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*Attorney for Dominion Energy Utah*

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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IN THE MATTER OF THE ANNUAL	)	
CALCULATION OF THE THIRD-PARTY	)	
BILLING RATE AND REQUEST FOR	)	Docket No. 21-057-T03
TARIFF CHANGE	)	APPLICATION
	)	
	)	

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Pursuant to Utah Code Ann. § 54-4-1, and Utah Admin Code § R746-405-1 *et seq.* Questar Gas Company *dba* Dominion Energy Utah (Dominion Energy or Company) respectfully submits this Application to, change to Section 8.08 of the Company’s Utah Natural Gas Tariff No. 500 (Tariff) to update the Company’s third party billing rate, with an effective date of April 1, 2021.

On July 28, 2017, the Public Service Commission of Utah (Commission) issued an order in Docket No. 17-057-T04 approving the third-party billing rate. Section 8.08 of the Tariff explains how the third party billing rates are calculated. Section 8.08 also requires that the Company shall calculate the per-line rate and file a letter with the Commission reflecting the rate, to be effective on April 1 of each year.

On August 27, 2019, the Company entered into an agreement with Pinnacle Data Systems LLC for bill printing, inserting, mailing and electronic image hosting services. On

June 24, 2020, the Company paid for the removal of the aging printer and inserter. DEU Exhibit 1.01 includes the costs associated with the agreement with Pinnacle and the removal costs associated with the printer and inserter.

The Company has updated the calculation for the per-line rate for a minimum charge per bill and proposes to change the rate from \$0.16531 to \$0.14705. The Company also proposes to update the rate for all lines above eleven lines per bill from \$0.01503 to \$0.01337. See DEU Exhibit 1.01 for the calculations. The updated third-party billing rates have been incorporated into the legislative and proposed Section 8.08 of the Tariff attached as DEU Exhibit 1.02. At this time, no readily discernible market exists from which to derive a market price for billing for other entities. This proposed Tariff change does not constitute a violation of a state law or Commission rule.

THEREFORE, Dominion Energy respectfully, requests that the Commission:

- 1) approve the proposed Tariff change with an effective date of April 1, 2021, in accordance with its rules and procedures, and the Company's Tariff; and
- 2) approve the proposed rate.

DATED this 1<sup>st</sup> day of March, 2021.

Respectfully submitted,

DOMINION ENERGY UTAH



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**CERTIFICATE OF SERVICE**

This is to certify that a true and correct copy of the Application was served upon the following persons by e-mail on March 1, 2021.

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/s/ Ginger Johnson

## Calculation of Per-Line Billing Rate

	(A)	(B)	(C)	(D)
		Total	Actual Volume	Cost Per Mailing
<b><u>Printing</u></b>				
1	Printed Page 1	\$ 195,439	8,009,802	\$ 0.02440
2	Paper	\$ 85,705	8,009,802	\$ 0.01070
3	Electric Image PDF Creation - ebills	\$ 10,578	5,288,810	
4	Electric Image PDF Creation - printed	\$ 16,020	8,009,802	\$ 0.00200
5	Electric Image Hosting Fee	\$ 60,000	13,298,612	\$ 0.00451
6	Total Printing Cost	\$ 367,741		\$ 0.04161
<b><u>Printing Additional Pages</u></b>				
7	Printed Additional Pages	\$ 69,644	4,939,314	\$ 0.01410
8	Paper	\$ 52,851	4,939,314	\$ 0.01070
9	Total Printing Additional Pages Cost	\$ 122,495		\$ 0.02480
<b><u>Inserter</u></b>				
10	Outgoing Envelope (outside)	\$ 120,147	8,009,802	\$ 0.01500
11	Return Envelope (inside)	\$ 34,348	2,910,846	\$ 0.01180
12	Total Inserter Cost	\$ 154,495		\$ 0.02680
<b><u>Postage</u></b>				
13	Total Postage Cost	\$ 3,176,114	8,009,802	\$ 0.39653
<b><u>Overhead</u></b>				
14	Total General & Administration Cost	\$ 15,360	8,009,802	\$ 0.00192
15	Total Removal of Printing Equipment	\$ 8,166	8,009,802	\$ 0.00102
16	Total Costs	\$ 3,844,371		\$ 0.49268
<b><u>Totals</u></b>				
17	Printer per piece (Line 6)			\$ 0.04161
18	Inserter per piece (Line 12)			\$ 0.02680
19	Postage per piece (Line 13)			\$ 0.39653
20	Overhead per mailing (Line 14 & 15)			\$ 0.00294
21	Total per piece			\$ 0.46788
22	Additional page rate (Line 9)			\$ 0.02480
<b><u>Cost Per-Line Calculation</u></b>				
23	Minimum lines pr/bill			35
24	Total per piece price (Line 21)			\$0.46788
25	Total cost per line (Line 24/Line 23)			\$0.01337
26	Total cost per bill at 11 line minimum (Line 25 * 11)			\$0.14705
27	Cost per each additional line			\$0.01337

