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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Investigation of Dominion Energy's Gas Line Coverage Letter	Docket No. 18-057-07 DOMINION ENERGY UTAH'S COMMENTS
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Pursuant to the Notices of Comment Period and Scheduling Conference (Notice) in the above-referenced docket, Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits these comments in response to the Utah Division of Public Utilities' (Division) Action Request Response, and the Utah Office of Consumer Services' (Office) Memorandum, both filed on May 11, 2018.

Dominion Energy¹ recognizes and sincerely regrets that the communications attached to the Utah Public Service Commission's (Commission) Action Request (Gas Line Letter) upset and confused some customers.

¹ Although Dominion Energy is responding, the Company understands that HomeServe is equally committed to ensuring that the customers understand the services being offered and that the concerns raised in this docket are appropriately resolved.

This was never Dominion Energy's intent. Dominion Energy is committed to a high level of customer service, clear communications, and prompt and proper resolution of customer concerns. The Company is deeply concerned about the effect the Gas Line Letter has had upon some customers, the Division, the Office, and the Commission, and has ensured that no further deliveries of the letter will occur until concerns have been resolved. As the Division notes, the Company is committed to cooperate in this process, including reassessing the language used in the Gas Line Letter. The Company looks forward to a meaningful dialogue to ensure that customer needs and concerns are addressed, and that customers, stakeholders, and the Commission have a clear understanding of the optional services offered.

BACKGROUND

On December 15, 2017, Dominion Products and Services, Inc. (Dominion Products and Services) entered into an agreement (Agreement) with HomeServe USA Repair Management Corp. (HomeServe), a nationwide independent provider of home repair service solutions in 48 contiguous U.S. states serving over 3 million homeowners in the U.S. and Canada, to have HomeServe provide additional customer service options to customers. To facilitate this, the Agreement provides, among other things, a limited sublicense of the Dominion Energy corporate logo by Dominion Products and Services to HomeServe, periodic access to customer names and addresses, and, for customers who choose the service, to have the cost for those services included in the Company's monthly bills to customers.

In late April, 2018, the Company issued press releases to media outlets in Utah and, pursuant to the Agreement, mailing commenced of what the Commission has identified as the "Gas Line Letter" to customers, offering an optional gas line service plan.

Approximately five-hundred thousand letters were mailed to customers. A copy of the Gas Line Letter is attached as DEU Exhibit A.

On May 2, 2018, the Commission issued an Action Request in this docket directing the Division to “investigate whether this service offering complies with all applicable statutes, regulations, tariffs, and prior PSC orders,” and to submit its findings by May 11, 2018. Based upon the Action Request, the Company and HomeServe immediately ensured that mailing of all letters ceased. On May 3, 2018, the Division issued its First Set of Data Requests to Dominion Energy Utah, and the Company responded to those requests on May 9, 2018. On May 11, 2018, the Division submitted its Action Request Response, and the Office filed a Memorandum in this docket.

DISCUSSION

The Company respects the feedback it has received from customers, the Division and the Office and, as a result, the Company and HomeServe have agreed to withhold any future mailings of the Gas Line Letter while the concerns raised in this docket are being resolved. The Company will also assess improvements that can be made to the letter to avoid concerns raised. With this in mind, the Company offers the following clarifications for the Commission’s consideration.

I. The Gas Line Letter

First, Dominion Energy believes the letter properly distinguished between Dominion Energy and HomeServe. For instance, the letter expressly indicates that “Dominion Energy customers can now protect their gas line *with Gas Line Coverage from HomeServe*” (emphasis added). DEU Exhibit A, page 1. HomeServe is also expressly identified elsewhere in the Gas Line Letter as being distinct from Dominion Energy. The final paragraph of the letter states: “HomeServe . . . is an *independent company separate*

from Dominion Energy” (emphasis in original). In addition, the website to which interested customers are directed clearly bears HomeServe’s logo at the top. Though the Company believes that these indicators were clear, some customers who have contacted the Division disagree. As noted above, the Company is committed to working with stakeholders in this docket to address any confusion. Recognizing the concerns of customers and respecting the current proceedings, HomeServe has agreed to refrain from future mailings until the issues raised in this docket have been resolved.

Second, Dominion Products and Services also took steps prior to the release of the Gas Line Letter to ensure that it contained express information identifying the program as optional, and not a requirement for continued gas service. For example, the third paragraph of page 1 of DEU Exhibit A begins, “With this *optional* coverage. . .” (emphasis in original). In addition, as noted above, the final paragraph on that same page states that HomeServe “offers this optional service plan as an authorized representative of the service contract provider” (Emphasis in original).

