Commission must vote on rule
 - This version must contain a “reasoned justification” for accepting or rejecting proposed changes
- Finally adopted rules are subject to judicial review

8

Texas and California Practice

- Consumer groups are active in formal Commission proceedings
 - Complaints, investigations, rate cases, rulemakings.
 - They submit comments, prepare testimony, participate in hearings, communicate with Commissioners, file appeals.
 - Consumer groups receive compensation for their efforts in formal proceedings (time at hourly rate, plus costs).
- Commission also interacts with consumer groups informally.
- Utilities also work with community-based organizations (CBOs, like NGOs) to carry out Commission mandated programs.

9

Why is Consumer Group Participation Valuable?

- Often consumer group is the only party offering counterpoint to utility application.
- Often very effective advocates; some organizations hire only the best and the brightest.
- Bring perspective the Commission lacks.
- Cross examine witnesses and provide testimony at hearings. Essential to U.S. common law legal system.
- Ability to organize community and give public input.
- Skilled at appellate level.

10

What is Effective Consumer Group Input?

- Credibility/skill of group important. Small group of practitioners, so your reputation follows you.
- Good courtroom skills essential. Difficult for non-lawyers to participate.
- Must have extensive knowledge of Commission practice, which can be Byzantine.
- Consumer group access to all data essential.
 - Utilities generally do not resist providing data to well-known groups.
 - Sometimes data is furnished under a confidentiality agreement

11

Public Participation

- Often, ad hoc groups or individual customers speak at public participation hearings set up as part of formal proceedings.
 - Can call attention to new issues
 - No opportunity to cross examine, so not “evidence”
- Customers that are not formal parties to proceedings may also speak at Commission meetings.
- Effectiveness in shaping decisions?

12

Commission Facilitates Consumer Group Participation

- Intervenor compensation critical. Groups often lack other means of funding. In Texas, cities are given rate case expenses, but there is no compensation for other groups.
- For new groups, Public Advisor gives guidance.
- Consumer Guide to the Public Utilities Commission available on website.
- Commission also provides consumer information, by industry, on website.
 - Energy, telecommunications, water, transportation.
 - Information in various languages.
 - Consumer information vs. enforcement.

13

Involvement of Consumer Groups Outside Formal Proceedings

- CBOs with ties to and experience in relevant communities are paid for helping run programs.
 - Deaf and Disabled program.
 - Consumer Protection Initiative.
 - Low income programs.
- Partnerships between California Public Utilities Commission (CPUC) and CBOs also exist
 - Bill fairs, trainings, assistance with draft education and outreach materials so information is accurate and culturally sensitive.
 - New programs: Advisory committee (to build bridges between CPUC and CBOs); Community Leadership Academy (CBOs, local/state government, business groups).

14

Consumer Groups That Participate in Formal Proceedings

- Advocates for residential/small business customers.
- California Commission has two divisions that advocate on consumers' behalf, and another that provides information and outreach.
- Environmental groups (focus on greenhouse gas, renewables, solar, energy efficiency).
- Low income and minority community advocates.
- Deaf/disabled advocates.
- Trade associations representing large customers.
- Unions.
- Homeowner groups.
- Individuals.

15

Advisory Boards Appointed by California Commission

- Energy efficiency programs.
- Low income programs.
- Deaf and Disabled programs.
- Many other telecommunications advisory boards.
- Issues:
 - Governed by Open Meeting law.
 - Union issues.
 - Questions re effectiveness without decision-making authority.

16

Problems

- Limited group of effective consumer advocates, despite compensation.
- Compensation not available for all groups (e.g., trade unions).
- NIMBY-ism (Not in My Back Yard).
- Complex Commission processes make emergence of new groups unlikely.
- Participation not always effective.

17

Section 2 Texas OPUC, California DRA and Office of the Public Advisor

18

Texas Office of Public Utility Counsel (OPUC)

- Operates as an entirely separate state agency
 - Budget independent of PUCT
 - Staff of approximately 25
- Governor appointed public counsel subject to Senate confirmation (2 year terms)
- Advocates on behalf of residential and small business customers
- Full participants on their choice of dockets

19

California Division of Ratepayer Advocates

- DRA is an independent division of the CPUC that advocates solely on behalf of utility ratepayers
- DRA's statutory mission is to obtain the lowest possible rates for service, consistent with reliable and safe service levels.
- In fulfilling this mission, DRA also advocates for customer and environmental protections.

