Overview of the Collection Process

When an account bills, the system expects to receive payment on, or before, the due date associated with that bill. If this payment is received, no further action takes place. If payment is not received, the account is selected in the CIS Collection process. "Selected" means that it may or may not be sent through the collection process depending on the credit status of the account (i.e. GOOD, RISK, etc.)

Depending upon the Credit Rating, the account status and system set up, the CIS will print a notice if it is warranted. In addition, the Account Collection History will be updated with Credit Marks (aka - collection demerits) and information on the type of notice, message and/or letter sent.

The collection process typically involves a series of written reminders and warnings (collection notices) that encourage the customer to pay the outstanding amount due before a stated due date. If the customer does not make the payment, or agree to a payment arrangement, the system proceeds to the next collection step and the customer receives the next appropriate notice.

Parameters set up in the system Control Files identify the minimum balances, previous credit history and other criteria the system uses to trigger collection events.

If the customer defaults on a payment plan, the account moves back into the regular collection process (unless it has an Account Status that exempts it from collections—there are very few of these "Exempts" in our system. An account can be assigned a credit rating that exempts it from collection or it can be moved to a "hold" status by entering an Account Hold on the Account Dates screen. Only supervisors have this clearance..) Accounts without exempt status may be offered available options which include granting an extension or stopping collection until the next billing cycle. This will be covered when we talk about granting extensions.

If the customer pays the arrears balance in full at any time within the collection cycle, the collection process will stop when the system reviews the account for the next action. The history of the actions previously taken is retained and the account waits for the next billing cycle to begin. If the customer pays part of the balance, the system evaluates the account at the time of the next collection review date to see if the limits still warrant the next collection event.

