

Decision 98-05-062 May 21, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Proposed Policies Governing Restructuring California's Electric Services Industry and Reforming Regulation.

Rulemaking 94-04-031
(Filed April 20, 1994)

ORIGINAL

Order Instituting Investigation on the Commission's Proposed Policies Governing Restructuring California's Electric Services Industry and Reforming Regulation.

Investigation 94-04-032
(Filed April 20, 1994)

**OPINION REGARDING THE CONTINUATION OF
THE ELECTRIC EDUCATION CALL CENTER**

I. Summary

Today's decision addresses the continuation of the Electric Education Call Center (EECC) under the direction of the Commission. This decision approves an extension of the EECC for an additional six months. The investor-owned utilities (IOUs) are authorized to enter into a six-month contract with the current entity that is operating the call center. At the end of the six months, or as soon thereafter as resource and budget constraints permit, and pending Commission approval of the Consumer Services Division's (CSD) plan, CSD should take over and absorb the EECC's activities as part of CSD's work activities.

II. Background

As part of the Customer Education Plan (CEP) for electric restructuring, the Commission authorized the establishment of the EECC in Decision (D.)

97-08-064. Unless the life of the EECC is extended, the EECC is to terminate on May 31, 1998.

In determining whether the EECC should be continued, the Commission required CSD to file its recommendations concerning the continuation of the call center activities. CSD filed its recommendation on January 30, 1998. CSD recommends that the EECC be continued and that its activities be incorporated into the Commission's work scope. Responses to CSD's recommendations were filed by the following: the California Energy Commission (CEC) staff; the Greenlining Institute (Greenlining) and the Latino Issues Forum (LIF); and Southern California Edison Company (Edison), Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E).

III. Continuation of Electric Education Call Center

a. Recommendation of CSD

CSD recommends that the EECC be continued beyond its scheduled expiration date, and that its activities be taken over by the Commission as a staff function. CSD states that since the development of a competitive market for electricity will take some time, the education of the public will need to continue. CSD views the EECC to be a principal component of the CEP. As the electricity market begins to develop and mature, CSD believes that the questions the EECC will handle will become more tangible and relevant and that the answers will become more important to the callers. In addition, since energy service providers (ESPs) are marketing to residential and small business customers, the continuation of the EECC will provide these kinds of customers with a resource for answering specific questions about the restructured electric industry. Continuing education of this sort will also help to inform consumers, which should minimize potential marketing abuses.

CSD also contends that since the printed materials distributed in connection with the CEP refer callers to the toll-free number of the EECC, continuation of the EECC will preserve the viability and effectiveness of these brochures. The continuation of the EECC could also be used to support the efforts of the CBOs that are to be part of the outreach activities of the Electric Education Trust (EET).

By having the Commission take over the efforts of the EECC, the Commission will also be in a position to utilize the EECC personnel if a similar type of call center is used to answer inquiries regarding the restructuring of the natural gas market. CSD also states that having the Commission take over the EECC is a logical complement to other Commission functions such as the "don't call me" list, the list of registered ESPs, and the complaint lines operated by the Consumer Affairs Branch. The call center could also provide Commission staff with early warning of potential abuses through the collection of information about possible problems.

CSD proposes that the EECC be continued by way of a contract with the current EECC contractor for a transition period under the direction of the Commission. CSD then recommends that the EECC be absorbed and integrated into the Commission as part of its educational efforts as envisioned in the Commission's Business Plan. The transition period would provide the staff with the opportunity to prepare for and to take over the EECC's functions. Even after the transition period is completed, CSD states that the Commission may still need to contract for supplemental services, such as peak-period calls and multi-language services.

CSD recognizes that operating a call center is an expensive endeavor, and that the CEP budgeted \$4 million for the first nine months of the call center's operations. According to CSD, this amount can be lessened through a

reorganization of staff resources and the reassignment of these resources to call center activities. CSD also points out that some funds may be available from the \$2 million that has been set aside for the Commission's outreach efforts and the funds for the EET. Eventually, a budget change will be needed to provide more permanent funding for the call center.

b. Responses to CSD's Recommendation

The staff of the CEC agrees with CSD's recommendation that the EECC be continued. The CEC recommends that the EECC be continued until the EET's work plan is completed at the end of 1999. The CEC states that the issue of whether the EECC should be continued beyond the end of 1999 should be taken up toward the end of 1999. The CEC views the call center as the official resource to which consumer questions can be referred to by the CBOs who contract to implement the EET. The CEC also points out that it plans to maintain its own call center to respond to questions regarding renewable energy and energy efficiency.

