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**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF DEFERRED</b>	)	
<b>ACCOUNTING OF INCREMENTAL</b>	)	<b>CASE NO. GNR-U-20-03</b>
<b>COSTS ASSOCIATED WITH THE</b>	)	
<b>COVID-19 PUBLIC HEALTH</b>	)	<b>IDAHO CONSERVATION LEAGUE</b>
<b>EMERGENCY.</b>	)	
		<b>COMMENTS</b>

The Idaho Conservation League (ICL) submits the following comments regarding accounting methods and policy considerations for the Commission to consider. Like many Idaho businesses, ICL has experienced unexpected economic and workplace impacts in order to comply with the Governor Little’s Stay Home and subsequent Stay Healthy orders. We strongly support the Idaho Government’s efforts to protect public health during this pandemic. And we appreciate the Idaho utilities who have taken proactive measures to help their customers maintain access to affordable, reliable utility services. In these comments, ICL recommends the Commission:

- Provide clear guidance to utilities to continue suspending disconnections and fees for a time-period aligned to the public health and economic conditions, rather than any specific date.
- Encourage utilities to streamline access to customer assistance and conservation programs, and work with stakeholders to leverage non-utility dollars to support these programs.

- Distinguish between costs incurred due to maintain customer access to service and potential impacts to overall revenues due to changed sales.
- Begin developing methods to enable utilities to recoup prudently incurred expenses through low cost financing options, such as the Energy Cost Recovery Bonds in Idaho Code §61-1501 – §61-1508.

### **Continue No-Disconnect and No-Fee Policies**

Governor Little’s Stay Safe order is attempting to reopen business activity in the state. ICL’s assessment of the public health situation, in particular the lack of adequate testing capacity and an effective vaccine, is that Idahoans should expect this process to extend for several more months. For example, the Idaho Press published an article May 13<sup>th</sup> where officials with St. Luke’s and St Alphonsus comment on the likely continual increase of COVID-19 cases in Idaho, the severity of the illness, the ongoing risk of overwhelming Idaho’s medical resources, and the expectation that vaccine development is a long way off.<sup>1</sup> Further, many Idahoans face tough financial situations, a fact recognized by the utilities here. Boise State Public Radio reports that a Fitch Ratings poll concluded 14% of Idaho workers filed for unemployment during the last week of April.<sup>2</sup> Out of work Idahoans continue to experience significant delays accessing assistance from the Idaho Department of Labor.<sup>3</sup> The need for utilities to continue to suspend

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<sup>1</sup> *Nampa health care official answer common COVID-19 questions*, Erin Bamer, Idaho Press, published May 13, 2020. Available here: [https://www.idahopress.com/coronavirus/nampa-health-care-officials-answer-common-covid-19-questions/article\\_f54cf45f-a931-5c1b-8479-bc46e5487631.html](https://www.idahopress.com/coronavirus/nampa-health-care-officials-answer-common-covid-19-questions/article_f54cf45f-a931-5c1b-8479-bc46e5487631.html)

<sup>2</sup> *Fitch Ratings: 14.1% of Idaho Workforce is Unemployed*, Troy Oppie, Boise State Public Radio, published May 8, 2020. Available at: <https://www.boisestatepublicradio.org/post/fitch-ratings-141-idaho-workforce-unemployed#stream/0>

<sup>3</sup> *Unemployed in Idaho and wondering: What’s next?* Scott Logan, Idaho News CBS2, published on May 13, 2020. Available here: <https://idahonews.com/news/coronavirus/unemployed-in-idaho-and-wondering-whats-next>

disconnections, waive fees, and incur direct expenses to ensure the protection of essential utility workers will persist for months as we all navigate the ongoing public health crisis.

We recommend the Commission Order in this case set forth clear guidelines for utilities to continue the current practice of suspending disconnections and waiving fees for a time period that is tied to the public health and economic situation faced by Idahoans, and not choose some arbitrary date to end these compassionate practices.

