

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

-----In the Matter of -----)
)
KAUAI ISLAND UTILITY COOPERATIVE) DOCKET NO. 2020-0088
)
For Approval of Deferred Accounting)
Treatment to Establish Regulatory Asset)
Associated with the COVID-19 Pandemic.)
_____)

DECISION AND ORDER NO. 37252

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KAUAI ISLAND UTILITY COOPERATIVE) DOCKET NO. 2020-0088
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DECISION AND ORDER

By this Order, the Public Utilities Commission ("Commission") approves the request of KAUAI ISLAND UTILITY COOPERATIVE ("KIUC" or the "Company") to utilize deferred accounting treatment to establish a regulatory asset to record and accrue lost gross margins ("LGM") and increased bad debt expense associated with the COVID-19 Pandemic,¹ incurred from April 1, 2020, and continuing until ordered otherwise by the Commission, as set forth herein.²

¹On March 5, 2020, Governor David Y. Ige issued his first Emergency Proclamation related to COVID-19, authorizing and invoking a variety of provisions related to the State's response to the COVID-19 emergency situation, available at: <https://governor.hawaii.gov/wpcontent/uploads/2020/03/2003020-GOV-EmergencyProclamation COVID19.pdf>. The Governor has issued nine additional Proclamations since that time, providing details regarding the State's response to the COVID-19 Pandemic. See <https://governor.hawaii.gov/emergency-proclamations/>.

²"Application; Exhibits 1 to 6; Verification; and Certificate of Service," filed on April 22, 2020 ("Application"), at 1, 14.

I.

BACKGROUND

A.

KIUC's Application

KIUC filed its Application on June 5, 2020, pursuant to Hawaii Revised Statutes ("HRS") §§ 269-6, 269-7, and 269-16(b), Hawaii Administrative Rules ("HAR") § 16-601-74, and in reference and recognition of Act 57, Session Laws of Hawaii 2013 ("Act 57"), which amended HRS § 269-31.³ Therein, KIUC stated that the financial impact of the COVID-19 pandemic sustained by the Company is substantial, cautioning that:

. . . . if sales and revenues continue at the significantly decreased levels for an extended period of time . . . , KIUC could be placed in a very tenuous situation of not being able to meet its minimum [debt service coverage ("DSC")] ratio requirement Continued access to such approved debt funding in addition to any new long-term debt requirements will be critical for KIUC to access capital when and as needed on favorable terms in order to fund planned and unplanned needs as they arise so that KIUC can continue to safely and reliably provide its essential electric service to its members/customers.⁴

In its Application, KIUC highlights the Legislature's determination that "the differences between an electric

³Application at 3.

⁴Application at 10, 11-12.

cooperative and an investor owned utility must be recognized,”⁵ and in so doing enacted Act 57, “which provides that the Commission and Consumer Advocate ‘shall at all times consider the ownership structure and interests of an electric cooperative in determining the scope and need for any regulatory oversight or requirements over such electric cooperative.’”⁶

KIUC’s Application goes on to describe the timeline of the Governor’s Emergency Proclamations, as well as the changes that the Company has made to its operations in response to the COVID-19 situation.⁷

KIUC explains that

[T]he severity and duration of the economic impacts of the COVID-19 pandemic on the island of Kauai and on KIUC cannot yet be known, as both the severity and duration will be impacted by many currently unknown variables . . . and then, ultimately how all of these impacts resulting from a world-changing pandemic will permanently change

⁵Application at 4.

⁶Application at 3-4.

⁷These actions included, among other things, voluntarily suspending service disconnections for a 30-day period, prior to the Commission issuing non-docketed Order 37125; applying for and receiving a \$2.8 million forgivable loan from the Small Business Administration’s Paycheck Protection Program, in an effort to enhance KIUC’s ability to meet the DSC ration required by KIUC’s lenders; securing a 7-year extension on an existing loan to reduce the debt service “by approximately \$5.5 million per year over the remaining original loan period”, as well as putting a hiring freeze in place for all non-essential positions and a travel ban on non-essential travel. Application at 8-10.

customer usage patterns even after these variables are known.⁸

KIUC further explains that

The lost gross margin calculation will track and accrue the impact of lost COVID-19 sales to achieve 2019 kWh sales levels each month beginning with the second fiscal quarter of KIUC's financial results. This methodology is intended to closely replicate the gross margin that would have been earned had KIUC actually sold the lost COVID-19 sales in each month after April 1, 2020. All inputs in the calculation will be included in KIUC's Monthly PUC report, with a monthly journal entry recording lost COVID-19 sales revenue in an "Other Revenue" account and the balancing entry in a Regulatory Asset account.⁹

