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IDAHO PUBLIC
UTILITIES COMMISSION

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April 3, 2020

NEW CASE

VIA ELECTRONIC FILING

Diane Hanian, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Boulevard
Building 8, Suite 201-A
Boise, Idaho 83714

Re: Case No. IPC-E-20-19
Accounting Order for Incremental Costs Associated with the COVID-19
Public Health Emergency – Idaho Power Company’s Application

Dear Ms. Hanian:

Attached for electronic filing in the above matter is Idaho Power Company’s Application for an Accounting Order for Incremental Costs Associated with the COVID-19 Public Health Emergency. If you have any questions about this filing, please do not hesitate to contact me.

Very truly yours,

Lisa D. Nordstrom

LDN/kkt
Enclosure

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	
APPLICATION OF IDAHO POWER)	CASE NO. IPC-E-20-19
COMPANY FOR AN ORDER)	
APPROVING DEFERRED)	APPLICATION
ACCOUNTING OF INCREMENTAL)	
COSTS ASSOCIATED WITH THE)	
COVID-19 PUBLIC HEALTH)	
EMERGENCY.)	

Idaho Power Company (“Idaho Power” or “Company”), in accordance with *Idaho Code* § 61-524 and RP 052, respectfully makes application to the Idaho Public Utilities Commission (“Commission”) for an order authorizing it to defer to a regulatory asset the incremental costs from the COVID-19 public health emergency and the normal business costs not recovered due to reduction in electricity use by commercial and industrial customers. No change in customer rates is proposed at this time; Idaho Power will seek a prudence determination and amortization of the deferred costs in a future Commission proceeding.

In support of this Application, Idaho Power asserts as follows:

I. COVID-19

1. In February 2020, the World Health Organization ("WHO") designated the novel coronavirus disease outbreak that began in 2019 as COVID-19 ('CO' stands for 'corona,' 'VI' for 'virus,' and 'D' for disease). The infectious disease causes respiratory illness such as fever, cough, and shortness of breath 2-14 days after exposure from another infected person. As of April 3, 2020, WHO reports 972,640 confirmed cases and 50,325 confirmed deaths in 207 countries, areas, or territories related to the COVID-19 pandemic.¹

2. Nationally more than 213,144 people have been infected with the coronavirus, which has contributed to more than 4,513 deaths in the United States as of April 2, 2020.² To slow the spread of the disease, the federal government issued social distancing guidelines in which people are encouraged to limit discretionary travel and non-essential gatherings to fewer than 10 people.³ As a result of business layoffs, a record 3.3 million Americans filed for unemployment benefits during the week ending March 21, 2020 – an increase of more than 3 million over the prior week that exceeds levels observed during the Great Recession and surpassing the record of 695,000 set in 1982.⁴ An additional 6.6 million Americans applied for unemployment benefits in the week ending

¹ World Health Organization, Coronavirus disease (COVID-19) pandemic statistics available at <https://www.who.int/emergencies/diseases/novel-coronavirus-2019>.

² U.S. Centers for Disease Control and Prevention, COVID-19: U.S. at a Glance (50 states, District of Columbia, Puerto Rico, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands) statistics available at <https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/cases-in-us.html>.

³ The President's Coronavirus Guidelines for America issued March 16, 2020, and extended on March 29, 2020, to remain in effect through April 30, 2020.

⁴ U.S. Department of Labor press release dated March 26, 2020.

March 28, 2020 – the highest level of seasonally adjusted claims on record.⁵ Taken together, approximately 6 percent of the U.S. labor force has filed for jobless benefits in the last two weeks, up from 0.3 percent at the end of February 2020.⁶

3. On March 27, 2020, United States President Donald Trump signed into law the \$2.2 trillion Coronavirus Aid, Relief and Economic Security (CARES) Act⁷ -- the largest economic stimulus package in modern American history – to respond to the economic impact of measures designed to limit spread of the coronavirus pandemic. Under the law, the federal government will deliver direct payments and jobless benefits for individuals, money for states, and close to \$1 trillion in business loans and guarantees to millions of large and small companies throughout the U.S. economy.

4. On March 25, 2020, Idaho Governor Little issued an “extreme emergency declaration” over the COVID-19 outbreak. As permitted by Idaho Code § 56-1003(7), on March 25, 2020, Governor Little and the Director of Idaho Department of Health and Welfare issued an Order to Self-Isolate for the State of Idaho (“Stay-Home Order”) “to protect the public from the spread of infectious or communicable diseases” through April 15, 2020, or until it is extended, rescinded, superseded, or amended in writing by the Director.⁸

⁵ U.S. Department of Labor press release dated April 2, 2020.

⁶ Sarah Chaney and Eric Morath, *Record 6.6 Million Americans Sought Unemployment Benefits Last Week*, Wall Street Journal (April 2, 2020).

⁷ Coronavirus Aid, Relief and Economic Security Act, H.R. 748 (2020).

⁸ Idaho Department of Health & Welfare Director Dave Jeppesen to All Citizens of the State of Idaho, Elected and Appointed Officials, Order to Self-Isolate for the State of Idaho (March 25, 2020).

