

**Puget Sound Energy COVID-19 Cost Deferral Petition
Dockets UE-200780 and UG-200781**

**Avista Corporation COVID-19 Cost Deferral Petition
Dockets UE-200407 and UG-200408**

**Pacific Power & Light Company COVID-19 Cost Deferral Petition
Docket UE-200234**

**Cascade Natural Gas Corporation COVID-19 Cost Deferral Petition
Docket UG-200479**

**NW Natural COVID-19 Cost Deferral Petition
Docket UG-200264**

**DECLARATION OF LISA W. GAFKEN
IN SUPPORT OF JOINT RESPONSE OF
THE OFFICE OF THE WASHINGTON ATTORNEY GENERAL
PUBLIC COUNSEL UNIT
AND
THE ENERGY PROJECT**

**Exhibit No. 2:
Matrix Summary of Positions by Utility**

Amended Covid Deferral Petitions - Summary of Positions by Utility							
Highlighted Cells Indicate Differences from Staff's Term Sheet							
Line	Category	Avista	Cascade	Pacific	Puget	NW Natural	Public Counsel/TEP Position
	Staff Term Sheet Summary	UE/UG 200407/08	UG-200479	UE-200234	UE/UG-200780/81	UG-200264	
1	"Direct Costs" for measures taken in response to 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 administrative needs; net of savings, credits, payments, or other benefits received that are directly related to a COVID-19 direct cost.	Same as Staff Term Sheet	Same as Staff Term Sheet	Same as Staff Term Sheet	Staff's list, expanded to add, "labor for employees temporarily unable to work due to the pandemic where such labor is typically charged to capital but must be charged to expense" PSE also lists "savings directly associated w/pandemic" such as travel, training, parking, office supplies"	Same as Staff Term Sheet	"Direct Costs" should not be deferred. Amounts are vaguely defined, difficult to accurately isolate and should be presumed offset by cost savings throughout the utility. In the alternative, if the Commission approves deferral, utilities should have the burden to overcome a rebuttal presumption that costs are offset. Savings should not be unduly limited to those "directly related to COVID-19 direct costs" or to amounts "received." Relevant savings offsets should be tracked and recorded.
2	Bad debt expense "accrued" in 20, 21 and 22 above the base line in last rate case; no collection above amounts actually written off.	Same as Staff Term Sheet	Same as Staff Term Sheet	Same as Staff Term Sheet	Same as Staff Term Sheet	Same as Staff Term Sheet	Public Counsel/TEP do not oppose deferral of bad debt variances, limited to actual Account Receivable net write-offs, after application of payment assistance, for years 2020 and 2021.
3	Late Payment fees in 2020 after 3/1 compared to historical 5-year average (2015-2019). For 2021 same baseline prorated by month to resumption date plus 180 days into 2022.	This item is not Included in Avista's Amended Petition	This item is not Included in Cascade's Amended Petition	This item is not included in Pacific's Amended Petition	Same as Staff Term Sheet	Same as Staff Term Sheet	Deferral of Late Payment Charges is precluded by the Governor's proclamation and deferral is not justified by financial need or any regulatory guarantee of revenue levels.
4	Reconnection Charges in 2020 after 3/1 compared to historical 5-year average (15-19). For 2021 same baseline prorated by month through resumption date plus 180 days into 2022.	Same as Staff Term Sheet, but without language beyond 2020.	Same as Staff Term Sheet, but without language beyond 2020.	Same as Staff Term Sheet, but without language beyond 2020.	Same as Staff Term Sheet	Same as Staff Term Sheet	Deferral of Reconnection Charges is inappropriate. Recovery is precluded by the Governor's Proclamation. Petitioners have not demonstrated financial need and will avoid labor and other costs when disconnect/reconnects service calls are avoided.
5	Costs to fund a COVID-19 bill payment assistance program, as described in Docket U-200281, Order 01.	Same as Staff Term Sheet	Same as Staff Term Sheet	Same as Staff Term Sheet	Same as Staff Term Sheet	Same as Staff Term Sheet	Public Counsel/TEP do not oppose deferral of Petitioners' costs to fund direct customer assistance programs through 2022, for Commission approved programs, to extent not otherwise recovered through tariffs.

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6	Staff opposes the deferral of lost revenues due to the reduction in customer usage.	Avista seeks to defer "...normal business costs not recovered due to reduction in electricity and natural gas use by its customers due to the statewide Stay-Home Order."	Cascade also seeks to defer "...normal business costs not recovered due to reduction in natural gas use by its customers due to the statewide Stay-Home Order."	Lost Revenues Not Requested	Lost Revenues Not Requested	Lost Revenues Not Requested	Lost sales margin revenue deferral is inappropriate. Utilities are not guaranteed recovery of approved revenues and utility sales variations (outside of existing decoupling mechanisms) should be absorbed as a risk to shareholders, compensated via ROE.
7	Other Costs				PSE requests authority to also defer, "other incremental costs associated with COVID-19, as may be identified".		PSE's open-ended cost deferral proposal should be rejected, in the interest of equity to ratepayers, regulatory transparency, administrative efficiency and avoidance of excessive single-issue ratemaking for only selected increasing costs.
8	CARES and Other Public Assistance	CARES Act offset for realization of NOLs valued at \$3.5M/0.48M to WA electric and gas operations	Not Mentioned	CARES Act mentioned, with statement "Pacifcorp, however, does not qualify for this benefit"	Not Mentioned	Not Mentioned	All forms of public assistance available to Petitioners in connection with COVID-19 should be deferred as an offset to approved accounting deferrals.
9	Other Benefits	Other benefits the company may realize will also be used to offset the increased costs due to Avista's response to the COVID emergency.	Not Mentioned	Not Mentioned	PSE also lists "savings directly associated w/pandemic" such as travel, training, parking, office supplies"	Not Mentioned	The category is quite vague and unlikely to be consistently tracked and accurately quantified unless defined with specificity. Utilities are required to create a regulatory liability account to track benefits with specificity in the event any deferral of direct costs (see line 1) or other costs (see line 7) is allowed
10	Carrying Costs	Interest will not accrue on the unamortized balance.	Not Mentioned	Carrying Costs Requested at average ROR approved in UE-152253	Interest will not accrue on the unamortized balance.	Not Mentioned	No carrying charges should be added to accumulated accounting deferral balances, given the absence of any demonstrated financial need, availability of lower financing costs to the utilities, and the need for mitigation of COVID burdens shifted to ratepayers.