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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 **June** 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 |
| 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 |
| Mar-21 | 2,705 | 644 | 285 | 125 | 571 | 4,330 |
| Apr-21 | 2,987 | 683 | 303 | 180 | 598 | 4,751 |
| May-21 | 3,195 | 833 | 329 | 232 | 633 | 5,222 |

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 |
| Dec-20 | \$ 172,922 | \$ 61,701 | \$ 28,054 | \$ 23,713 | \$ 122,356 | \$ 408,746 |
| Jan-21 | \$ 172,922 | \$ 61,701 | \$ 28,054 | \$ 23,713 | \$ 122,356 | \$ 408,746 |
| Feb-21 | \$ 352,032 | \$ 66,235 | \$ 28,579 | \$ 22,737 | \$ 43,390 | \$ 512,973 |
| Mar-21 | \$ 294,128 | \$ 84,585 | \$ 39,744 | \$ 17,940 | \$ 45,204 | \$ 481,601 |
| Apr-21 | \$ 268,302 | \$ 97,285 | \$ 49,983 | \$ 24,704 | \$ 53,258 | \$ 493,532 |
| May-21 | \$ 225,010 | \$ 98,560 | \$ 61,048 | \$ 39,026 | \$ 55,242 | \$ 478,886 |

(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 |
| 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 |
| Mar-21 | \$ 111 | 49.68 | \$ 435,799 | \$ 45,802 | \$ 481,601 |
| Apr-21 | \$ 104 | 54.00 | \$ 438,951 | \$ 54,581 | \$ 493,532 |
| May-21 | \$ 92 | 59.40 | \$ 424,276 | \$ 54,610 | \$ 478,886 |

For Residential customer accounts, the average past due amount and the total past due amount decreased for the month of May compared to the previous month. However, the number of accounts past due and the weighted average days past due increased. **This table reflects a leveling of the data over the past few months and is consistent with previous years' normal account activity.**

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 | |
| Dec-20 | 299 | 84 | 36 | 25 | 116 | 560 |
| Jan-21 | 201 | 82 | 54 | 42 | 215 | 594 |
| Feb-21 | 432 | 70 | 27 | 10 | 68 | 607 |
| Mar-21 | 320 | 98 | 37 | 12 | 63 | 530 |
| Apr-21 | 281 | 83 | 45 | 26 | 70 | 505 |
| May-21 | 301 | 90 | 48 | 28 | 88 | 555 |

(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 |
| Dec-20 | \$ 61,654 | \$ 15,647 | \$ 8,901 | \$ 6,107 | \$ 27,520 | \$ 119,829 |
| Jan-21 | \$ 69,452 | \$ 44,532 | \$ 28,319 | \$ 24,672 | \$ 72,638 | \$ 239,613 |
| Feb-21 | \$ 124,198 | \$ 18,066 | \$ 6,658 | \$ 6,286 | \$ 12,794 | \$ 168,002 |
| Mar-21 | \$ 120,457 | \$ 24,528 | \$ 7,384 | \$ 2,501 | \$ 12,351 | \$ 167,221 |
| Apr-21 | \$ 96,005 | \$ 32,559 | \$ 12,504 | \$ 5,195 | \$ 13,090 | \$ 159,353 |
| May-21 | \$ 76,807 | \$ 34,933 | \$ 19,062 | \$ 9,807 | \$ 15,327 | \$ 155,936 |

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 |
| 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 |
| Mar-21 | \$ 316 | 41.64 | \$ 154,000 | \$ 13,221 | \$ 167,221 |
| Apr-21 | \$ 316 | 49.70 | \$ 145,210 | \$ 14,143 | \$ 159,353 |
| May-21 | \$ 281 | 58.44 | \$ 140,759 | \$ 15,177 | \$ 155,936 |

For Non-Residential customer accounts, the total past due amount and the average past due amount decreased for the month of May compared to the previous month. However, the number of accounts past due and the weighted average days past due increased. **Similar to Residential accounts, this table reflects a leveling of the data over the past few months and is consistent with previous years' normal account activity.**

(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 | | | |
|--|-------------|-----------------|----------------------------------|
| January 2021 - May 2021 | | | |
| Month | Residential | Non-Residential | Total Amount Charged to Bad Debt |
| Jan-21 | \$ 64,388 | \$ 14,554 | \$ 78,942 |
| Feb-21 | \$ 10,728 | \$ (99) | \$ 10,629 |
| Mar-21 | \$ 12,191 | \$ 1,861 | \$ 14,052 |
| Apr-21 | \$ 6,420 | \$ 830 | \$ 7,250 |
| May-21 | \$ 11,612 | \$ 4,159 | \$ 15,771 |
| Total | \$ 105,339 | \$ 21,305 | \$ 126,644 |
| Note 1: negative numbers indicate that recoveries of bad debt 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 May increased from the previous month for both Residential accounts and Non-Residential accounts.

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

October 2020: 624

November 2020: 57

December 2020: 108

January 2021: 43

February 2021: 152

March 2021: 316

April 2021: 307

May 2021: 219

SONPs decreased in May, with a count of 219 for the dates of 5/1/21 – 5/31/21.

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.*

Customer Sign-Ups for New DPAs

January 2021 DPAs: 223

February 2021 DPAs: 233

March 2021 DPAs: 192

April 2021 DPAs: 117

May 2021 DPAs: 113

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