If the customer does not pay or make acceptable arrangements after all the notice events have taken place, the system can automatically generate a disconnect service order (CSO 7000.) Our CIS system determines, through Control File setups, the parameters for generating disconnect orders.
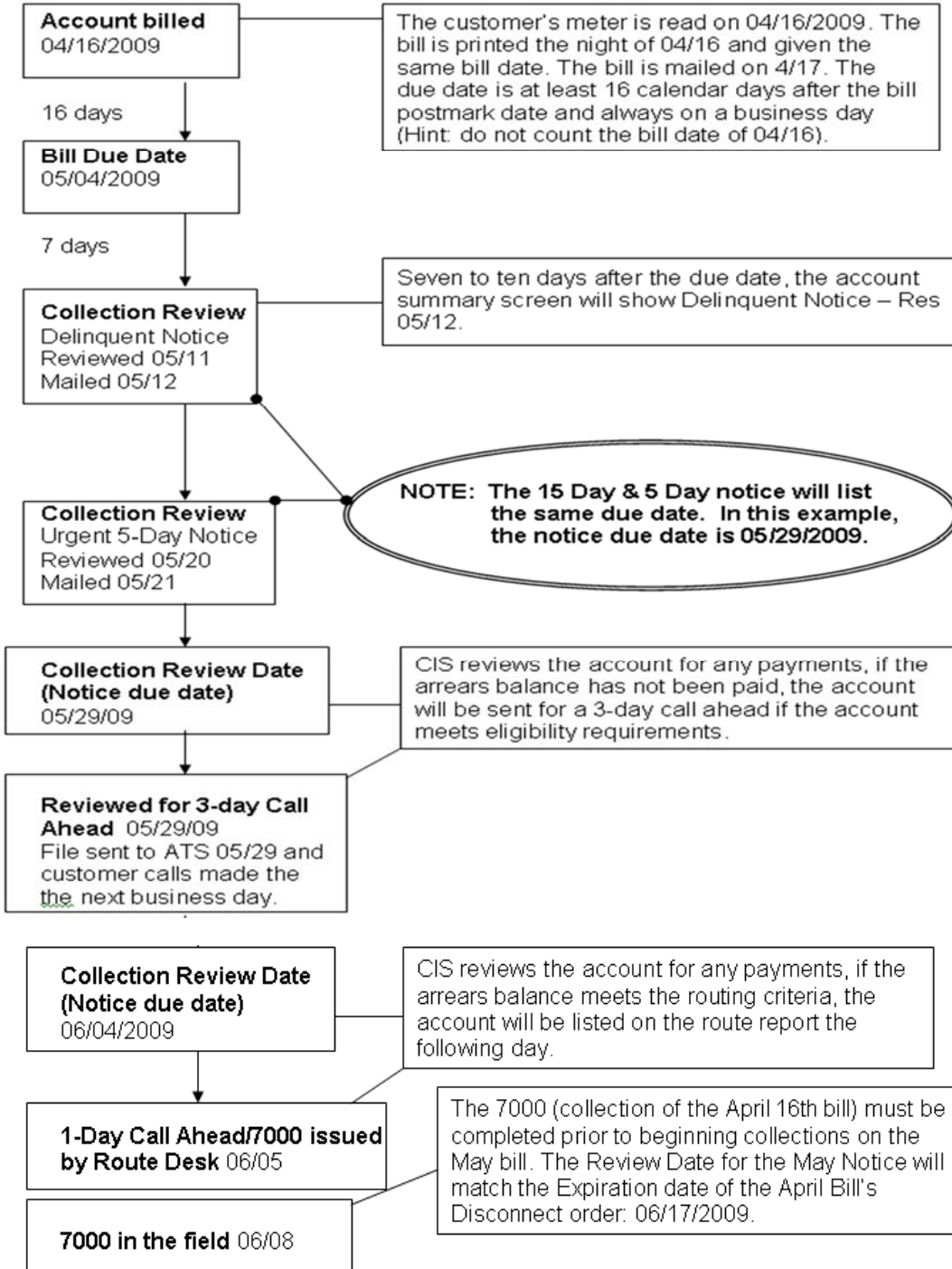
These parameters can be changed at any time depending on company needs. For example, in the winter months we sometimes determine that we will only issue disconnects on accounts with past due balances over $100. In this case, the system would not issue a disconnect order, but would automatically record in the Collection History that the account had been eligible for disconnect but was "Held" by company request. If, on the other hand, certain accounts need to be routed, they can be selected for disconnect even though the general parameters for that day have been changed.

