



1407 W. North Temple, Suite 330
Salt Lake City, UT 84116

April 3, 2020

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Administrator

RE: Docket No. 20-035-17
Application of Rocky Mountain Power for a Deferred Accounting Order Regarding
Costs Incurred Due to the COVID-19 Public Health Emergency

Pursuant to Utah Code Ann. §§ 54-4-23, Rocky Mountain Power, a division of PacifiCorp (“Rocky Mountain Power” or the “Company”), submits this application for an accounting order authorizing the Company to record a regulatory asset associated with costs incurred as part of the Company’s response to the COVID-19 public health emergency.


Rocky Mountain Power respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com
Jana.saba@pacificorp.com
utahdockets@pacificorp.com
jacob.mcdermott@pacificorp.com
emily.wegener@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,


Joelle Steward
Vice President, Regulation

Jacob A. McDermott (16894)
Emily Wegener (12275)
Rocky Mountain Power
1407 W North Temple, Suite 320
Salt Lake City, UT 84116
Telephone: (801) 220-2233
Facsimile: (801) 220-4615
Jacob.McDermott@pacificorp.com

Attorneys for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	Docket No. 20-035-17
Rocky Mountain Power for a Deferred)	
Accounting Order Regarding Costs)	
Incurred Due to the COVID-19 Public)	APPLICATION FOR
Health Emergency)	ACCOUNTING ORDER
)	

Pursuant to Utah Code Ann. §54-4-23, Rocky Mountain Power, a division of PacifiCorp, (“Rocky Mountain Power” or the “Company”), applies to the Public Service Commission of Utah (“Commission”) for an accounting order authorizing the Company to record a regulatory asset associated with costs incurred as part of the Company’s response to the COVID-19 public health emergency.

In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a public utility in the state of Utah and is subject to the jurisdiction of the Commission with regard to its rates and service. Rocky Mountain Power also provides retail electric service in the states of Idaho and Wyoming.

2. Communications regarding this Application should be addressed to:

By e-mail (preferred): datarequest@pacificorp.com
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utahdockets@pacificorp.com
jacob.mcdermott@pacificorp.com
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Rocky Mountain Power
825 NE Multnomah St., Suite 2000
Portland, OR 97232

Jana Saba
Rocky Mountain Power
1407 W. North Temple, Suite 330
Salt Lake City, UT 84116
Telephone: (801) 220-2823
Facsimile: (801) 220-3299

3. In response to the COVID-19 public health emergency,¹ Rocky Mountain Power has suspended disconnections of service for non-payment on all non-managed accounts, is waiving late fees for the same upon customer request, and has also suspended reconnection fees for non-managed accounts. These actions are intended to assist customers facing extraordinary economic pressures as a result of the pandemic, and to support Utah’s ongoing efforts to limit and slow the spread of the disease. Additional Company responses may eventually be needed as the emergency continues.

4. Rocky Mountain Power seeks authorization from the Commission to defer, for future amortization, certain costs incurred related to the Company’s response to the COVID-19 public health emergency. The Company anticipates that it will incur significant costs in responding to the emergency. While the situation continues to evolve, currently the Company anticipates an increase in bad debt expense resulting from higher levels of write offs for uncollectible accounts

¹ On March 6, 2020, Utah Governor Gary Herbert declared a state of emergency in response to the evolving outbreak of novel coronavirus (or “COVID-19”), *see*, March 6, 2020 press release from the Utah Governor’s Office (available at, <https://governor.utah.gov/2020/03/06/gov-herbert-declares-state-of-emergency/>, last updated, April 1, 2020).

associated with the suspension of disconnection and waiver of late fees. The Company anticipates that it may also incur costs associated with the suspension of reconnection fees and in additional categories that cannot be predicted at this time due to the unprecedented nature of the ongoing emergency. To account for the unanticipated costs of its response, the Company requests that the Commission approve the establishment of a deferral account to record the incremental costs associated with the increase in bad debt expense associated with the COVID-19 emergency. The Company also intends to establish a tracking account to monitor additional costs associated with the COVID-19 emergency, including any fees waived, for possible approval for deferral and recovery in a future proceeding.

5. Even though it is not currently possible to fully anticipate the scope of the cost impacts related to the COVID-19 emergency, the Company seeks authorization for deferred accounting now because of the potential magnitude of the costs. The risks related to Rocky Mountain Power's response are also well outside ordinary business risks for the Company. Deferred accounting will help the Company track the costs driven by COVID-19.

6. The Company is unable to fully estimate the total costs that will be incurred due to its COVID-19 responses at this time, given the many unknowns, including how long the emergency situation is likely to continue. However, preliminary estimates indicate that these costs will be material.

7. The Company is proposing to use calendar year 2019 as its baseline for bad debt expense. Costs incurred in excess of the baseline would be recorded in the deferral account. The 2019 baseline for Utah bad debts are shown below in Table 1.

Table 1

	2019 Amount
Net Write-off	\$ 3,868,502
Retail Revenues	\$ 1,988,715,510
Uncollectible Rate	0.195%

8. PacifiCorp proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets), and credit the appropriate FERC accounts associated with the expenses, such as FERC Account 904 (Uncollectible Accounts).

9. The Company proposes to record a carrying charge on the COVID-19 related deferrals at the Commission approved carrying charge rate.

10. The Company acknowledges that the Commission’s approval of deferred accounting treatment for COVID-19 related costs will not, in itself, constitute approval of ultimate recovery of those costs. Recovery of the costs would be subject to a prudence review and a final decision on rate recovery in a future regulatory filing.

11. In recognition of the unanticipated, and unprecedented nature of the COVID-19 emergency and potential need to include additional cost categories as the situation evolve, the Company proposes to provide updates 30 days after the end of each quarter to the Commission, the Division of Public Utilities (“DPU”), the Office of Consumer Services (“OCS”) and any other interested parties. In these quarterly updates the Company commits to provide deferral amounts for bad debt expense and any other related COVID-19 costs identified and being tracked as of that time. To the extent the Company identifies any new costs related to its COVID-19 response that it proposes to use deferred accounting for, the Company will separately file with an explanation why

deferral and potential recovery is appropriate, and what baseline will be used to calculate the deferral for that cost category.

WHEREFORE, Rocky Mountain Power respectfully requests an accounting order authorizing it to record a regulatory asset to FERC Account 182.3 (Other Regulatory Assets).

DATED: April 3, 2020

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jacob A. McDermott", written over a horizontal line.

Jacob A McDermott
Emily Wegener

Attorneys for Rocky Mountain Power

CERTIFICATE OF SERVICE

Docket No. 20-035-17

I hereby certify that on April 3, 2020, a true and correct copy of the foregoing was served by electronic mail to the following:

Utah Office of Consumer Services

Cheryl Murray cmurray@utah.gov

Michele Beck mbeck@utah.gov

Division of Public Utilities

dpudatarequest@utah.gov

Assistant Attorney General

Patricia Schmid pschmid@agutah.gov

Justin Jetter jjetter@agutah.gov

Robert Moore rmoore@agutah.gov

Victor Copeland vcopeland@agutah.gov

Rocky Mountain Power

Data Request Response datarequest@pacificorp.com

Center

Jana Saba jana.saba@pacificorp.com

utahdockets@pacificorp.com

Jacob McDermott jacob.mcdermott@pacificorp.com



Katie Savarin
Coordinator, Regulatory Operations