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October 15, 2020

Tennessee Public Utility Commission  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, TN 37243

Chairman Kenneth C. Hill,

Pursuant to the Commission's order pertaining to Docket 20-00047 during the August 10, 2020 monthly conference, I am providing a monthly update for **September** regarding Chattanooga Gas's (CGC) response to the novel coronavirus (COVID-19). This updated letter is intended to give TPUC an overview of our plans to support necessary public safety actions while meeting our ongoing obligation to serve our customers and communities. It includes customer information related to past due bills, payment arrangements, and shutoffs for nonpayment.

**Operational and Business Changes**

Chattanooga Gas continues to operate under revised ongoing work procedures to address social distancing recommendations from the Centers for Disease Control and Prevention (CDC). We continue to be prepared, through our business continuity planning, to prioritize essential and emergency services as COVID-19 impacts our workforce and the communities we serve. Additionally, our call center is supporting customers and field employees with the implementation of a screening procedure to help identify customers' health status before assigning work. We are utilizing Keep Me Informed (KMI) to check-in with customers ahead of service calls to make sure we are prepared to help them as best we can, regardless of their health status.

In recognition that the evolving landscape surrounding COVID-19 may cause financial hardship for customers impacted by employment changes or business slowdown, Chattanooga Gas suspended service disconnections (shut-offs) for nonpayment (SONPs) for both residential and commercial customers beginning 3/12/20. Pursuant to TPUC's 8/10/20 order, CGC then ended its suspension of SONPs on 8/29/20, with a 30-day notice & grace period. Chattanooga Gas began a phased process of making formal notifications to disconnect customers for nonpayment on or after 9/28/20. These disconnects are being scheduled according to their billing cycle and prioritized for length of time past due and the amount of past due bill, in accordance with Chattanooga Gas's tariff.

The following tables present customer account data that are required by the Commission's 9/16/20 order to "include for the reporting period the aggregate number of customers disconnected for nonpayment of service by customer class; the aggregate number of customers who have entered a payment arrangement by customer class; the aggregate number and amount of delinquent customer accounts by customer class; and the aggregate number and amount of customer accounts written off to bad debt expense, or allowance for bad debt, by customer class."

**Residential Customer Accounts:**

Table 1

Number of Residential Customers with Past Due Balances (A)						
Month	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	91-120 Days Past Due	Over 120 Days Past Due	Total Past Due Customer Count
Apr-20	2,845	1,351	774	461	713	6,144
May-20	2,284	1,262	800	642	953	5,941
Jun-20	2,242	1,044	855	678	1,423	6,242
Jul-20	2,114	987	513	674	1,870	6,158
Aug-20	1,958	824	555	354	2,164	5,855
Sep-20	2,165	675	345	239	1,420	4,844

Table 2

Residential Past Due Balances						
Month	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	91-120 Days Past Due	Over 120 Days Past Due	Total Past Due Amount
Apr-20	\$ 350,647	\$ 191,020	\$ 90,335	\$ 38,624	\$ 30,412	\$ 701,038
May-20	\$ 231,781	\$ 209,585	\$ 126,815	\$ 74,042	\$ 55,156	\$ 697,379
Jun-20	\$ 189,101	\$ 158,580	\$ 164,529	\$ 110,708	\$ 110,924	\$ 733,842
Jul-20	\$ 164,577	\$ 130,107	\$ 104,138	\$ 142,595	\$ 200,633	\$ 742,050
Aug-20	\$ 134,194	\$ 108,297	\$ 100,255	\$ 82,472	\$ 291,221	\$ 716,439
Sep-20	\$ 110,815	\$ 58,383	\$ 51,824	\$ 49,584	\$ 210,630	\$ 481,236

(A) Counts for January - June are adjusted from what was previously reported to remove customers counted more than once.

(B) Weighted Average Past Due days are from the date the bill was due. Numbers previously reported for January - June were Average Days from Bill Date.

