

# Technical Conference

Dominion Energy, HomeServe

State of Utah Public Service Commission

Docket No. 18-057-07

June 14, 2018

# Introductions

- Dominion Energy (DE) & Dominion Products & Services (DPS)
  - Jim Neal                      General Manager, Retail (DPS)
  - Maria LaDelfa                Retail Marketing and Partner Relations Coordinator (DPS)
  - Kelly Mendenhall            Director of Regulatory & Pricing, State Regulatory Affairs
  - Jenniffer Clark              Senior Counsel, State Regulatory
  - Gary Jeffries                 Managing General Counsel, Utility Operations
  - George Marget                Deputy General Counsel, Utility Operations
- HomeServe
  - Andrew DeCastro            Senior Vice President, Head of Corporate Development
  - Myles Meehan                Senior Vice President, Corporate Communication
  - Michelle Martinez            Vice President, Account Management
  - Michael Fahey                Deputy General Counsel
- Public Service Commission, Department of Public Utilities, Office of Consumer Advocate
- Other Stakeholders

# Agenda

- **Background**
- **Key Issues**
  - Customer Letter
  - Billing Tariff
  - Customer List
- **Additional Questions (Merger Commitments)**

# Dominion Products & Services (DPS)

- In business since 1995
- Market under DE brand in affiliate areas (VA, OH, WV)
- Water, Sewer, Gas, & Electric Lines
- Plumbing, Water Heater, Heating & Cooling, Surge Protection, & Major Appliances
- Over 1 million contracts as of 2017

## DPS Partners



# Who is HomeServe North America?

- The leading provider of repair service plans to 3.6 million homeowners, holding 5.6 million service plans across the continental U.S. and Canada
- Part of a global LSE listed company with operations in US, Canada, UK, France, Spain and Italy
- Serve one of their customers on average every 75 seconds
- Saved homeowners more than \$394 million in repair expense over the last 3 years
- Receive a 98%+ satisfaction rating from Homeowners polled within 48 hours of their repairs
- A BBB Accredited businesses with an A+ rating
- Administrator of the National League of Cities Service Line Warranties Program under the Service Line Warranties of America (SLWA) brand
- Partner with over 550 leading municipalities, utilities and associations, including these energy utilities:

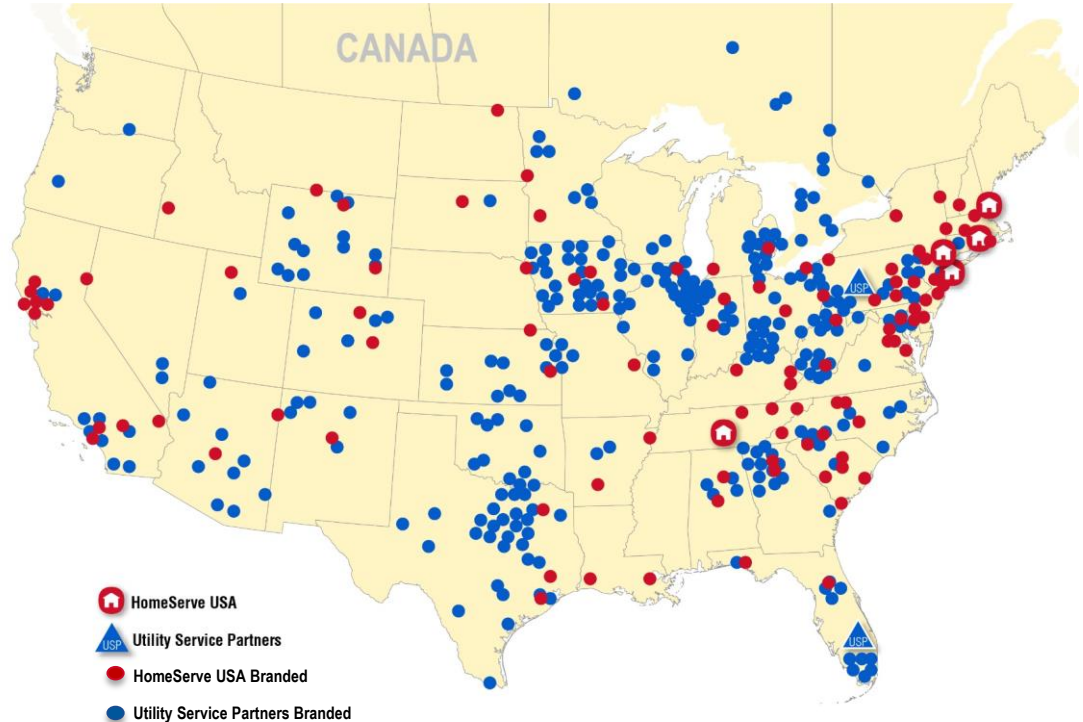


# HomeServe Service Area

HomeServe provides home repair services plans to over 550 municipalities and utility companies in North America

## HomeServe Partnerships in Utah:

- City of Orem
- City of Clearfield City
- Salt Lake City Public Utilities



# Utah and Surrounding State Partnerships

- 27,000 customers in the state of Utah
- Performed 2,400 jobs, saving Utah homeowners over \$1.7 million paid to in repair costs in the past 12 months alone

## Nevada

- 3 partnerships
- Endorsed by the Nevada League of Cities & Municipalities
- 18,000 customers
- \$1.6 million paid in repair costs in the last three years

## Arizona

- 26 partnerships
- Endorsed by League of Arizona Cities and Towns
- 56,000 customers
- \$5 million paid in repair costs in the last three years

## Wyoming

- 13 partnerships
- 17,000 customers
- \$1.3 million paid in repair costs in the last three years

## Colorado

- 6 partnerships
- 26,000 customers
- \$3.5 million paid in repair costs in the last three years