Third, it is also important to note that the letter was sent independent of any utility billing. The Division states that, in some instances, the Gas Line Letter was received concurrently with the customer’s monthly gas bill. Any such incidents were coincidental, not intentional, and the Gas Line Letter was *not included* in envelopes that contained customer billing information. Dominion Energy did not provide HomeServe with any billing information related to any customers. Also, as the Commission may know, the Company bills customers using one of 19 “billing cycles” that coincide with when meters are read. HomeServe mailings are scheduled periodically based on planned campaigns, independent of the utility bill. Given these circumstances, it is possible that some

materials may arrive near the same time as a natural gas utility bill. Such occurrences will only be coincidental and are not intended to create any confusion.

Fourth, the Office indicated that some customers were also concerned that the letter did not adequately distinguish between a service line (the Company's property and responsibility) and a fuel line (the customer's property and responsibility). The Company recognizes that the Gas Line Letter may have created confusion in its use of terminology and, again, is committed to work to avoid such confusion in the future. The Company is confident that this issue can be addressed.

The Company regrets the impact the Gas Line Letter has had upon the customers, particularly those who voiced complaints. It has independently contacted each of those customers to apologize for the confusion, and to commit to alleviating confusion in the future. A copy of the letter sent to these customers is attached as DEU Exhibit B.

II. Tariff Section 8.08-- Suspension Not Necessary

The Commission's Action Request was prompted by some customers' responses to the Gas Line Letter. The Division and the Office suggest that the confusion created by the letter warrants suspension of Section 8.08 of the Company's Utah Natural Gas Tariff No. 500 (Tariff). However, neither the Office nor the Division have cited any violation of Section 8.08 of the Tariff, or any other statute, rule or order of this Commission. For that reason, the Company urges the Commission to decline to suspend Section 8.08 of the Company's Tariff pending the resolution of this matter. While the Company acknowledges the need to address concerns that have been raised, those concerns will be better addressed with Section 8.08 of the Tariff in effect.

First, suspension would likely create confusion for the more than 3,000 customers who have chosen to purchase gas line coverage from HomeServe with the expectation that

the services will be billed on the customer's monthly utility bill from the Company. To now require billing some other way, and to communicate to those customers that a review process is underway will likely create confusion for those customers about the services offered by HomeServe. Customers who believe they have paid for the service by paying their Dominion Energy bill in full may actually lose coverage because of confusion created around whether these services will appear on the utility bill as promised or whether they are billed separately. The customers who have subscribed for such services did so with the expectation that they would enjoy the convenience of concurrent billing. To require otherwise would negatively impact those customers.

Second, suspending the Tariff for the purpose of assessing the Gas Line Letter is unnecessary because of the Company's and HomeServe's commitment to refrain from further mailings of that letter until this matter is resolved. This action prevents future potential confusion or harm, which is the stated reason the Division and the Office are seeking suspension in the first place. As the parties have noted, Section 8.08 of the Tariff does not address the concerns raised in this docket (i.e. marketing, sharing of customer information, and use of trademarks). Section 8.08 addresses billing for third-party services. None of the complaints communicated to the Company to date identify any alleged violation of Section 8.08. Moreover, Dominion Energy's proposed bill is in strict compliance with the Tariff provisions. DEU Exhibit C is a sample bill showing how HomeServe charges would appear on the bill. The charges for HomeServe products are distinct and separate, and appear on the second page of the bill, in compliance with Section 8.08.

Based on the Company's compliance with the Tariff and because suspension of the Tariff would cause further confusion and concern for customers at this time, the Company encourages the Commission to allow the Tariff to remain in effect.

III. Disparate Treatment

The Company also wishes to address the Division's suggestion that the Company has engaged in disparate or discriminatory treatment. The Company has not engaged in any such conduct. Section 8.08 of the Tariff provides that the related benefits and protections are applicable to all qualified entities seeking to utilize third-party billing services. To date, *no other* prospective third-party contract provider has sought to obtain billing services from the Company under Section 8.08. As such, the Company has neither denied any party the right to obtain billing services under Section 8.08, nor has the Company discriminated against any such prospective third party nor granted any unlawful preference with respect to third-party billing to HomeServe.

It is important to recognize that the Section 8.08 of the Tariff solely addresses how jurisdictional billing service is to be provided. The partnership with HomeServe to provide certain non-jurisdictional services is a separate matter entirely. The selection of HomeServe as the partner in that arrangement does not constitute disparate treatment in the provision of billing service. There is a clear distinction between the administration of a tariffed billing service that is available to all on a non-discriminatory basis and a business arrangement with a single entity to provide services that may be billed under that Tariff.

Dominion Energy Utah is not a party to the Agreement with HomeServe, and, in any case, none of the provisions of the Agreement violate Utah Code § 54-3-8. This statutory provision protects utility customers from discriminatory utility practices and

would not appear to have any practical application in the context of a utility's relationships with its vendors.

