



Control Number: 46335



Item Number: 5

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PUBLIC UTILITY COMMISSION  
CLERK

# OPEN MEETING COVER SHEET

**MEETING DATE:** November 10, 2016

**DATE DELIVERED:** November 2, 2016

**AGENDA ITEM NO.:** 24

**CAPTION:** Project No. 46335 – 2016 Summary of Customer Complaints and Enforcement Activities

**ACTION REQUESTED:** Discussion and possible action with respect to Proposal for Adoption

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# Public Utility Commission

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## Memorandum

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PUBLIC UTILITY COMMISSION  
FILING CLERK

To: Chairman Donna L. Nelson  
Commissioner Kenneth W. Anderson  
Commissioner Brandy D. Marty Marquez

From: *ML* Mick Long – Director, Oversight and Enforcement Division  
*CB* Chris Burch – Director, Customer Protection Division

Date: November 2, 2016

Re: November 10, 2016 Open Meeting – Project No. 46335 – *2016 Summary of Customer Complaints and Enforcement Activities*

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### BACKGROUND

Attached is summary information on enforcement actions and customer complaint data for fiscal year 2016. We intend to present this information for your review at the November 10, 2016 Open Meeting.

As part of its 2010 report on the PUC, the Sunset Advisory Commission adopted a management action recommending that the Commission publish, on a regular basis, more complaint and enforcement data on its website. The Sunset Advisory Commission recommended that the public be given an opportunity to comment on this information.

Staff has requested that any interested person who wants to comment on this information file written comments. Staff also posted the attached information on the PUC Announcements section of the Commission's homepage along with the same notice and request for comments to be filed in Project No. 46335. Staff will consider comments filed regarding this project as it prepares to publish the 2017 Summary of Customer Complaint and Enforcement Activities.

The 2016 Summary has taken into consideration comments suggested by the public on last year's 2015 Summary of Customer Complaints and Enforcement Activities, which is filed in Project 45104. Staff has made color copies of the 2016 Summary available on the Commission's website. The color version is accessible from the PUC Announcements section of the homepage and by downloading the native file from the filings interchange. Staff also included a notation on the two graphs regarding refunds that the reported refunds and credits includes refunds, credits & courtesy, goodwill and out of service credits.

Based on the comments received in 2015, Staff seeks to clarify two issues regarding the categorization of complaints and the difference between informal and formal complaints. The Retail Electric Providers' (REP) comments asserted that the categories shown on the proposed chart are those assigned upon the customer's initial contact with the Commission rather than upon resolution of the complaint. While many of the complaints are categorized at the time of the initial receipt of the complaint, the complaint may be categorized upon further investigation. The data reflects the category assigned to the complaint when the complaint is closed.

Additionally, in the REPs' comments regarding refunds, the REPs requested that Staff note which refunds in the customer complaints were the result of informal complaints and which were the result of formal complaints. Staff notes that all customer complaints listed and sorted in the report are informal complaints. A formal complaint triggers a contested case and is therefore docketed and processed by the Legal Division. Data concerning formal complaints are not captured in the Enforcement Activities as Enforcement Activities only tracks investigations and contested cases initiated by Staff in the Oversight and Enforcement Division.

Staff declined to adopt the suggestions to report data in a more granular manner because Staff does not maintain the consumer complaint and enforcement data according to the categories identified in the REPs' comments. Pursuant to the Sunset Advisory Commission's recommendation, Staff will continue to publish complaint and enforcement data on an annual basis and to provide the public an opportunity to comment on this data.

## **DISCUSSION OF THE 2016 SUMMARY**

### Complaints

As indicated on attached charts, there were a total of 1,066 telecom complaints and 4,466 electric complaints filed in fiscal year 2016. There were also 1,047 water complaints and 4,431 No-Call complaints filed during this period. Because No-Call complaints are processed differently than other types of complaints, these complaints are tracked separately.

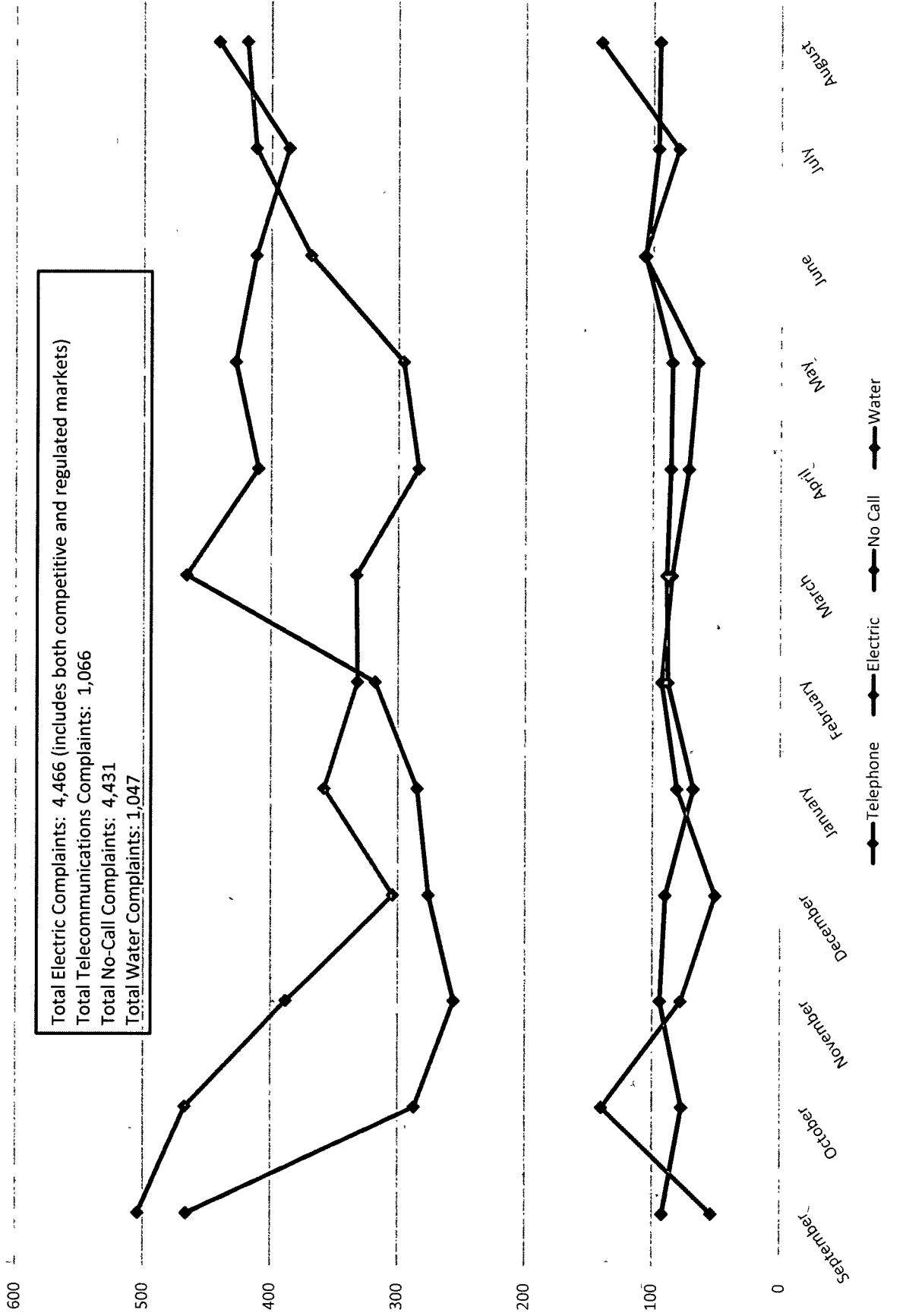
The attached charts include a breakout of complaints by type, as well as information on the percentage of total complaints in which customers received a refund, and the average amount of the refund provided by month.