KIUC states in the Application that "[b]ecause of the significance and uncertain duration of the these economic impacts that KIUC believes will exist at least through 2021, KIUC requests that it be allowed to continue this deferred accounting treatment authorization until ordered otherwise by the Commission" and that "KIUC will not be seeking any recovery of the regulated asset amounts at this time, and instead, KIUC will plan to work with the Commission and the Consumer Advocate to determine how best to allow KIUC to recover the amounts recorded in the regulatory asset account."¹⁰

⁸Application at 12-13.

⁹Application at 14.

¹⁰Application at 15.

B.

KIUC's Letter Providing Information
Submitted to the Consumer Advocate

On July 15, 2020, in connection with the Application, KIUC filed a letter¹¹ which presented for Commission review and consideration information it had provided to the Consumer Advocate following the filing of the Consumer Advocate's Preliminary Statement of Position.¹²

In the Letter, KIUC distinguished its request for approval from pending requests filed by other utilities by clarifying the explicit nature of its request for approval, reiterating that it is only requesting approval of deferred accounting treatment for two items: "(1) bad debt to the extent it has not already been authorized and/or covered by Order No. 37125; and (2) lost gross margin (LGM) for COVID-19 related volume sales declines."¹³ Further, KIUC distinguishes that it "is not seeking

¹¹"Letter From: K. Morihara To: Commission Re: Docket No. 2020-0088: In the Matter of the Application of Kauai Island Utility Cooperative ("KIUC") For Approval of Deferred Accounting Treatment to Establish Regulatory Assets Associated with the COVID-19 Pandemic: KIUC Information Submitted to the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs [{"Consumer Advocate"}], " filed on July 15, 2020 ("Letter").

¹²"Division of Consumer Advocacy's Preliminary Statement of Position," filed on June 25, 2020 ("PSOP").

¹³Letter at 1.

deferred accounting treatment for certain costs^[14] that other utilities are seeking[,]"¹⁵ and articulates that due to KIUC's cooperative ownership structure, "the need for extensive accounting and support of costs and savings to assist in determining what should be borne by shareholders versus recovered from ratepayers are at least lessened."¹⁶

KIUC's Letter addressed among other things, the Consumer Advocate's "questions and concerns regarding reasonableness, measurement, and procedures for recording the accrual of lost gross margins, bad debt expense and any other expenses[.]"¹⁷

In support of one of the two explicit items for which KIUC is seeking approval, and in the response to the Consumer Advocate's questions regarding measurement and procedures for LGM, KIUC provided the following basic concept for its approach to recording an LGM amount to a regulatory asset account

¹⁴KIUC is not seeking approval to record and accrue costs such as sequestration costs for mission critical employees, protective personal equipment for employees, and increased sanitation and decontamination costs, because it believes these types of costs will be sufficiently offset by the estimated saving from the hiring freeze and travel ban.

¹⁵Letter at 1.

¹⁶Letter at 1.

¹⁷Letter at 2.

Current month's electric sales revenue
less current month's commodities costs (fuel and
purchased power)
= current month's gross margin
[/] current month's total kWh sales
= current month's gross margin/kWh sold

Then by customer class calculate:

2019 kWh sales (for the same month) (2019 is the
base year)
less current month's kWh sales
= lost kWh sold
X current month's gross margin/kWh sold (from
above)
= Lost Gross Margin for the current month¹⁸

KIUC provides that "all of the inputs used to calculate this COVID-19 LGM are included in the Monthly PUC Report filed by KIUC."¹⁹

Regarding the Consumer Advocate's concerns related to reasonableness of recording LGM, KIUC asserts that "its requested relief to record LGM as discussed in its Application is . . . far preferable for KIUC's customers/members than the alternative approach that would require KIUC filing an application for a rate

¹⁸Letter at 3.