Joint comments to CSD's recommendations were filed by Edison, PG&E, and SDG&E. These IOUs support the continuation of the EECC. The IOUs point out that the literature disseminated by the CEP contains the 800 numbers of the EECC and that consumers should expect to be able to call those numbers to receive answers to their restructuring questions. The IOUs also state that the continuation of the EECC will assist the EET by giving consumers a place to call to obtain unbiased information in a variety of languages.

The IOUs point out that after the CEP concludes on May 31, 1998, the EECC could be operated by the Commission staff or it could be out-sourced under the Commission's oversight and supervision. The IOUs support CSD's recommendation that the Commission take over the EECC after a transition period. During the transition period, the IOUs state that the current call center vendors could contract with and be compensated by the Commission until the

EECC can be taken over by the staff of the Commission. Furthermore, the IOUs believe that CSD is the appropriate staff organization within the Commission to take on this responsibility.

The IOUs' comments also provide background information on how the EECC is organized. The EECC consists of 150 general representatives and 50 specialized help desk representatives. The general representatives answer basic questions, send collateral brochures and other material to the caller, and provide referrals to other information sources.¹ The help desk representatives are trained to answer detailed questions. In addition to the live operators, the EECC also provides pre-recorded messages.

The EECC has two work shifts to accommodate the volume of incoming calls during the operating hours of 8 am to 11 pm. The EECC staff is capable of responding to non-English speaking callers and the bilingual operators can be used to handle customer inquiries in English during peak calling periods so as to minimize waiting times.

The IOUs state that the monthly cost to operate the EECC averages about \$225,000.

Greenlining/LIF submitted joint comments in support of the continuation of the EECC. They recognize the importance of providing ongoing consumer information about electric restructuring, the usefulness of such information so as to prevent and resolve disputes and abuses, and the need for an objective and informed source of education.

¹ In the course of investigating the cost of continuing the EECC, CSD learned that the current number of EECC representatives has been reduced significantly from the time when the call center was first initiated.

Greenlining/LIF state that CSD's recommendations need to be strengthened so as to ensure that the more vulnerable customers, such as limited-English speaking customers, non-English speaking customers, new immigrants, low-income customers and the elderly, will be protected and informed. Before the Commission's staff can take over the operations of the EECC, the Commission must have multilingual staff capable of handling the calls, be able to operate the call center in hours outside of 8 am to 5 pm, and have sufficient staff to handle the call volume.

Greenlining/LIF recommend that the Commission establish a 24-hour a day multilingual consumer complaint department that works in coordination with other Commission staff involved in consumer protection issues, the Attorney General, and major consumer groups. Greenlining/LIF state that this operation could be contracted out until an internal operation can be properly staffed. Greenlining/LIF also recommend that the Commission have sufficient staff to oppose the law firms and experts that may be retained by ESPs who may have engaged in suspected wrongdoing, and that the Commission issue monthly consumer alerts to key consumer groups and CBOs.

Greenlining/LIF also state that the role of the CBOs must not be undervalued and that it should be specified as to how this role can be coordinated with CSD and the call center. They also believe that the IOUs' customer service representatives should continue to play a role because consumers will continue to call on the IOUs when there are problems or if consumers have questions. They recommend that CSD coordinate the call center activities with the IOUs' customer service activities. One suggestion is that the IOUs could supply customer call data regarding any reported disputes against an ESP.

c. Discussion

We find merit in CSD's recommendation to continue the EECC and for the Commission to eventually take over those activities. Continuation of the EECC is important because the CEP has disseminated a series of brochures in different languages which refer consumers to the toll free numbers of the EECC. The toll free numbers have also been referred to and displayed in the media advertisements of the CEP, as well as on promotional materials distributed by the CEP. As the life of the CEP draws to a close, it is important for the Commission to retain the EECC so that there is a continuum with respect to where consumers can have their restructuring questions answered.

We also recognize that as the activities and advertisements by the CEP wind down, the number of consumers who call the EECC may decrease as well. For that reason, any continuation of the EECC should recognize that the volume of calls may decrease. The scale of operation of the EECC should be reduced accordingly in the coming months.

The continuation of the call center is also consistent with the proposed activities of the EET. As the EET begins its educational outreach efforts, a call center to answer additional questions may prove useful as well. We recognize that at some point the EECC may no longer be needed; however, it is premature to reach such a conclusion in this decision.

