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April 30, 2021

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Regarding: **Dockets UG-200479 – Cascade Natural Gas Corporation COVID-19 Deferred Accounting Quarterly Report**

Cascade Natural Gas Corporation (Cascade or the Company), hereby submits an updated COVID-19 deferred accounting quarterly report for the period of January 1, 2021 to March 31, 2021. As described in Order 01 of Docket U-200281 (In the Matter of Response to the COVID-19 Pandemic), and detailed in the “UTC Staff Proposed COVID-19 Response Term Sheet,” approved by the Commission, this quarterly report complies with the following condition of the Cost Recovery section:

- 4. *Future reporting that itemizes the utility costs in any approved COVID-19 petitions for deferred accounting in the docket approving the petition.*
  - a. *The first report should be filed by December 1, 2020, and cover the period between March 1, 2020 and September 30, 2020.*
  - b. *Subsequent reports should be required 30 days after the close of each quarter and shall include information from the previous quarter to continue until the conclusion of the proceeding in which the Utility requests recovery of the deferred expenses, or until such time the Commission determines the reports no longer provide benefit.*

As of March 31, 2021, Cascade has identified the following direct costs and benefits associated with the COVID-19 pandemic.<sup>1</sup>

**Direct Costs and Benefits**

Direct costs for reasonable measures taken by Cascade in response to the COVID-19 pandemic net of credits, payments, or other benefits received from a federal, state, or local government will continue to be analyzed. Costs related to COVID-19 for personal protective equipment and other health and safety measures for front-line personnel was equal to \$67,100.85 in 2020 and

<sup>1</sup> The Company’s revised Deferred Accounting Petition for deferred accounting of COVID-19 related costs filed in Docket UG-200479 was approved subject to conditions in Order 01 on December 10, 2020.

\$4,607.35 in Q1 of 2021. Benefits deferred related to travel not incurred for Q1 of 2021 was \$222,376.05.

### **Benefits from Federal Acts**

Cascade evaluated the various provisions of the CARES act. The only provision that the Company expects to avail itself of is the ability to defer payment of Payroll Taxes under the delay in deposit of payroll taxes provision. The Company has deferred payment of Payroll Taxes in 2020 resulting in a tax asset; however, it should be stressed that this is purely a timing difference and will be reversed by the Company in 2021 and 2022. In addition, Cascade is evaluating provisions received from the Family First Act and where the Company generated credits totaling \$80,959.37 in 2020 and \$29,447.49 for Q1 of 2021. The Company is still evaluating the impact these amounts will have on related deferrals.

### **Late Payment Fees**

For Washington, the Company's late fee revenues waived in 2020 were equal to \$417,185.51. The total late payment fee revenue waived in Q1 of 2021 was \$453,747.17.

### **Bad Debt Expense**

For the quarter ending March 31, 2021, the incremental bad debt expense incurred for Washington was \$10,923.40.

### **Reconnection Charges**

Reconnection charges are being analyzed and a deferral determination will be made at a later date.

### **Bill Payment Assistance Program Costs**

The Company is developing a program proposal to establish a temporary COVID-19 assistance program, in coordination with its Energy Assistance Advisory Group, as described in the "UTC Staff Proposed COVID-19 Response Term Sheet" in Docket U-200281. Plans are to finalize the program design and begin offering additional customer assistance early in 2021. Costs associated with the delivery of the program will begin to be deferred once the program is made available to customers. Funding to be distributed is one percent (1%) of the Company's Washington retail revenues, not to be increased without prior Commission approval, as determined by the Company's Commission Basis Reports in Docket UG-200393, which the amount is \$2,473,250.

If there are any questions regarding this report, please contact me at (509) 734-4593.

*/s/ Michael Parvinen*

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