



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

Chris Parker, Director

Artie Powell, Manager

Doug Wheelwright, Utility Technical Consultant Supervisor

Bob Davis, Utility Technical Consultant

**Date:** September 15, 2021

**Re:** **Docket No. 21-035-T10, Approval of Tariff**, – Application of Rocky Mountain Power for Approval of Billing for Other Entities Tariff, Electric Service Schedule No. 299.

### Recommendation (Approval)

The Division of Public Utilities (Division) recommends the Public Service Commission of Utah (Commission) approve Rocky Mountain Power's (RMP) proposed tariff Schedule No. 299. RMP requested that an effective date be determined at a later date.

### Issue

On August 31, 2021, RMP filed its proposed Electric Service Schedule No. 299, Billing for Other Entities, with an effective date to be determined later. On September 1, 2021, the Commission issued an action request to the Division requesting it to review RMP's filing and make recommendations. The Commission asked the Division to report back by September 14, 2021. On September 2, 2021, the Commission issued its Notice of Filing and Comment Period. Any interested person may submit comments on or before September 15, 2021 and reply comments on or before September 22, 2021.

## Background

RMP has provided third-party billing services on behalf of local cities and municipalities (Eligible Entities or Entities) since October of 1995 for collection other than electric service, (e.g., storm water, fire and/or landfill fees, etc.). These billing services are requested from Entities who lack the capacity to install and maintain standalone billing systems to support collection of the fees without incurring significant costs. RMP currently has five active contracts.<sup>1</sup>

The contracts with the Entities establish a fee schedule to compensate RMP for the billing service based on RMP's incurred costs to provide the billing service, which include customer inquiries, account reconciliation and processing, costs to setup and implement the service, and remitting the non-electric fees to the Entity. The billing fees are assessed through a tiered fee schedule based on the Entity's number of customers.

The revenues received by RMP from the billing fees for the five current contracts and future contracts is included in RMP's revenue requirement as a credit to the expenses associated with RMP's Utah operations under FERC Account 451, Miscellaneous Service Revenue.

Utah Administrative Code R746-460-1 through 4, Rules Governing Customer Information and Marketing for Large-Scale Electric and Gas Utilities, became effective on August 7, 2019. The rules govern the ability of large-scale utilities to share utility customer information with third parties.<sup>2</sup> RMP claims that the rules affect its existing contracts and prospective contracts because utility customer information is exchanged between RMP and the entities establishing the billing services contemplated by the contract.<sup>3</sup> Pursuant to the rule, RMP is permitted to share information with an Entity without the customer's consent for use in activities necessary for

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<sup>1</sup> RMP reports contracts with Beaver County-Kent's Lake Landfill seasonal landfill fees, Millard County Landfill fee, Sanpete County Fire and Landfill fees, City of Taylorsville Storm Water fee, and City of Millcreek Storm Water fee. RMP Application Schedule 299, Docket No. 21-035-T10, Foot Note 1, page 3.

<sup>2</sup> See RMP, Application Schedule 299, Docket No. 21-035-T10, August 31, 2021, foot note 2, page 4.

<sup>3</sup> Id., ¶ 8, page 4.

providing tariff-based services or programs.<sup>4</sup> To comply with the rule, RMP proposes tariff Schedule 299, which will govern RMP's contracts for billing customers on behalf of other entities for non-electric services.

## **Discussion**

RMP states that its proposed Schedule 299 is available only to an Entity, which is defined in the tariff as a municipality or agency of a municipality, county, state, or the federal government and otherwise consistent with Utah Code Annotated § 54-4-37.<sup>5</sup>

RMP proposes that Schedule 299 apply to new contracts, while the existing five contracts' terms and pricing would be grandfathered until such time as the existing contracts are renewed.

The Division understands that the Entity is required to provide RMP a copy of the applicable ordinance, resolution, or other approved legislation that grants the Entity the authority to collect the non-electric utility fee from its customers. The Entity is also required to provide RMP with a copy of the notice sent to its affected customers informing them that the non-electric fee will be billed and collected on their Rocky Mountain Power electric bill.

The Division concludes that Schedule 299 provides direction in the event a partial payment is received from the customer for both RMP's electric service and non-electric fee. The monies received from the customer will first be applied to RMP's electric service with the remainder towards the Entity's fee. RMP may notify its customers that become delinquent in the payment of assigned fees and may make reasonable effort to collect the assigned fees from customers. RMP will not issue notices of disconnection to customers on behalf of the Entity for any reason based solely upon past-due assigned fees. Any revenues collected from late fees paid by the Entity's customers will be passed on to the Entity. The Division understands that RMP will not

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<sup>4</sup> See Utah Administrative Rule R746-460-3(1)(a), <https://casetext.com/regulation/utah-administrative-code/public-service-commission/title-r746-administration/rule-r746-460-rules-governing-customer-information-and-marketing-for-large-scale-electric-and-gas-utilities/section-r746-460-3-utility-customer-information-and-customer-usage-data>.

<sup>5</sup> See RMP's Application, Docket No. 21-035-T10, August 31, 2021, page 5, section 17. See Utah Code Annotated 54-4-31, [https://le.utah.gov/xcode/Title54/Chapter4/54-4-S37.html?v=C54-4-S37\\_1800010118000101](https://le.utah.gov/xcode/Title54/Chapter4/54-4-S37.html?v=C54-4-S37_1800010118000101).

undertake efforts to collect the assigned fees other than those normally undertaken to collect the charges for electric utility service.

In review of RMP's advice letter for this matter, the Division reviewed Utah Administrative Code R746-405-2(D)(3)(g), which requires a statement that the tariff sheets proposed do not constitute a violation of state law or Commission rule. The filing does not appear to violate statute or rule.

### **Conclusion**

The Division has reviewed RMP's proposed Electric Service Schedule No. 299 and Billing Services Agreement and concludes that RMP's filing is just and reasonable and in the public interest. The Division recommends the Commission approve RMP's proposed Electric Service Schedule No. 299 and Billing Services Agreement with an effective date to be determined at a later time.

cc: Joelle Steward, RMP  
Jana Saba, RMP  
Michele Beck, OCS