Continuing the EECC at this time does not mean that the Commission should immediately take over the activities of the EECC. Instead, it should be contingent on the Commission's resources and budget and a concrete plan by CSD for taking over such activities. There is a need for a transition period so that CSD can submit a plan for taking over and incorporating the EECC's activities as part of its normal operations and to obtain the necessary resources and budgetary approvals. Thus, we agree with CSD and some of the other parties

that the EECC should continue to be operated by the entity that has contracted with the CEP to provide those services until such time the Commission approves a plan by CSD to take over and absorb the activities of the EECC.

To require CSD to immediately take over the operations of the EECC does not make practical and logistical sense because the EECC currently has multilingual language capabilities, all of its operators have already undergone training, and all the toll-free telephone connections and apparatus are in place. However, this transition period should be as short as possible to minimize the expense of operating the EECC through the use of an outside vendor.

We will therefore authorize the continued operation of the EECC on the following terms and conditions. The EECC shall be permitted to continue to operate for an additional period of six months (June 1, 1998 through November 30, 1998) by the company currently operating the call center. PG&E, Edison, and SDG&E shall be ordered to enter into an agreement with the entity operating the call center in accordance with the intent expressed in this decision. Should the three IOUs decide it is more efficient to have only one of the IOUs enter into the agreement with the call center operator, they should be permitted to do so. In any event, a copy of the signed agreement shall be supplied to the Director of CSD once the agreement has been signed. Although the contract to operate the call center is to be between the IOUs and the call center operator, we expect the call center to continue to provide neutral and unbiased information regarding electric restructuring. Any changes or additions to the script training materials for the call center operators shall undergo the review process that we established in D.97-08-064 at pages 49 to 50. After the six-month period is over, the continued operation of the EECC by the outside vendor may be renewed for an additional three-month basis. Prior to the expiration of the six-month term, and for each succeeding three-month term, the Director of the CSD shall inform

the Commissioners assigned to direct access (assigned Commissioners) whether the three-month renewal of the BECC is needed. Upon receiving the consent of the assigned Commissioners, the CSD Director or his designee shall inform the IOUs that they are authorized to enter into the next renewal.

In recognition that the call volume to the BECC may drop off during the next six months, the six-month term for the BECC should be sized appropriately in light of current staffing and current calling volumes. Should the Director of the CSD believe that reductions in the operating hours are needed, the Director of CSD shall consult with the assigned Commissioners and upon receiving their consent shall be delegated the authority to effect a change with the IOUs to reduce the operating hours of the BECC.

The resizing of the BECC should help to lower operating costs in the coming months. This downsizing exercise is reflective of the end of the CEP's efforts, the residual effects of the CEP, and the continuing educational efforts by the EET and the Commission.

Beginning December 1, 1998, or later as circumstances, resources and budget permit, we contemplate that the Commission's CSD shall take over all of the day-to-day activities and operations of the BECC. However, CSD shall first prepare a report to the Commission on or before September 1, 1998 which details the following: the target date when CSD is expected to take over the activities and operations of the BECC; the type of work activities that the call center staff will be responsible for; the ability of the Commission staff to handle questions in languages other than English; what type of problems, if any, the Commission or CSD must overcome in order to take over the BECC and CSD's recommendations for overcoming the problems; and the proposed staffing and budget for operating the call center as part of the Commission.

PG&E, SDG&E, and Edison are directed to continue to provide funding for the EECC through the memorandum accounts which were previously established in D.97-03-069 and in accordance with the contribution method established in that decision. Until otherwise directed, SDG&E shall act as the funding source to pay the bills associated with the EECC. Beginning June 1, 1998, all of the bills associated with the EECC shall be delivered to the CSD Director or his designee for approval before such bills are forwarded to SDG&E for payment.

As for the suggestion of Greenlining/LIF that the IOUs supply customer call data about possible disputes with ESPs, that concept was proposed in D.98-03-072 at pages 110 to 111. The Commission will decide in another decision whether such a monitoring proposal should be adopted.

Findings of Fact

1. Unless the life of the EECC is extended, the EECC is to terminate on May 31, 1998.
2. CSD's filing of January 30, 1998 recommends that the EECC be continued and that its activities be incorporated into the Commission's work scope.
3. The parties who responded to CSD's recommendation support the continued existence of the EECC.
4. Since the telephone numbers of the EECC have been widely disseminated in brochures, media advertisements, and other promotional materials, the EECC should be continued.
5. Continuation of the EECC should recognize that as the CEP winds down, the number of consumers who call the EECC may decrease.
6. There should be a transition period before the Commission decides whether CSD should take over the activities of the EECC as part of the normal operations of the staff.

