

The Berkshire Gas Company
2020 Commercial Arrearage Forgiveness Program
COVID-19 Plan
September 17, 2020

The Berkshire Gas Company (“BGC” or the “Company”) 2020 Commercial Arrearage Forgiveness Program (“AFP” or the “Program”) is a program designed to meet the needs of financially challenged small and medium commercial¹ customers to assist in paying arrears due to the Company, that have accrued or increased during the Commonwealth of Massachusetts’ State of Emergency (“State of Emergency”) addressing the COVID-19 pandemic. As a result of the COVID-19 pandemic, and in coordination with the Customer Assistance Working Group convened in D.P.U. 20-58,² the Company submits this Commercial AFP to be made available to eligible small and medium commercial customers, as defined herein.

The Program will be available for eligible customers, as defined below, commencing on September 3, 2020 when the Program was approved by the Department of Public Utilities (the “Department”) until March 31, 2021. As a winter peaking utility, the Company anticipates that small and medium commercial customers within the Company’s service territory may not experience the full financial impact of the COVID-19 pandemic until the upcoming winter season and therefore will pro-actively extend availability to enroll in the Company’s Commercial AFP through the end of March 2021. The Company may seek approval by the Department for an extension of the Commercial AFP.

A. Program Goal

The Program has two main goals:

- (1) To encourage small and medium commercial customers to enroll in, and successfully complete, a payment plan; and
- (2) To enhance assistance to the Company’s small and medium commercial customers that have developed or have increased arrears during the State of Emergency by providing a program that helps to provide economic relief through a reduction of accrued arrearage.

B. Enrollment Eligibility Requirements

A small and medium commercial customer must call the Company to enroll. To qualify, a customer must:

¹ Small and medium Commercial customers are those receiving service on rate classes C&I, Low Annual Use, Low Load (G-41), C&I Medium Annual Use, Low Load (G-42), C&I, Low Annual Use, High Load (G-51), or C&I Medium Annual Use, High Load (G-52).

² Inquiry of the Department of Public Utilities into Establishing Policies and Practices for Electric and Gas Companies Regarding Customer Assistance and Ratemaking Measures in Connection with the State of Emergency Regarding the Novel Coronavirus (COVID-19) Pandemic, D.P.U. 20-58 (May 11, 2020).

- Have an active small or medium commercial gas account in their name with the Company³ billed under rate classes C&I, Low Annual Use, Low Load (G-41), C&I Medium Annual Use, Low Load (G-42), C&I, Low Annual Use, High Load (G-51), or C&I Medium Annual Use, High Load (G-52); and
- Have indicated they need assistance to pay bills that have accrued or increased during the COVID-19 pandemic and have arrears greater than 30 days past due; and
- Have agreed to be placed on a payment plan for up to 12 months.

In addition, a small or medium commercial customer who is currently enrolled and current with payments in a Deferred Payment Plan as of the date of the Department's Order approving the Program is eligible for the Programs credits as applicable.

A down payment is not required for enrollment in the Program. The first monthly payment plan amount due is not to exceed 30 days from the start date of the payment plan. Once an eligible customer is enrolled in the Program, no late payment charges will be assessed, and service will be protected from disconnection for the duration of the customer's payment plan as long as the customer makes the required monthly payments.

C. Available Credits

Given that the onset of the Covid-19 pandemic and subsequent closure of non-essential businesses occurred in late winter / early spring of 2020, the Company expects that many of the small and medium commercial customers had the financial ability to continue to pay their lower summer utility bills. However, most of the small and medium customers within the Company's service territory rely on summer tourism and higher summer revenues to cover higher utility bills during the winter months when their revenues are lower.

Due to the Covid-19 pandemic, all summer tourism venues (e.g., Tanglewood) were closed and travel to the region was restricted resulting in significant loss of revenue for area hotels, restaurants, retail stores, etc. The company expects these customers will experience greater financial impacts in the coming winter season and in order to succeed on the Company's Commercial AFP and ultimately achieve financial recovery from the Covid-19 pandemic, will need forgiveness of the highest historical bill amount instead of the lower bill amounts occurring in the months of April and May.

Eligible customers can only receive the credits identified below once.

When an eligible customer participates in a payment plan they will be eligible to receive arrearage forgiveness by Company in two installments in the form of a bill credit, as follows:

The value of the first and second credit shall be equal to the customer's highest bill in the previous 12 (twelve) month period. The first credit shall be applied upon completion of the first required payment in the payment plan; and

³ Due to Berkshire Gas Company's unique service territory, Berkshire Gas Company will allow small and medium gas customers billed under the small commercial rate class to participate in the Program.

The value of the second credit shall be applied once the customer pays the last required payment in the payment plan.

D. Re-Instatement

If a customer fails to make payment(s) pursuant to the Program, the customer may be removed from the Program. A customer who breaches the terms of the Program may be re-instated in the Program upon receipt of all outstanding payments due on the AFP.

E. Customer Outreach

On In-Bound calls, the Company will promote the program and offer the AFP to any small or medium commercial customer who indicates that they have been financially impacted by the COVID-19 pandemic to the extent they meet the Program's eligibility requirements.

The Company will also promote the Program via direct mail, and outbound calls targeting those small and medium commercial customers who have arrears greater than 30 days past due.

F. Terms & Conditions

A customer enrolled in the Program is subject to the Company's Terms and Conditions for Distribution Service, as in effect from time to time. The Program may be modified or terminated by the Company in accordance with and subject to the regulations of the Department. Any modification or termination shall not affect an existing plan.

G. Customer Confidentiality

The Company shall report all participants served in this program to the Department. However, specific customer names will be redacted from publicly available documents.

H. Program Cost Recovery

Costs associated with the Program shall be deferred for later review and approval for recovery by the Department following the Department's decision on D.P.U. 20-58 Ratemaking Proposal.

I. Reporting

The Company will submit quarterly reports to the Department with the following Program data: (1) number of customers enrolled in the Program; (2) number of new customers enrolled; (3) total dollar amount forgiven; and (4) number of customers who successfully completed Program.