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State OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

April 16, 2021

Mr. Mark L. Johnson  
Executive Director and Secretary  
Attn: Records Section  
Washington Utilities and  
Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

RE: Petition to Recover Incremental COVID-19 Costs – Mason County Garbage Company, Inc. G-88

Dear Mr. Johnson:

Pursuant to WAC 480-07-370(3)(b) and 480-70-066, Mason County Garbage Company, Inc. (or the “Company”) files this petition (“Petition”) with the Washington Utilities and Transportation Commission (the “Commission”), seeking an accounting order to allow the use of deferred accounting, for the recovery of incremental costs incurred during the COVID-19 pandemic.

## **BACKGROUND**

On February 29, 2020 Governor Jay Inslee issued a State of Emergency in response to the public health emergency now known as COVID-19.

Beginning around April 2020, the Company began to incur significant incremental COVID-19 costs. Many or all of the costs were incurred to ensure the Company could continue to provide safe and reliable refuse and recycling service.

On October 20, 2020 the Commission issued Docket U-200281, Order 01 “Extending Suspension of Disconnection of Energy Services for Nonpayment and Adopting Related Requirements.” Part of this Order discussed a proposed methodology for recovery of COVID-19 incremental costs.

On January 15, 2021, the Company filed a general rate case to request an increase in its revenue requirement. The rate case expenses included incremental COVID-19 costs. The proposed effective date was March 1, 2021, docket number TG-200038.

On February 18, 2021, the Company filed an extension of the effective date to April 1, 2021, to allow more time for Staff to complete its review of the rate case.

On March 25, 2021, the Commission approved rates, as settled between Staff and the Company, to become effective April 1, 2021. As part of the settlement between the Company and Staff, it was determined COVID-19 costs should be recovered outside of the general rate case, via an accounting petition, using Docket U-200281, Order 01, and the “Term Sheet” included in that order, as a guide for recovery of incremental COVID-19 costs.

## **PROPOSED COVID-19 COST RECOVERY METHODOLOGY**

### **Overview**

The Company proposes recovering \$49,681 of incremental COVID-19 costs, over a two-year period, beginning June 1, 2021. The two-year period is requested to minimize the monthly impact to customers. These costs include supplemental payments to all hourly employees, sanitary cleaning, and building and property expenses needed to maintain a safe work environment. The Company proposes the costs be recovered via an increase to each tariff rate, similar to a dump fee filing.

### **Rate Calculation**

The Company tracks COVID-19 expenses in dedicated general ledger accounts. The regulated portion of those accounts for the period of April 1, 2020 – March 31, 2021 is \$49,681, or .71% of regulated revenue for the same period. Half of that percentage, as to allow for a two-year recovery, is \$25,153 or .36% of revenue. Each tariff rate will be increased by .36%. The Company has provided work papers with this petition, including a Price Out, to support the calculation and prove appropriate recovery of incremental COVID-19 costs.

### **Tariff Pages**

The Company will submit a new set of “COVID-19 cost recovery” tariff pages, separate from existing tariff pages, in order to clearly state the expiration date of the COVID-19 recovery rates. If subsequent rate increases occur, such as a dump fee increase, the Company will update both sets of tariff pages for the approved increase. When the two-year recovery period ends, the Company will start billing the rates on the current “non-COVID-19 cost recovery” tariff pages.

Pursuant to WAC 480-70-266, the Company will file the proposed tariff revision as a 45-day filing. Pursuant to WAC 480-70-271(1)(a), the Company will give proper 30 day notice to customers.

### **CONCLUSION**

The company respectfully requests the Commission issue an accounting order authorizing the Company to defer and recover \$49,681 of COVID-19 incremental costs over a two-year period. The requested two year period begins June 1, 2021 and ends May 31, 2023.

Any questions on this matter may be addressed to the undersigned.

Sincerely,



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