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Tennessee Public Utility Commission
502 Deaderick Street, 4th 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 **December** 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
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
Oct-20	2,570	837	381	218	1,007	5,013
Nov-20	2,626	1,053	384	224	919	5,206

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
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
Oct-20	\$ 100,133	\$ 55,848	\$ 32,216	\$ 27,324	\$ 145,771	\$ 361,292
Nov-20	\$ 122,365	\$ 53,189	\$ 31,868	\$ 22,583	\$ 132,487	\$ 362,492

(A) Weighted Average Past Due days are from the date the bill was due.

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
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
Oct-20	\$ 72	114.86	\$ 285,444	\$ 75,848	\$ 361,292
Nov-20	\$ 70	113.16	\$ 293,832	\$ 68,660	\$ 362,492

For Residential customer accounts, the number of accounts with past due balances and the total past due amount increased for the month of November compared to the previous month. This is again due to new smaller past-due amounts for accounts that have not signed up for the APP. However, the average past due amount and the weighted average days past-due continue to decrease each month.

Non-Residential Customer Accounts:

Table 4

Month	Number of Non-Residential Customers with Past Due Balances (A)					Total Past Due Customer Count
	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	
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
Oct-20	260	82	34	19	141	536
Nov-20	278	119	35	21	122	575

(A) Weighted Average Past Due days are from the date the bill was due.

Table 5

Non-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
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
Oct-20	\$ 47,592	\$ 23,606	\$ 9,904	\$ 9,581	\$ 39,633	\$ 130,316
Nov-20	\$ 47,536	\$ 22,963	\$ 11,799	\$ 7,569	\$ 34,434	\$ 124,301

Table 6

Non-Residential Average			Non-Residential Late Pay Breakout		
Month	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
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
Oct-20	\$ 243	90.90	\$ 104,412	\$ 25,904	\$ 130,316
Nov-20	\$ 216	89.12	\$ 101,909	\$ 22,392	\$ 124,301

For Non-Residential customer accounts, the number of accounts with past due balances increased compared to the previous month. However, the past due balance amount and the weighted average days past due all continue to decrease each month.

(A) Weighted Average Past Due days are from the date the bill was due.

All Customer Account Types:

Table 7

Amounts Charged to Bad Debt			
January - November 2020			
Month	Residential	Non-Residential	Total Amount Charged to Bad Debt
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
Oct-20	\$ 5,581	\$ 1,190	\$ 6,771
Nov-20	\$ (2,033)	\$ (171)	\$ (2,204)
Note: negative numbers indicate that recoveries of bad debt exceeded charge offs			

Shut-Offs for Non-Payment (SONPs) for All Account Types**September: 88****October: 624****November: 57**

The amount charged to bad debt for the month of November significantly decreased from the previous month for both Residential accounts and Non-Residential accounts, with recoveries actually exceeding charge offs. Also, SONPs decreased, with a count of 57 for the dates of 11/1/20 – 11/30/20.

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. *The data shown in the tables above for past-due balances do not include customers who sign up for the APP, unless they default on their plan.*

Customers Signed Up for the Alternative Payment Plan

Month of November: 140

July 12, 2020 – November 30, 2020: 1,185

****Note: APP enrollment period ends 12/31/20***

Table 8

Late Pay Charges Reversed based on APA Enrollment			
Month	Residential	Non-Residential	Total Late Pay Charges Reversed
Jun-20	\$ -	\$ -	\$ -
Jul-20	\$ -	\$ -	\$ -
Aug-20	\$ -	\$ -	\$ -
Sep-20	\$ 33,751	\$ 3,075	\$ 36,826
Oct-20	\$ 22,415	\$ 5,561	\$ 27,976
Nov-20	\$ 3,079	\$ 1,043	\$ 4,122
Total	\$ 59,245	\$ 9,679	\$ 68,924

Customers are 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,

A handwritten signature in black ink, appearing to read "Paul Teague". The signature is fluid and cursive, with the first name "Paul" and last name "Teague" clearly distinguishable.

Paul Teague
Director, External Affairs
Chattanooga Gas Company