*"We were in a challenging position where residents were having issues with their water and sewer [service lines] and weren't aware it was their responsibility. So time after time, we were giving people this sympathy, 'we're sorry this happened, but we can't do anything.' That's not the time you want to learn about your responsibilities. Since we joined, at no cost to the city, they educated residents about their responsibilities. At least they would know and be able to make an educated decision."*  
– Steve Downs, Deputy City Manager, Orem, UT

# Coverage Areas – Customer Benefits

## ***Repair programs in areas related to:***

- Water, Sewer, Gas, & Electric Lines
- Plumbing, Water Heater, Heating & Cooling, Surge Protection, & Major Appliances

*NOTE: HomeServe program offers can differ from state to state*

## ***Customer Benefits:***

- Low cost protection from unexpected repair bills
- One number to call when repairs are needed
- Access to local licensed and insured contractors





# Products & Services Industry

Much of the industry is structured under partnerships whereby a company establishes a relationship with a service provider (eg. DPS, HomeServe) and markets under the company brand

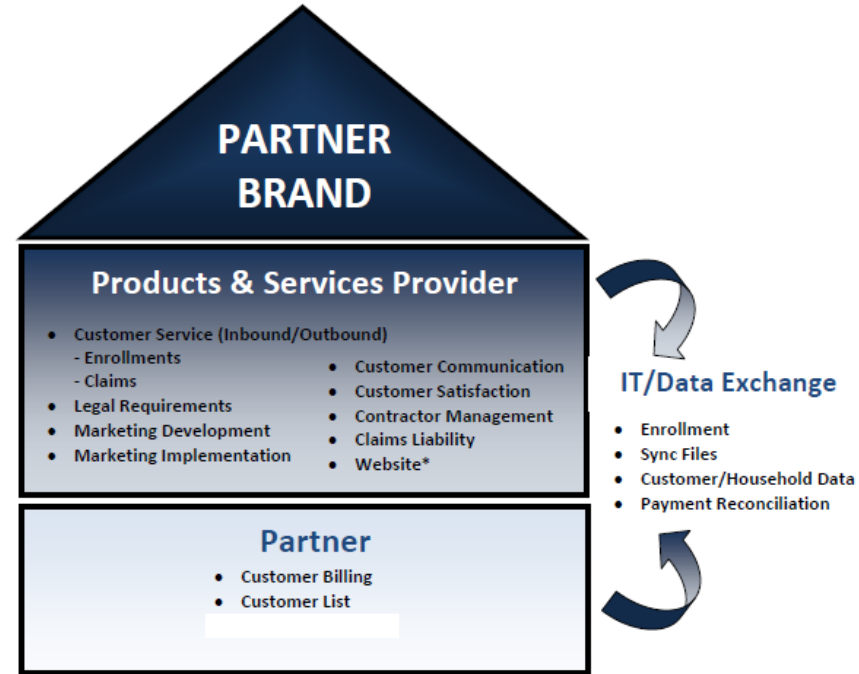
- Why would a company (utility) want this?
  - **Improves overall customer satisfaction**
  - Helps to educate consumers of their responsibilities
  - Increases & improves overall brand awareness
- Why wouldn't the company (utility) provide the service?
  - May not have marketing expertise or other resources to support business; non-core competency

	Non Warranty	Warranty Customer	Warranty Customer w/Repair
Overall Satisfaction	8.4	8.8	8.8
A Company You Can Trust	8.1	8.8	8.8
Cares About Its Customers	7.9	8.5	8.6
Positive Reputation in Community	8.2	8.8	8.8
High Quality Products & Services	8.2	8.7	8.6
Value of Having A Warranty	N/A	8.5	9.0
More Favorable Opinion of Dominion for Offering Warranties	19%	54%	65%