20

DRA strives to Reduce Electricity Rates

- Provides input on utility power procurement and reviews PPAs
- Actively litigates rate design proceedings
- Supports cost-effective means to reduce reliance on fossil fuels
- Supports cost-effective energy efficiency policies and long-term energy savings
- Ensures low-income ratepayers are represented
- 133 positions and a separate, independent budget
- DRA director is appointed by the Governor and answers to the Legislature

21

Office of the Public Advisor



- Assists the public in participating in the CPUC's formal proceedings (PU Code Sections 321 and 321.5)
 - Results in raising consumer issues that might not otherwise be examined in the proceeding.
 - Helps members of the public follow Commission procedures.
- Assists intervenors with preparing requests for compensation (PU Code 1801-1812)
 - Assists individuals, community based organizations and other groups in applying to receive compensation for participating in CPUC proceedings.
- Reviews legally-mandated utility notices (PU Code 454)
 - Ensures that clearly written utility notices are disseminated to notify customers of proposed rate changes and other utility proposals. ■ Encourages public participation in CPUC meetings, hearings and other public forums (Gov. Code 11125.7)
- Works with Administrative Law Judges and Commissioners to locate, publicize and conduct 50 - 75 public hearings and workshops across the state annually on issues of public interest.
- Arranges specialized accommodation at public meetings, e.g., bilingual translation services, deaf and disabled support, etc. (Dymally-Alatorre Act and Americans With Disabilities Act)

22

Section 3 Customer Care Comparing and Contrasting the Texas/California Approach

23

Customer Protection Division

- Customer Care
- Information & Education
- Relay Texas



24

Consumer Services and Information Division

CALIFORNIA PUBLIC UTILITIES COMMISSION



- Assists consumers to resolve problems
- Assists consumers and intervenors to participate in CPUC proceedings
- Provides information to the public
- Communicates with various communities in California

25

What does it do?

- Assist Texas customers with complaints regarding their local telephone and electric service
- Educate and inform the public of their rights and protections relating to local telephone and electric service
- Manage the Texas Electric Choice public education campaign
- Administer the Relay Texas program
- Oversee the Texas No Call List "Registry"



26

How does it do it?

- Receive and respond to customer contacts
 - Process, categorize and record customer contacts (including opinions, inquiries & complaints)
 - Investigate and resolve customer complaints
- Strategic planning and execution for information and education
- Develop materials and channels of communication to educate the public
- Oversee contracts and execution of programs for Relay Texas and Texas No Call List



27

Receive and respond to customer contacts

- Customer Care
- Receive customer contacts via phone, fax, electronic (online form & email), mail and on-site (walk-ins)
- Operate toll free hotline: 888-782-8477
 - Intake Center is the front line that gathers information to handle inquiries, concerns or complaints
- Investigate complaints for resolution
 - If a follow-up is needed, investigators review complaints and work directly with electric & telephone service providers for resolution, or refer complaints to Oversight and Enforcement Division for further action
- Complaint information is maintained in Complaints Database



28

Community Outreach, Consumer Assistance, and Education

CALIFORNIA PUBLIC UTILITIES COMMISSION



- Resolving Consumer Complaints
 - CPUC is statutorily required to investigate all complaints regarding public utility rates and services.
 - CPUC staff provide informal assistance to consumers with billing and service complaints or questions.
 - Vast majority of consumers who seek CPUC assistance are residential and small business customers.
 - Consumers can contact the CPUC with inquiries or complaints via telephone, U.S. mail, and the website
 - Consumers with unresolved informal complaints can file a formal complaint with the CPUC.
 - Consumer complaint data provides the primary information by which to identify patterns of consumer fraud and abuse.

29

Community Outreach, Consumer Assistance, and Education

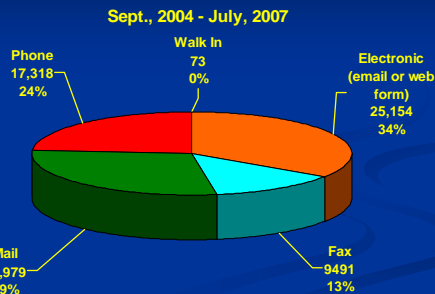
CALIFORNIA PUBLIC UTILITIES COMMISSION



- Resolving Consumer Complaints
 - Generally, the CPUC resolves about 95 percent of the informal complaints received.
 - Highest priority: Assisting consumers who are threatened with service termination.
 - We are committed to providing information to consumers in English, Spanish, Mandarin, Cantonese, and other languages.

