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July 30, 2021

Oregon Public Utility Commission
P.O. Box 1088
201 High St SE, Suite 100
Salem, OR 97308-1088

Regarding: UM 2072 - Cascade 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 April 1, 2021, to June 30, 2021. As described in the Stipulation in Docket UM 2114, this quarterly report complies with the following condition:

Each Utility shall provide the Commission with reports that itemize the utility costs, savings, and benefits resulting from COVID-19 described in paragraph 25. The first report will be for the period between March 1, 2020, and September 30, 2020, and shall be filed by November 1, 2020. Thereafter, reports will be due 30-days after the close of each quarter and shall include information from previous quarter. Each Utility shall file a Report for every quarter until the quarter ending December 31, 2023, unless waived by the Commission.

As of June 30, 2021, Cascade has identified the following direct costs and benefits associated with the COVID-19 pandemic.¹ The details summarized in this report are included in the file "Oregon – Attachment A.xlsx."

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 \$22,307.34 in 2020. For 2021, \$1,544.81 was booked in Q1 and \$7,463.86 in Q2 of 2021.

In the Company's previous report, it estimated benefits deferred related to travel not incurred was \$65,665.70 for Q1 of 2021. The Company now revises the total savings of Q1 to be

¹ Order No. 20-379 in Docket UM 2072 was entered on October 27, 2020, approving the Company's application for deferred accounting of COVID-19 related costs. On November 5, 2020 the Commission adopted Order 20-401 approving the Stipulated Agreement on the Effects of COVID-19 Pandemic on Energy Utility Customers.

\$85,760.35. Total savings of \$41,017.93 was realized in Q2. Interest expenses accrued for all COVID-19 related estimated deferrals in Q1 was \$1,283 and \$916.81 in Q2.

Included in the total Q2 2021 amounts are accounting adjustments made to recognize or remove previously recognized costs. Specifically, the Company has booked operational costs associated with credit & collections of past due balances. Beginning June 2021 interest expenses on past due amounts were booked. More details are available in the file, "Oregon – Attachment A.xlsx."

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 and \$18,723.48 in Q2 of 2021. The Company is still evaluating the impact these amounts will have on related deferrals.

Late Payment Fees

For Oregon, the Company's late fee revenues waived in 2020 were equal to \$153,809.86. The total late payment fee revenue waived in Q1 of 2021 was \$115,454.02 and \$156,693.81 in Q2.

Bad Debt Expense

In the Company's previous quarterly report estimated incremental bad debt expense as of March 31, 2021, was approximately \$46,057.19. This amount is now revised to \$45,951.37 and \$10,357 in Q2. In March and April 2021 Cascade made a few minor bad debt true-ups where are presented in the file, "Oregon – Attachment A.xlsx."

Reconnection Charges

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

Bill Payment Assistance Program Costs

On April 1, 2021, Cascade began offering its temporary COVID-19 bill assistance program, known as the "Big Heart" grant, to eligible customers. The funding level for the program is equal to one percent (1%) of the Company's Oregon retail revenues as determined by the Company's recent general rate case in Docket UG 390, in the amount of \$707,517.

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

/s/ Michael Parvinen

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