

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's)	
Review of the Minimum Gas Service)	Case No. 19-1429-GA-ORD
Standards in Chapter 4901:1-13 of the)	
Ohio Administrative Code)	

INITIAL COMMENTS OF HOMESERVE USA CORP.

HomeServe USA Corp. and HomeServe USA Repair Management Corp. (collectively, “HomeServe”) submit Initial Comments pursuant to the December 18, 2019 Entry in the above-captioned proceeding, which concerns proposed modifications to Ohio Administrative Code Chapter 4901:1-13. One of the provisions of the proposed rule will negatively impact HomeServe, and 167,000 of its Ohio customers, who currently benefit from receiving non-commodity charges on their Ohio gas utility bill. The proposed rule provides that:

(K) Natural gas residential bills are to contain only charges that are either a natural gas or competitive retail natural gas commodity charge or an approved tariffed distribution charge or service.

HomeServe respectfully submits the following comments before the Commission and requests that this portion of the rule be rejected.

I. BACKGROUND ON HOMESERVE

For over 16 years, HomeServe has protected homeowners against the expense and inconvenience of home repair emergencies by providing affordable repair coverage¹, installations and quality local service. The company administers more than 7 million home repair service plans to 4.2 million homeowners nationwide. HomeServe works with 750 municipalities and utilities to

¹ HomeServe offers electrical, gas line, HVAC, water, sewer line and other coverage plans in Ohio providing for repair and/or replacement in the event of a breakdown.

offer plans to their residents or customers. HomeServe is accredited by the Better Business Bureau and has an A+ rating.

Repairs are delivered to Ohio customers either through a network of vetted small locally based business contractors, or local Ohio HomeServe owned companies. Many of the employees of these companies are our utility partners' customers, and they live and work in the same communities that HomeServe and our utility partners serve. Over the last several years, HomeServe has covered tens of thousands of claims for Ohioans and saved homeowners millions in out of pocket repair expenses. Those homeowners recently rated their experience with HomeServe with 4.8 out of 5 stars². Many of these Ohio homeowners would have faced financial hardship had it not been for the coverage offered by HomeServe.

II. HOMESERVE'S RELATIONSHIP WITH UTILITIES

Utilities partner with HomeServe because the plans HomeServe offers benefit their customers. These plans provide an affordable, convenient option for protecting against the cost and inconvenience of dealing with emergency repairs. HomeServe also educates consumers about their responsibilities regarding the lines connecting their homes to utility systems, many of which are not covered by the utility, or home insurance plans. Further, and most importantly for HomeServe's utility partners, the plans being sold by HomeServe cover repairs that help assure the delivery of safe and uninterrupted utility services to customers' homes, particularly as infrastructure across the country ages. Utilities include HomeServe's plan on their bills because it is a convenient option for customers. The adoption of the proposed rule would disregard the wishes of many of the impacted customers—and the utilities with whom HomeServe partners—

² Out of 3,075 survey responses received immediately following a claim.

who want this coverage and the “convenience” of paying for—and offering—these items on their utility bill.

III. COMMENTS

a. There will be potential disruption and significant negative impact to customers of implementing the proposed rule.

Over 167,000 customers in Ohio—who have approximately 355,000 plans—pay for the plans administered by HomeServe on their gas utility bills. Removing the method by which these plans are paid will likely upset customers’ long-standing expectations of having the right to pay for the plans via their utility bills. It is likely to result in loss of coverage for many customers and result in significant out of pocket expenses in the event of a breakdown. To explain, while HomeServe would diligently attempt to collect a new payment mechanism from each of the affected customers, the disruption caused by the rule will create confusion and is likely to negatively impact customers. Customers may ignore phone calls and/or mistake notices sent to them regarding the Commission’s decision to remove their current billing vehicle as ‘junk mail’. Customers may not open, may not respond to, or may simply forget to act given more pressing priorities. If they do open the mail, customers may be alarmed that their credit card or other billing vehicle information is being requested causing them to disregard the request out of concern that it may be fraudulent. Many customers may become aware of the lapse only when they call with an emergency but learn they no longer have any coverage.

