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Dominion Energy Utah's Annual Calculation of the Third-Party Billing Rate and Request for Tariff Change	<u>DOCKET NO. 19-057-T03</u>
	<u>ORDER</u>

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ISSUED: April 15, 2019

BACKGROUND AND THE APPLICATION

*A. The PSC's approval of third-party billing*

On July 28, 2017, in response to Dominion Energy Utah's (DEU) application filed in Docket No. 17-057-T04, the Public Service Commission of Utah (PSC) approved DEU's application for a new third-party billing tariff.<sup>1</sup> The subject tariff is referenced at Section 8.08, Billing for Other Entities (*i.e.*, Third-Party Billing), of DEU Utah Natural Gas Tariff No. 500 (Tariff). The approved Third-Party Billing Tariff states in pertinent part: "*On or before March 1 of each year, [DEU] shall calculate the per-line rate and file a letter with the [PSC] reflecting the rate, to be effective on April 1 of each year.*"<sup>2</sup>

*B. DEU's current application*

On March 21, 2019, DEU filed an application with the PSC proposing to update its Third-Party Billing Tariff (Application) with proposed rates taking effect May 1, 2019. The Application included an accompanying exhibit and updated Tariff Pages 8-18 and 8-19. The Application proposes to amend the Third-Party Billing rates presented in DEU's Third-Party Billing Tariff, effective May 1, 2019. The Application indicates that at this time, no readily

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<sup>1</sup> See *In the Matter of the Application of Dominion Energy Utah for Approval of a Third-Party Billing Rate* (Order, issued July 28, 2017; Docket No. 17-057-T04).

<sup>2</sup> DEU Tariff at 8-19 (emphasis added). A current copy of DEU's Tariff is available at: <https://www.dominionenergy.com/library/domcom/media/home-and-small-business/gas-rates-and-tariffs/utah-tariff.pdf?la=en&modified=20190409185011>.

discernible market exists from which to derive a market price for third-party billing services. If approved, the Third-Party Billing minimum charge per bill will increase from \$0.16219 to \$0.16414, or 1.2 percent; likewise, the Third-Party Billing per-line charge above eleven lines will increase from \$0.01474 to \$0.01492, or 1.2 percent. The updated Third-Party Billing rates have been incorporated into Tariff Pages 8-18 and 8-19,<sup>3</sup> and the Application states these proposed Tariff changes do not constitute a violation of a state law or PSC rule.

On March 25, 2019, the PSC issued a Notice of Filing and Comment Period allowing interested parties to submit comments on or before April 8, 2019.

On April 8, 2019, the Division of Public Utilities (DPU) filed comments in support of the Application.

No other party filed comments or otherwise opposed the Application, and the opportunity to do so has since elapsed.

DPU's RECOMMENDATION

The DPU states the proposed tariff sheets are accurate and it recommends the PSC approve them effective May 1, 2019. The DPU characterizes the reasons underlying the proposed increase in rates, including that fewer customers are receiving a paper bill (which will proportionally increase DEU's fixed costs of sending paper bills). The DPU states it "is focused on ensuring that the stated costs and benefits of this proposed venture foist no burden, financial risk, or other costs onto ratepayers."<sup>4</sup>

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<sup>3</sup> See DEU's Application, Exhibits 1.2 (clean and legislative copies).

<sup>4</sup> DPU Comments at 3, ¶ 4, filed April 8, 2019.

Regarding DEU's March 21, 2019 filing date, the DPU asserts DEU has failed to comply with the requirement set forth in Section 8.08 of its Tariff, to file its Application "on or before March 1." The DPU explains that it discussed this delay with DEU, who claimed there was no harm caused by its late filing because this simply involves an intercompany bill from DEU to its affiliate, Dominion Products and Services, and the April bill will not be sent until after the PSC approves the proposed rate. Summarizing this issue, the DPU explains:

...by having the invoice for April sent in May, neither the Third-Party Billing customer nor [DEU] will be harmed because the appropriate amount will be invoiced for the proper time period. The [DPU] acknowledges that any problem this delay may potentially cause can be mitigated by [DEU's] affiliate relationship with the Third-Party Billing customer. Likewise, neither will this delay have a[ny noticeable] harmful impact on [DEU's] ratepayers[.]<sup>5</sup>

FINDINGS OF FACT AND CONCLUSIONS OF LAW

In our July 28, 2017 Order in Docket No. 17-057-T04<sup>6</sup> we stated: "the third-party billing services [DEU] seeks to offer will serve to reduce costs (*i.e.*, billing expenses) for [DEU]'s natural gas customers."<sup>7</sup> Based on information presented in DEU's Application in this docket, the DPU's recommendation, and there being no objection to the Application, we find the rates proposed are just and reasonable, and conclude that they continue to serve the public interest. Accordingly, we approve the proposed changes to DEU's Tariff Pages 8-18 and 8-19, effective May 1, 2019.

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<sup>5</sup> *Id.* at 2, ¶ 2.

<sup>6</sup> *See supra* n.1 (Order, issued July 28, 2017).

<sup>7</sup> *Id.* at 2.

We conclude DEU’s explanation provided to DPU that “the [intercompany] bill for April won’t go out until after the [PSC] approves the rate”<sup>8</sup> is inconsistent with Utah law prohibiting charges from varying from tariff schedules. As set forth in Utah Code Ann. § 54-3-7, “no public utility shall charge . . . different compensation . . . for any service rendered . . . than the rates . . . applicable . . . as specified in [the utility’s] schedules on file and in effect at the time[.]”

DEU must calculate billing based on the services provided at the rates in place during that period for which those services were provided. *See* Utah Code Ann. § 54-3-7. The record before us is unclear whether or, the extent to which, DEU’s natural gas customers are affected by DEU’s tardy filing. Therefore we direct DEU to ensure natural gas customers are credited for any difference had the Third-Party Billing rates properly taken effect on April 1, 2019 rather than May 1, 2019.

ORDER

Therefore, we:

- 1) Approve the Application as filed;
- 2) Approve, as filed, Tariff Pages 8-18 and 8-19, effective May 1, 2019;
- 3) Direct DEU to comply with Section 54-3-7 and to ensure natural gas customers are credited for any difference had the third-party billing rate properly taken effect on April 1, 2019 rather than May 1, 2019.

DATED at Salt Lake City, Utah, April 15, 2019.

/s/ Thad LeVar, Chair

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<sup>8</sup> *Supra* n.4 at 2, ¶ 2.

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#307659

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on April 15, 2019, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Kelly Mendenhall ([kelly.mendenhall@dominionenergy.com](mailto:kelly.mendenhall@dominionenergy.com))  
Jenniffer N. Clark ([jenniffer.clark@dominionenergy.com](mailto:jenniffer.clark@dominionenergy.com))  
*Dominion Energy Utah*

Patricia Schmid ([pschmid@agutah.gov](mailto:pschmid@agutah.gov))  
Justin Jetter ([jjetter@agutah.gov](mailto:jjetter@agutah.gov))  
Robert Moore ([rmoore@agutah.gov](mailto:rmoore@agutah.gov))  
Steven Snarr ([stevensnarr@agutah.gov](mailto:stevensnarr@agutah.gov))  
*Assistant Utah Attorneys General*

Erika Tedder ([etedder@utah.gov](mailto:etedder@utah.gov))  
*Division of Public Utilities*

By Hand-Delivery:

Office of Consumer Services  
160 East 300 South, 2<sup>nd</sup> Floor  
Salt Lake City, Utah 84111

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Administrative Assistant