\*Customer survey administered by Alan Newman Research for DPS

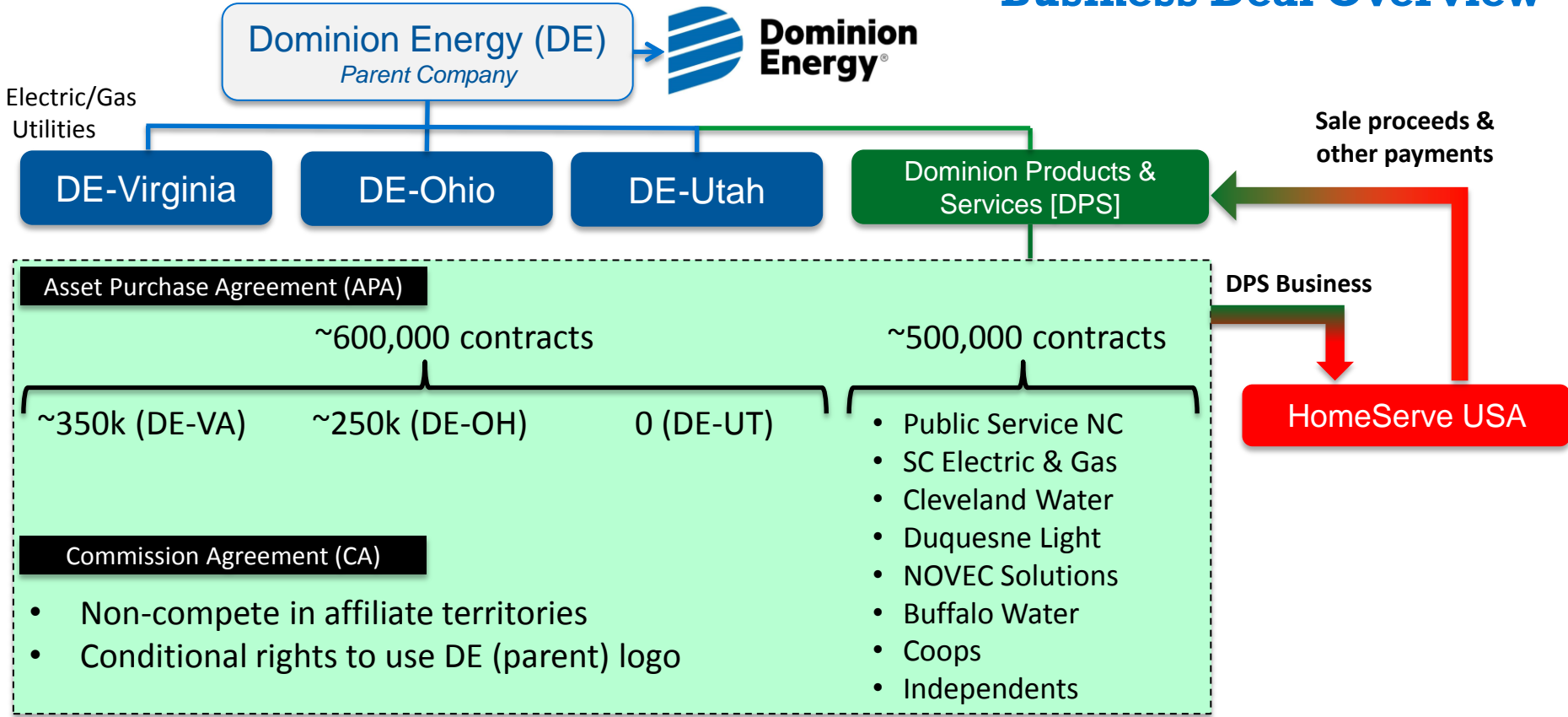
# Customer Experience

- What improves the customer experience?
  - Comfort that the company (utility) has performed necessary due diligence to partner with a customer-focused, highly rated servicing company (**brand**); **Branding** also improves chances customer will open mail & have opportunity to add potential value-added service
  - Convenience of paying on-bill (included and identified separately on **utility bill**)
  - Minimization of billing and/or mailing errors (through use of limited **customer information**)