### Enforcement Actions

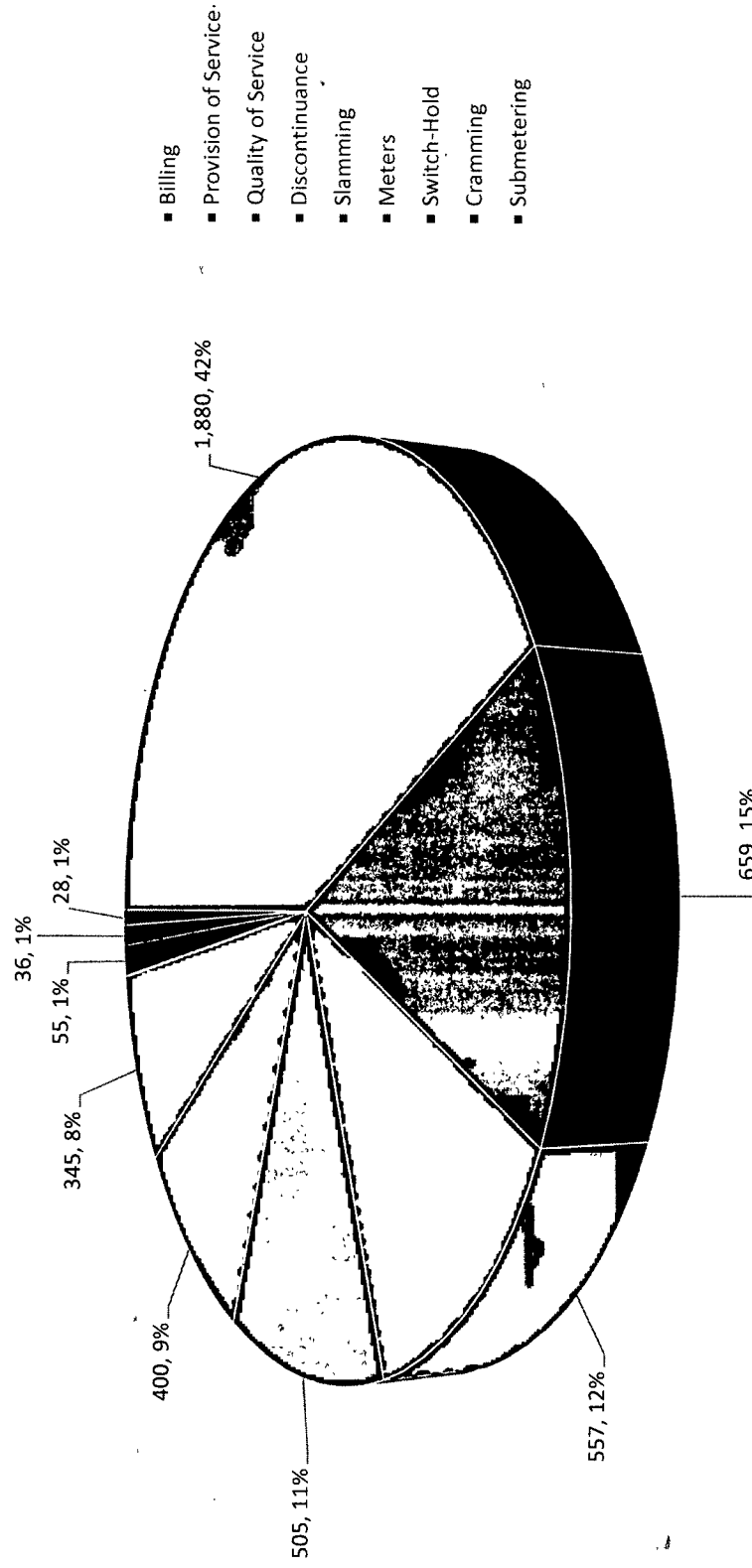
In fiscal year 2016, Commission Staff opened 191 investigations and closed 142 investigations. Of those closed investigations, 34 resulted in an administrative penalty, 4 resulted in revocation of a CCN, 37 resulted in a finding of a violation but Staff did not recommend an administrative penalty or revocation, and 68 resulted in no finding of a violation. The Commission approved orders imposing a total of \$ 3,077,500.00 in administrative penalties and \$ 2,079,191.68 in refunds. Investigations and enforcement actions in fiscal year 2016 involved entities in the wholesale and retail electric sectors, telecom, and water utility industries.

As reflected in the attached charts, the breakdown of docketed cases was 14% electric retail, 37% electric wholesale, 28% electric service quality, 12% telecommunications and 9% water. The percentage of total penalties assessed in fiscal year 2016 was 8% electric retail, 48% electric wholesale, 14% electric service quality, and 30% telecommunications. Of the investigations that were opened in fiscal year 2016, 40% were electric retail, 29% were electric wholesale, 7% were electric service quality, 7.33% were telecommunications, and 16.75% were water.

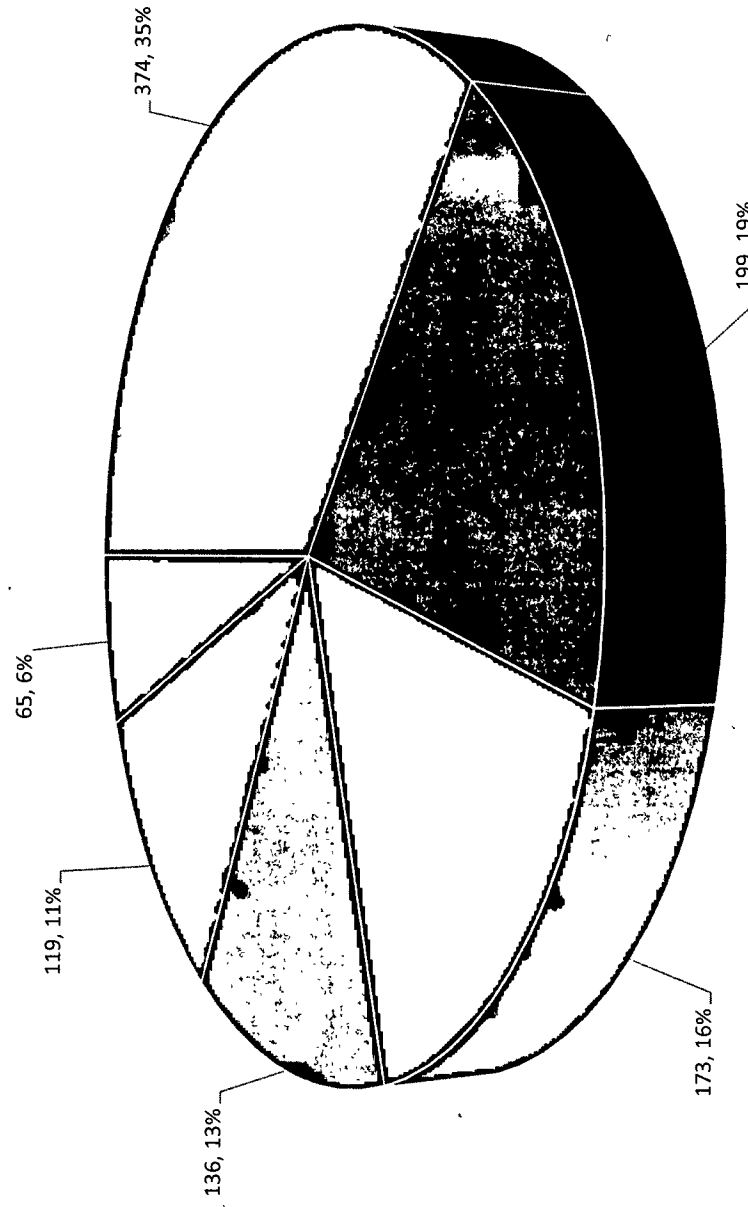
**Customer Protection Division  
Fiscal Year 2016 Complaints Received**



