South Dakota Public Utilities Commission Docket GE20-002 MidAmerican Energy Company Second Data Requests

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2-1. Considering the South Dakota Public Utilities Commission never ordered a moratorium on utility disconnections, explain why any bad debt expense caused by the Company's voluntary moratorium and late payment and disconnection fee forgiveness shouldn't be viewed as another form of charitable contributions.

Response:

Throughout the country, in response to the COVID-19 pandemic, 41 states supported utility efforts to discontinue disconnections, including extensions to the disconnection moratorium, during the pandemic.¹ On March 13, 2020, South Dakota Governor Kristi Noem declared a state of emergency and issued Executive Order 2020-04. During the subsequent weeks, Governor Noem issued several related Executive Orders. The emergency conditions put in place to contain the virus directly impacted the necessity of energy services. Residential customers may have needed to work from home or self-quarantine. Commercial customers may have been directly involved with the effort to contain the virus. Although MidAmerican's actions may have been voluntary, these actions were consistent with the spirit of the Governor's Executive Orders and the measures taken throughout the country to support customers during this unprecedented and challenging time. As stated in the Joint Petition, MidAmerican's utmost priority is the continuous provision of safe, reliable, and affordable services to its customers in these uncertain times. With the State and Federal guidance directing customers to self-isolate in their homes, and the early indications of the potential impact on the commercial and industrial sector, ensuring continued energy service for the duration of the declared emergency was the appropriate course of action.

¹ The respective regulatory agencies in the follow states prohibited disconnections: Arkansas, California, Connecticut, Georgia, Hawaii, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Mississippi, New Mexico, Ohio, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Virginia, Wisconsin, and Wyoming. Governors issued Executive Orders prohibiting disconnections in the following states: Alaska, Colorado, Washington D.C., Indiana, Maryland, Montana, New Hampshire, North Carolina, South Carolina, and Washington. The following states supported utilities who voluntarily discontinued disconnections: Michigan, Missouri, Nevada, New Jersey, New York, West Virginia, and Oregon. *See <u>https://www.naruc.org/compilation-of-covid-19-news-resources/state-response-tracker/</u> (accessed on 6.12.2020).*