

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

July 15, 2020

IN RE:)	
)	
EMERGENCY PETITION TO)	Docket No.
SUSPEND SERVICE)	
DISCONNECTIONS FILED BY THE)	20-00047
CONSUMER ADVOCATE UNIT OF)	
THE FINANCIAL DIVISION OF)	
THE OFFICE OF THE TENNESSEE)	
ATTORNEY GENERAL)	

**CHATTANOOGA GAS COMPANY'S
RESPONSES TO THE COMMISSION'S REQUEST FOR COMMENTS AND
THE COMMISSION STAFF'S JUNE 30, 2020, REQUESTS FOR INFORMATION**

Chattanooga Gas Company (“CGC” or “Company”), in response to the Tennessee Public Utility Commission (“Commission”) decision on June 29, 2020, and the Commission Staff’s Requests for Information dated June 30, 2020, seeking further comments on the financial impacts of the COVID-19 pandemic and the Commission’s related moratorium on customer disconnects for nonpayment that was issued in this docket on March 31, 2020 (“Request”), hereby provides its comments and responses to the Staff questions, and further modifies and clarifies, as appropriate, the information provided to the Commission in CGC’s 30-day report filed on April 30, 2020, and its 60-day report provided on May 29, 2020 (“May 29 Report”). In responding to this Request, CGC continues to note that the operational and financial impacts of this continued pandemic are ongoing and the full effect on CGC’s business shall not be fully known until after the current state of emergency is over and our state and nation return to whatever the new normal shall be in a post-COVID-19 world. Thus, by necessity, the information CGC has previously provided to the

Commission in its 30-day and 60-day reports, like this Response, are reflective of where the business and world are today and based upon the best available information, analysis, and consideration presently known. CGC's experience thus far is that overall the impact of COVID-19 on our business has not been as significantly adverse as on other businesses, but we also know that the impact on certain of our customers has been very negatively impactful. Moreover, just when we think we are beginning to understand the situation, things change. Thus, as CGC has noted in the past, the statements and recommendations we are making today are based upon the snapshot in time that has been the first two weeks of July. CGC respectfully reserves its rights to take a different position later based upon the information that may be available at that point in time. However, and most critically, it is CGC's clear and focused intent that as the Company conducts its day-to-day business, and plans for the future, that it will do all it reasonably can do to protect its customers and employees from spreading or perpetuating this virus while always ensuring that it is supplying natural gas to our customers in a safe, sufficient, and efficient manner. In that spirit, and to assist the Commission in evaluating what its next steps should be, CGC hereby provides the following responses to the Commission regarding the Company's response to the COVID-19 pandemic:

1. Should the moratorium on disconnects for nonpayment be lifted? If the moratorium should not be lifted at this time, when should the moratorium be lifted? Please explain your answer.

CCG Response: The current moratorium should continue through August 15, 2020. For natural gas utilities in Tennessee, the problem with terminating the moratorium sometime later in the fall is that the industry faces the re-light or pilot lighting season for customers. Re-lighting is a labor intensive activity, and if CGC is in the position of having to simultaneously re-light pilot lights and disconnect nonpaying customers who have failed to set up some form of a repayment plan, there could be re-light delays for customers. As CGC indicated in its May 29 Report, the Company would like to provide its customers with a grace period of 30 days from the end of any moratorium to provide customers a chance to sign up for its Alternative Payment Program ("APP"), a repayment plan that

works for each customer. Regardless whether the state of emergency in Tennessee continues beyond August 29, 2020, CGC would like to see the moratorium conclude on August 15, and for CGC to use the next 30 days to migrate all nonpaying customers from this moratorium period to some form of repayment plan under the APP; there would be no disconnections during this additional 30-day period. Essentially, CGC will provide residential customers a no payment down, multi-month time period to repay (up to 12 months for residential customers and 12 months for commercial customers), and the waiver of all late charges associated with the moratorium and repayment period. Without addressing the potential for disconnection, CGC is beginning to now inform customers that if they are ready, CGC has options for customers to begin to set up a repayment plan under the APP, which customers can self-select through the appropriate website or phone call. Assuming the moratorium ends on August 15, CGC's goal will be to inform and migrate all customers to some form of repayment plan before September 15. For customers who have not selected a repayment plan by September 15, CGC will continue to try to get customers to sign up for an APP, but otherwise CGC would begin the disconnection process no earlier than September 15, 2020. Please note the disconnection process is not a flash cut, all customers disconnected on a one day process. Rather, CGC will periodically provide the official notification of disconnection to a group of customers at a time pursuant to the official notices and time frames set forth in the Commission's Rule 1220-04-03-.19, along with also continuing to provide repayment plan availability in lieu of disconnection if the customers timely act. Any formal notice of disconnection process could take several months, depending upon how many customers fail to sign up for under the APP. CGC anticipates that it would continue to seek to notify and work with each customer to avoid disconnection through the customer's selection of a repayment plan. However, assuming the end of the moratorium on August 15, with no notices of disconnection occurring prior to September 15, 2020, CGC would propose that the grace period for a customer to sign up for a repayment plan under the APP would terminate on December 31, 2020. In other words, if a customer failed to sign up for a repayment plan by December 31, 2020, thereafter that customer will have to reinitiate services pursuant to the Company's regular tariff policies, which would require paying the entire past due amounts in full, plus late fees, reconnection fees, etc. Note, for residential customers who are unemployed or otherwise able to demonstrate a financial inability to pay, CGC will in good faith work with that customer in order to see what other types of relief may be available to assist that customer so there is no loss of service.