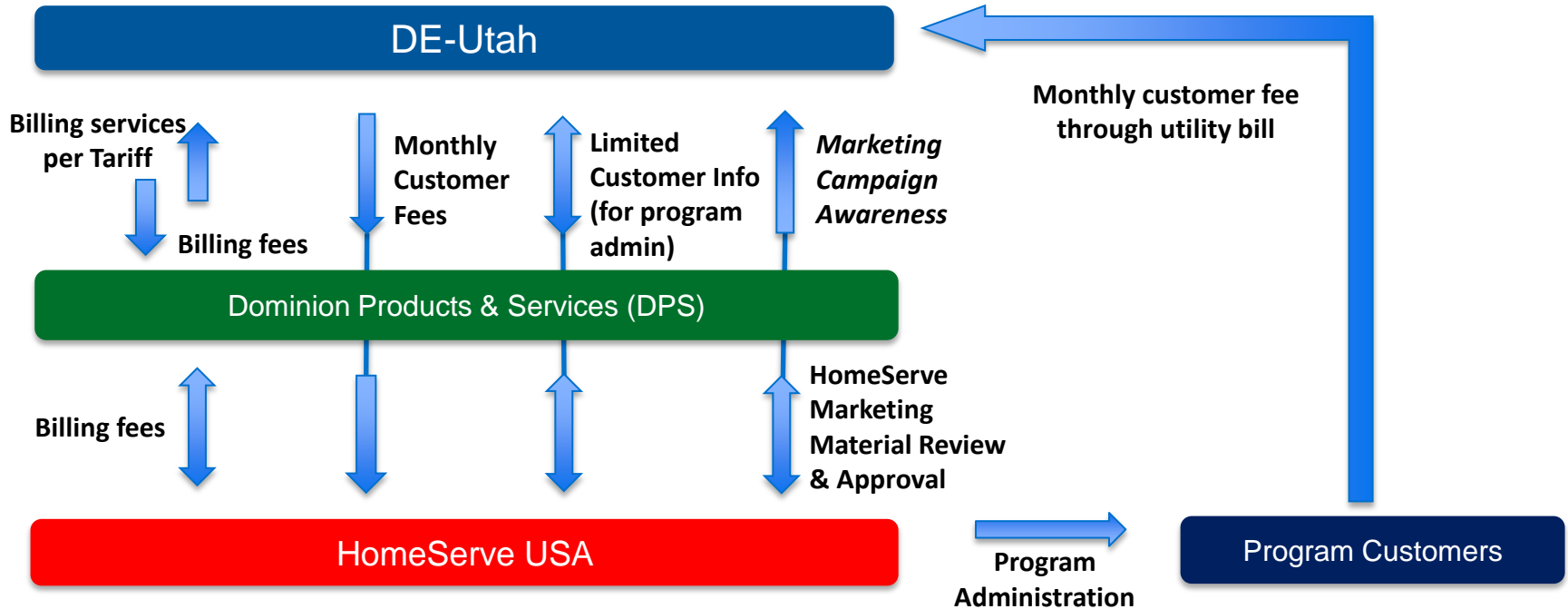


# **Business & Process Relationships**

# Business Deal Overview

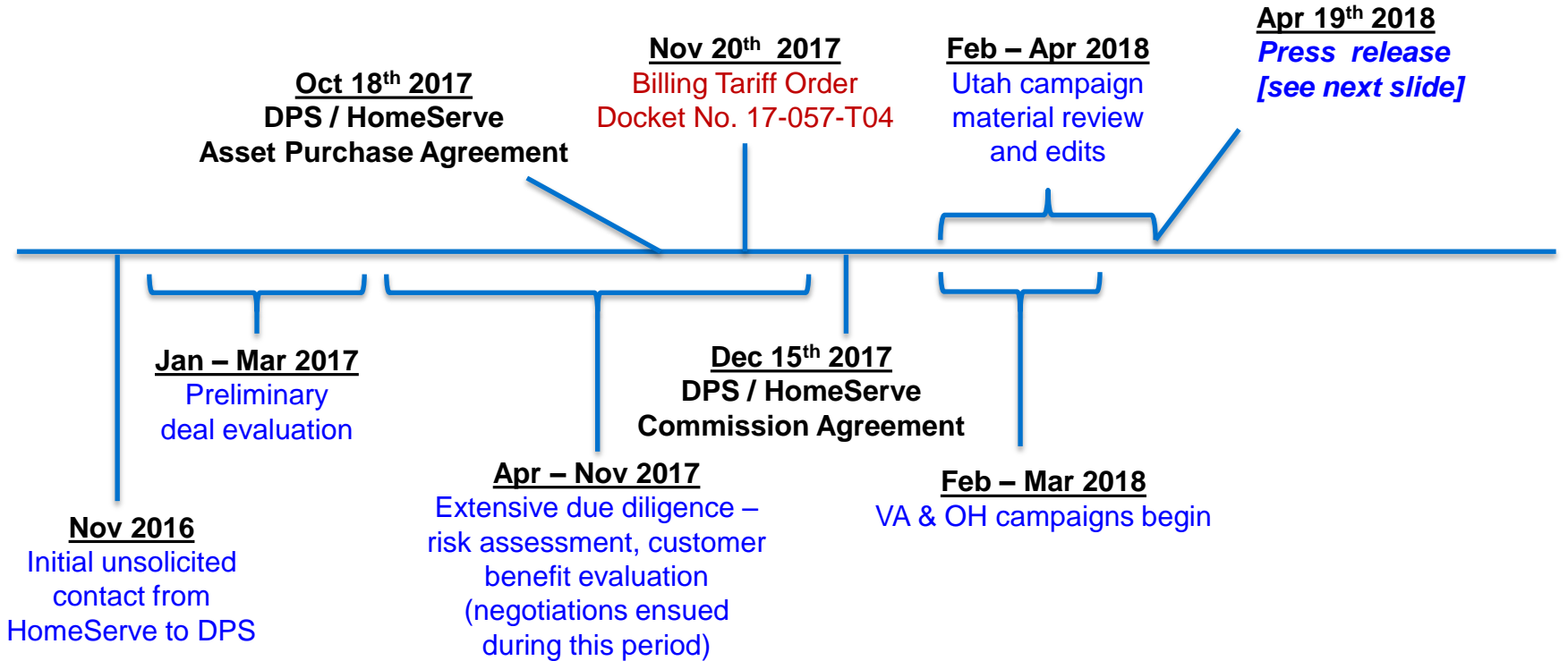


# Process Relationships



# Timeline

# Timeline – Prior to Utah Mailing



# Campaign Public Relations

## Press Release

- Provided press release directly to 13 local Utah media outlets
- Sent out over national Business Wire

### Dominion Energy to Offer Utah Customers Home Repair Service Plans Through HomeServe

Salt Lake City, UT, April X, 2018 – Dominion Energy today announced the launch of a new home repair service plan program that will help its Utah customers protect against the cost and inconvenience of emergency home repairs.

Dominion Energy has partnered with HomeServe USA, the leading provider of home emergency repair service plan programs, to offer customers access to a suite of optional home repair service plans. Through the new program, HomeServe will offer service plans that cover repairs to interior gas piping and electric lines, interior and exterior plumbing systems, heating and cooling system repairs, water heater repairs or replacements and more.

“We are pleased to rollout this new service for our Utah customers,” said James Neal, Dominion Energy Solutions General Manager. “Our experience in other Dominion service territories demonstrates that our customers appreciate having these optional plans available to them so they are prepared in case an urgent repair is needed.”

The service plans offered through HomeServe will provide homeowners with coverage that protects them from the expense and inconvenience associated with home emergency repairs – connecting them with qualified pre-screened local technicians in a timely manner and providing for the cost of covered repairs or replacements. HomeServe plan holders also have access to a Repair Hotline accessible 24 hours a day, 365 days a year, as well as the best licensed and insured contractors the community has to offer.