¹⁹Letter at 4.

increase before year-end[.]”²⁰ KIUC goes on to support its reasonableness claim by distinguishing its request from that of other utilities, namely the Hawaiian Electric Companies, noting KIUC’s lack of the decoupling mechanism authority (which the Hawaiian Electric Companies have), and clarifying that “KIUC is not seeking the authority to recover LGM from its customer/members at this time, but rather just the authority to defer and accrue LGM at this time[.]”²¹

In support of the second item for which KIUC seeks explicit approval, KIUC’s Letter included details addressing the measurement, procedure, and reasonableness related to its request to record bad debt expense and restating its uncertainty of “whether the Commission intended that bad debt expense would be included in its Order No. 37125 regulatory asset account.”²² KIUC set forth the reasons for the process it is currently following under its assumption that the bad debt expense is included as part of the Order No. 37125 regulatory asset account set forth the following:

[R]egardless of which regulatory account the increased bad debt expense is recorded and accrued in, the calculation will remain the same. The only

²⁰Letter at 4.

²¹Letter at 4.

²²Letter at 5.

difference is which regulatory account it will be recorded and accrued in. . . . On a monthly basis as part of a month-end closing, KIUC will evaluate the amount of Accounts Receivable \geq 60 days old in comparison to the balance in the Allowance for Uncollectibles²³ [citation omitted]. If the amount of Accounts Receivable \geq 60 days old is more than the balance in the Allowance for Uncollectibles [citation omitted], then KIUC will record an additional amount to increase the allowance to equal the amount of Accounts Receivable \geq 60 days old. KIUC will record the offset for any additional amounts needed in the allowance to account [Reg Asset-Suspension of Disconnections], instead of coding it to account [Uncollectible Expense].

KIUC contends that "the amount being recorded is reasonable because it is consistent with KIUC's existing practice, which was recommended by KIUC's auditors", and KIUC "believes that its approach is consistent with the intent of the Commission's Order No. 37125 to directly capture the costs of the suspension of disconnections in a precise formulaic approach at the end of each month."²⁴

²³Currently, KIUC records 0.1% of its monthly revenues as an Allowance for Uncollectibles. At the end of the year, KIUC "trues-up" the allowance to equal the amount of Accounts Receivable \geq 60 days old. Letter at 5.

²⁴Letter at 6.

C.

Commission Orders Authorizing Deferral of Utility Costs
Related to Suspension of Disconnections

By Order No. 37125, filed on May 4, 2020,²⁵ Order No. 37153 filed on May 28, 2020,²⁶ and Order No. 37189, filed on June 26, 2020,²⁷ the Commission determined that “based on extraordinary circumstances related to COVID-19, and on the Commission’s expedited investigation into this matter[,]” “all Commission-regulated electric, gas, telecommunications, water, wastewater public utilities in the State of Hawaii (‘Utilities,’ or ‘Utility,’ individually) shall suspend disconnections of electricity, gas, telecommunications, water and wastewater services during the pendency of the Governor’s Emergency Proclamation until otherwise ordered by the Commission.”²⁸

²⁵Order No. 37125, “Addressing the Consumer Advocate’s Request of Suspension of Termination or Disconnection of Regulated Utility Services Due to Non-Payment and/or Assessment of Other Charges During the COVID-19 Pandemic,” filed May 4, 2020 (“Order No. 37125”).

²⁶Order No. 37153, “Extending Suspension of Termination or Disconnection of Regulated Utility Services Due To Non-Payment and/or Assessment of Other Charges Through June 30, 2020,” filed on May 28, 2020 (“Order No. 37153”).

²⁷Order No. 37189, “Extending Suspension of Termination or Disconnection of Regulated Utility Services Due To Non-Payment and/or Assessment of Other Charges Through July 31, 2020,” filed on June 26, 2020 (“Order No. 37189”).

²⁸Order No. 37125 at 4, 7.

The Commission also suspended, pending further orders, any and all rules and provisions of individual utility tariffs that prevent or condition re-connection of disconnected customers.²⁹ The Commission intends to issue a similar order, extending suspension of disconnections through August 31, 2020 shortly.

The Commission previously authorized KIUC to establish regulatory assets to record costs resulting from the suspension of disconnections via those aforementioned Orders. The Commission also stated that in future proceedings it would consider whether each utility's request for recovery of these regulatory assets is reasonable and necessary, as well as issues including the appropriate period of recovery for the approved amount of regulatory assets, any amount of carrying costs thereon, any savings directly attributable to suspension of disconnects, and other related matters.³⁰

KIUC had begun to book regulatory assets consistent with the authorization provided in Order Nos. 37125,³¹ 37153,³²

²⁹Order No. 37125 at 4.