5. As of April 2, 2020, the coronavirus has been confirmed in more than 891 Idahoans and contributed to at least 9 deaths.⁹ As a result of the impacts of COVID-19 and Idaho's state and local stay-home orders on Idaho businesses, Idaho Power expects that there will be a new subset of its customers that will have an inability, or will be challenged financially, to pay their Idaho Power bills until they can return to work. In anticipation of this likely scenario, on March 16, 2020, the Company temporarily suspended service disconnections for non-payment applicable to all Idaho and Oregon residential and small/medium business customers. On the same date, Idaho Power also began a temporary suspension of all late fees for applicable customer billings. The Company hopes that these measures will help contribute to the health and safety of its customers during this unprecedented crisis.

II. IDAHO POWER'S COVID-19 RESPONSE

6. Functioning electric critical infrastructure is imperative during the COVID-19 emergency for both public health and safety, as well as community well-being.¹⁰ Idaho Power expects that it will incur significant incremental costs in its response to the public health emergency, including bad debt expense resulting from higher than average levels of write-offs of uncollectible accounts associated with the suspension of disconnects and late payment fees to assist customers facing unprecedented economic pressures. Idaho Power also expects to incur additional costs that cannot currently be predicted given the

⁹ State of Idaho, COVID-19 in Idaho statistics available at <https://coronavirus.idaho.gov/>.

¹⁰ Statewide Stay-Home Order Essential Services, updated March 25, 2020. Idaho's order adopts guidance from the U.S. Department of Homeland Security's Cybersecurity and Infrastructure Security Agency that identified workers in the electric utility and energy industry as "Essential Critical Infrastructure Workers" based on the necessity to maintain the resiliency of critical services and infrastructure on which the United States depends for economic security. See "Guidance on the Essential Critical Infrastructure Workforce," dated March 19, 2020, issued by the U.S. Department of Homeland Security.

unprecedented nature of this public health emergency. At the same time the Company expects to incur these additional costs, revenues that are designed to recover Idaho Power's normal business costs could be reduced significantly due to the statewide Stay-Home Order, which has caused shut downs or slowdowns of many commercial and industrial businesses throughout Idaho Power's service area. Accordingly, Idaho Power requests authorization to establish a new regulatory asset to record the deferral of incremental and unrecovered costs associated with its COVID-19 response.

7. Idaho Power is also seeking authorization for the deferral of the costs because of the potential magnitude and unprecedented nature of the COVID-19 public health emergency. The associated risks of the COVID-19 public health emergency are well outside reasonable business risk for the Company that might otherwise be considered normal "regulatory lag." During this COVID-19 emergency, Idaho Power welcomes, and is fully capable of executing, its obligation to provide safe, reliable electric service to its customers. At the same time, it is important to the ongoing financial health of the Company to have a reasonable opportunity to recover its prudently incurred costs.

III. PROPOSED ACCOUNTING TREATMENT OF COSTS ASSOCIATED WITH COVID-19

8. Idaho Power seeks authorization from the Commission to defer, for future amortization, incremental costs incurred to respond to the COVID-19 outbreak within its Idaho service area and normal business costs not recovered due to reduction in electricity use by commercial and industrial customers due to the statewide Stay-Home Order. Idaho Power proposes to record amounts that would be subject to the deferral in accordance with the Code of Federal Regulations to the Federal Energy Regulatory Commission ("FERC") Account 182.3 (Other Regulatory Assets), and credit the

appropriate FERC account associated with the expense or waived fee, such as FERC Account 904 (Uncollectible Accounts) and FERC Account 450 (Forfeited Discounts). In the absence of a deferred accounting order, the costs would be debited to the appropriate expense accounts.

9. Given the unprecedented nature of this public health emergency, Idaho Power cannot estimate the incremental costs associated with its COVID-19 response, or the length of time in which the costs will be incurred. Idaho Power proposes to accrue interest on the unamortized balance at a rate equal to the customer deposit rate most recently approved by the Commission. The Company is not seeking to establish the method by which these costs would be identified and tracked in this case. Rather, the Company expects to present as part of a future regulatory proceeding the nature and prudence of the associated costs and why such costs were incremental and necessary to directly respond to the COVID-19 emergency. The requested deferred accounting treatment will minimize the frequency of rate changes or the fluctuation of rate levels that would otherwise be necessary to match appropriately the costs borne by and benefits received by customers.

IV. MODIFIED PROCEDURE

10. Idaho Power believes that a hearing is not necessary to consider the issues presented herein, and respectfully requests that this Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201, *et seq.* If, however, the Commission determines that a technical hearing is required, the Company will present testimony and support the Application in such hearing.

V. COMMUNICATIONS AND SERVICE OF PLEADINGS

11. Communications and service of pleadings with reference to this proceeding should be served on the following:

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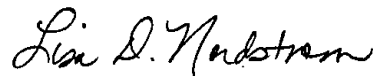
Matt Larkin
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Informal questions may be directed to Courtney Waites, Senior Regulatory Analyst, at (208) 388-5612.

VI. REQUEST FOR RELIEF

12. Idaho Power is prepared and able to provide safe, reliable electric service to its customers during this COVID-19 emergency. To maintain the ongoing financial health of the Company during this extraordinary time, Idaho Power requests authorization to defer for later ratemaking treatment its prudently incurred incremental costs from the COVID-19 public health emergency and normal business costs not recovered due to reduction in electricity use by commercial and industrial customers to a regulatory asset until it can request amortization of the deferred costs in a future Commission proceeding.

DATED at Boise, Idaho, this 3rd day of April 2020.



LISA D. NORDSTROM
Attorney for Idaho Power Company