2. Did you continue to accrue late charges for delinquent accounts during the moratorium period?

CCG Response: Yes, CGC has accrued and reported those late fees on the customers' bills.

3. Should late charges accrued during the moratorium period be billed to delinquent customers once the moratorium is lifted?

CCG Response: CGC has indicated in its May 29 Report and herein that late charges should be waived provided the customer agrees to some form of a repayment plan. At some point there should be a Commission order documenting and approving the APP as modified and set forth herein.

4. If late charges accrued during the moratorium period are not collected from delinquent customers, do you plan to seek recovery of such charges from customers through other means? If so, please describe the mechanism you propose to recover late charges accrued during the moratorium period.

CCG Response: For any late charges waived because of the COVID-19 moratorium, CGC expects to seek the recovery of those waived fees through its next ARM case to be filed in 2021 regarding the 2020 Historic Base Period.

5. For each customer class, please provide the (i) total number, (ii) aggregate amount excluding late charges, (iii) aggregate amount of accrued late charges, and (iv) average days overdue of delinquent accounts for each month beginning January 2020 through the most recent month the information is available at the time of your response.

CCG Response: Please see the tables below. Note, because of CGC’s recordkeeping, the data below is provided for residential customers and separately for all non-residential customers.

	Residential				
Month	Customer Count	Past Due Amount excluding Late Pay Charges	Past Due Late Pay Charges	Past Due Amount including Late Pay Charges	Weighted Average Past Due Days
Jan-20	6,533	\$ 339,224	\$ 25,143	\$ 364,367	70.29
Feb-20	6,546	382,773	29,176	411,949	69.53
Mar-20	6,938	526,116	39,090	565,206	71.19
Apr-20	6,941	645,485	55,553	701,038	79.25
May-20	6,619	626,414	70,964	697,378	97.67
Jun-20	6,831	642,957	90,885	733,842	119.01

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	Non-Residential				
	Customer Count	Past Due Amount excluding Late Pay Charges	Past Due Late Pay Charges	Past Due Amount including Late Pay Charges	Weighted Average Past Due Days
Jan-20	732	\$ 140,431	\$ 5,058	\$ 145,489	59.10
Feb-20	695	100,659	5,997	106,656	62.98
Mar-20	738	119,844	6,685	126,529	63.47
Apr-20	1,038	302,086	13,966	316,052	59.29
May-20	886	221,924	17,458	239,382	76.95
Jun-20	763	210,720	23,022	233,742	100.24

6. For each customer class, please provide the aggregate amount of delinquent customer accounts written off to bad debt expense for each month beginning January 2020 through the most recent month the information is available at the time of your response.

CCG Response: Please see the table below:

Month	Residential	Non-Residential	Total Amount Charged to Bad Debt
Jan-20	\$ (145)	\$ 1,843	\$ 1,698
Feb-20	(307)	2,036	1,729
Mar-20	2,706	1,960	4,666
Apr-20	5,865	498	6,363
May-20	3,600	1,259	4,859
Jun-20	7,153	2,015	9,168
Total	\$ 18,872	\$ 9,611	\$ 28,483

7. In the event the moratorium on customer disconnects for nonpayment is lifted, please describe the process you propose to use to commence disconnections for nonpayment. Notwithstanding current Commission rules and company tariffs, please include in your description the length of customer notice that should be given prior to disconnection of service, as well as availability of customer service representatives to address customer concerns or complaints regarding disconnection or potential disconnection of their service.

CCG Response: As detailed in CGC's May 29 Report as expanded and modified herein, CGC is commencing this month to inform customers through text messages, emails, billing statement notifications, and other communications that today they have repayment options available and that they may self-select such options through the Company's website or by calling the call center. At this stage in the process, such notifications are being made

without any threat of disconnection. These methods of notifying customers of their options shall continue through at least August 10, 2020. Assuming the Commission agrees on August 10, 2020, to terminate the moratorium on August 15, 2020, CGC will continue to inform customers of their repayment options and add a notation that failure to establish a repayment plan may result in a disconnection of service. For customers who have failed to select a repayment plan by September 15, 2020, beginning incrementally thereafter the Company will issue notices of disconnection pursuant to Commission Rule 1220-04-03-.19 and Company's tariff. However, formal notices of disconnection will continue to advise customers of their ability to self-select a repayment plan that will avoid disconnection and late fees, through December 31, 2020. If the Commission determines that the moratorium should continue beyond August 15, 2020, then CGC reserves its right to modify or propose a completely different plan based upon the facts at that time.

8. In the event the moratorium is lifted and the customer is unable to promptly pay overdue amounts to bring their account current within a reasonable notice period, please describe the programs, arrangements, or payment plans, if any, that you would propose to permit customers to maintain their service while paying past due balances over a reasonable time. Please state whether you would propose to apply late charges, or assess interest charges, on the unpaid balances of such arrangements provided the customer is keeping their payments current.

CCG Response: Please see CGC's May 29 Report as modified herein. Essentially, for residential customers, the plan is zero down and up to 12 months to repay with all late fees waived.

In conclusion, CGC shall continue to work on behalf of its customer with the Commission in order to provide reasonable and appropriate programs that will enable customers to repay for the natural gas they have consumed during this state of emergency non-disconnection moratorium. CGC believes that its proposed plan is flexible and responsive to customers' needs, and that overall it is in the best interests of all of its ratepayers in helping to get past due customers current again.

Respectfully submitted,



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