DEU Exhibit 1.02  
Legislative Tariff Section 8.08



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PSCU 500**

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**8.08 BILLING FOR OTHER ENTITIES**

**ELIGIBILITY**

Dominion Energy Utah may contract with other entities to utilize the Dominion Energy Utah utility bill to charge customers for non-utility goods or services, subject to the provisions set forth in this Section 8.08. Only entities that are authorized by and maintain authorization from the Utah Insurance Department (Department) to operate as a “service contract provider” pursuant to Utah Code Ann. § 31A-6a-101 et seq. and the applicable administrative rules in Utah, and that provide service contract programs directly or indirectly related to utility services including electrical service, natural gas service, water service, sewer service, or household appliances (third party services) may be eligible to contract with Dominion Energy Utah for the use of third party billing services. Dominion Energy Utah will only contract with third parties if it determines, in its reasonable discretion that allowing the entity to utilize the Dominion Energy Utah bill is not likely to adversely impact Dominion Energy Utah’s customers.

An eligible third party must receive either written or verbal permission from the Dominion Energy Utah customer to include the billing for third party services on the customer’s Dominion Energy Utah utility bill. An eligible third party must retain proof that a customer gave such permission for a minimum of two (2) years. The third party must have a toll-free call center to handle customer inquiries related to the third party service. The third party must allow the customer to cancel service at any time, including before the first payment is made.

An eligible third party must allow and provide a method for customers to opt-out of receiving any future marketing materials at any time.

**THIRD PARTY COMMUNICATIONS WITH DOMINION ENERGY CUSTOMERS**

Dominion Energy Utah will provide third-party billing services to a third-party biller only if all of the third-party biller’s promotional materials for such service include a clear and prominent statement that:

- (1) The product or service is not being offered by Dominion Energy Utah;
- (2) The entity offering the product or service is separate from Dominion Energy Utah;  
and
- (3) The decision to purchase or not purchase the product or service will not impact natural gas service.

Failure to comply with this requirement will result in revocation of third party billing services, and future ineligibility for such services.

**INITIAL COSTS**

An eligible third party seeking to utilize the Dominion Energy Utah utility bill to charge customers must pay all initial costs required to enable Dominion Energy Utah to conduct such billing including, but not limited to, costs associated with programming for billing and IT system, equipment costs, legal costs, project management costs, and contracting costs. Additionally, if costs are



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necessary in the future in order to provide this service, the eligible third party seeking to utilize the utility bill will be required to pay for these costs.

**RATE**

An eligible third party seeking to utilize the Dominion Energy Utah utility bill to charge customers must pay a per-line rate based on the total cost to produce a bill divided by the minimum number of lines on a bill to calculate the cost per line. The total cost to produce a bill includes depreciation, operation and maintenance, supplies, postage, and return on investment. Eligible third parties will be charged for a minimum of eleven (11) lines per bill.

The current effective minimum charge per bill is \$0.~~4653~~14705.

The current effective charge per line, above 11 lines, is \$0.~~015030~~1337.

On or before March 1 of each year, Dominion Energy Utah shall calculate the per-line rate and file a letter with the Commission reflecting the rate, to be effective on April 1 of each year.

**APPLICATION OF PAYMENT**

If a payment received from a customer is less than the amount owing for the utility service and the amount owing for the third-party service, then all monies received from the customer will first be applied to pay for the utility service with the remainder applied to the third-party service. Dominion Energy Utah will not provide any collection services for third party billing charges that are unpaid.

**CUSTOMER RIGHT TO TERMINATE THIRD PARTY BILLING**

A customer may contact Dominion Energy Utah at any time to terminate the billing for third party service on the customer's Dominion Energy Utah utility bill. After such request is made Dominion Energy Utah shall notify the third party of the termination of the third party billing for the customer and will cease billing the customer for the third party as soon as practicable.

**DISPUTE RESOLUTION**

Any customer complaint regarding enrollment in a third party program will be resolved by Dominion Energy Utah based on evidence provided by the customer and the third party. In the event that a customer raises any other complaint, including amounts owed to the third party service provider or payment of claims, Dominion Energy Utah will refer the customer to the third party service provider for resolution based upon the agreement between the customer and the third party service provider.

Issued by C. C. Wagstaff, Senior VP & General Manager	Advice No.	Section Revision No.	Effective Date
	<del>201-032</del>	<del>67</del>	April 1, 202 <del>0</del> <u>1</u>

DEU Exhibit 1.02  
Proposed Tariff Section 8.08



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	21-02	7	April 1, 2021