Separately, another advantage of the on-bill arrangement, is that in this day and age of heightened privacy concerns, customers likely also feel safer with fewer entities having access to their credit or debit card information. HomeServe’s billing arrangements with its utility partners in Ohio allows their customers to purchase HomeServe’s plans without having to share that information with HomeServe.

Finally, loss of coverage may cause difficulties for consumers, especially those who make a claim not knowing that their coverage has lapsed. Consumers could end up with an uncovered breakdown that may cost hundreds, or even thousands, in out-of-pocket expenses to repair. It may also cause difficulties for other stakeholders, including HomeServe and its utility partners, since customers may voice their concerns and dissatisfaction via social media and/or other outlets.

b. HomeServe is committed to its customers and makes sure its utility partners are kept informed of issues/complaints.

The Commission can be assured of HomeServe's—and its utility partners'—commitment to Ohio customers. The customer is kept at the heart of everything HomeServe does. HomeServe continuously invests in technology, training and surveying to ensure that it is delivering a positive customer experience. HomeServe reviews claims data, customer satisfaction metrics measured through several real-time technologies, and the results of satisfaction surveys, all of which combine to ensure HomeServe is delivering on its Customer Promise (see attached as Exhibit 1). Through its ongoing partner business review and online portal, HomeServe also works with utility partners to ensure that all customer complaints, questions and/or concerns are handled promptly. To the extent that a customer concern is not addressed as promptly as HomeServe would hope under its normal processes, there is also an escalation process that customers can follow.

c. In sum, the proposed rule goes against the status quo in Ohio, which is working well for consumers.

The proposed rule goes against the status quo and is contrary to the consumer interest for the reasons cited above. It is in the customers' best interest for them to retain the right and convenience to pay for their HomeServe repair plans on their utility bills. Simply put, there is no reason to change the status quo.

It is also important to examine the proposed change to the status quo in line with Ohio's natural gas policy. R.C. 4929.02(A)(1) states it is the policy of the state to: "(1) Promote the availability to consumers of adequate, reliable, and reasonably priced natural gas services and goods." While behind the meter services are not part of the sale of the gas commodity or "retail natural gas service" under Ohio law, removing an essential on-bill service which hundreds of thousands of Ohioans have come to rely on is not promoting reasonably priced natural gas service on the customer side of the meter.

R.C. 4929.02(A)(11) addresses this even more specifically, making clear that Ohio's policy is to "Facilitate additional choices for the supply of natural gas for residential consumers . . ." HomeServe's products offer non-commodity choices which help residential customers ensure the single most important thing in natural gas and other utility service, the ability to safely utilize the gas or other service delivered by their local utility.

Similarly, R.C. 4929.02(A)(5) encourages "cost-effective and efficient access to information regarding the operation of the distribution systems of natural gas companies in order to promote effective customer choice of natural gas services and goods." HomeServe's on-bill products serve an important role in maintaining the operation of the distribution system by allowing customers to maintain coverage against the risk of a utility service problem while learning more about their responsibilities under Ohio's regulatory construct.

IV. CONCLUSION

If the Commission adopts the proposed rule in Ohio Admin. Code 4901:1-13-11(K), thereby disallowing existing Ohio gas customers to be conveniently billed via their utility bills, a majority of the 167,000 HomeServe gas customers currently being charged on their utility bill may inadvertently lose the coverage and protection they have come to expect and rely on. Accordingly,

HomeServe requests that the Commission not adopt the proposed rule in Ohio Admin. Code 4901:1-13-11(K), and instead allow utilities to continue to provide customers with the option to be billed for non-commodity charges. HomeServe is committed to providing superior customer service and welcomes the opportunity to work with the Commission should it receive any questions or concerns from a HomeServe customer.

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Respectfully submitted,

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Customer Promise

**We'll make it clear what you're buying
and what it will do for you.**

**We'll tell you how much you're
paying, what you're getting, and how
to make a claim.**

**When you are a customer, we'll
make life easy for you.**

**When you have a question or need
our help, we'll make it our priority
to help you.**

**If you're not happy, we'll make
things right wherever we can,
as soon as we can.**

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Summary: Comments Initial Comments of HomeServe USA Corp. electronically filed by Ms. Kari D Hehmeyer on behalf of HomeServe USA Corp.