³⁰Order No. 37125 at 5; Order No. 37153 at 2; and Order No. 37189 at 2.

³¹Order No. 37125 at 5-6.

³²Order No. 37153 at 3.

or 37189,³³ and has filed a short report with the Commission detailing the Companies' financial condition.

D.

The Consumer Advocate's SOP

The Consumer Advocate, in its expedited review of KIUC's Application, does not object to KIUC's request to establish a regulatory asset to record and accrue lost gross margins and increased bad debt expense associated with the COVID-19 pandemic, subject to certain conditions.³⁴

In response to the Application, the Consumer Advocate stated that

Given that KIUC had suspended customer disconnections on March 17, 2020, and based on the Commission's language in Order No. 37125 that allowed utilities to establish regulatory assets to record costs resulting from the suspension of disconnections, it appears that the Commission has addressed KIUC's request to defer its bad debt expense and record it in a regulatory asset account.³⁵

In relation to the Application and the other costs related to the COVID-19 pandemic, the Consumer Advocate notes that

³³Order No. 37189 at 3.

³⁴"Division of Consumer Advocacy's Statement of Position; and Certificate of Service," filed on July 23, 2020 ("CA SOP"), at 1.

³⁵CA SOP at 6.

"KIUC will not be requesting that any other costs related to COVID-19 pandemic such as sequestration costs for mission critical employees, protective personal equipment for employees such as cloth masks and hand sanitizers, etc. be deferred[.]"³⁶

The Consumer Advocate recommends that approval of the Application be restricted to "the period beginning on April 1, 2020, and ending on December 31, 2020 or whenever KIUC ends the moratorium on suspending service for non-payment, whichever occurs earlier."³⁷ The Consumer Advocate also stresses that "any savings should first offset any deferred costs recorded to a regulatory asset."³⁸ Further, the Consumer Advocate asserts that the following conditions should apply to the Commission's approval of KIUC's request to defer its bad debt expense:

- Complete and accurate records must be maintained to justify recovery of these costs in a future proceeding;
- Any deferred bad debt expense will be subject to a reduction by any savings [citation omitted] resulting from the COVID-19 pandemic, including but limited to the following:
 - Reduced travel and conference expenses;
 - Reduced office expenses including electricity, office supplies, etc.;
 - Reduced employee bonuses to reflect current economic conditions;

³⁶CA SOP at 8.

³⁷CA SOP at 1.

³⁸CA SOP at 9.

- o Reduced wages, salaries and overtime due to a reduction in certain operations such as the suspension of customer service activities, meter reading, etc.;
- o Reduced fuel expenses due to lower fuel prices and reduced operations; and
- o Any other reductions in spending.
- Any deferred bad debt expense will be subject to a reduction by any bad debt recoveries, loans, insurance proceeds, grants, assistance, benefits, etc. that KIUC receives.³⁹

Relatedly, the Consumer Advocate observes that regarding KIUC's explanation for the measurement of and procedures for recording bad debt expense, that the "additional information provided in KIUC's Supplemental Filing will satisfy some of the Commission's information requirements specified in D&O 37192^[40] on pages 9 and 10,"⁴¹ but that KIUC should be required to satisfy any remaining applicable information requirements in Order No. 37912.⁴²

Concerning LGM, the Consumer Advocate submits that "allowing KIUC to accrue lost contribution margins will eventually require customers to pay for services that they did not receive,

³⁹CA SOP at 7-8.

⁴⁰"Docket No. 2020-0069, Decision And Order No. 37192, filed on June 30, 2020 ("Order No. 37912").

⁴¹CA SOP at 5.

⁴²CA SOP at 10.

which is inherently unreasonable.”⁴³ The Consumer Advocate cites a recent order⁴⁴ filed by the Indiana Utility Regulatory Commission as support for this disposition.⁴⁵ Despite this and in consideration of KIUC’s ownership structure, the alternative of KIUC filing a rate case, and the expectation that KIUC will propose a 10 to 25 year amortization of the loss gross margin recovery, the Consumer Advocate states that KIUC’s request to accrue and record LGM can be approved, subject to certain conditions. The Consumer Advocate proposes that such conditions include KIUC providing the calculations for its lost gross margin along with exhibits showing sample calculations, journal entries, and supportive documentation “be filed with each quarterly report in accordance with Order No. 37125 to allow the Commission and

⁴³CA SOP at 12.