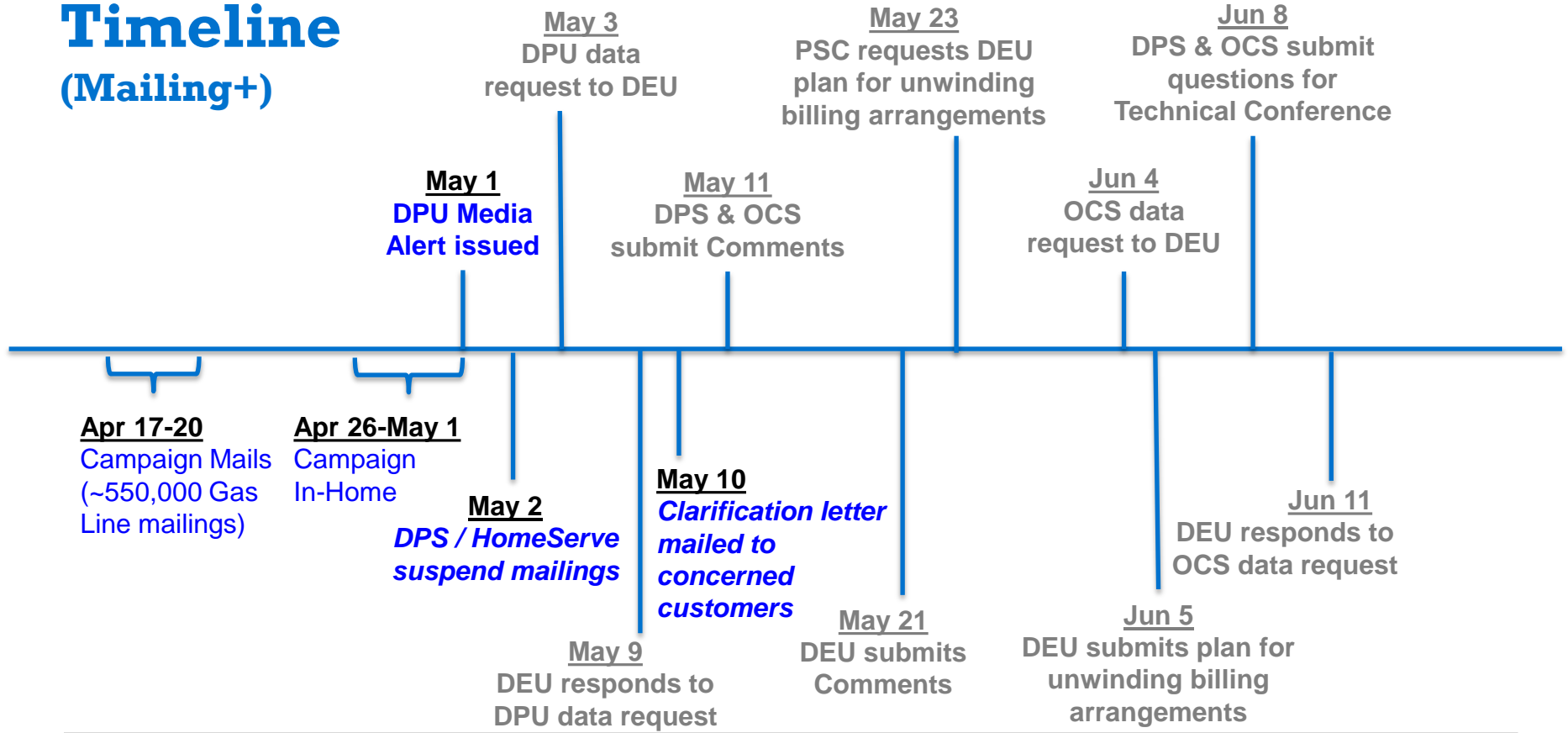
“Whatever the cause, dealing with the unexpected cost and inconvenience of an emergency home repair can be a challenge for many homeowners,” said John Kitzie, CEO of HomeServe USA. “We are pleased to be working alongside of Dominion Energy to provide a solution to assist customers in these situations.”

The service plans available through HomeServe are priced between \$5.49 and \$13.99 per month depending on the individual or bundled plan selected. Customers who choose to enroll will be able to pay for coverage on their monthly Dominion Energy bill. The program is completely optional and the coverage can be canceled at any time.



# Timeline

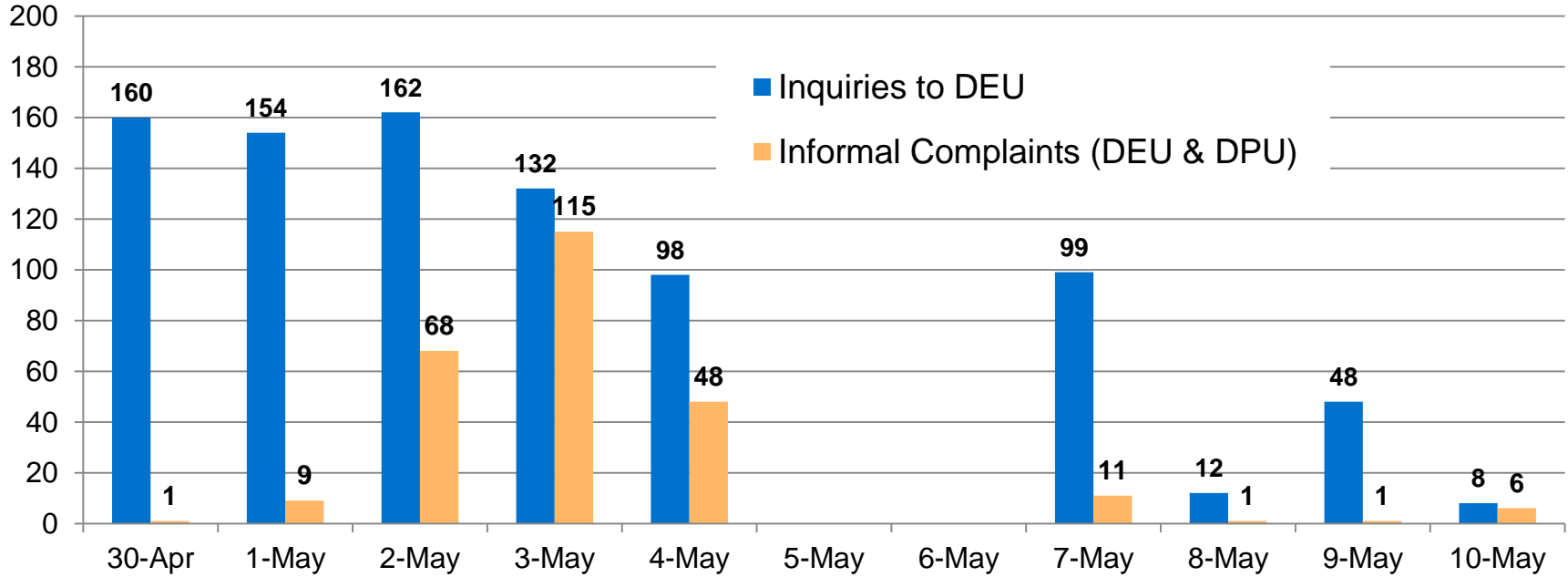
(Mailing+)



# Customer Response

## Gas Line Campaign:

- Number of mailings ~550,000
- Number of enrollments ~8,200



Customer Letters [Apr 27-May 1]  
Media Alert [May 1]

NOTE: Data provided by Dominion Energy Utah;  
DPU complaint date reflects the day the complaint was received by DEU

# Customer Letter

# Review Process for HomeServe Materials (per agreement)



## Submit

HomeServe submits mailing content (art) for review to DPS



## Review

DPS & DE review (branding guidelines, etc)



## Comment

DPS submits edits back to HomeServe within 5-10 business days



## Revisions

HomeServe provides revised art – DPS has 5 business days to provide additional comments



## Approval

DPS provides final approval to HomeServe to mail

# Gas Line Letter Review

## Areas to Address

Distinguish between Dominion Energy (utility) and third-party provider

Other

- Optional service
- Gas line coverage (physical)
- Cancel at any time
- Customer data
- Timing of receipt

## Direct Letter References

“Dominion Energy customers can now protect their gas line with Gas Line Coverage from **HomeServe**.”

“With this **optional** coverage, ...”

“Your gas line, from your utility’s responsibility up to each gas appliance in your home, is your responsibility.”

“HomeServe...is an *independent company separate* from Dominion Energy and offers this **optional** service plan...”

“Your choice of whether to participate in this service plan will not affect the price, availability or terms of service from Dominion Energy.”

“YES, I want Gas Line Coverage from **HomeServe**. I authorize the \$5.49 monthly charge, plus applicable taxes, to be included on my Dominion Energy bill. This **optional** coverage is billed monthly and based on an annual contract that will be automatically renewed annually at the then-current renewal price. I can cancel any time by calling 1-833-808-6703. I agree Dominion Energy may provide my data, including my account number, to facilitate the processing of my enrollment and billing under this plan. I confirm I have read the information in this package, understand there are limitations and exclusions, and meet the eligibility requirements for this coverage.”

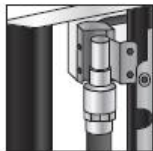
# Gas Line Illustration – *Included in mailing*

Now it's easy to avoid the frustration and cost of unexpected repairs

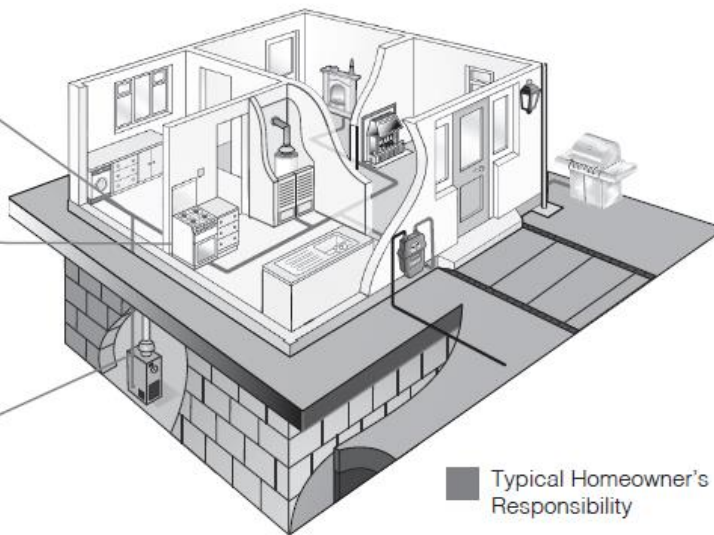
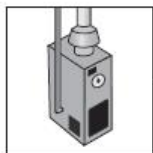
Replace section of natural  
gas supply line **\$212**  
Plan Members: **NO CHARGE**<sup>‡</sup>



Repair/replace gas  
safety shutoff valve **\$147**  
Plan Members: **NO CHARGE**<sup>‡</sup>



Repair section of pipe  
to your furnace **\$382**  
Plan Members: **NO CHARGE**<sup>‡</sup>

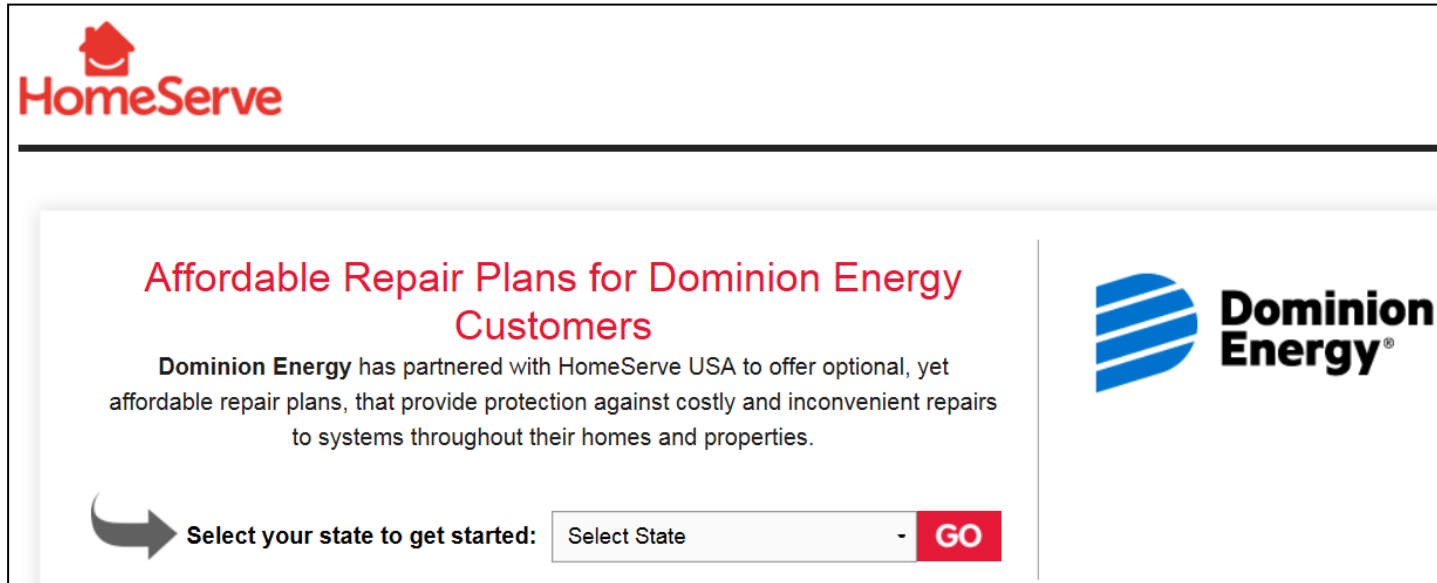


<sup>‡</sup>National average repair costs as of January 2016. No charge for covered repairs up to your annual benefit amount.

Gas lines that run to a curbside meter are included in this coverage.

# Gas Line Letter – Website resource for customers

- In letter, “For fastest processing, visit [www.decustomerhomerepair.com](http://www.decustomerhomerepair.com)”
- Link goes to landing page at [www.homeserveusa.com](http://www.homeserveusa.com) for DE customers...

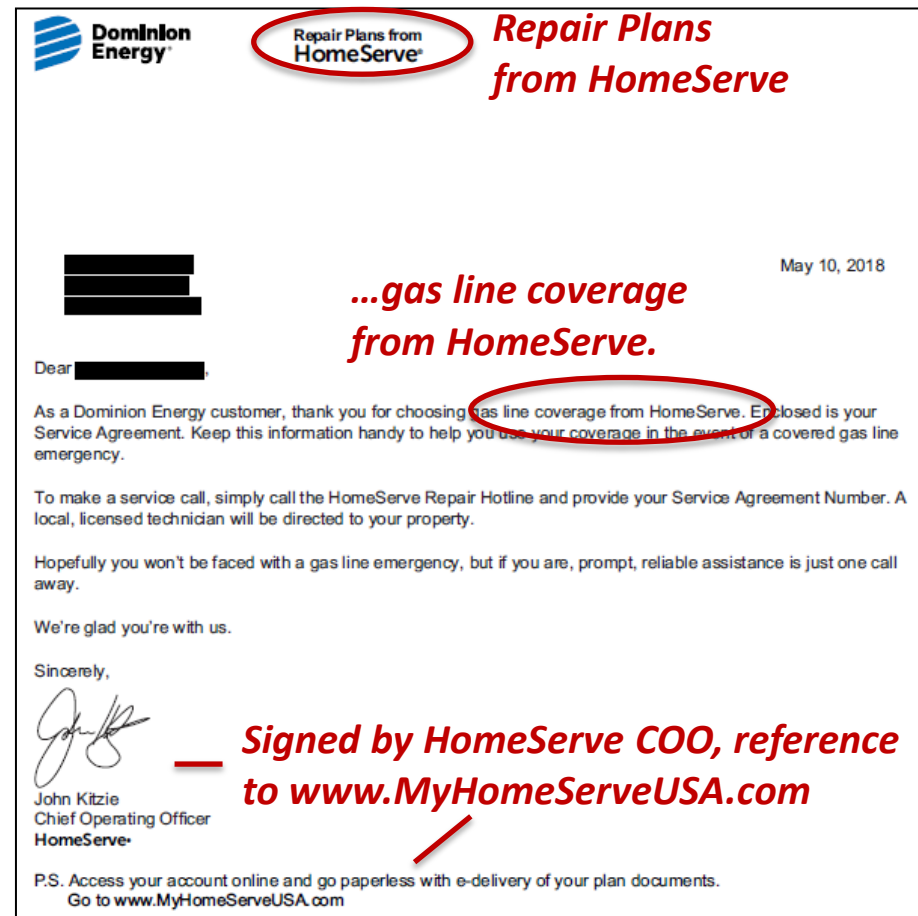


The screenshot shows the HomeServe website interface. At the top left is the HomeServe logo, which consists of a red house icon above the text "HomeServe" in red. Below the logo is a horizontal line. The main content area is divided into two columns. The left column features the heading "Affordable Repair Plans for Dominion Energy Customers" in red. Below this heading is a paragraph of text: "Dominion Energy has partnered with HomeServe USA to offer optional, yet affordable repair plans, that provide protection against costly and inconvenient repairs to systems throughout their homes and properties." At the bottom of this column is a grey arrow pointing right, followed by the text "Select your state to get started:". To the right of this text is a dropdown menu with "Select State" and a red "GO" button. The right column features the Dominion Energy logo, which is a blue stylized "D" icon followed by the text "Dominion Energy" in black.

# HomeServe Welcome Kit Letter

- A “Welcome Kit” is sent by HomeServe to new customers (see cover letter to the right) with all necessary information to fully understand the program benefits, costs, and all other terms & conditions
- Includes a website link to access service plan information and provides toll-free HomeServe Repair Hotline phone number

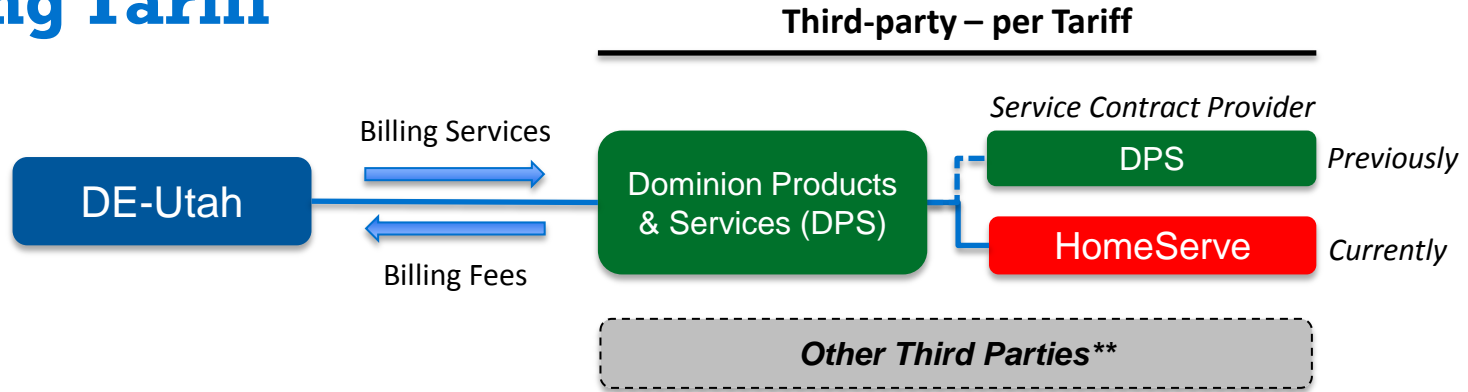
***Refunds are available from HomeServe for any customer who was confused by the gas line letter about the relationship between Dominion Energy – Utah and HomeServe***





# Billing Tariff

# Billing Tariff



## Key Tariff Provisions

- ✓ Utah Insurance Department authorization as “service contract provider”
- ✓ Directly or indirectly related to utility services
- ✓ No adverse impact to customer
- ✓ Must have toll-free call center
- ✓ Must allow customer to cancel at any time
- ✓ Payment of initial set-up costs & on-going bill production costs (specified in Tariff)

# Customer Bill

- HomeServe is clearly identified on bill

### Account Summary as of May 18, 2018

Previous Balance Due - 6/25/2018	55.00
<b>Current Charges - Gas Service (Budget)</b>	<b>55.00</b>
<b>Current Charges - Products and Services</b>	<b>5.49</b>
<b><u>Total Amount Due Upon Receipt</u></b>	<b><u>\$115.49</u></b>

1% monthly interest (12% annually) charged on balance on or after 6/25/2018.

0.000000 0.000000 0.000000 0.000000

Page 2 of Customer Bill

### HomeServe Products and Services

Service Agreement:

Any Questions? Contact:  
HomeServe Products & Services  
7134 Lee Hwy  
Chattanooga, TN 37421  
1-833-808-6703

Service from 5/14/2018 - 6/14/2018

### Rate - HomeServe Products and Services

HomeServe-Int Gas Plan	5.49
<u>HomeServe Products and Services</u>	<u>5.49</u>

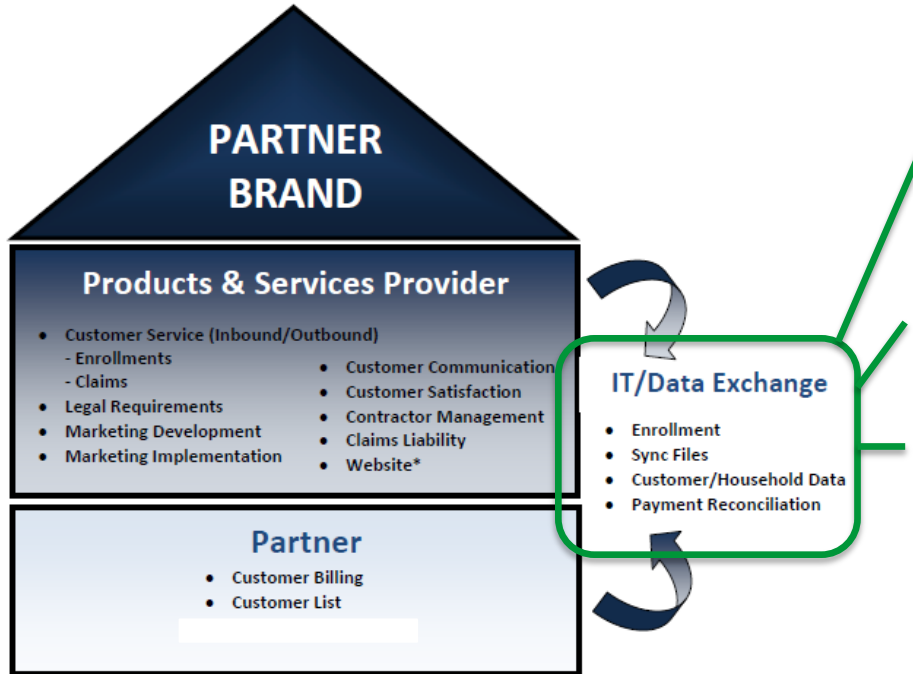
***DE-Utah bill is in strict compliance with the Tariff provisions;  
Charges for HomeServe services are distinct & separate, appearing on the second page of the bill***

# Customer Concerns (if Tariff is suspended)

- **Lost benefit** of convenient utility billing
- Potential confusion or lack of response by customer (for alternate billing) could result in **loss of expected coverage**
- Suspension of tariff and subsequent request for new billing method may cause concern as some customers may believe this is a **phishing scam** (attempting to get credit card or banking information)

# Customer List

# Customer List Improves Process & Customer Experience



- Customer information helps to efficiently facilitate processes related to the convenience of on-bill
- Improves service call response & reliability through always accurate & up-to-date data
- Reduces potentially confusing customer mailings due to name or address issues (data from utility is typically better quality than information procured from other sources)

# Customer Information

*Per the agreement, name, address, & randomly generated identifier are used for limited purposes to facilitate efficient processes*

## Key considerations:

- Name & address are considered “Public Information” and not “personal information” per Utah Notice of Intent to Sell Nonpublic Personal Information Act

## Process & protections:

- Information is treated confidentially and in strict adherence to the agreement
- Process includes use of secure FTP sites using HTTPS/SSL (ie. encrypted data)
- Randomly generated identifier is only relevant to secure internal processes related to new customer enrollment & processing

# Additional Questions



# Q&A