### **Streamline Eligibility and Increase Bill Assistance and Conservation Programs Funding**

To account for the impacts Idahoans face during the public health and economic crisis, ICL also urges the Commission to use this order to direct utilities to facilitate greater customer access to bill assistance and conservation programs. ICL supports additional accounting treatment to track any expenses related to these activities. As customers continue to stay home to stay healthy and continue to experience their own economic impacts, it is more important than ever to ensure Idahoans can keep the lights on and the water flowing while being able to feed their families. For example, the Commission could direct utilities to streamline qualifications for assistance programs so that Idahoans who get public assistance of any kind are automatically eligible for utility sponsored programs. Another example is the Commission could encourage utilities to partner with the Community Action Partnership Association of Idaho, and use the utilities' considerable lobbying power to address continued delays in the state's distribution of federal funding for energy assistance programs. ICL recognizes that accessing homes and business to provide conservation programs is problematic. We encourage the utilities to continue efforts to provide low cost tips by partnering with media channels and community partners, and increase distributions of energy saving devices by mail to help Idahoans keep energy bills affordable.

## **Distinguish Between Costs Incurred to Continue Customer Access and Revenue Impacts Related to Changed Sales**

Another issue of equity between utilities and customers is whether the Commission should include accounting for potential impacts from reduced sales, as requested by Avista and Idaho Power. The financial impacts to utilities from suspending disconnections and fees that arise from ensuring customers can maintain access to essential services is distinct from any potential impact of reduced sales. Fluctuations in sales is a normal business risk faced by the utilities every day as weather, economic activity, and commodity prices diverge from forecasts used to set rates. While revenues may not match forecasts used to set rates, expenses may also diverge from rate case assumptions due to very low wholesale energy prices, natural gas prices, and potentially lower costs of service due to flatter load profiles associated with changed use profiles. At the very least, if the Commission does allow for tracking of reduced revenue sales, the Commission should require accounting for differences in the cost of service. In the alternative to tracking costs and revenues through a special accounting order, the Commission could rely on established rate mechanisms, such as the power cost and fixed cost adjustments mechanisms, in place at some utilities, designed to account for deviations from forecasts.

It is in the public interest for the Commission to carefully balance the equities between utilities and customers. No Idaho family or business has the ability to recoup forgone revenue from reduced sales or wages, even those deemed essential by Governor Little's recent orders. Further, it is not at all clear what the scale of impact to overall utility revenues will be due to changed sales. ICL notes that Idaho Power reported on April 30, 2020 that despite the "headwinds" related to COVID-19 "IDACORP still recorded its second-highest first quarter

earnings per share in nearly 20 years” and affirmed the full year earnings guidance.<sup>4</sup> While this is just one utility example, ICL notes that impacts of changed sales, changed costs, and various rate tracking mechanisms means this issue is unique to each utility and therefore is not appropriate to resolve in the generic docket.

To appropriately balance equity between utility and customers, ICL recommends the Commission carefully distinguish between costs incurred to maintain customer access to services and the overall revenue impacts of changed utility sales. For those utilities that do not have commodity or fixed cost tracking mechanisms, we urge the Commission to begin working with these utilities to develop them.

### **Begin Developing Low-Cost Financing for Recovery of Prudent Expenses**

ICL acknowledges the costs incurred by Idaho utilities to maintain service while some customers are unable to pay can become significant. We recommend the Commission begin considering novel methods to allow utilities to recoup these costs while mitigating impacts to utility customers. For example, Avista proposes to track expenses for uncollectable accounts and not accrue interest on the unamortized balances.<sup>5</sup> Because publicly traded companies have access to historically large amounts of low-cost capital as part of the Federal Reserve’s recent actions, ICL urges the Commission to apply Avista’s proposal to all utilities and not charge customers interest on these accounts. This treatment appropriately balances the equity between utilities and customers by signaling to utilities and shareholders these expenses will eventually be recouped, but not compounding the problem by charging customers interest. Also, when it comes time to recover these prudently incurred expenses, ICL urges the Commission to consider long

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<sup>4</sup> IDACORP First Quarter 2020 Results press release, available at: <https://www.idacorpinc.com/~media/Files/I/IDACorp/press-release/20200430er.pdf>

<sup>5</sup> Avista Application at 4.



## CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of May, 2020, I delivered true and correct copies of the foregoing COMMENTS to the following persons via the method of service noted:

/s/ Benjamin J. Otto

Electronic mail only (See Order 34602):

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