**Customer Protection Division  
Electric Complaint Categories - FY 2016**

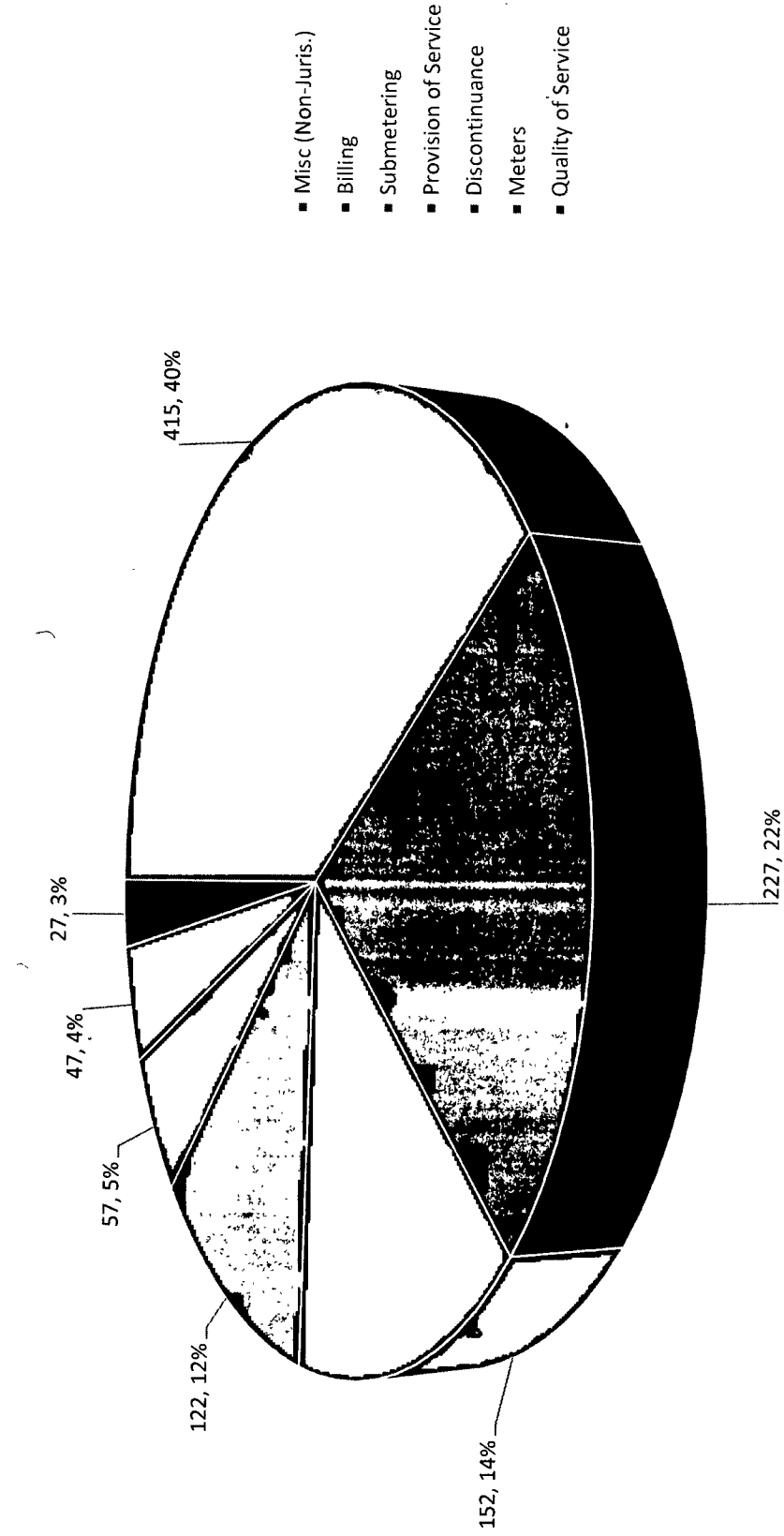


Customer Protection Division  
Telecommunications Complaint Categories - FY 2016



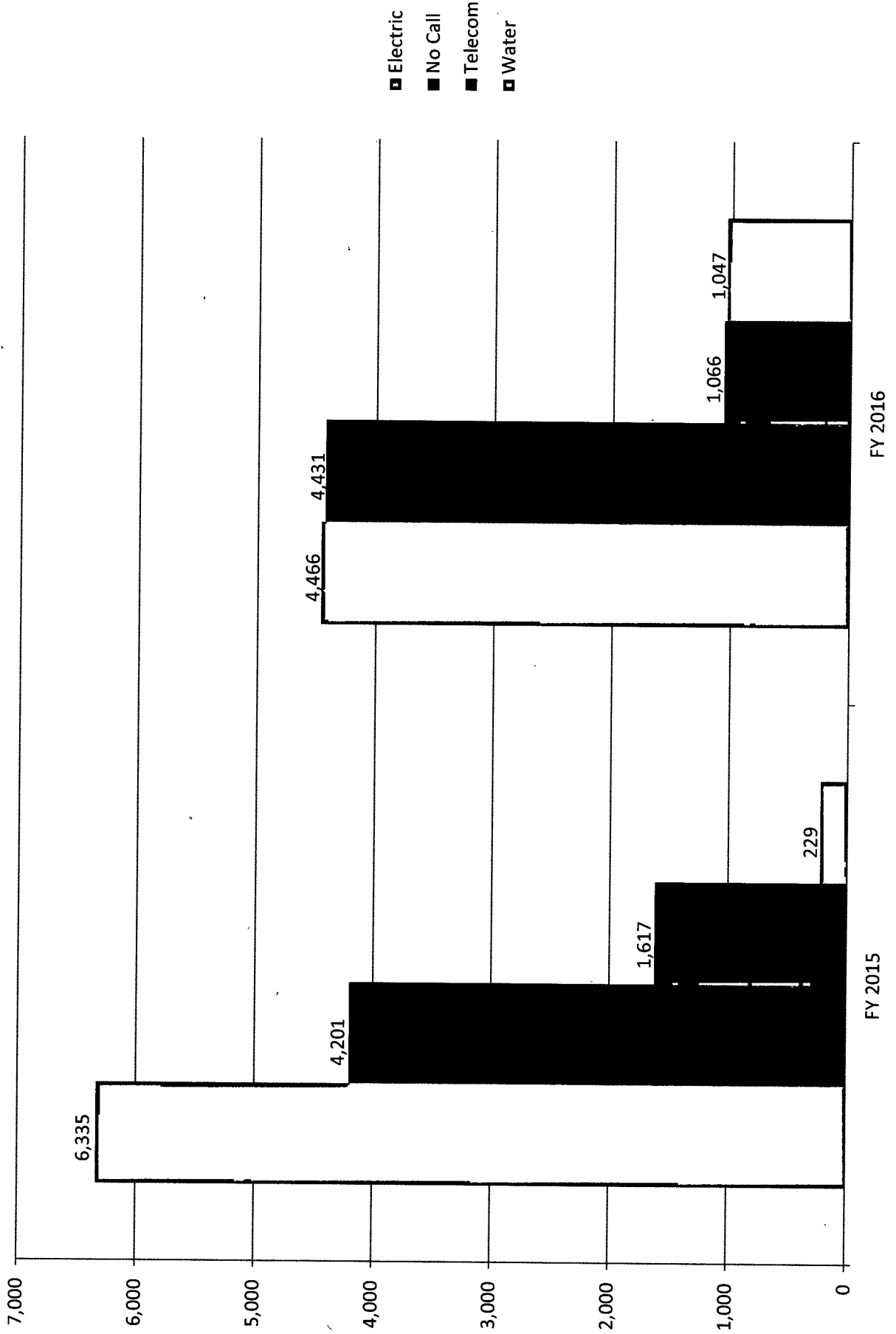
- Billing
- Quality of Service
- Provision of Service
- Slamming
- Discontinuation
- Cramming

**Customer Protection Division  
Water Complaint Categories - FY 2016**

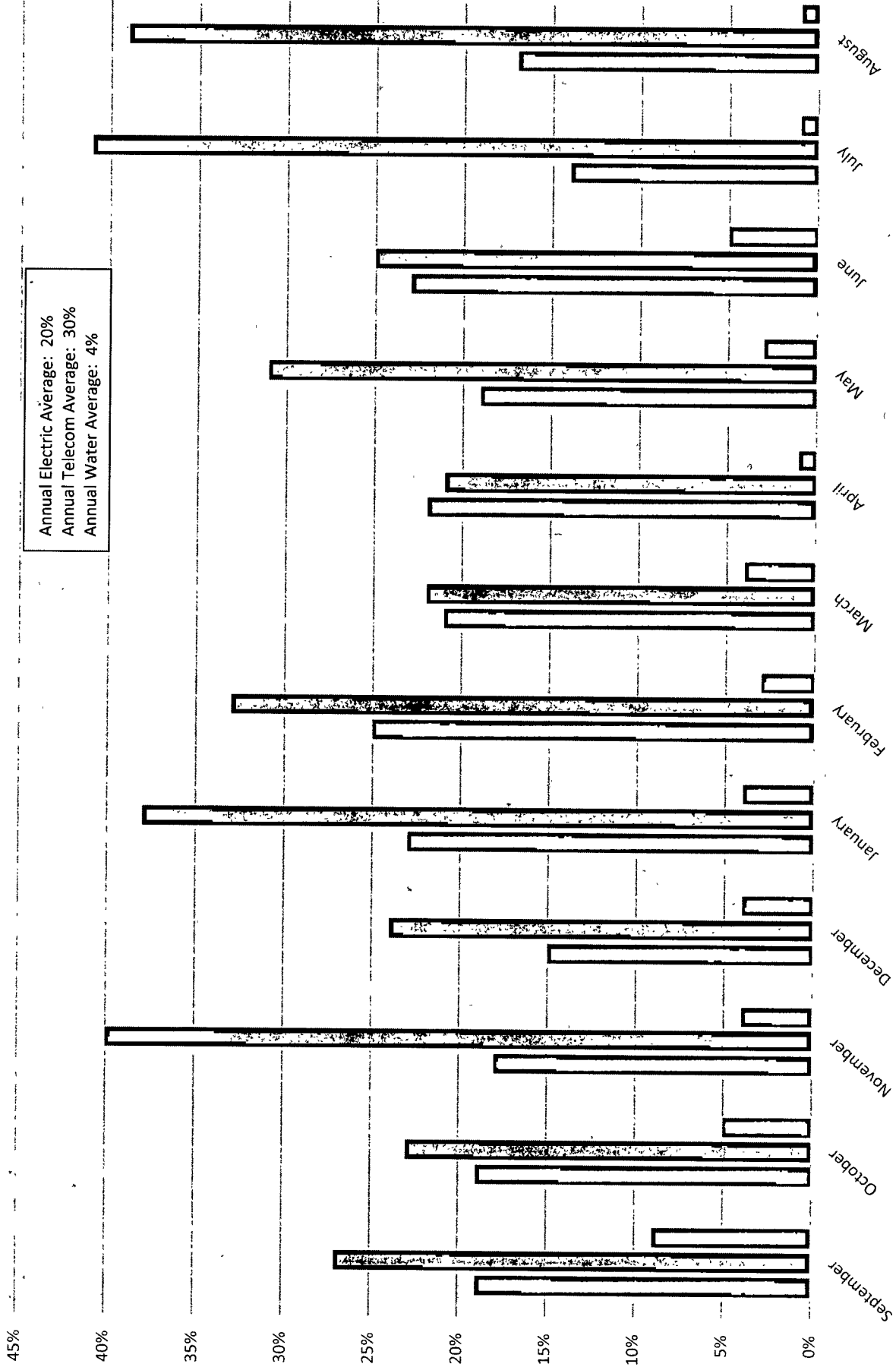




**Customer Protection Division  
Complaints Received Comparison -- FY 2015 and FY 2016**

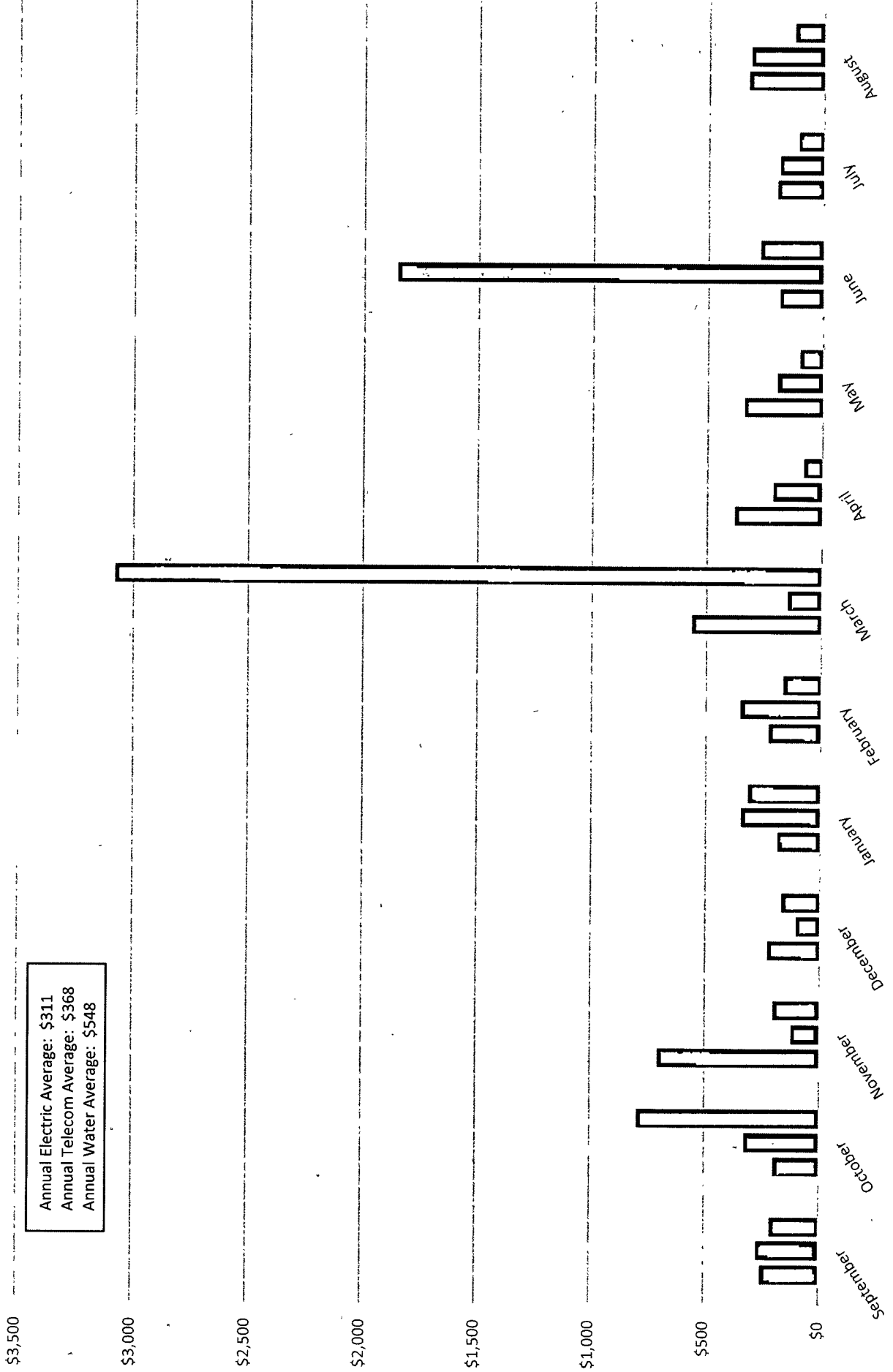


**Customer Protection Division  
% of Complaints Resulting in Customer Refunds\* - FY 2016**



\*includes refunds, credits & courtesy, goodwill and out of service credits

**Customer Protection Division  
Average Refund\* - FY 2016**

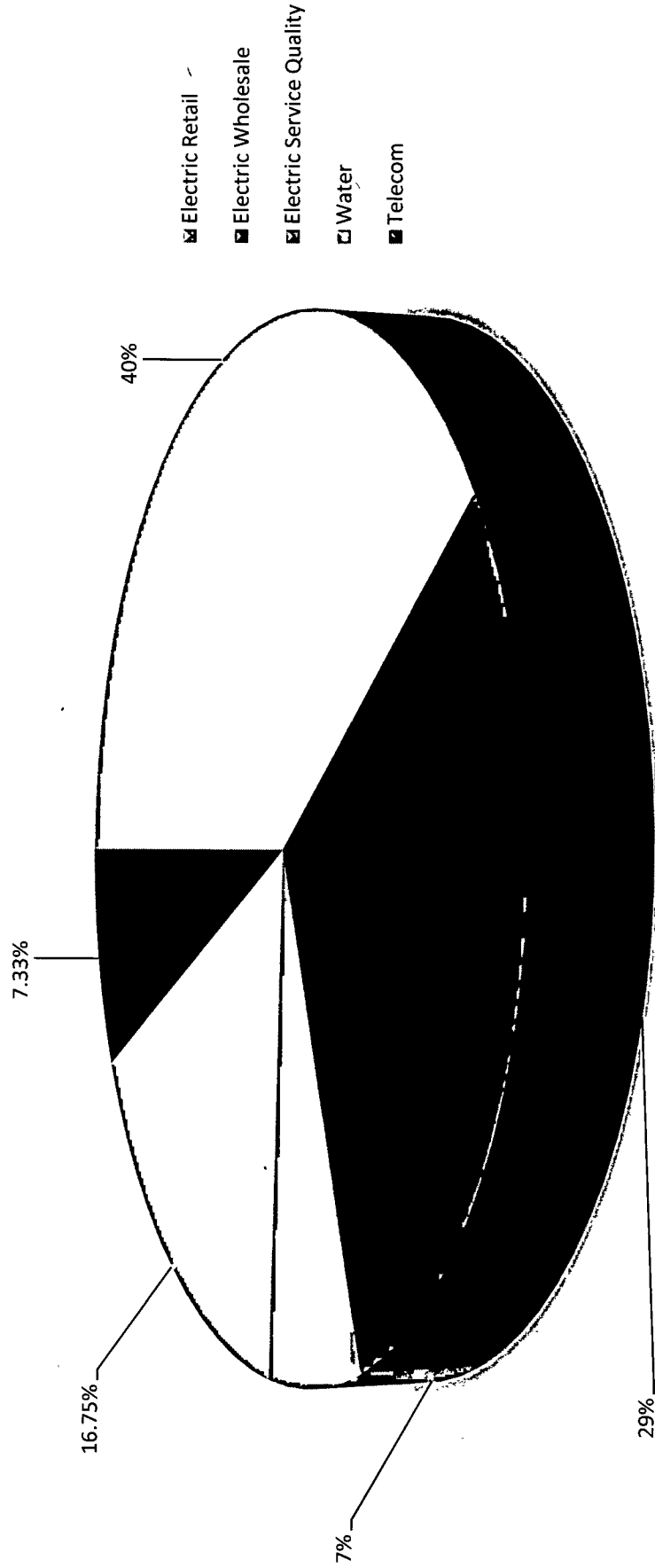


\*includes refunds, credits & courtesy, goodwill and out of service credits

■ Electric ■ Telecom ■ Water

