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## State of Utah

### Department of Commerce Division of Public Utilities

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## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Artie Powell, Director

Doug Wheelwright, Utility Technical Consultant Supervisor

Eric Orton, Utility Technical Consultant

**Date:** July 7, 2020

**Re:** **Docket No. 20-057-T03**, In the Matter of the Motion of Dominion Energy Utah for Approval to Deviate from Applicable Tariff Provisions and Commission Rules in Response to COVID-19

### Recommendation (Approve)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve Dominion Energy Utah's (Dominion) request to resume its normal business practices related to disconnection of service and connection fees as specified in its filing.

### Issue

On June 18, 2020, Dominion submitted its request to resume its practice regarding disconnection and connection fees as part of its regular business practice as delineated in its tariff and in Commission rules. The basis for this request is the change in the state of emergency prompted by the COVID-19 health crisis. At the time of its request, the Governor of the State of Utah had declared a State of Emergency and many Utahns had been directed to shelter in place at home. Due to concerns over the potential spread of the virus, many businesses were directed to close and the State experienced a rapid increase in unemployment. Dominion responded by requesting

the Commission waive requirements related to connection fees, security deposits, discontinuance of service for non-payment, and performance of in-home Home Energy Assessments.

The Commission granted Dominion's motion and indicated that it should notify the Commission when it intends to resume normal business practices. Since that time, the state has begun its process to re-open moving from a Red, or "High Risk" status, to the Orange, or "Moderate Risk" status to its current Yellow, or "Low Risk" status (although this is not true for all areas of the state as some areas remain at a higher risk status). Accordingly, many of the businesses throughout the state have reopened, and some residents are permitted to return to work and engage in many of their normal daily activities.

As a result of these changes, and in the interest of minimizing bad debt expense, Dominion is asking for permission to resume its regular practice of disconnection for non-payment and reinstatement of connection fees. Since the pandemic has not been eliminated and not all services have returned to normal, the Company has pledged to "work with customers to provide flexible payment options to avoid disconnection if possible." Dominion does not intend to resume the practice of charging late fees nor does it intend to resume in-home Home Energy Plan Assessments at this juncture. It will notify the Commission in the future when it proposes to reinstitute those practices.

## **Background**

On March 6, 2020, the Utah Governor declared a state of emergency in Utah based on the spread of COVID-19. Governor Herbert encouraged those who can to work from home and ordered schools and many businesses closed.

On March 16, 2020, Dominion filed a Motion and Request for Expedited Treatment (Motion) with the Commission. In its Motion, Dominion requested approval to temporarily deviate from certain provisions of its Utah Natural Gas Tariff No. 500 ("Tariff") and Utah Administrative Code R746 in response to the unforeseen circumstances resulting from the COVID-19 pandemic.

The basic purpose of that filing was to allow Dominion to temporarily deviate from some of its practices as stated in its tariff and allow it to “continue to provide service in circumstances that would otherwise require termination and to minimize exposure risk to its customers and employees.” Specifically it proposed to:

- not require the imposition of connection fees and security deposits,
- not charge late fees,
- not subjects customers to discontinuance of service for nonpayment; and
- not offer in-house Home Energy Plans.

Also it requested “leave to deviate from these provisions, or any other applicable Tariff provisions or PSC rules consistent with the Motion, during the pendency of the COVID-19 state of emergency,” to insure the safety of its customers and employees. It indicated that this condition would remain until further notice.

That same day the Commission granted Dominion’s motion based on the stated support of regulators and “the exigent circumstances regarding the COVID-19 pandemic including the current state of emergency”, finding that the Motion was in the public interest.

On June 18, 2020 Dominion filed its Notice of Resumption of Business Practices regarding disconnection and connection fees. Dominion stated that based on “the Governor’s directives, and in the interest of minimizing bad debt expense, Dominion Energy has determined that it will resume its business practice of disconnection for non-pay, effective July 18, 2020.” On June 23, 2020 the Commission issued its Action Request to the Division directing it to review the notice and make a recommendation. This memo is the result of the Division’s review and its recommendation.

## **Discussion**

The condition resulting from the granting of the Motion stated above could not and should not be sustained indefinitely. Therefore, in this filing Dominion proposes to begin a gradual return to normal procedures. It will still wave late fees and has offered to assist customers “who may be

facing financial hardship.” As part of that offer it increased funding to its REACH program and expanded eligibility for bill assistance as well as the offer to be more flexible in providing payment plans.

Government and business operations around the state are beginning to resume their regular operations, albeit slowly. This step by Dominion is arguably in-step with a general phased-in approach to returning to a business-as-usual environment. Along with this general return to a regularly functioning economy, utilities need to begin their return to normal operations as well.

The resumption of disconnect/connect fees for Dominion’s customers who are having trouble paying their natural gas bill is well timed as summer bills are at their lowest which provides a good time for catching up past due accounts and/or allow customers to begin a payment plan before the cold weather hits. Likewise, resuming collecting these fees as soon as possible is equitable for Dominion’s other customers in order to keep its bad debt expense as low as possible.

## **Conclusion**

The Division has reviewed Dominion’s request to make this step in returning to regular business practices. Although the stated reasons for beginning the waving of these fees requested in its original filing (the COVID-19 pandemic) have not entirely disappeared, the Division believes the proposed gradual phasing-in approach to be reasonable and recommends the Commission approve Dominion’s request.

Cc: Kelly Mendenhall, Dominion Energy Utah  
Michele Beck, Office of Consumer Services