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Dominion Energy Utah's Gas Line Coverage  
Letter

DOCKET NO. 18-057-07  
  
GUIDANCE TO PARTIES IN  
PREPARATION FOR THE MAY 24, 2018  
SCHEDULING CONFERENCE

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ISSUED: May 23, 2018

On May 2, 2018, the Public Service Commission of Utah ("PSC") issued an action request to the Division of Public Utilities ("DPU") requesting the DPU investigate a letter recently sent under Dominion Energy's letterhead to Utah gas utility customers.<sup>1</sup> The letter offers "optional coverage" for repairs to customers' gas lines "from your utility's responsibility up to each gas appliance in your home." According to the letter, the repair service is available for \$5.49 per month from HomeServe USA Repair Management Corp., a company independent from Dominion Energy Utah ("DEU"). The letter invites gas utility customers to apply for this service by visiting a website that is designated "DECustomerHomeRepair" and states the monthly charge will be included in the DEU bill and will be automatically renewed annually at the then current renewal price.

On May 11, 2018, the DPU filed its initial investigation report recommending the PSC suspend Section 8.08 of DEU's Utah Natural Gas Tariff No. 500. The DPU also recommends the PSC seek comments from all interested parties regarding further actions that may be necessary to protect the public interest in light of the DPU's preliminary findings regarding the letter.

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<sup>1</sup> This initial effort to gather information in response to a customer inquiry about the letter was never "a behind the scenes exercise between two regulatory agencies" as the Office of Consumer Services alleges in its May 11, 2018 comments. Notably that very day the PSC opened a public docket and lodged the action request as the first docket entry. This action request was consistent with how consumer complaints are always handled at the DPU first, and then formally at the PSC if necessary. The OCS generally does not participate in or take an interest in consumer complaints. We welcome their interest and participation any time that pattern changes.

The Office of Consumer Services (“OCS”) also provided written comments and recommendations to the PSC on May 11, 2018. The OCS joins the DPU in requesting suspension of Section 8.08 and recommends the PSC initiate a broader investigation addressing oversight of utility communication with utility customers and protection of customer-related information. The OCS also recommends the PSC require notification of the investigation to customers who have enrolled in the program, but does not yet recommend any specific process to accomplish that objective.

On May 14 and 16, 2018, the PSC issued a notice of comment period and scheduling conference, and a notice of rescheduled scheduling conference, respectively, to establish a process for addressing the initial comments received from the DPU and OCS.<sup>2</sup> The initial notice also provided an opportunity for other parties to comment on the initial filings of the DPU and OCS by May 21, 2018.

On May 21, 2018, DEU filed comments explaining its actions in sending copies of the above-described letter to 500,000 gas utility customers. Among other things, DEU argues the PSC should not suspend Section 8.08, which governs DEU’s use of customer bills to include third-party billings, because neither the DPU nor OCS “cite[s] any violation of Section 8.08 of the Tariff, or any other statute, rule or order of this Commission.” Setting aside inferences that might be drawn from the DPU’s and OCS’s comments, we acknowledge the foregoing statement is literally accurate. We decline to suspend Section 8.08 partly for that reason, but more importantly because doing so will not meaningfully address the core of our concern with DEU’s

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<sup>2</sup> The scheduling conference will be held on May 24, 2018 at 10:00 a.m. in Room 401 of the Heber Wells Building.

actions. We identify that concern now in order to guide the parties in establishing the process and schedule for this docket.

DEU has partnered with a non-utility (whether or not affiliated is not yet fully apparent) to provide assertedly non-jurisdictional services. These services are being marketed via letters from the utility on utility letterhead, to utility customers by employing the utility's customer identification and address information, and will be billed by the utility using the monthly utility bill. The letter states the quickest way to subscribe to the service is to go to a website that is heavily branded with the utility's logo. Moreover, the nature of the "non-jurisdictional" service is maintenance of the very system the customer uses to employ the utility's natural gas product. Finally, DEU justifies the use of personal customer information in this context because it is done for "the enhancement of our customer programs."

In light of these DEU actions, we ask the interested parties to make recommendations in the scheduling conference for a process by which they can adequately respond to the inquiry: What steps, if any, are necessary for the PSC to take to protect the public interest? In other words, do existing PSC orders, tariffs, and regulations adequately protect the public when a utility partners with an unregulated entity to provide a service like the one in question that is not under tariff? If not, what PSC process will best facilitate identification of the PSC actions that are necessary to protect the public interest? Moreover, how should this process be carried out to assure that the interests of all potential stakeholders are represented?

We look forward to receiving the parties' recommendations as to an appropriate process and schedule for addressing these questions. While the record at this point is insufficient to find any violation by DEU of a statute, rule, tariff, or order, we express our deep concern that,

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considering the totality of the circumstances, the letter sent to DEU customers appears to be misleading at best, and potentially deceptive. We give notice that the proceedings that result from the scheduling conference carry a real potential that we might discontinue DEU's authority to engage in third-party billing, including for the customers who have already purchased the advertised insurance product. We direct DEU to immediately prepare and file in this docket a plan for unwinding the billing arrangement for those customers in the event we ultimately suspend or revoke the tariff language that authorizes DEU to engage in third-party billing. We expect this plan to include customer education that is robust and transparent enough to remedy the confusion that, predictably, resulted from the letter.

DATED at Salt Lake City, Utah, May 23, 2018.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#302334

CERTIFICATE OF SERVICE

I CERTIFY that on May 23, 2018, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

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