7. The transition period should be as short as possible to minimize the expense of operating the EECC through the use of an outside vendor.

8. The continuing operations of the EECC should be sized to reflect the end of the term of the CEP, the residual effects of the CEP, and the continuing educational efforts by the EET and the Commission.

Conclusions of Law

1. The EECC's scale of operation should be reduced in the coming months.
2. To require CSD to immediately take over the operations of the EECC does not make practical and logistical sense.
3. The continued operation of the EECC should be authorized.
4. PG&E, Edison, and SDG&E should be ordered to enter into an agreement to extend the call center with the entity currently operating it.
5. Any changes or additions to the script training materials for the call center operators are to undergo the review process that we established in D.97-08-064.
6. The continued operation of the EECC during the six-month extension should be sized appropriately.
7. Pending approval of CSD's plan, CSD should take over all of the activities and operations of the EECC on December 1, 1998 or as soon thereafter as circumstances and the budget permit.
8. PG&E, SDG&E, and Edison should be directed to continue to provide funding for the EECC.

O R D E R

1. Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (Edison) shall

enter into an agreement with the current entity operating the Electric Education Call Center (EECC) on the following terms and conditions.

a. PG&E, SDG&E, and Edison may agree among themselves to have one of the investor-owned utilities (IOUs) to enter into the agreement with the call center operator.

(1) The IOUs shall provide the Director of the Consumer Services Division (CSD) with a copy of the signed agreement shortly after its execution.

b. The EECC shall be permitted to continue to operate from June 1, 1998 through November 30, 1998, and thereafter the EECC may be continued on a three-month basis as provided for in Ordering Paragraphs 2.a. and 3.a.

c. The entity operating the EECC shall operate the EECC in accordance with the review process established in Decision (D.) 97-08-064 at pages 49 and 50 and shall provide information that is neutral and unbiased.

d. During the six-month extension of the EECC, the EECC shall be sized appropriately in light of the current staffing and current calling volumes.

2. The Commissioners assigned to direct access (assigned Commissioners) are authorized to do the following on behalf of the Commission:

a. After hearing from the Director of CSD, as provided for in Ordering Paragraph 3.a., the assigned Commissioners may decide whether the term of the EECC should be extended for additional three-month terms.

b. The assigned Commissioners may, after consulting with the Director of the CSD, decide if the operating hours of the EECC should be reduced.

3. The Director of CSD shall do the following:

a. Prior to the expiration of the six-month term of the EECC, the Director shall inform the assigned Commissioners whether the term of the EECC should be extended by another three-month term. If the assigned Commissioners consent to extending the term of the EECC by another three-month term, the

Director or his designee shall inform the IOUs that they are authorized to enter into the three-month renewal.

(1) If the EECC's term is extended by another three months, the Director shall, prior to the expiration of the next three-month term, inform the assigned Commissioners whether the term of the EECC should be extended again by another three-month term. If the assigned Commissioners consent again to extending the term by another three months, the Director or his designee shall notify the IOUs.

b. If the Director believes that further reductions in the operating hours of the EECC are needed, the Director shall consult with the assigned Commissioners, and upon receiving their consent, shall be delegated the authority to effect a change with the IOUs to reduce the operating hours of the EECC.

c. Ensure that CSD prepares a report to the Commission on or before September 1, 1998 which details the target date when CSD can take over the activities and operations of the EECC and the other information discussed in this decision.

(1) The Commission shall review the CSD report and issue a decision as to whether CSD should take over all of the day-to-day activities and operations of the EECC.

d. Take steps to ensure that the CSD staff can take over all of the activities and operations of the EECC within the time contemplated in this decision.

e. Beginning June 1, 1998, the Director or his designee shall review and approve or deny for payment all of the bills associated with the EECC that are presented for payment, and shall forward the approved bills to SDG&E for payment.

4. PG&E, SDG&E, and Edison are directed to do the following:

a. Continue to provide funding for the EECC through the memorandum accounts that were previously established in D.97-03-069 and in accordance with the contribution method established in that decision.

(1) Effective June 1, 1998, SDG&E shall act as the funding source to pay all of the bills associated with the EECC after they have been approved for payment by the CSD Director or his designee.

This order is effective today.

Dated May 21, 1998, at San Francisco, California.

RICHARD A. BILAS
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners