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State of Utah  
DEPARTMENT OF COMMERCE  
Office of Consumer Services

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Director

To: Public Service Commission of Utah

From: Office of Consumer Services  
Michele Beck, Director  
Cheryl Murray, Utility Analyst

Date: June 28, 2018

Subject: Dominion Energy Utah's Gas Line Coverage Letter. Docket No. 18-057-07  
Office of Consumer Services Comments.

### **History of the Issue**

On May 2, 2018, the Public Service Commission of Utah (Commission) issued an action request to the Division of Public Utilities (Division) requesting that the Division investigate a letter recently sent under Dominion Energy's letterhead to Utah gas utility customers. The gas line letter (Letter) offers optional coverage of up to \$8,000 annually for repairs to customers' gas lines "from your utility's responsibility up to each gas appliance in your home". The repair service is available from HomeServe USA Repair Management Corp. (HomeServe) for \$5.49 per month. The Letter indicates that Dominion Energy Utah (DEU or Company) customers can apply for this service at the DECustomerHomeRepair website and the monthly charge will be included in the customer's DEU bill.

The impetus for the issuance of the action request by the Commission was the receipt by regulatory agencies of customer complaints and questions regarding the Letter.

On May 11, 2018, the Division and the Office of Consumer Services (Office) each submitted comments responding to the Commission's May 2, 2018 action request. Both parties voiced concerns with the Letter and its offering and suggested, among other things, that the Commission should suspend the tariff and take further comments from interested parties.

On May 21, 2018, DEU filed comments stating 500,000 copies of the Letter had been sent to DEU customers under tariff Section 8.08, which governs DEU's use of customer bills to include third-party billings. DEU asserts that Section 8.08 should not be suspended because neither the Division nor the Office cites any violation of the tariff.

On May 23, 2018, the Commission issued guidance to parties for a May 24, 2018 scheduling

conference and declined to suspend Section 8.08 at that time. The Office submits these comments consistent with the schedule set by the Commission.

### **Threshold Decision for the Commission**

The Office asserts that the threshold issue for the Commission in this docket is to decide if it is in the public interest to maintain Section 8.08 of DEU's tariff allowing for third party billing.

To determine whether allowing third party billing remains in the public interest, the Office maintains that the Commission must first assess whether it is possible for DEU to administer this tariff in a fair and non-discriminatory manner.<sup>1</sup> The facts of this case show that Dominion Energy Products and Services (DPS) provided use of the Dominion name and logo to HomeServe and DEU (via DPS) provided access to customer names and addresses. While names and addresses may be public information in Utah, receiving the names and addresses from DEU provided access to more tailored, specific information associated with customer accounts rather than the information that would be available through other public sources. The discussion within the technical conference provided clear evidence that access to this more specific customer information provided significant value to HomeServe in its desire to offer a product to DEU customers. Now that DEU (in the case of the customer information) and DPS (in the case of the use of the name and logo) has given the value of this information to one provider, the question is whether the same value can and should be given to other providers.

The Commission Agreement makes it clear that the use of the name and logo is provided to HomeServe through an exclusive arrangement and would not be offered to other providers. It is not clear whether DEU would provide customer names and addresses to other requesting parties. However, what is clear are customer preferences and expectations regarding the sharing of their information. Customers rightly have an expectation that their information will not be shared without their specific consent. This is not surprising in today's environment. The public response and number of informal complaints clearly indicates customer concern with the content of the Letter and the fact that the utility has shared customer information with a third party. The Office is not alleging any violation of rule or law by DEU but, we have evaluated the situation and do not support providing customers' names and addresses without their specific consent. The only way that Section 8.08 could be administered in a non-discriminatory manner would be to require DEU to give the same access to customer names and addresses to other potential providers as it gave (via DPS) to HomeServe. Such use of customer information would be contrary to the public interest. Therefore, the Office asserts that Section 8.08 must be revoked since it cannot be administered in a non-discriminatory manner.

### **Value Transfer**

The Commission must also rule on the appropriate treatment of the revenue received by DPS in exchange for the use of the company name and logo as well as the customer information. The Office is concerned that DPS received all of this revenue, when the customer information clearly came from DEU. Further, the Office maintains that all of the value of that transaction

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<sup>1</sup> See Commission Order November 20, 2017, page 7. Docket No. 17-057-T04.

derives from DEU's position as the monopoly utility provider of natural gas in Utah. Without that relationship, the Dominion name would carry little recognition or value here in Utah. Thus, the Office recommends that the value of this transaction needs to accrue to customers by being imputed to customer rates.

### **Rulemaking**

The Office believes that this docket has highlighted the need for rulemaking to address the issue of customer privacy rights for all utility customers. We request that the Commission initiate rulemaking reasonably quickly to make clear to utilities and customers if and under what circumstances sharing of customer personal information is allowed to third parties or utility affiliates.

### **Clarifying Information**

If the Commission is inclined to keep Section 8.08 in place the Office asserts that the communication between Dominion/HomeServe and DEU customers must be clear as to what exactly the customer may receive under the optional agreement. The original letter indicated that coverage was "from your utility's responsibility up to each gas appliance in your home". The Office believes that many customers do not know precisely what is meant by "from your utility's responsibility" so any future communication must clearly identify where the utility's responsibility ends and the customers' begins. The Clarification Letter provided by DEU as Exhibit A to its June 5, 2018 filing includes a more precise explanation of where the customers' responsibility begins. However, the Office recommends that "up to each gas appliance", should be further clarified to include an explicit statement that gas appliances are not covered by the terms of the agreement.

### **Unwinding Billing Arrangements**

The Company has submitted on June 5, 2018 its proposed plan for unwinding billing arrangements for currently enrolled customer if so required by the Commission. DEU explains its proposed process and that several means will be used and multiple attempts will be made to ensure that enrolled customers are informed of the change in billing arrangements so the coverage may be continued, if desired. Additionally, DEU's plan should avoid any duplicate billing e.g. a charge on both the DEU bill and on the customers chosen new means of payment for the same month.

One of the documents provided as Exhibit B to its June 5, 2018 filing is the Billing Arrangement Letter, wherein enrolled customers are informed that the DEU bill can no longer include a charge for HomeServe Repair and in order to continue coverage alternative billing arrangements must be made. Item number 3 on the billing letter explains what is covered by the utility and what is covered by HomeServe repair. The Office recommends that further clarification be added to explain that gas appliances are not covered by the HomeServe repair agreement.

### **Office Recommendations**

The Office recommends the following:

1. The Commission should revoke Section 8.08 of the DEU tariff for the reasons described above.
2. The Commission should require that the Billing Arrangement Letter be further clarified to explicitly state that gas appliances are not covered by the HomeServe repair agreement. (Or, in the alternative that Section 8.08 is kept in place then the Clarification Letter should be modified to explicitly state that gas appliances are not covered by the HomeServe repair agreement.)
3. The Commission should impute the revenues associated with the transaction that provided DEU customer information back into customer rates.
4. The Office further recommends that the Commission initiate a rulemaking process to set forth standards addressing utility customer privacy issues.

CC.            Dominion Energy Utah  
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