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Attorneys for Dominion Energy Utah

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION)	
OF DOMINION ENERGY UTAH FOR)	Docket No. 17-057-T04
APPROVAL OF A THIRD PARTY BILLING)	DOMINION ENERGY UTAH'S
RATE)	REPLY COMMENTS

Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits these Reply Comments to the Action Request Response issued by the Division of Public Utilities (Division) on June 16, 2017, and the Memorandum issued by the Office of Consumer Services (Office) on June 19, 2017 in the above-referenced docket.

I. BACKGROUND

On June 1, 2017, the Company filed an Application in this matter seeking the Utah Public Service Commission's (Commission) approval of proposed changes to its Utah Natural Gas Tariff No. 500 (Tariff) permitting Questar Gas to offer third-party billing services. On that same day, the Commission issued an Action Request directing the Utah Division of Public Utilities (Division) to review the proposed Tariff language and to investigate the matters raised in the Application. On June 13, 2016, the Commission held a scheduling conference to schedule proceedings in this docket and issued a Scheduling Order and Notice

of Hearing. On June 16, 2017, the Division submitted an Action Request Response (Division's Memorandum) in this matter. On June 19, 2017, the Office submitted a Memorandum commenting upon the Application (Office's Memorandum). The Company hereby offers this response to issues raised by the Division and the Office.

II. DISCUSSION

The Company agrees with portions of both the Division's Memorandum and the Office's Memorandum. The Office notes that the proposal "will provide adequate protection to ratepayers" and that it "may create opportunities to defray billing costs by allowing third parties to share the cost of the utility bill and billing systems." Office's Memorandum at pp. 2 and 3. The Company agrees.

The Division states, and Dominion Energy agrees, that the parties should "make certain that there will be no costs, financial risk, or other burden that could be foisted onto ratepayers." Division's Memorandum at p. 3. As the Office observes, the Company's charge calculation "reasonably captures the costs associated with producing and distributing bills, and that those costs are justifiably allocated to the rate." Office's Memorandum p. 3. The Division does not dispute the accuracy of the calculation. Division's Memorandum at p.2. The Office also correctly notes that the annual update included in the Company's proposal "will reasonably capture changes in applicable costs, and result in a rate that reasonably reflects relevant/up-to-date cost drivers." Office's Memorandum at p. 3. The proposal set forth in the Application properly places costs, financial risk, and other burdens upon those seeking to utilize the third-party utility billing services, not Dominion Energy's customers.

The Company agrees with the Division's argument that it is "not proper to burden future businesses that may want the service to pay for the entire cost for an additional page

[on the bill]. . . Any additional costs for a second page should be shared among all Third-Party billers and not by the one company that happens to be the first on the second page.” Division Memorandum at pp.4 and 5. The Company has discussed this matter with representatives for the Division and agrees that if third-party billing causes the bill to extend to a second page, the costs associated with the second page will be shared equally among the third-party billers.

The Company also agrees that the proposed pricing for the third-party billing service must comply with applicable statutes, Commission orders, laws, rules and regulations and notes that all evidence offered in this matter shows such compliance.

The Division also argues that the Company’s proposal is subject to an affiliate transaction standard. However, the Company’s proposal is not a proposal for approval of an affiliate transaction. Dominion Energy seeks approval of Tariff language that sets parameters under which the Company can offer a third-party utility billing service, and the manner in which it will charge for the service. Dominion Energy carefully designed the proposed charges to be widely applicable to non-affiliates and affiliates, alike. The proposed Tariff language includes protections for Dominion Energy’s customers. “The evaluation of the Office is that the proposal will provide adequate protection to ratepayers. These protections are necessary for both those ratepayers who sign up for services from third parties, as well as for those who do not.” Office’s Memorandum at p. 2. The benefits and protections in the proposed language are applicable to all qualified entities seeking to utilize the third-party utility billing service, not solely Dominion Energy affiliates. Dominion Energy is committed to treating all such entities uniformly, including its affiliate, and the proposed Tariff language, if approved, will achieve this goal.

Furthermore, the Company notes that its proposed pricing structure meets the Division's articulated standard. The proposed cost-based charges are reflective of what the market price would be for a utility-billing service. To the Company's knowledge, no other entity offers a utility-billing service in Dominion Energy's Utah service territory—therefore there is no market price to reference. Accordingly, pricing the utility-billing service at full cost (including the Commission-authorized rate of return) is appropriate and complies with the Division's cited standard. Assigning a portion of the billing expenses as outlined in the Application is appropriate and compliant with applicable law.

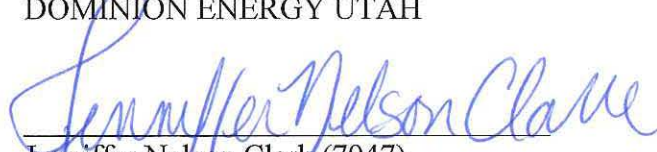
III. CONCLUSION

The proposed Tariff includes substantial customer protections, and charges based upon actual costs incurred to provide a utility billing service. The proposal applies uniformly to all qualified third-parties seeking to utilize utility billing services. The proposed cost-based charges are appropriate and compliant with applicable law. The proposed Tariff language is just and reasonable and in the public interest and the Commission should approve the Application.

DATED this 23rd day of June, 2017.

Respectfully submitted,


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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing was served upon the following by electronic mail on June 23, 2017:

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A handwritten signature in black ink, appearing to read 'Chris Parker', is written over a horizontal line.