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February 1, 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 October 1, 2020 to December 31, 2020. 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 December 31, 2020, 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 \$22,307.34 through December 31, 2020. Benefits deferred related to travel not incurred was \$185,097.56.

#### **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

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<sup>1</sup> 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.

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 of \$17,011 in Q2, \$37,202.80 in Q3 and \$26,745.57 in Q4 of 2020. 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 through November 2020 were recorded at \$123,353.20, an additional \$30,456.66 was recorded in December of 2020 for a cumulative total of \$153,809.86 through the end of the period.

### **Bad Debt Expense**

As of December 31, 2020, the incremental bad debt expense incurred for Oregon was \$137,345.42. This is in addition to the approximately \$80,500 of bad debt expense in excess of the amount authorized. Once the order is received in Docket UM 2114, the Company believes it is prudent to record a deferral.

### **Reconnection Charges**

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

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

Cascade is developing a program proposal to identify and manage residential customer arrearages associated with the pandemic to prevent bad debt accumulating on customer accounts per the Stipulation in Docket UM 2114. A programmatic tariff is expected to be filed in February 2021. The costs to fund such program will be deferred after the program has been approved by the Commission and is being offered to customers. Funding to be distributed is one percent (1%) of the Company's Oregon retail revenues, not to be increased without prior OPUC approval, as determined by the Company's recent general rate case in Docket UG 390, which the amount is \$707,517.

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

*/s/ Michael Parvinen*

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