OVERSIGHT & ENFORCEMENT ACTIVITY

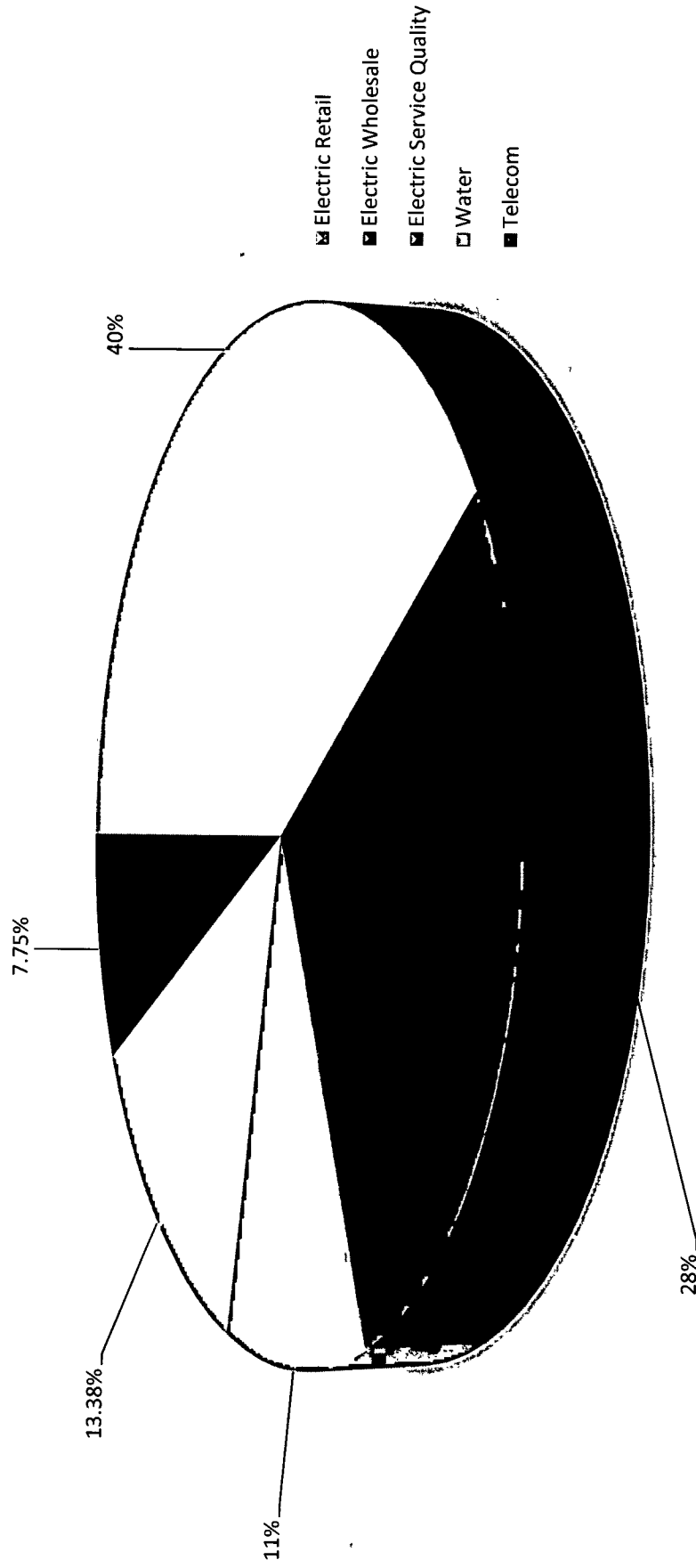
**Total Investigations Opened Within Fiscal Year 2016**



**Total Investigations Opened: 191**

OVERSIGHT & ENFORCEMENT ACTIVITY

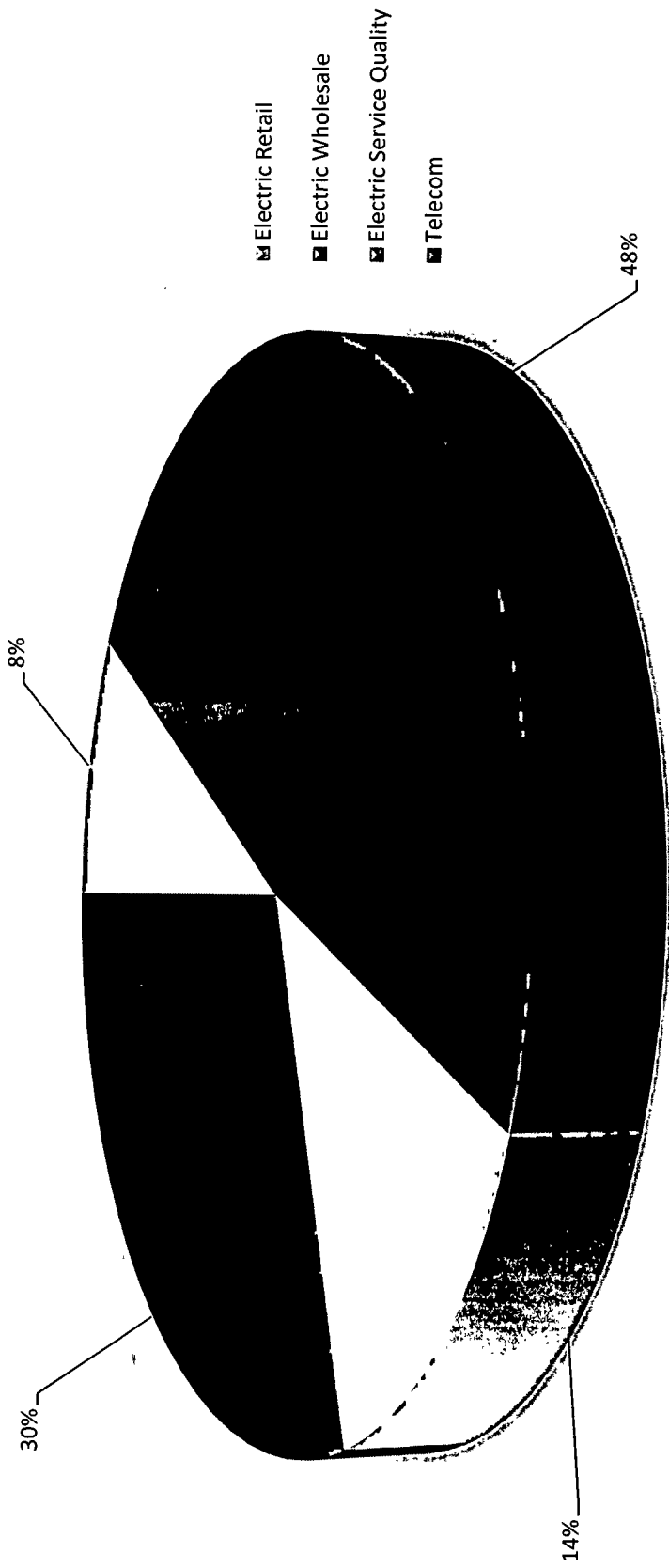
**Total Investigations Closed Within Fiscal Year 2016**



