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December 31, 2020

VIA ENCRYPTED ELECTRONIC MAIL

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg 8,
Suite 201-A (83714)
PO Box 83720
Boise, Idaho 83720-0074

Re: Case No. GNR-U-20-03
In the Matter of Deferred Accounting of Incremental Costs Associated
With the COVID-19 Public Health Emergency

Dear Ms. Noriyuki:

Attached for electronic filing, pursuant to Order No. 34718, is Idaho Power Company's Deferred Accounting of Incremental Costs – Report on COVID-19 Expenses.

Please note that the redacted portions of the enclosure contain commercially sensitive and potentially material non-public information under Regulation FD. The undersigned attorney, in accordance with RP 67, hereby certifies that the redacted portions of the Idaho Power Company Deferred Accounting of Incremental Costs – Report on COVID-19 Expenses contain information that is a trade secret as described in *Idaho Code* § 74-101, et seq., and § 48-801, et seq., and as such is exempt from public inspection, examination, or copying.

If you have any questions about the attached documents, please do not hesitate to contact me.

Very truly yours,

Lisa D. Nordstrom

LDN:slb
Attachment

DEFERRED ACCOUNTING OF INCREMENTAL COSTS
IDAHO POWER COMPANY'S REPORT ON COVID-19 EXPENSES

December 31, 2020

In Order No. 34718 issued in Case No. GNR-U-20-03/IPC-E-20-19 on July 8, 2020, the Idaho Public Utilities Commission ("Commission") authorized Idaho Power Company ("Idaho Power" or "Company") to defer to a regulatory asset incremental costs from the COVID-19 public health emergency. Specifically, the Commission ordered that the Company include in the deferred amounts: (1) an offset for benefits received under the Coronavirus Aid, Relief and Economic Security ("CARES") Act Net Operating Loss ("NOL") provision, (2) bad debt expenses that exceed the 2019 levels of uncollectible bad debt, (3) uncollected late fees at 2019 levels, (4) other COVID-19-related operations and maintenance ("O&M") expenses, and (5) an offset for any reductions in O&M expenses resulting from the COVID-19 public health emergency. In addition, Idaho Power is authorized to track any reduced revenues resulting from reduced sales not included in the Company's Fixed Cost Adjustment ("FCA") mechanism. Pursuant to Order No. 34718, the Company's report outlines incremental expenses resulting from the COVID-19 public health emergency recorded through November 30, 2020. In addition, Idaho Power has included a discussion regarding its preliminary findings related to reduced sales revenues from classes not subject to the Company's FCA mechanism.

BACKGROUND

In February 2020, the World Health Organization designated the novel coronavirus disease outbreak that began in 2019 as COVID-19 and in March 2020 declared COVID-19 a pandemic. Also in March, the CARES Act, the largest economic stimulus package in modern American history, was signed into law to respond to the economic impact of measures designed to limit spread of the coronavirus pandemic. Subsequently, on March 25, 2020, Idaho Governor Little issued an "extreme emergency declaration" over the COVID-19 outbreak and an Order to Self-Isolate for the State of Idaho "to protect the public from the spread of infections or communicable diseases." As a result of the impacts of COVID-19 and Idaho's state and local stay-home orders on Idaho businesses, the Company anticipated a subset of customers would have the inability, or would be challenged financially, to pay their Idaho Power bills until they can return to work.

In an effort to help contribute to the health and safety of its customers during this crisis, in March 2020, the Company temporarily suspended service disconnections for non-payment applicable to all Idaho and Oregon customers and began a temporary suspension of all late fees for applicable customer billings. As detailed in a June 30, 2020 letter to the Commission, Idaho Power, along with other Idaho utilities, prepared a Joint Plan to Resume Normal Collection and Disconnection Activity. The Company also provided Consumer Affairs Staff with a document outlining additional payment arrangements available to each of its customer classes beyond what has been typical business practice. In its July 7, 2020 decision meeting, the Commission approved the Joint Plan for Idaho Power to resume normal collection and disconnection activity. While Idaho Power resumed assessing late fees and disconnections in its Idaho service territory

in August 2020, the Company has continued to offer flexibility with its customers in terms of payment arrangements and renegotiated payment plans.

DEFERRED COVID-19 RELATED AMOUNTS TO DATE

The following summarizes the COVID-19-related amounts the Commission authorized to be deferred for possible recovery through future rates as of November 30, 2020:

- *CARES Act NOL Provision* – Idaho Power is not eligible for any benefits associated with the NOL provision of the CARES Act.
- *Incremental Bad Debt Expense* – The Company has recorded [REDACTED] on an Idaho jurisdictional basis associated with bad debt expenses that exceed 2019 levels.
- *Late Payment Fees* – A total of [REDACTED] in late payment fees for Idaho customers have been waived and the amount recorded to the regulatory asset.
- *Other COVID-19-related O&M Expenses* – As of September 30, 2020, no additional amounts have been deferred associated with incremental Idaho jurisdictional COVID-19-related expenses. However, the Company is continuing to monitor, track, and review other COVID-19-related expenses as the pandemic progresses.
- *Decreases in O&M Expenses resulting from the public health emergency* – Idaho Power has credited the regulatory asset [REDACTED] for O&M savings associated with reduced employee travel and training during the public health emergency.

With respect to the tracking of reduced revenues resulting from reduced sales not included in the Company's FCA mechanism, as of September 30, 2020, Idaho Power has not identified net revenue loss that would result in the need to track for potential deferral. However, the Company will continue to monitor any sales impacts related to the pandemic it progresses.

CONCLUSION

As of November 30, 2020, the Company has recorded a net of [REDACTED] in incremental Idaho jurisdictional expenses resulting from the COVID-19 emergency. Idaho Power will continue to monitor all changes in expenses resulting from the COVID-19 emergency for potential inclusion in, or offset of, the regulatory asset account and may present the amounts to the Commission for a prudency review in a future regulatory proceeding.