Table 3

Month	Residential Average		Residential Late Pay Breakout		
	Average Past Due Amount	Weighted Average Days Past Due (A)	Past Due Amount excluding Late Pay Charges	Past Due Late Pay Charges	Total Past Due Amount
Apr-20	\$ 114	44.53	\$ 645,485	\$ 55,553	\$ 701,038
May-20	\$ 117	59.30	\$ 626,415	\$ 70,964	\$ 697,379
Jun-20	\$ 118	75.87	\$ 642,957	\$ 90,885	\$ 733,842
Jul-20	\$ 121	93.78	\$ 629,036	\$ 113,014	\$ 742,050
Aug-20	\$ 122	110.63	\$ 587,600	\$ 128,839	\$ 716,439
Sep-20	\$ 99	115.98	\$ 383,967	\$ 97,269	\$ 481,236

For Residential customer accounts, the number of accounts with past due balances, the past due balance amount, and the weighted average days past due all decreased for the month of September compared to the previous month. In particular, the total past due amount, shown in Table 2, decreased (improved) **33%** from August.

#### Non-Residential Customer Accounts:

Table 4

Month	Number of Non-Residential Customers with Past Due Balances (A)					
	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	91-120 Days Past Due	Over 120 Days Past Due	Total Past Due Customer Count
Apr-20	543	168	96	34	38	879
May-20	305	189	91	77	54	716
Jun-20	227	113	121	75	108	644
Jul-20	295	89	55	81	166	686
Aug-20	201	82	54	42	215	594
Sep-20	272	64	37	24	192	589

(A) Counts for January - June are adjusted from what was previously reported to remove customers counted more than once.

(B) Weighted Average Past Due days are from the date the bill was due. Numbers previously reported for January - June were Average Days from Bill Date.

Table 5

Month	Non-Residential Past Due Balances					
	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	91-120 Days Past Due	Over 120 Days Past Due	Total Past Due Amount
Apr-20	\$ 236,371	\$ 49,700	\$ 20,471	\$ 4,355	\$ 5,155	\$ 316,052
May-20	\$ 111,121	\$ 80,514	\$ 27,696	\$ 12,777	\$ 7,273	\$ 239,381
Jun-20	\$ 73,995	\$ 55,192	\$ 61,949	\$ 24,892	\$ 17,714	\$ 233,742
Jul-20	\$ 99,591	\$ 34,053	\$ 30,679	\$ 40,155	\$ 42,333	\$ 246,811
Aug-20	\$ 69,452	\$ 44,532	\$ 28,319	\$ 24,672	\$ 72,638	\$ 239,613
Sep-20	\$ 62,091	\$ 22,146	\$ 24,961	\$ 16,441	\$ 70,380	\$ 196,019

Table 6

Month	Non-Residential Average		Non-Residential Late Pay Breakout		
	Average Past Due Amount	Weighted Average Days Past Due (A)	Past Due Amount excluding Late Pay Charges	Past Due Late Pay Charges	Total Past Due Amount
Apr-20	\$ 360	28.19	\$ 302,086	\$ 13,966	\$ 316,052
May-20	\$ 334	42.88	\$ 221,923	\$ 17,458	\$ 239,381
Jun-20	\$ 363	61.93	\$ 210,720	\$ 23,022	\$ 233,742
Jul-20	\$ 360	71.73	\$ 216,350	\$ 30,461	\$ 246,811
Aug-20	\$ 403	90.07	\$ 205,658	\$ 33,955	\$ 239,613
Sep-20	\$ 333	97.43	\$ 162,957	\$ 33,062	\$ 196,019

Similar to Residential customer accounts, for Non-Residential customer accounts, the number of accounts with past due balances, the past due balance amount, and the weighted average days past due all decreased for the month of September compared to the previous month. In particular, the total past due amount, shown in Table 5, decreased (improved) **17%** from August.

(A) Counts for January - June are adjusted from what was previously reported to remove customers counted more than once.

(B) Weighted Average Past Due days are from the date the bill was due. Numbers previously reported for January - June were Average Days from Bill Date.