**Total Investigations Closed: 142**

OVERSIGHT & ENFORCEMENT ACTIVITY

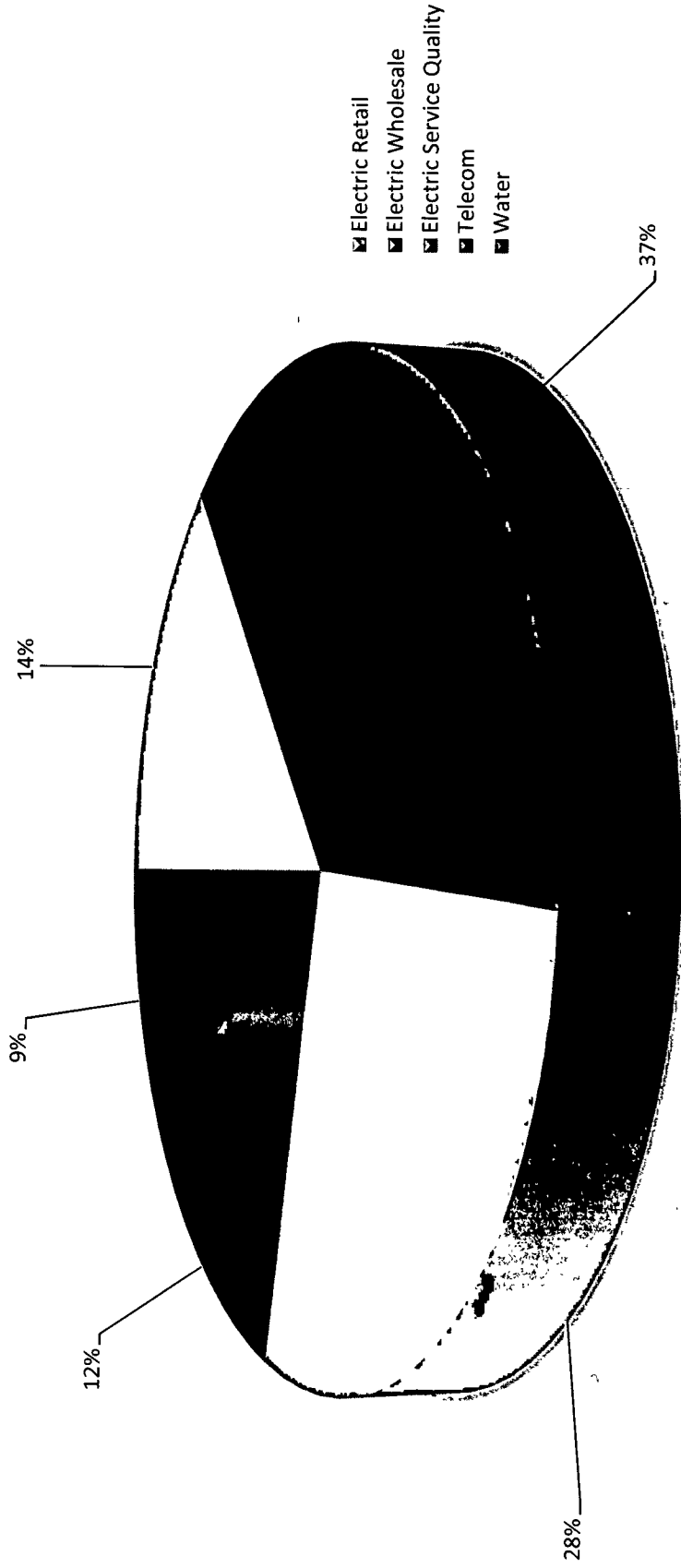
**Docketed Cases that Resulted in Administrative Penalties:  
Percentage of Total Penalties Assessed by Violation Type  
Fiscal Year 2016**



**Total Penalties: \$3,077,500.00**

OVERSIGHT & ENFORCEMENT ACTIVITY

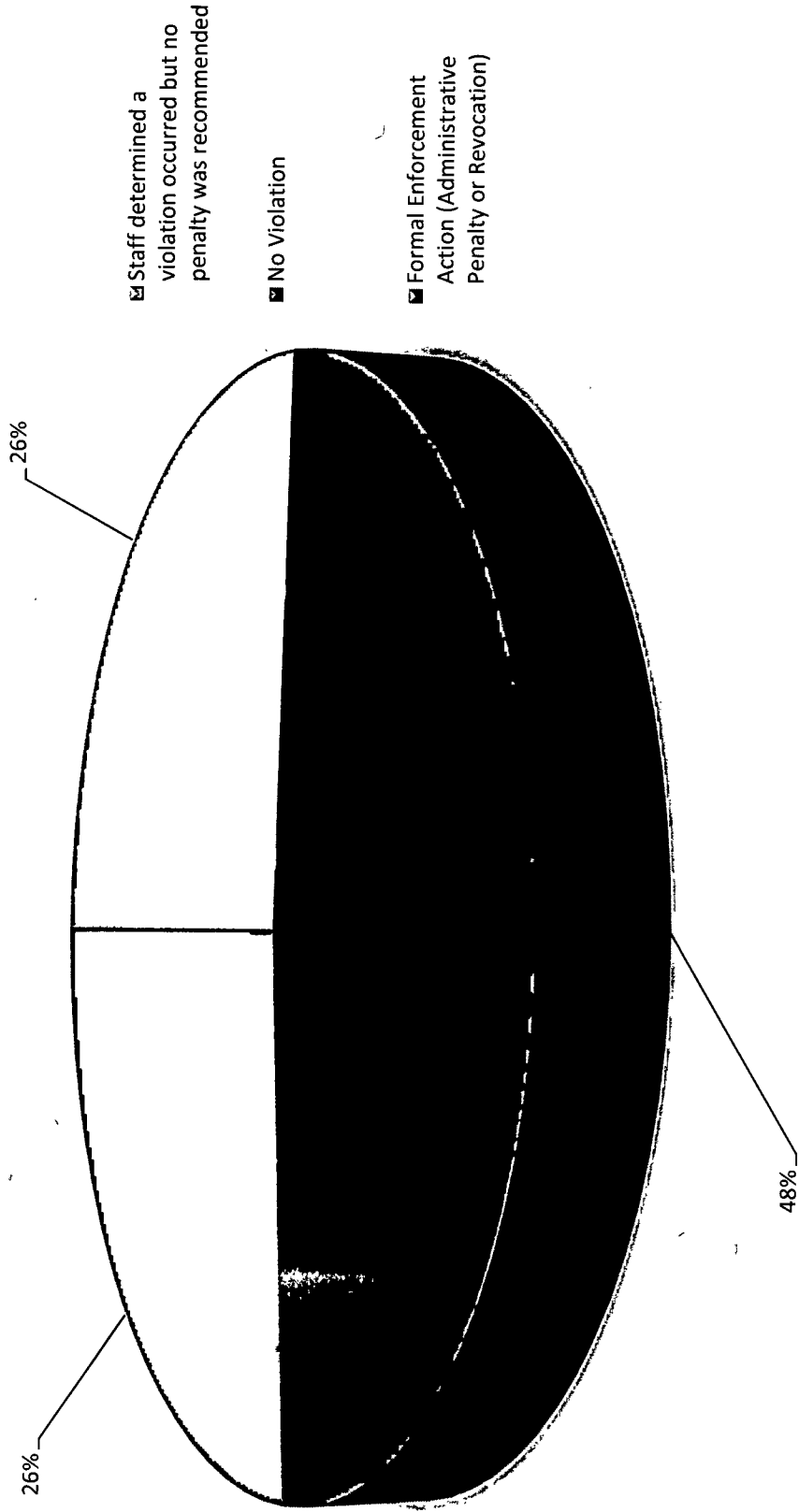
**Docketed Cases by Violation Type Fiscal Year 2016**



