



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: March 22, 2021

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 late payment fees as specified in its filing.

Issue

On March 8, 2021, Dominion submitted a request to resume its practice regarding late payment 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 pandemic. More recently, COVID-19 infections have declined and the State is re-opening businesses and services. As a result of these changes, and many others, Dominion is asking for permission to resume its regular practice of charging late fees. Dominion does not intend to resume the practice of the in-home Home Energy Plan Assessments at this juncture. It will

notify the Commission in the future when it proposes to reinstitute those practices. Additionally, Dominion notes that it has been a full year since it suspended the practice of charging late fees. The high-usage winter months are over, and customers are entering the lower-usage months, which result in lower bills.

Given the continued developments in managing this virus, in the interest of minimizing bad debt expense and encouraging customers to make timely payments, Dominion determined that “it will resume its business practice of charging late payment fees, effective April 7, 2021.” However, Dominion will “continue to waive late fees for those customers claiming an active COVID-19-related hardship and will also continue to offer customers the option to enter into an interest-free deferred payment agreement.”

Background

On March 6, 2020, the Utah Governor declared a state of emergency in Utah based on the spread of COVID-19.

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 subject 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 resumed its regular business practice of disconnection for non-pay, effective July 18, 2020.”

On March 8, 2021, Dominion filed its Notice of Resumption of Business Practices regarding late payment fees. Dominion has determined that it will resume its business practice of charging late payment fees, effective April 7, 2021. On that same day 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

In this filing Dominion proposes to continue its gradual return to normal procedures by charging late fees beginning April 7, 2021. However, it will still waive late fees for those customers directly affected by COVID-19 and has offered to assist customers “who may be facing financial hardship.”

Government and business operations around the state are continuing to resume their regular operations. 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 return to normal operations as well.

The resumption of disconnect/connect fees for Dominion has already transpired and charging late fees to customers who are not paying their natural gas bill is well timed as summer bills are generally at their lowest. The timing provides a good opportunity to allow customers time for catching up past due accounts and/or allow customers to begin a payment plan before the cold weather hits again. Likewise, resuming charging these late fees as soon as possible is equitable for Dominion's other customers in order to keep its bad debt expense as low as possible.

Dominion does not intend to resume the practice of providing in home Home Energy Plan Assessments or full-connection services yet but it will provide additional notice in the future when it proposes to reinstitute those practices.

Conclusion

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

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