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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission of Utah
From: The Office of Consumer Services
Michele Beck, Director
Alex Ware, Utility Analyst
Date: March 19, 2021
Subject: Docket 20-035-17: OCS Comments on DPU's Response to the PSC's Supplemental Action Request
In the Matter of: Application of Rocky Mountain Power for a Deferred Accounting Order Regarding Cost Incurred Due to the COVID-19 Public Health Emergency

INTRODUCTION

On September 15, 2020, The Public Service Commission (PSC) issued an order in this docket authorizing Rocky Mountain Power (RMP) to:

1. establish a regulatory asset to record costs associated with its COVID [Public Health Emergency] PHE response, effective until December 31, 2020;
2. comply with the reporting, tracking, and filing requirements to which it agreed in its Reply Comments and testimony;
3. not include non-waived late fees in this regulatory asset; and
4. apply the PSC-approved carrying charge on the deferred amounts.

Following RMP's second quarterly compliance filing on February 2, 2021, for the period ending December 31, 2020, the PCS issued an Action Request that same day to the Division of Public Utilities (DPU) to review the filing for compliance and make recommendations. The DPU responded with comments to the PSC on

February 24, 2021. Subsequently, on February 25, 2021, the PSC issued a Supplemental Action Request to the DPU asking for an “evaluation and recommendation pertaining to the December 31, 2020 expiration of the COVID PHE deferral period and regulatory treatment of the deferral balance.” The DPU responded with comments on March 4, 2021 recommending that RMP continue quarterly compliance filings through the period of June 30, 2021. DPU also recommended to the PSC that it should direct RMP “to indicate at the time of 2nd quarter 2021 filing, RMP’s need for further tracking along with RMP’s recommended remedy addressing the deferred amount.” The following day, on March 5, 2021, the PSC issued a Notice of Filing and Comment Period inviting interested parties to comment on DPU’s recommendation for an extension of RMP’s reporting period to the end of June 2021. The PSC set a response deadline of Friday, March 19, 2021. The OCS submits these comments to respond to DPU’s recommendation to the PSC to extend the reporting period.

DISCUSSION

The OCS questions the need to extend RMP’s reporting in this docket beyond the original expiration date of December 31, 2020 for the following reasons:

1. RMP did not request an extension or document a need for additional reporting in its most recent quarterly compliance filing for the period ending December 31, 2020.
2. The OCS notes a trend in the data showing the relative rate of identified costs due to the pandemic is decreasing, while the relative rate of reported savings is increasing.
 - a. Between the reporting periods of September 30, 2020 and December 31, 2020, RMP identified additional net costs of \$300,000.
 - b. During the same time period, RMP identified additional savings of \$871,000.
3. In RMP’s December 31, 2020 compliance filing, the Company reports a total net cost increase related to COVID of only \$679,000. The OCS believes that this variance between original projections and what has occurred due to COVID is not extraordinary and is inside the typical range of variance that occurs during RMP’s normal business operations.

RECOMMENDATIONS

Overall, the OCS notes from RMP's compliance reporting in this docket that additional costs for the Company due to the pandemic have been mostly offset by the additional realized savings also due to the pandemic. Due to this fact, the OCS does not see the need to continue RMP's COVID reporting beyond the original final reporting period of December 31, 2020 ordered by the PSC on September 15, 2020. The OCS does not recommend to the PSC any additional regulatory actions in this docket at this time.

cc: Jana Saba, Rocky Mountain Power

Chris Parker, Division of Public Utilities