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*IDAHO PUBLIC*  
*UTILITIES COMMISSION*

1407 West North Temple, Suite 330  
Salt Lake City, Utah 84116

April 3, 2020

**VIA ELECTRONIC DELIVERY**

**NEW CASE**

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

**Re: CASE NO. PAC-E-20-04**  
**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**

Dear Ms. Hanian:

Please find attached Rocky Mountain Power's electronic filing of this Application in the above referenced matter. An original and seven (7) copies of the Application will be provide at a later time.

Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager at (801) 220-2963.

Very truly yours,

A handwritten signature in blue ink that reads "Joelle Steward".

Joelle Steward  
Vice President, Regulation

Enclosures

CC: Terri Carlock

Adam Lowney (ISB#10456)  
McDowell Rackner Gibson PC  
419 SW 11th Avenue, Suite 400  
Portland, OR 97205  
Telephone: (503) 595-3926  
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**BEFORE THE IDAHO PUBLIC SERVICE COMMISSION**

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<b>IN THE MATTER OF THE</b>	)	
<b>APPLICATION OF ROCKY</b>	)	<b>CASE NO. PAC-E-20-04</b>
<b>MOUNTAIN POWER FOR A</b>	)	
<b>DEFERRED ACCOUNTING ORDER</b>	)	<b>APPLICATION FOR ACCOUNTING</b>
<b>REGARDING COSTS INCURRED</b>	)	<b>ORDER</b>
<b>DUE TO THE COVID-19 PUBLIC</b>	)	
<b>HEALTH EMERGENCY</b>	)	

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Pursuant to I.C. § 61-524 and IDAPA 31.01.01.052, Rocky Mountain Power, a division of PacifiCorp, (“Rocky Mountain Power” or the “Company”), applies to the Idaho Public Utilities Commission (“Commission”) for an accounting order authorizing the Company to record a regulatory asset associated with costs incurred as part of the Company’s response to the COVID-19 public health emergency.

In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a public utility in the state of Idaho and is subject to the jurisdiction of the Commission with regard to its rates and service. Rocky Mountain Power also provides retail electric service in the states of Utah and Wyoming.
2. Communications regarding this Application should be addressed to:

By e-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
[ted.weston@pacificorp.com](mailto:ted.weston@pacificorp.com)  
[adam@mrg-law.com](mailto:adam@mrg-law.com)  
[jacob.mcdermott@pacificorp.com](mailto:jacob.mcdermott@pacificorp.com)  
[emily.wegener@pacificorp.com](mailto:emily.wegener@pacificorp.com)

By mail: Data Request Response Center  
Rocky Mountain Power  
825 NE Multnomah St., Suite 2000  
Portland, OR 97232

Ted Weston  
Rocky Mountain Power  
1407 W. North Temple, Suite 330  
Salt Lake City, UT 84116  
Telephone: (801) 220-2963  
Facsimile: (801) 220-3299

3. In response to the COVID-19 public health emergency,<sup>1</sup> Rocky Mountain Power has suspended disconnections of service for non-payment on all non-managed accounts, is waiving late fees for the same upon customer request, and has also suspended reconnection fees for non-managed accounts. These actions are intended to assist customers facing extraordinary economic pressures as a result of the pandemic, and to support Idaho’s ongoing efforts to limit and slow the spread of the disease. Additional Company responses may eventually be needed as the emergency continues.

4. Rocky Mountain Power seeks authorization from the Commission to defer, for future amortization, certain costs incurred related to the Company’s response to the COVID-19 public health emergency. The Company anticipates that it will incur significant costs in responding to the emergency. While the situation continues to evolve, currently the Company anticipates an increase in bad debt expense resulting from higher levels of write-offs for uncollectible accounts

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<sup>1</sup> On March 13, 2020, Idaho Governor Brad Little declared a state of emergency under I.C. § 46-1008 in response to the novel coronavirus (or “COVID-19”) pandemic, *see*, Emergency Declaration (available at, <https://gov.idaho.gov/wp-content/uploads/sites/74/2020/03/covid-19-declaration.pdf>).

associated with the suspension of disconnection and waiver of late fees. The Company anticipates that it may also incur costs associated with the suspension of reconnection fees and in additional categories that cannot be predicted at this time due to the unprecedented nature of the ongoing emergency. To account for the unanticipated costs of its response, the Company requests that the Commission approve the establishment of a deferral account to record the incremental costs associated with the increase in bad debt expense associated with the COVID-19 emergency. The Company also intends to establish a tracking account to monitor additional costs associated with the COVID-19 emergency, including any fees waived, for possible approval for deferral and recovery in a future proceeding.

5. Even though it is not currently possible to fully anticipate the scope of the cost impacts related to the COVID-19 emergency, the Company seeks authorization for deferred accounting now because of the potential magnitude of the costs. The risks related to Rocky Mountain Power's response are also well outside ordinary business risks for the Company. Deferred accounting will help the Company track the costs driven by COVID-19.

6. The Company is unable to fully estimate the total costs that will be incurred due to its COVID-19 responses at this time, given the many unknowns, including how long the emergency situation is likely to continue. However, preliminary estimates indicate that these costs will be material.

7. The Company is proposing to use calendar year 2019 as its baseline for bad debt expense. Costs incurred in excess of the baseline would be recorded in the deferral account. The 2019 baseline for Idaho bad debts are shown below in Table 1.

Table 1

	2019 Amount
Net Write-off	\$ 616,125
Retail Revenues	\$ 279,009,278
Uncollectible Rate	0.221%

8. PacifiCorp proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets), and credit the appropriate FERC accounts associated with the expenses, such as FERC Account 904 (Uncollectible Accounts).

9. The Company proposes to record a carrying charge on the COVID-19 related deferrals at the Commission approved customer deposit rate.

10. The Company acknowledges that the Commission’s approval of deferred accounting treatment for COVID-19 related costs will not, in itself, constitute approval of ultimate recovery of those costs. Recovery of the costs would be subject to a prudence review and a final decision on rate recovery in a future regulatory filing.

11. In recognition of the unanticipated, and unprecedented nature of the COVID-19 emergency and potential need to include additional cost categories as the situation evolve, the Company proposes to provide updates 30 days after the end of each quarter to the Commission and any other interested parties. In these quarterly updates the Company commits to provide deferral amounts for bad debt expense and any other related COVID-19 costs identified and being tracked as of that time. To the extent the Company identifies any new costs related to its COVID-19 response that it proposes to use deferred accounting for, the Company will separately file with an explanation why deferral and potential recovery is appropriate, and what baseline will be used to calculate the deferral for that cost category.

WHEREFORE, Rocky Mountain Power respectfully requests an accounting order authorizing it to record a regulatory asset to FERC Account 182.3 (Other Regulatory Assets).

DATED: April 3, 2020

Respectfully submitted,



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*Attorney for Rocky Mountain Power*