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Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

20-00047

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 **January** 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
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
Dec-20	2,608	967	427	248	837	5,087

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
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
Dec-20	\$ 172,922	\$ 61,701	\$ 28,054	\$ 23,713	\$ 122,356	\$ 408,746

(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
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
Dec-20	\$ 80	101.91	\$ 342,014	\$ 66,732	\$ 408,746

For Residential customer accounts, the total past due amount and the average past due amount increased for the month of December compared to the previous month. However, the number of accounts past due 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	
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
Dec-20	299	84	36	25	116	560

(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
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
Dec-20	\$ 61,654	\$ 15,647	\$ 8,901	\$ 6,107	\$ 27,520	\$ 119,829

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
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	\$ 101,904	\$ 22,397	\$ 124,301
Dec-20	\$ 214	79.76	\$ 101,905	\$ 17,924	\$ 119,829

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 in December compared to the previous 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			
July - December 2020			
Month	Residential	Non-Residential	Total Amount Charged to Bad Debt
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)
Dec-20	\$ 6,727	\$ 1,558	\$ 8,285
Total	\$ 16,403	\$ 10,477	\$ 26,880

Note: negative numbers indicate that recoveries of bad debt exceeded charge offs

The amount charged to bad debt for the month of December increased from the previous month for both Residential accounts and Non-Residential accounts.

Shut-Offs for Non-Payment (SONPs) for All Account Types

September: 88

October: 624

November: 57

December: 108

SONPs increased in December, with a count of 108 for the dates of 12/1/20 – 12/31/20.

Deferred Payment Arrangements

As mentioned in previous communications, CGC specifically created a generous Deferred Payment Arrangement (DPA), known as the Alternative Payment Plan (APP), in response to the extraordinary economic hardships customers may have experienced as a result of this pandemic. The APP was available for enrollment from 7/12/20 until 12/31/20 for all customers; and it is now closed for enrollment. 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 past due bills incurred during the shutoff moratorium. Going forward in 2021, as usual any customer may request to enter into Deferred Payment Arrangements (DPA), which are created on a case-by-case basis. Any customer who defaults on any DPA (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 DPAs, unless they default on their plan.*

Customers Signed Up for the Alternative Payment Plan

Month of December: 174

July 12, 2020 – December 31, 2020: **1,359**

**Note: APP enrollment period ended 12/31/20;*

DPAs remain available on a case-by-case basis

Table 8

Late Pay Charges Reversed based on APP Enrollment			
July - December 2020			
Month	Residential	Non-Residential	Total Late Pay Charges Reversed
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
Dec-20	\$ 5,556	\$ 768	\$ 6,324
Total	\$ 64,801	\$ 10,447	\$ 75,248

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

We continue to work hard to get all customers with past due balances to catch up on their bill and avoid service disconnection. 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" being more prominent than the last name "Teague".

Paul Teague
Director, External Affairs
Chattanooga Gas Company