



State of Utah

Department of Commerce Division of Public Utilities

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Director, Division of Public Utilities

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Jeff Einfeldt, Utility Technical Consultant

Date: February 24, 2021

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; Quarterly Compliance Filing for the Period Ending December 31, 2020.

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 December 31, 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 regards 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 second Quarterly Compliance Filing on February 2, 2021 reporting its COVID-19 costs and cost savings identified through December 31, 2020. As of December 31, 2020, RMP reported additional costs related to COVID-19 of \$2,138,000 for bad debts (an increase of \$306,000 since September 30, 2020), increased labor and facility costs of \$2,234,000 to enable social distancing (unchanged since September 30, 2020), additional costs of \$958,000 for personal protective equipment, cleaning supplies, and contact tracing (a decrease of \$14,000 since September 2020), and \$504,000 for increased technology costs (unchanged since September 2020), for a total increase in costs of \$5,834,000 identified through December 31, 2020 (and increase of \$291,000 since September 2020).

Cost savings related to reduced employee expenses for travel and training total \$7,091,000 through December 31, 2020 (increased savings of \$2,027,000 since September 2020). The net of increased costs and cost savings identified through December 31, 2020 due to COVID-19 is a net savings of \$1,257,000.

Conclusion

RMP's second 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 to apply RMP's best efforts to measure the savings.

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