⁴⁴“In its order, the Indiana Commission stated: ‘Under the regulatory compact, at a base level, utilities are obligated to provide safe, reliable service and customers are obligated to pay just and reasonable rates for any such service they receive. The balance of this Order seeks to work toward allowing customers to meet their obligation while providing utilities the reasonable relief they need to help such customers do so. However, asking customers to go beyond their obligation and pay for service they did not receive is beyond reasonable utility relief based on the facts before us’ [citation omitted].” CA SOP at 12-13.

⁴⁵CA COP at 12.

Consumer Advocate to perform a prudence review when the recovery of the accrued lost gross margin is requested.”⁴⁶

The Consumer Advocate states that it reserves its right to challenge the reasonableness of any deferred costs, accrued lost gross margins, and the amount that may be recoverable from customers, recommend an appropriate period over which the deferred costs and accrued lost gross margins will be recovered, and participate in future proceedings where any recovery is sought.⁴⁷

E.

KIUC’s Reply to the Consumer Advocate’s SOP

KIUC acknowledges and appreciates the Consumer Advocate’s position in not objecting to KIUC’s request to establish a regulatory asset to accrue and record LGM and increased bad debt expense associated with the COVID-19 pandemic; however, KIUC disagrees with a number of the Consumer Advocate’s recommendations and statements.⁴⁸ In particular, KIUC disagrees with the Consumer Advocate’s suggestion of an end date of the

⁴⁶CA SOP at 16.

⁴⁷CA SOP at 10, 16 -17.

⁴⁸“Kauai Island Utility Cooperative’s Reply to the Division of Consumer Advocacy’s Statement of Position,” filed on July 28, 2020 (“Reply to CA SOP”), at 3.

deferral period, its reliance on the Indiana Utility Regulatory Commission's order, and its recommendations regarding cost savings, and suggests that the Consumer Advocate's suggestion and recommendations would be more appropriate to consider as part of an application for recovery, and not for KIUC's current Application for deferred accounting authority.⁴⁹ KIUC reiterates that its Application is strictly for deferred accounting treatment, and that it is "not seeking recovery of any COVID-19 pandemic related impacts as part of the subject Application."⁵⁰

II.

DISCUSSION

The Commission is charged with the duty of ensuring that public utilities provide safe, adequate, and reliable utility service at just and reasonable rates. Additionally, the Commission has general supervisory powers "over all public utilities[,]"⁵¹ as well as investigative authority "to examine into the condition of each public utility," including "the fares and rates charged by it."⁵²

⁴⁹See generally, Reply to CA SOP at 9, 13, 16, 19.

⁵⁰Reply to CA SOP at 13, 20.

⁵¹HRS § 269-6(a).

⁵²HRS § 269-7(a).

As noted above, in response to COVID-19, the Commission issued Order Nos. 37125, 37153, and 37189, which allowed the identified types of utilities to defer costs (and requiring them to record any savings) related to their suspension of service disconnections. In those Orders, the Commission directed any utilities that elected to book regulatory assets consistent with the authorization provided in those Orders, to file a quarterly report, beginning on July 31, 2020, which must include certain information.⁵³

With respect to KIUC's request to defer incremental increases in bad debt expense and accrue and record LGM as a result of the COVID-19 pandemic, KIUC states that "[t]he financial impact of the COVID-19 pandemic on KIUC is substantial."⁵⁴ In support of this claim, KIUC reports that energy sales and revenues have decreased significantly, and customer past due amounts for electric service have increased, such that KIUC suffered "an

⁵³The Commission ordered that quarterly reports should include: a) updated information regarding the Utility's financial condition, and b) a list of the measures the Utility has in place to assist its customers during the COVID-19 emergency situation. A Utility should inform the Commission in its quarterly reports if a previously-reported measure the Utility had in place to assist customers has since been terminated, as well as a short description of the Utility's rationale for the termination of that measure. Order No. 37189, Paragraph 6, at 4.

