



1407 W North Temple, Suite 330
Salt Lake City, Utah 84114

November 4, 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

In the Matter of the Application of Rocky Mountain Power for a Deferred Accounting Order Regarding Costs Incurred Due to the COVID-19 Public Health Emergency
Quarterly Compliance Filing

In accordance with the Order Approving Account Order issued by the Utah Public Service Commission on September 15, 2020, Rocky Mountain Power, hereby files its first quarterly compliance filing for the period ending September 30, 2020.

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

Sincerely,

Joelle Steward
Vice President, Regulation

Service List: Docket No. 20-035-17

COVID-19 Deferred Accounting Quarterly Report

Date: September 30, 2020

On September 15, 2020, the Public Service Commission of Utah (“Commission”) approved Rocky Mountain Power’s (the “Company”) application for a deferred accounting order pertaining to certain costs RMP incurred as a result of the COVID-19 Public Health Emergency (“Application”). As part of its request, the Company offered to provide quarterly accounting reports and agreed to include the additional information requested by the Office of Consumer Services (“Office”) in its comments filed June 2, 2020.

Utah Bad Debt Expense

The Company is specifically tracking bad debt expense (FERC account 904). The Company calculates a provision for estimated bad debt expense on a monthly basis using historical write-offs (net of recoveries) as a percentage of the respective aging bucket. Those percentages are then applied to current aging buckets. The results of this monthly provision exercise, coupled with actual write-offs and recoveries, represents total bad debt expense. Attachment A shows the Utah bad debt expense for January through September 30, 2020 compared to the 2019 baseline uncollectible rate of 0.195% as established in the Company’s Application.

Other Costs and Cost Savings Associated with the COVID-19 Pandemic

In addition, the Company has identified the following costs and savings directly related to the Company’s actions to ensure safe working conditions for employees (amounts are through September 30, 2020 and are on a total company basis):

- Increased labor and facility costs to enable social distancing - \$2,234,464;
- Increased costs for personal protective equipment, cleaning supplies and contact tracing - \$972,253
- Increased technology costs to enable employees to work from home - \$503,870;
- Reduced employee expenses related to travel and training - (\$5,063,837)

Policy Changes

As recommended by the Office in their June 2, 2020 comments, the Company discloses the following policy changes.

The pursuit of past due accounts

In response to the pandemic and resulting economic impacts, the Company has temporarily modified the following policies:

1. Prior to the pandemic, the Company’s typical policy was to send a collection notice when an account is in arrears greater than \$50. Beginning on March 16, 2020, a moratorium was placed on the collections process and since that moratorium was lifted in August 2020 the Company has utilized a modified approach to issue collection notices based on the table below, which is designed to return to the normal policy by April 2021.

	Residential	Non-Residential
Aug 2020	>=\$300	>=\$500
Nov 2020	>=\$250	>=\$400
Jan 2021	>=\$200	>=\$300
Feb 2021	>=\$150	>=\$200
Mar 2021	>=\$100	>=\$100
Apr 2021	>=\$50	>=\$50

2. Beginning April 16, 2020, the Company began offering customers that have closed accounts who express they are unable to pay the balance in full an extension of up to six months to pay their closing charges in installments. Prior to the pandemic, closed accounts were typically assigned to outside collections approximately 30 days after the customer closed their account.
3. Non-residential customers who are assessed a deposit at the time of connecting service are normally given 2 months to pay their deposit (2/3 the first month and 1/3 the second month). On April 16, 2020, the Company began allowing customers to extend this to three equal installments.
4. Beginning June 5, 2020, the Company began offering the following payment plans to customers.
 - a. Residential customers: 12 month payment plan option with a deferred installments for the first three months or 6 month plan, late fee exempt during plan if installments met.
 - b. Non-residential customers: payment plans available for up to six months. Requires a 20% down payment to start the payment plan or option to pay in full in exchange for waived late fees from March 2020 to current date.

Estimating uncollectible accounts and bad debt expense

The Company has not changed any policies related to estimating uncollectible accounts and bad debt expense.

Accounting for bad debt expense

The Company has not changed any policies related to accounting for bad debt expense.

Attachment A

Utah Bad Debt Exense

2020	January	February	March	April	May	June	July	August	September	Total YTD
Bad Debt Provision	\$ 219,226	\$ 20,132	\$ 620,624	\$ 238,667	\$ -	\$ (230,868)	\$ 340,982	\$ 387,969	\$ 246,919	\$ 1,843,651
Write-offs										\$ 5,908,313
Recoveries										\$ (2,876,515)
Utah total Bad Debt Expense										\$ 4,875,449
YTD Revenue										\$ 1,560,600,000
Bad debt as a % of Revenue										0.31%

2019	Total 2019
Bad debt as a % of Revenue	0.1950%

Incremental COVID-19 impact	
\$ 3,043,170	2020 bad debt expense using 2019 bad debt expense rate
\$ 1,832,279	Incremental bad debt expense attributed to COVID

CERTIFICATE OF SERVICE

Docket No. 20-035-17

I hereby certify that on November 4, 2020, a true and correct copy of the foregoing was served by electronic mail to the following:

Utah Office of Consumer Services

Michele Beck mbeck@utah.gov
ocs@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 Center datarequest@pacificorp.com
Jana Saba jana.saba@pacificorp.com
utahdockets@pacificorp.com
Emily Wegener emily.wegener@pacificorp.com



Katie Savarin
Coordinator, Regulatory Operations