IV. Sharing of Customer Information

The statement was also made that the Company has improperly provided customer information. However, the Company notes that the sharing of names and addresses is not contrary to any law, rule, regulation, or Tariff provision. To be clear, the Company shared customer names and addresses for limited purposes and in strict confidence. Under the Utah Notice of Intent to Sell Nonpublic Personal Information Act, a person's name, address, and telephone number are considered "Public Information" not subject to the act's notice requirements. Utah Code Ann. § 13-37-102(5)-(6) (stating public information includes a person's name, address, and telephone number, and that "nonpublic personal information" does not include public information). And, although the Utah Protection of Personal Information Act requires reasonable protections to prevent the unlawful use of personal information, a person's name and address alone do not qualify as "personal information." Utah Code Ann. § 13-44-102(3) (stating personal Information is first name or initial and last name PLUS a Social Security Number, financial account or debit card number with the security information needed to access the account, or a driver license or state ID card number). Commission rules do not prohibit the sharing of customer information, nor do any other applicable statutes, rules or regulations.

Notwithstanding the information provided above, Dominion Energy has taken steps to ensure that the customer names and addresses are treated confidentially and will not be used for purposes other than those associated with products offered by Dominion Energy and HomeServe in strict adherence to the agreement between the parties. Dominion Energy's privacy policy specifically contemplates providing customer

information to third parties under the circumstances at hand with respect to HomeServe. It provides:

How Dominion Energy Protects Your Personal Information

*We treat all personally-identifying information of our customers as confidential. Dominion Energy does not sell your personal information, nor does Dominion Energy provide such information to third parties for the purpose of marketing products or services unrelated to Dominion Energy's services. Dominion Energy Utah does not disclose your information to third parties for any purpose, **except under strict contracts involving customer service, collections or the enhancement of our customer programs.***

(bold emphasis added).

The programs that HomeServe offers are enhancements to core Dominion Energy programs. Home protection plans like the gas line repair program, can provide a significant value to customers by offering them the opportunity to avoid the financial burden of expensive and unexpected home repair bills. The programs also provide access to licensed, pre-approved repair specialists and a claim line that is available 24 hours a day, 365 days per year. Additionally, these products can be conveniently billed to customers as part of their utility bill from Dominion Energy Utah, and as such relate to Dominion Energy Utah's services.

The Company notes that Dominion Products and Services conducted extensive due diligence review of HomeServe and its products before entering into an agreement with HomeServe. This due diligence included a review of HomeServe's license status in Utah and other states and its track record in safely and reliably providing services. Dominion Products and Services representatives also had numerous discussions with business unit executives from all parts of the HomeServe business enterprise, including the contractor and customer service sides of its business. This included a visit to HomeServe's state of the art customer call center in Chattanooga, TN. Dominion

Products and Services also contacted HomeServe's other utility partners to validate the partners' and HomeServe's customers' experiences. Also included in the diligence review were evaluations of HomeServe's customer service ratings and records. The Company believes that the services offered are very valuable and enhance energy services for customers in Utah. It has taken steps to ensure that customer information is handled appropriately and will only be used for purposes beneficial to the customer.

V. Procedural Concerns

A. Stakeholder Involvement

The Company agrees with the Office's suggestion that the Commission permit any interested parties to participate in this docket.

B. Evaluation of Adequacy of Current Statutes, Rules and Regulations

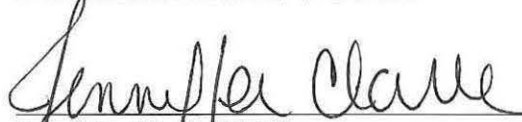
While the Company does not oppose Commission examination of its own rules and regulations as the Office suggests, this docket is not a procedurally proper forum for such examination. The Office recommended that the Commission "[a]llow the scope of this investigation to also address oversight of utility communication with its customers and an examination whether the current law and regulations provide adequate protection of customer information and data." Office Memorandum at p. 3. Any such examination, if needed at all, would properly be conducted outside this docket in a rule-making proceeding. The Utah Administrative Rulemaking Act (Utah Code Ann. 63G-3-101 et seq.) sets forth a specific procedure designed to ensure that all interested parties, including other utilities operating within the state, have adequate opportunity to participate. This docket is an investigative docket and should remain such.

CONCLUSION

The Company understands and sincerely regrets the confusion that the Gas Line Letter has caused, and is committed to working with the Commission and interested parties to ensure concerns related to the Gas Line Letter are resolved. The Company and HomeServe have committed to refrain from sending further mailings until this process is concluded and, as a result, there is no cause to suspend Section 8.08 of the Tariff, as suggested by the Office and the Division. The Company is also committed to the non-discriminatory administration of its Tariff. Indeed, suspension of Section 8.08 would only serve to eliminate benefits customers will receive under the section and to possibly create confusion with customers. Therefore, the Company urges the Commission to decline the request to suspend Section 8.08 of the Tariff. The Company looks forward to scheduling further proceedings in this docket and to cooperate with all interested stakeholders to address the concerns the parties have raised.

RESPECTFULLY SUBMITTED this 21st day of May, 2018.

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of Dominion Energy Utah's

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