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State of Utah

Department of Commerce Division of Public Utilities

CHRIS PARKER
Executive Director

ARTIE POWELL
Director, Division of Public Utilities

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Brenda Salter, Utility Technical Consultant Supervisor

Jeff Einfeldt, Utility Technical Consultant

Date: December 4, 2020

Re: **Docket No. 20-035-17**, Rocky Mountain Power's Quarterly Compliance Filing for Period Ending September 30, 2020, Application of Rocky Mountain Power for a Deferred Accounting Order Regarding Costs Incurred Due to the Covid-19 Public Health Emergency.

Recommendation (Acknowledge)

The Division of Public Utilities ("Division") recommends the Utah Public Service Commission ("Commission") acknowledge Rocky Mountain Power's ("RMP") Quarterly Compliance Filing for Period Ending September 30, 2020, 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"). The Quarterly Compliance Filing is in regards to specific costs and cost savings related to the COVID-19 Public Health Emergency ("COVID-19").

Background

On April 3, 2020 RMP filed an application seeking to defer costs and establish a regulatory asset related to COVID-19. The Commission issued an Order Approving Accounting Order ("Order")

on September 15, 2020. The Order 1) authorizes RMP to establish a regulatory asset to record costs associated with COVID-19 through December 31, 2020, 2) directs RMP to comply with reporting, tracking, and filing requirements agreed to in its Reply Comments and testimony, 3) RMP shall not include non-waived late fees in the regulatory asset, and 4) approval of RMP's application of the PSC-approved carrying charge on the deferred amount.

The reporting, tracking, and filing requirements agreed to by RMP include reporting on a quarterly basis, changes to bad debt expense, and additional costs related to COVID-19 including the following.

- Increased labor and facility costs to enable social distancing.
- Increased costs for personal protective equipment and cleaning supplies; and
- Increased technology costs to enable employees to work from home.

Cost savings identified to date by RMP related to COVID-19 include a reduction to employee expenses for travel and training.

Discussion

RMP filed its first Quarterly Compliance Filing on November 4, 2020 reporting its COVID-19 costs and cost savings identified through September 30, 2020. As of September 30, 2020, RMP reported additional costs related to COVID-19 of \$1,832,000 for bad debts, \$2,234,000 for increased labor and facility costs to enable social distancing, \$972,000 for personal protective equipment, cleaning supplies, and contact tracing, and \$504,000 for increased technology costs for a total increase in costs of \$5,542,000 identified to date.

Cost savings related to reduced employee expenses for travel and training total \$5,064,000 identified to date. The net of increased costs and cost savings identified to date due to COVID-19 is a net increase to costs of \$478,000.

Conclusion

The Division believes RMP's first Quarterly Compliance Filing complies with the Commission's Order dated September 15, 2020. The Division recommends the Commission acknowledge

RMP's Compliance Filing. The Division also asks the Commission to direct RMP to continue to identify and report to the Commission and the Division additional cost savings related to COVID-19 as they become known and apply RMP's best efforts to measure the savings.

Cc: Michele Beck, Office of Consumer Services
Jana Saba, Rocky Mountain Power