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GSW-W-20-01

NEW CASE

Attorneys for Gem State Water Company, LLC

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE
APPLICATION OF GEM STATE
WATER COMPANY, LLC FOR COVID-
19 COST DEFERRALS

Case No. GSW-W-20-___

**APPLICATION OF GEM STATE WATER
COMPANY, LLC TO DEFER COSTS
ASSOCIATED WITH COVID-19 PUBLIC
HEALTH EMERGENCY**

Gem State Water Company, LLC (“Gem State Water” or “Company”) files this application to defer costs associated with the COVID-19 public health emergency pursuant to the Idaho Public Utility Commission (“Commission”) Rules of Procedure 52 and Idaho Code § 61-524. In support of this Application, Gem State Water states the following.

Please serve all notices and communications with regard to this Application upon:

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BACKGROUND

1. Gem State Water is a regulated water utility located in Coeur d’Alene that provides service to approximately 2,090 customers through 836 connections in northern Idaho.

2. Gem State Water is a wholly owned subsidiary of NW Natural Water of Idaho, LLC, which is in turn wholly owned by NW Natural Water Company, LLC.

3. On March 13, 2020, Idaho Governor Brad Little issued a proclamation declaring a state of emergency and providing directives to combat the spread of COVID-19, to provide essential services, and to limit exposure.

4. On March 25, 2020, Governor Little issued an additional proclamation declaring “a condition of extreme peril” in the State of Idaho due to the increasing presence of COVID-19.

5. Governor Little’s “extreme emergency” proclamation was accompanied by a statewide order to self-isolate, which directed all individuals living in the State of Idaho to self-isolate at their place of residence, subject to certain exceptions for individuals that provide or receive essential services or that engage in essential activities.

6. The Commission has taken actions in response to COVID-19, including suspension of in-person hearings and otherwise limiting procedures that would result in in-person contact. *See* Order NO. 34602 (March 18, 2020).

REQUEST FOR DEFERRAL

7. The continuing spread of COVID-19 and associated proclamations and orders has resulted in widespread economic disruption across the State of Idaho, the Pacific Northwest, the United States and internationally.

8. Gem State Water recognizes the extent to which its customers rely on the essential services that it provides and remains committed to using its best efforts to provide these essential services.

9. Gem State Water also recognizes the economic hardship that the public health emergency and accompanying orders has created for its customers. Gem State Water is

committed to assisting its customers through these difficult times, including suspending disconnections for nonpayment, and suspending late fees, during the COVID-19 emergency.

10. In addition, Gem State Water is actively participating in discussions regarding mutual assistance for small water companies in Idaho to assist in responding to the public health emergency. Gem State Water's efforts include entering into the IdWarn agreement, a statewide water and wastewater agency response network to facilitate coordination in preparing and responding to interruptions in service.

11. Gem State Water anticipates that the public health emergency, associated orders, and economic disruption will cause it to incur unusual and unexpected costs. Anticipated costs include expenses associated with the suspension of disconnections and late payments, anticipated write-off expenses associated with uncollectible accounts receivable, potential direct expenses for additional personal protective equipment (PPE) and additional expenses that the Company is currently unable to predict.

12. Due to the unpredictable and unprecedented nature of the public health emergency, these costs are not currently recovered in rates and are outside normal business risk.

13. Accordingly, deferred accounting treatment for these costs is appropriate and reasonable.

14. Gem State Water recognizes that the increased costs may be offset by certain reduced costs caused by the public health emergency, and that decreased costs will be taken into account in any future proceeding.

15. Gem State Water does not request that the Commission make a determination of prudence, or to determine whether these costs are recoverable, at this time. Gem State Water understands that these issues will be determined in a future proceeding.

REQUEST FOR MODIFIED PROCEDURE

16. Gem State Water believes a hearing is not necessary to consider the issues presented in this Application and respectfully requests that it be processed by modified procedure, using written submissions rather than a hearing, under the Commission’s Rules of Procedure 201 through 210.

CONCLUSION AND REQUEST FOR RELIEF

Gem State Water respectfully requests that the Commission enter an order:

1. Authorizing this matter to be processed by modified procedure;
2. Authorizing Gem State Water to separately account for, and to defer, costs associated with the public health emergency posed by COVID-19, with the amount, prudence, and recovery of these costs to be determined in a future proceeding; and
3. Any other relief that the Commission deems just and reasonable.

DATED: April 7, 2020.

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