

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFICORP DBA PACIFIC POWER &
LIGHT COMPANY

Petition for an Order Approving Deferral of
Costs Associated with the COVID-19 Public
Health Emergency

DOCKET UE-200234

PACIFICORP'S AMENDED PETITION
FOR ACCOUNTING ORDER

I. INTRODUCTION

1 In accordance with WAC 480-07-370(3), PacifiCorp dba Pacific Power & Light Company (PacifiCorp or Company) files this amended petition with the Washington Utilities and Transportation Commission (Commission) for an order authorizing the Company to defer costs associated with the COVID-19 public health emergency from the date of its initial petition until the emergency is declared over.¹ PacifiCorp seeks deferral of these costs to track and preserve them for later ratemaking treatment.

II. BACKGROUND

2 PacifiCorp is an electric utility and public service company doing business in the state of Washington under RCW 80.04.010, and its public utility operations, retail rates, service, and accounting practices are subject to the Commission's jurisdiction. PacifiCorp provides retail electricity service under the trade name Pacific Power in Washington, Oregon, and California, and under the trade name Rocky Mountain Power

¹ PacifiCorp filed its original petition on March 20, 2020. Subsequent to the filing, the Company participated in Docket U-200281 where extensive discussion occurred relating to the direct costs and benefits that would be tracked according to the proposed deferred accounting petitions filed by PacifiCorp and the other utilities. Those changes are reflected in this amended petition.

in Idaho, Utah, and Wyoming. The Company's principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon, 97232.

3 PacifiCorp's name and address:

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In addition, PacifiCorp respectfully requests that all data requests be addressed to:

By e-mail (preferred) datarequest@pacificorp.com

By regular mail Data Request Response Center
PacifiCorp
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Informal inquiries may be directed to Ariel Son, Regulatory Affairs Manager, at (503) 813-5410.

III. THE BASIS FOR REQUESTING DEFERRED ACCOUNTING

A. Suspension of Service Disconnections and Late Fees

4 On February 29, 2020, Governor Inslee declared a state of emergency in response to cases of COVID-19. On March 13, 2020, in response to the rapidly changing environment and cascading societal impacts, PacifiCorp suspended all service disconnections and late fees associated with nonpayment to limit the impact on PacifiCorp's Washington customers, many of which are vulnerable to the unexpected economic effects and societal limitations that are driven by this emergency. On March 18, 2020, Governor Jay Inslee issued Proclamation 20-23, waiving and suspending statutes and prohibiting certain activities related to utility services.

5 Suspending service disconnections and late fees for nonpayment may potentially have a significant impact on PacifiCorp’s write-off expenses. There may also be additional, unexpected costs as the response to the COVID-19 public health emergency continues to develop.

6 In response to the COVID-19 public health emergency, on October 20, 2020, the Commission issued Order 01 in docket U-200281 to extend the suspension of disconnection of energy services for nonpayment and adopt related requirements. The Order followed negotiation between utilities and stakeholders on a term sheet intended to ensure that customers experiencing economic hardship as a result of the COVID-19 public health emergency maintained access to essential services following the expiration of Governor Jay Inslee’s Proclamation 20-23. Staff had included in a proposed term sheet its position on the types of costs for which it would support deferral treatment.² The Commission declined to adopt Staff’s position at the October 15, 2020 open meeting, stating instead that utilities may incorporate Staff’s views into their accounting petitions, but ultimately, the Commission will consider each petition on its merits and render a decision based on the record compiled in each docket.³

7 Based on this guidance, the Company proposes the following costs be deferred for future recovery:

1. Direct costs for reasonable measures taken by the Company in response to the COVID-19 pandemic, including incremental costs associated with: personal protective equipment, cleaning supplies and services, contact tracing, medical testing, financing costs to secure liquidity, information technology updates, equipment needed for remote work options, and the administrative needs to implement the term sheet components accepted by the Commission in Docket U-200281, Order 01. Direct costs are net of savings, credits, payments, or other benefits received by the Company

² U-200281, Order 01 at ¶25.

³ Id. at ¶26.

from a federal, state, or local government that are directly related to a COVID-19 direct cost, including federal, state, or local tax credits or benefits.

2. Any amount of bad debt expense accrued in 2020, 2021 and 2022 above the bad debt baseline as defined below. While the Company will defer the bad debt expense that is accrued above the baseline being collected from customers today, it will not collect any amount above the actual amount that is written-off. The bad debt expense baseline is the amount that is currently being collected from customers for bad debt, as determined in their last general rate proceeding as of October 1, 2020.
3. For calendar year 2020 the average annual amount of late payment fees collected over the previous five years (2015-2019) less the actual amount collected by the Company from January 1, 2020, through March 1, 2020, for calendar year 2020. For 2021, the Company will defer the average annual amount of late payment fees collected from 2015-2019, prorated on a monthly basis for the period of January 1, 2021, through the Resumption date plus 180 days. If the Resumption date plus 180 days extends into 2022, the Company will defer late payment fees using the same formula as described for 2021 in 2022.
4. For calendar year 2020 the average annual amount of reconnection charges collected over the previous five years (2015-2019) less the actual amount collected by the Company from January 1, 2020 through March 1, 2020, for calendar year 2020.
5. Costs to fund a COVID-19 bill payment assistance program, as described in the Additional Funding for Customer Programs section in Docket U-200281, Order 01.

8 The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by President Trump on March 27, 2020. This over \$2 trillion economic relief package delivers on the commitment to protecting the American people from the public health and economic impacts of COVID-19. One aspect of the CARES Act allows for companies who have a taxable net operating loss (NOL) for tax years 2018, 2019, and 2020 to carry that loss back to the five prior tax years. PacifiCorp, however, does not qualify for this benefit.

B. Proposed Accounting

9 During the deferral period, PacifiCorp proposes to account for the costs associated with the COVID-19 public health emergency in the following manner. PacifiCorp would record the associated costs as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) and credit various accounts to which the costs were originally charged (e.g., FERC Account 904 – Uncollectible Accounts and FERC Account 593 – Maintenance of Overhead Lines). Absent the requested accounting order, the costs would remain in their original FERC accounts. The Company requests that it be allowed to accrue interest on the unamortized balance at a rate equal to its authorized weighted average cost of capital most recently approved by the Commission in Docket UE-152253.

C. Estimate of Amounts

10 As the COVID-19 pandemic and associated impacts are developing on a daily basis, the Company is continuously evaluating its response. At this time, the length and magnitude of the COVID-19 emergency response is unknown and the nature of these circumstances are also unprecedented. As such, the Company is unable to provide a cost estimate at this time, but will address the incremental costs associated with this deferral at the time any ratemaking treatment is proposed.

IV. CONCLUSION

11 PacifiCorp respectfully requests that the Commission authorize the Company to defer the costs associated with its response to the COVID-19 public health emergency. The Company will address any ratemaking treatment of these costs in a future filing or general rate case.

Respectfully submitted this 3rd day of December, 2020.

By: /s/
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