**Total Docket Cases: 42**

OVERSIGHT & ENFORCEMENT ACTIVITY

**Investigation Results in Fiscal Year 2016**



**Total Investigations With A Finding of A Violation: 74**



# OVERSIGHT & ENFORCEMENT ACTIVITY

## PUC ENFORCEMENT ACTIVITY REPORT FOR DOCKETED CASES: FISCAL YEAR 2016

<u>Company</u>	<u>Violation</u>	<u>Docket</u>	<u>Final Order Date</u>	<u>Penalty P/R</u>	<u>Violation Type</u>	<u>Settlement/Contested Case</u>	<u>Certificate Revoked</u>
AEP - SWEPCO	Reliability of Service	45029	09/11/2015	\$7,000.00 {P}	Electric Service Quality	Agreed Settlement	No
AEP - TCC	Reliability of Service	45362	12/18/2015	\$57,000.00 {P}	Electric Service Quality	Agreed Settlement	No
AEP - TNC	Reliability of Service	45363	12/18/2015	\$25,000.00 {P}	Electric Service Quality	Agreed Settlement	No
AEP SWEPCO	Reliability of Service	46117	08/25/2015	\$23,000.00 {P}	Electric Service Quality	Agreed Settlement	No
AEP Texas	ERCOT Protocols	46162	08/25/2015	\$25,000.00 {P}	Electric Wholesale	Agreed Settlement	No
Aero Valley	TWC Rules/Licensing	45277	04/25/2016	\$0.00	Water	Revocation	Yes
American Electric Power Service Corporation (AEP)	ERCOT Protocols	45569	03/25/2016	\$215,000.00 {P}	Electric Wholesale	Agreed Settlement	No
Calpine Corporation	ERCOT Protocols	45256	11/20/2016	\$67,500.00 {P}	Electric Wholesale	Agreed Settlement	No
CENTERPOINT	Reliability of Service	46001	07/01/2016	\$27,000.00 {P}	Electric Service Quality	Agreed Settlement	No
CENTERPOINT	Reliability of Service	45103	11/06/2015	\$8,000.00 {P}	Electric Service Quality	Agreed Settlement	No
Centerpoint	Customer Protection Rules	45895	06/13/2016	\$60,000.00 {P}	Electrical Retail	Agreed Settlement	No
Channelview Cogeneration	ERCOT Protocols	45024	09/11/2015	\$83,000.00 {P}	Electrical Wholesale	Agreed Settlement	No
City of Austin dba Austin Energy	ERCOT Protocols	45493	03/07/2016	\$40,000.00 {P}	Electrical Wholesale	Agreed Settlement	No
City of Garland	ERCOT Protocols	45600	03/25/2016	\$10,000.00 {P}	Electrical Wholesale	Agreed Settlement	No
Cogent Communications	TAC Rules	46008	07/21/2016	\$0.00	Telecom	Revocation	Yes
Consolidated Communications of Texas Company	Reliability of Service	45896	06/13/2016	\$5,000.00 {P}	Electric Service Quality	Agreed Settlement	No
CPS ENERGY	ERCOT Protocols	45204	11/06/2015	\$32,500.00 {P}	Electrical Wholesale	Agreed Settlement	No
EL PASO ELECTRIC COMPANY	Reliability of Service	46172	08/25/2016	\$7,000.00 {P}	Electric Service Quality	Agreed Settlement	No
EL PASO ELECTRIC COMPANY	Reliability of Service	45340	12/18/2015	\$6,000.00 {P}	Electric Service Quality	Agreed Settlement	No
ENERGY TEXAS, INC.	Reliability of Service	45344	12/18/2015	\$24,000.00 {P}	Electric Service Quality	Agreed Settlement	No
Farrar Water Supply Corporation	TWC Rules/Licensing	44948	11/20/2015	\$0.00	Water	Revocation	Yes

## OVERSIGHT & ENFORCEMENT ACTIVITY

<u>Company</u>	<u>Violation</u>	<u>Docket</u>	<u>Final Order Date</u>	<u>Penalty</u>	<u>Violation Type</u>	<u>Settlement/Contested Case</u>	<u>Certificate Revoked</u>
Farrar Water Supply Corporation	TWC Rules/Licensing	46195	08/25/2016	\$0.00	Water	Temp Manager Term	No
FPL / Nextera	ERCOT Protocols	45495	03/07/2016	\$21,000.00 {P}	Electrical Wholesale	Agreed Settlement	No
FPL Energy Texas Keir LLC (QSE)	ERCOT Protocols	45756	05/06/2016	\$20,000.00 {P}	Electrical Wholesale	Agreed Settlement	No
Hino Electric Power Company	Customer Protection Rules	46003	07/01/2016	\$18,000.00 {P}	Electrical Retail	Agreed Settlement	No
Jade Energy	Customer Protection Rules	45576	04/25/2016	\$0.00	Electrical Retail	Suspension	No
Laredo WLE, LP	ERCOT Protocols	45695	04/25/2016	\$30,000.00 {P}	Electrical Wholesale	Agreed Settlement	No
Links EP LLC	ERCOT Protocols	45777	05/05/2016	\$40,000.00 {P}	Electrical Wholesale	Agreed Settlement	No
Live Oak RV Resort	Customer Protection Rules	44716	12/18/2015	\$22,135.75 {R}	Electrical Retail	Notice of Violation/Reimbursement Agreed Settlement	No
NRG Texas Power LLC	ERCOT Protocols	46079	07/20/2016	\$35,000.00 {P}	Electrical Wholesale	Agreed Settlement	No
ONCOR	Reliability of Service	46189	08/25/2016	\$130,000.00 {P}	Electric Service Quality	Agreed Settlement	No
ONCOR	ERCOT Protocols	45305	12/18/2015	\$220,500.00 {P}	Electrical Wholesale	Agreed Settlement	No
ONCOR	Customer Protection Rules	45900	07/20/2016	\$700,000.00 {P}	Electrical Retail	Agreed Settlement	No
ONCOR	Customer Protection Rules	45575	03/25/2016	\$21,000.00 {P}	Electrical Retail	Agreed Settlement	No
San Jacinto Utility	TWC Rules/Licensing	45276	02/26/2016	\$0.00	Water	Revocation	Yes
Southwestern Public Service Company	Reliability of Service	45284	12/04/2015	\$14,000.00 {P}	Electrical Service Quality	Agreed Settlement	No
Spark Energy	Customer Protection Rules	45520	03/07/2016	\$160,000.00 {P}	Electrical Retail	Agreed Settlement	No
Texas Hearing & Telephone	TAC Rules	44575	09/11/2015	\$825,000.00 {P}	Telecom	Notice of Violation/Reimbursement	No
Texas Hearing & Telephone	TAC Rules	44576	10/08/2015	\$2,057,055.93 {R}	Telecom	Revocation	Yes
Texas New Mexico Power, Co.	ERCOT Protocols	46154	08/25/2016	\$6,000.00 {P}	Electrical Wholesale	Agreed Settlement	No
Verizon	TAC Rules	45729	04/25/2016	\$100,000.00 {P}	Telecom	Agreed Settlement	No
Viridity Energy	ERCOT Protocols	45714	04/25/2016	\$15,000.00 {P}	Electric Wholesale	Agreed Settlement	No
<b>TOTAL</b>		<b>42</b>	<b>Docketed Cases</b>	<b>\$ 2,079,191.68 {R}</b> <b>\$ 3,077,500.00 {P}</b>			

\*Additionally, in 37 investigations O&E Staff determined that a violation occurred, but an administrative penalty was not recommended.