⁵⁴Application at 11.

approximately \$1.6 million net loss for the month of April 2020 and a \$1.5 million net loss for April 30, 2020 year-to-date.”⁵⁵

Furthermore, according to KIUC,

This net loss produced a 0.86 DSC, which is markedly below KIUC’s 1.25 minimum [debt service coverage (“DSC”) ratio] required under KIUC’s loan Indenture. Meeting its minimum DSC ratio is required for KIUC to remain in compliance with the terms under the Indenture and related loan agreements, and a minimum 1.25 DSC is required for the fiscal year preceding any drawing down or funding of previously approved long-term secured debt under the Indenture. Continued access to such approved debt funding in addition to any new long-term debt requirements will be critical for KIUC to access capital when and as needed on favorable terms in order to fund planned and unplanned needs as they arise so that KIUC can continue to safely and reliably provide its essential electric service to its members/customers.⁵⁶

KIUC has demonstrated the significant financial impact that has resulted from the COVID-19 pandemic. Deferred accounting treatment for costs related to COVID-19 impacts would help KIUC to achieve a DSC ratio that exceeds the minimum DSC, which is important in maintaining compliance with loan agreements and protecting favorable access to capital.⁵⁷ Furthermore, HRS § 269-31(b) mandates that the Commission consider electric cooperatives’ ownership structure when applying regulatory oversight and requirements. As the Consumer Advocate states, “the

⁵⁵Application at 11.

⁵⁶Application at 11-12.

⁵⁷KIUC Application at 11-12.

need to balance the tension between the profit-motive of an investor-owned utility and the interests of the utility's customers is not necessary because of KIUC's cooperative ownership structure."⁵⁸ The Consumer Advocate further notes, because of KIUC's unique ownership structure, any profits realized as a result of approving deferred accounting treatment will ultimately benefit its customers.⁵⁹

In addition, the Commission notes that KIUC has already been granted authority to utilize regulatory accounting to defer costs associated with the suspension of service disconnections, pursuant to Order Nos. 37125, 37153, and 37189. Furthermore, the Consumer Advocate does not oppose KIUC's request, subject to certain recommended reporting requirements.⁶⁰

After review of the record, the Commission determines that the unprecedented health and economic challenges caused by the COVID-19 pandemic warrant the extraordinary relief requested by KIUC. As such, the Commission approves KIUC's request to use deferred accounting treatment to establish a regulatory asset to record and accrue lost gross margins associated with the COVID-19 pandemic, including increased bad debt expense (to the extent not

⁵⁸CA SOP at 14.

⁵⁹CA SOP at 14.

⁶⁰CA SOP at 7-10.

already authorized pursuant to Order Nos. 37125, 37153, and 37189), beginning from April 1, 2020 and continuing until ordered otherwise by the Commission, subject to the conditions herein.

The Commission emphasizes that this approval is limited to the specific facts and circumstances presented in this docket, and reiterates that this approval does not entail any presumption of future recovery. In the event that KIUC files an application to recover approved regulatory assets in the future, the Commission will review the reasonableness of the request, expected ratepayer impacts, and other factors, in weighing that decision. The Consumer Advocate may also participate in any such proceeding, and may challenge the reasonableness of any accrued LGM and any deferred costs, and make recommendations regarding the time over which any potential recovery might be received.

In anticipation of a future application for recovery, the Commission will require KIUC to provide all information on deferred costs that may be necessary for a thorough review. For this reason, the Commission conditions approval of KIUC's request on detailed reporting requirements. This will enable the Commission to protect the interests of customers, while also providing KIUC with much-needed short-term relief.

Pursuant to the instant Order, the Commission directs KIUC to file the following additional information (with a copy

provided to the Consumer Advocate) in its quarterly reports, filed pursuant to Order Nos. 37125, 37153, and 37189:

- A. Identifying the lost gross margin for each month and increased bad debt expense by customer class, as applicable;
- B. Identifying the calculation methodology utilized for both lost gross margin calculations and deferral of bad debt expense for each month that there is a deferral;
- C. Identifying any funds received from loans, grants, assistance or benefits received in connection with COVID-19;
- D. Identifying cost savings realized in connection with COVID-19, including the records and metrics used to measure and track any cost savings that have resulted from the COVID-19 emergency period; and
- E. Including a percentage depiction of COVID-related costs, in relation to overall costs.

III.

ORDERS

THE COMMISSION ORDERS:

1. KIUC's request to utilize deferred accounting treatment to accrue and record lost gross margins and bad debt

CERTIFICATE OF SERVICE

Pursuant to Order No. 37043, the foregoing order was served on the date it was uploaded to the Public Utilities Commission's Document Management System and served through the Document Management System's electronic Distribution List.

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2020 Jul 31 PM 16:16

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COMMISSION

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