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**IDAHO PUBLIC**  
**UTILITIES COMMISSION**

Jarmila M. Cary  
Director of Finance and Customer Service  
8248 West Victory Road  
Boise, ID 83709

December 22, 2020

Terri Carlock  
Utilities Division Administrator  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

RE: Deferred Accounting of Incremental Costs Associated with COVID-19

Dear Ms. Carlock,

Case No. GNR-U-20-03, Order 34718 dated July 8, 2020 addressed emergency related expenses incurred due to the COVID-19 public health emergency. The Order authorized deferral of associated charges and outlined a reporting requirement regarding costs incurred, benefits realized as a result of the CARES Act and NOL provisions, decreases in expense related to reduced travel and training due to the stay-at home order, other reductions in expenses, lost revenues due to waiver of late fees, and incremental bad debt expense over the 2019 level.

To date, the Company has incurred \$16,777 of incremental COVID-19 related operating expenses such as additional sanitization expenses, PPE costs, etc. not including labor costs for required isolation or quarantine. Bad debt expense has not yet surpassed the 2019 level due to the suspension of collections activities for majority of this year. While the Company has restarted its collections activities only for Commercial customers at this time, no water service terminations for non-payment will take place until after the New Year. Therefore the Company has not yet experienced the anticipated increase in bad debt expense.

The Company has also been able to realize offsetting cost savings by foregoing planned travel and securing lower cost alternatives for some training programs. There are no lost revenues due to the waiver of late fees because SUEZ customers are not charged late fees or interest on past due balances. Additionally, the Company has analyzed the NOL provisions of the CARES Act and has no opportunity for benefit from those provisions.

The incremental costs described above have not yet surpassed the offsetting cost savings and therefore have not been deferred on the company's books at this time, but are being separately tracked. After incremental expenses surpass offsetting savings, they will be deferred and presented to the Commission for review. At this time the Company does not have deferred COVID-19 related costs on its books it is seeking authority to recover.

In order to limit the risk of COVID-19 exposure, this letter will not be mailed to the IPUC office, unless requested. If there are any questions, you may contact me at (208) 362-7332. Thank you.

Sincerely,

Jarmila M. Cary  
Director of Finance and Customer Service  
SUEZ Idaho Inc.