**All Customer Account Types:**

Table 7

<b>Amounts Charged to Bad Debt</b>			
<b>April - September 2020</b>			
<b>Month</b>	<b>Residential</b>	<b>Non-Residential</b>	<b>Total Amount Charged to Bad Debt</b>
Apr-20	\$ 5,865	\$ 498	\$ 6,363
May-20	\$ 3,600	\$ 1,259	\$ 4,859
Jun-20	\$ 7,154	\$ 2,015	\$ 9,169
Jul-20	\$ 1,923	\$ 8	\$ 1,931
Aug-20	\$ 2,394	\$ 4,322	\$ 6,716
Sep-20	\$ 1,811	\$ 3,570	\$ 5,381

**Shut-Offs for Non-Payment (SONPs) for All Account Types****September: 88**

The amount charged to bad debt for the month of September decreased from the previous month for both Residential and Non-Residential accounts. The SONP count of 88 occurred during the dates of 9/28/20 – 9/30/20, after the moratorium grace period.

**Notices/Communications**

While CGC has restarted SONPs, it is the hope of CGC that any customer who is subject to being disconnected for non-payment should enroll in the Alternative Payment Plan (APP) prior to their shutoff, and therefore avoid service interruption and additional fees. To that end, and pursuant to the Commission's order, CGC issued a press release on 8/25/20 informing all area media outlets of the upcoming end of the disconnect moratorium for CGC customers and the details of CGC's APP and how to sign up for it. Local media have run several stories highlighting this information and CGC has responded to a number of media requests. On 8/28/20 CGC mailed written notices, as well as duplicate email notices, to all approximately 68,000 CGC customers informing them that CGC will resume procedures for disconnection of service due to nonpayment on 9/28/20 and encouraging customers to sign up for the APP. Also, CGC updated its website to inform customers of the details of the APP and included links to sign up for the plan.

On 9/14/20, CGC mailed follow-up letters to all customers with significant past due balances reminding them that they may be subject to service disconnection beginning on 9/28/20. All these measures of advance notice are supplemental to the regular disconnect notices that are being mailed to customers prior to shutoff in accordance to CGC's tariff.

Additionally, CGC continues to communicate with state and local government and chambers of commerce on our activities, and to coordinate with other utilities and industry associations in the state to ensure greater consistency in our ongoing response.

### **Alternative Payment Plan**

As mentioned previously in this letter and included in all referenced notices, CGC specifically created a generous Alternative Payment Plan (APP) in response to the extraordinary economic hardships customers may be experiencing as a result of this pandemic. The APP is available for enrollment until December 31, 2020 for all customers who request it and it includes any charges incurred during the eligibility period from 3/12/20 until 12/31/20. The plan automatically eliminates any down payment requirements, waives any late fees incurred during the eligibility period or while on the plan, and provides a repayment duration of 12 months to catch up on a past due bill. Any customers who may have entered into a deferred payment arrangement with CGC after 3/12/20, but did not sign up for the specific APP, may renegotiate with CGC to enter into the APP by 12/31/20. Any customer who defaults on the APP (and does not make arrangements otherwise with CGC) will be subject to CGC's normal policies and procedures for past due balances and shutoffs for non-payment.

### **Customers Signed Up for the Alternative Payment Plan**

**Month of September: 551**

July 12, 2020 – September 30, 2020: 792

Since the time of inception of the Alternative Payment Plan in July, approximately **12%** of customer accounts with past due balances have signed up for the APP.

Table 8

Late Pay Charges Reversed based on APA Enrollment			
Month	Residential	Non-Residential	Total Late Pay Charges Reversed
Apr-20	\$ -	\$ -	\$ -
May-20	\$ -	\$ -	\$ -
Jun-20	\$ -	\$ -	\$ -
Jul-20	\$ -	\$ -	\$ -
Aug-20	\$ -	\$ -	\$ -
Sep-20	\$ 33,751	\$ 3,075	\$ 36,826
Total	\$ 33,751	\$ 3,075	\$ 36,826

Customers are also being informed through our website, email, press releases, and other outlets that other energy assistance options are available to support those impacted by the COVID-19 emergency.

### Recovery

While it is still very early in the process, and we are working hard to get all customers with past due balances to catch up on their bill and to sign up on the APP, at the appropriate time in an appropriate proceeding we will address the recovery of any expenses and lost revenues that have resulted from this pandemic.

Chattanooga Gas welcomes the opportunity to work with you and your staff so that citizens and customers are protected and can continue to receive safe and reliable natural gas service. Thank you for your ongoing efforts.

Sincerely,



Paul Teague  
 Director, External Affairs  
 Chattanooga Gas Company