

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

FROM: DONN ENGLISH

DATE: APRIL 10, 2020

**SUBJECT: DEFERRED ACCOUNTING OF INCREMENTAL COSTS ASSOCIATED
WITH THE COVID-19 PUBLIC HEALTH EMERGENCY**

On April 3, 2020, Idaho Power Company and Rocky Mountain Power filed separate Applications with the Commission requesting the Commission issue an Accounting Order allowing the Companies to defer to a regulatory asset the incremental costs from the COVID-19 public health emergency. On April 7, 2020, Falls Water Company and Gem State Water company filed similar Applications. On April 9, 2020, Avista Corporation, D/B/A Avista Utilities filed requesting deferral of COVID-19 related expenses for its electric and natural gas operations. In response to the COVID-19 public health emergency, the utilities have suspended disconnects and waived late payment fees. The utilities generally claim that they will incur significant incremental costs in responding to the emergency, some of which cannot be determined at this time. The utilities anticipate a significant increase in bad debt expense resulting from write-offs of uncollectible accounts associated with the suspension of disconnects and late payment fees to assist customers facing unprecedented economic pressures. At the same time, the electric and natural gas utilities are expecting decreased revenues that are designed to recover normal business costs.

The utilities are not proposing to change customer rates at this time. A determination of prudence and recovery method of the deferred costs would be determined in a future proceeding.

STAFF RECOMMENDATION

Staff recommends the Commission open a general docket, GNR-U-20-02, to address whether and to what extent Idaho public utilities should be authorized to defer incremental COVID-19 related expenses into a regulatory asset for possible future recovery. All filed and to-be-filed cases seeking deferred accounting treatment for these expenses would be consolidated into this docket. The case would be conducted by modified procedure. A 21-day comment deadline and a 7-day reply comment deadline would be set after which an order would issue on whether and to what extent all Idaho utilities may account for incremental COVID-19 related expenses as a regulatory asset.

COMMISSION DECISION

Does the Commission wish to:

1. Open a general docket, GNR-U-20-02, to address whether and to what extent Idaho public utilities should be authorized to defer incremental COVID-19 related expenses into a regulatory asset for possible future recovery;
2. Consolidate all filed and to-be-filed cases seeking deferred accounting treatment for these expenses into this docket; and
3. Issue a notice of modified procedure with a 21-day comment deadline and a 7-day reply comment deadline asking utilities and interested persons to address whether and to what extent the Commission should authorize all Idaho utilities to account for incremental COVID-19 related expenses as a regulatory asset?

/s/ Donn J. English
Donn English

Udmemos/Decision Memo COVID-19 Deferrals