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Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
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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 **March** 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
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
Jan-21	2,776	606	348	209	626	4,565
Feb-21	3,277	585	227	214	581	4,884

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
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
Jan-21	\$ 264,528	\$ 54,592	\$ 31,806	\$ 14,339	\$ 59,754	\$ 425,019
Feb-21	\$ 352,032	\$ 66,235	\$ 28,579	\$ 22,737	\$ 43,390	\$ 512,973

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

(B) January 2021 past due days were reduced by charge offs that were processed in the month resulting from October credit cuts.

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
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
Jan-21	\$ 93	60.29	\$ 378,883	\$ 46,136	\$ 425,019
Feb-21	\$ 105	46.30	\$ 468,702	\$ 44,271	\$ 512,973

For Residential customer accounts, the number of accounts past due, the total past due amount, and the average past due amount increased for the month of February compared to the previous month. This is mainly due to increases in accounts <30 past due as a result of typically higher monthly bills during winter months. However, 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	
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
Jan-21	349	74	31	19	66	539
Feb-21	432	70	27	10	68	607

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

(B) January 2021 past due days were reduced by charge offs that were processed in the month resulting from October credit cuts.

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
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
Jan-21	\$ 96,297	\$ 14,425	\$ 5,400	\$ 3,201	\$ 17,237	\$ 136,560
Feb-21	\$ 124,198	\$ 18,066	\$ 6,658	\$ 6,286	\$ 12,794	\$ 168,002

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
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
Jan-21	\$ 253	52.91	\$ 123,276	\$ 13,284	\$ 136,560
Feb-21	\$ 277	42.44	\$ 153,433	\$ 14,569	\$ 168,002

For Non-Residential customer accounts, the number of accounts with past due balances and the total past due balance amount increased in February compared to the previous month. This is also mainly due to increases in accounts <30 past due as a result of typically higher monthly bills during winter months. However, the weighted average days past due decreased in February compared to the previous month.

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

(B) January 2021 past due days were reduced by charge offs that were processed in the month resulting from October credit cuts.

All Customer Account Types:

Table 7

Amounts Charged to Bad Debt			
September 2020 - February 2021			
Month	Residential	Non-Residential	Total Amount Charged to Bad Debt
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
Jan-21	\$ 64,388	\$ 14,554	\$ 78,942
Feb-21	\$ 10,728	\$ (99)	\$ 10,629
Total	\$ 110,392	\$ 34,543	\$ 107,804
Note 1: Negative numbers indicate that bad debt recoveries exceeded charge offs			
Note 2: Charge offs in January 2021 relate to credit cuts in October 2020.			

The amount charged to bad debt for the month of February decreased significantly from the previous month for both Residential accounts and Non-Residential accounts. This is mainly due to processed charge offs in January for credit cuts in October. While the bad debt amount decreased from last month, we anticipate continuing to see higher charge off amounts going forward in 2021 than were typically seen in 2020 resulting from the shut off moratorium.

Shut-Offs for Non-Payment (SONPs) for All Account Types**September: 88****October: 624****November: 57****December: 108****January: 43****February: 152**

SONPs increased in February, with a count of 152 for the dates of 2/1/21 – 2/28/21.

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 APP / DPA

Month of January DPAs: 223

Month of February DPAs: 233

July 12, 2020 – December 31, 2020: 1,359 (APPs)

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

DPAs remain available on a case-by-case basis

Late Pay Charges Reversed Based on APP Enrollment

September 2020 – December 2020: \$75,248

**Note: No new activity after 12/31/20*

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. These resources include:

- Potential emergency food, clothing, or financial assistance through their local United Way agency, by dialing 2-1-1 or 1-866-921-3035
- Instructions on how and where to apply for the federal Low-Income Energy Assistance Program (LIHEAP)
- Nonprofit Credit Counseling agencies, such as ClearPoint at 1-800-251-2227

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".

Paul Teague
Director, External Affairs
Chattanooga Gas Company