30

Customer Contact Methods - Texas



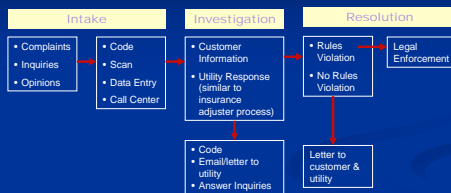
31

Types of Customer Contacts

- Complaints
 - Customer service - communicating with customers, telephone & electric service providers and other entities about a variety of telecommunication and electric issues
 - Complaints are reviewed to determine the company the complaint is against & the complaint category
 - Customer information is entered into the database (accompanying documentation is scanned and added)
- Opinions
 - Entered into database, reviewed & passed to appropriate PUC staff
- Inquiries
 - Inquiry types include requests for information from the PUC and requests to the PUC for information from a electric or telephone company
 - Inquiries to the PUC are answered with a return letter to the customer

32

Complaints Process



33

Section III Customer Education

34

Strategic Planning & Execution for Information & Education

- Information & Education Responsibilities:
 - The I&E staff manages and executes the Texas Electric Choice Customer Education Campaign, Customer Protection communications for the PUC and the Texas No Call Lists
 - Electric Choice Campaign activities include Answer Center operations, website operations and an Education Partner Program.
 - PUC Communications for telephone and electric customer protections include newsletters, fact sheets, Web site content, public service announcements, email news alerts, press releases and newspaper clippings
 - Troubleshoot, administer and manage contractor for Texas No Call Lists

35

Strategic Planning & Execution for Information & Education

- Target Audiences:
 - Residential and small commercial electric & local telecommunications customers
 - Community-based organizations
 - Low-income customers
 - Senior citizens
 - Spanish-speaking customers
 - Civic/business leaders
 - Electric industry
 - Telecom industry

36

I&E – Developing Communication Materials & Channels

- Public Utility Connection:
 - Quarterly customer electronic newsletter focused on a variety of electric and telephone-related topics (approximately 1,000 subscribers)
- PUC Facts Sheets:
 - Single page fact sheets on various telecommunication and electric issues and topics affecting utility customers in Texas (current inventory includes 28 fact sheets)
- PUC Update:
 - Weekly PUC activity newsletter with content covering the weekly agenda, Open Meeting agenda, Open Meeting disposition memos, PUC briefs, PUC news releases and new filings

37

I&E – Developing Communication Materials & Channels

- PUC Clips:
 - I&E newspaper clipping service for commission with selections from nine major daily newspapers (Austin-American Statesman, Dallas Morning News, El Paso Times, Fort Worth Telegram, Houston Chronicle, San Antonio Express-News, New York Times, and the Wall Street Journal)
- Email News Alerts:
 - Quarterly industry email publication for the electric and telecom audience dedicated to one or more current issues (e.g. complaint trends, electric rate update requests, rules updates)
- Press Releases & Pre-packaged articles:
 - Quarterly press releases and articles on electric and telephone consumer issues distributed to newspapers and newsletters across the state
- PUC Website
 - Paper informational materials available, including all filings in rulemaking proceedings and contested cases

38

I&E – Developing Communication Materials & Channels

- Print Public Service Announcements (PSAs):
 - Produced and distributed with in-house resources to newspaper and newsletter contacts every other quarter
- Outage Reports:
 - PUC rules require all electric and telecommunications utilities to report “significant” outages or service interruptions. I&E receives and archives these email reports

39

Customer Protection Staff



Community Outreach, Consumer Assistance, and Education



- Outreach Activities include:
 - Providing consistent information throughout California about regulatory programs, issues, and policies
 - Providing consistent, accurate, and understandable information to the public.
 - Preparing and disseminating consumer information materials.
 - Informing individuals, consumer groups, and organizations on how consumers can express opinions and influence regulatory policy.
 - Focusing on the most vulnerable consumers, e.g., low income, seniors and limited-English proficient persons
 - Coordinating outreach with community based organizations.

41

Community Outreach, Consumer Assistance, and Education



- Providing bilingual assistance to consumers
 - Translate more materials in Spanish and Chinese as well as other languages.
 - Post consumer information in other languages on CPUC website, e.g., Spanish, Chinese.
 - Develop on-going communication with limited- and non-English speaking communities.
 - Increase the number of staff certified as bilingual interpreters.
- Keeping local governments informed of issues before the CPUC
 - Inform cities, counties and regional agencies of emerging issues and proceedings via monthly electronic newsletter.
 - Facilitate participation of local government representatives formally and informally in CPUC proceedings.

42

Overall Conclusions

- Need skilled consumer group involvement to help develop record in formal proceedings.
- Public participation in formal proceedings can be difficult.
- Outreach and education are vital.
- Call center, and other customer contacts provide key opportunity to informally intervene, understand issues facing customers
- Need to be sure that staff tracks trends and that enforcement activities are initiated if warranted

43

Questions?

44