CIS will automatically consider pending energy assistance, payment arrangements and payment plans when evaluating accounts for Collection Action (i.e. notices— Energy Assistance will not be reflected on regular statements until we have received the funds.) CIS will also evaluate accounts for deposit payments due, NSF checks and so forth. CIS will automatically cancel payment plans after a disconnect order is completed and record the reason in the Plan Ending Reason field.
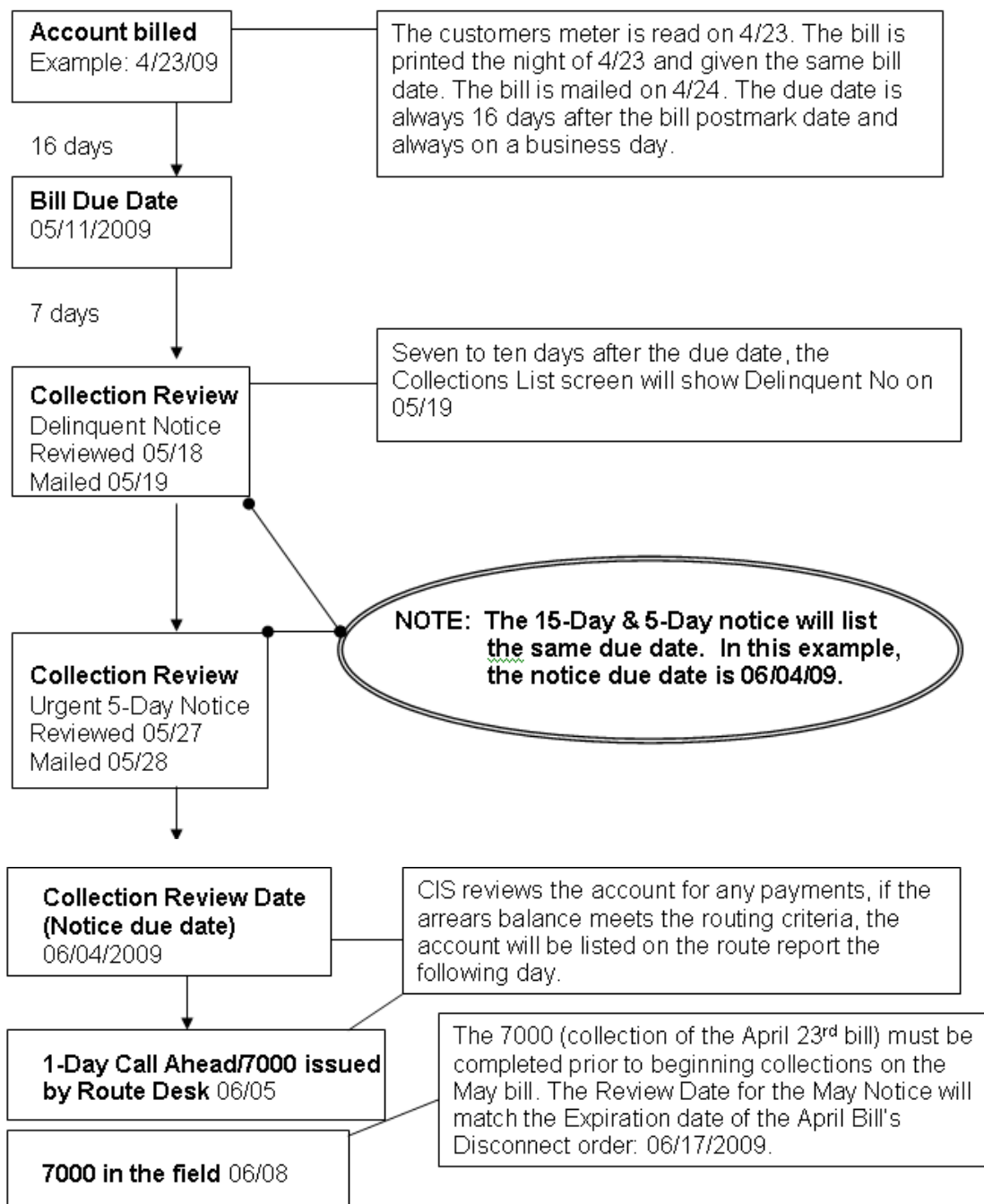
Credit Activity Flow Charts

Residential

Example Account 382378-8 for Katrina Staigle

| **Account billed** 04/16/2009 | The customer's meter is read on 04/16/2009. The bill is printed the night of 04/16 and given the same bill date. The bill is mailed on 4/17. The due date is at least 16 calendar days after the bill postmark date and always on a business day (Hint: do not count the bill date of 04/16). |

16 days

Bill Due Date 05/04/2009

7 days

| **Collection Review** Delinquent Notice Reviewed 05/11 Mailed 05/12 | Seven to ten days after the due date, the account summary screen will show Delinquent Notice – Res 05/12. |

NOTE: The 15 Day & 5 Day notice will list the same due date. In this example, the notice due date is 05/29/2009.

Collection Review Urgent 5-Day Notice Reviewed 05/20 Mailed 05/21

| **Collection Review Date** (Notice due date) 05/29/09 | CIS reviews the account for any payments, if the arrears balance has not been paid, the account will be sent for a 3-day call ahead if the account meets eligibility requirements. |

Reviewed for 3-day Call Ahead 05/29/09 File sent to ATS 05/29 and customer calls made the the next business day.

| **Collection Review Date** (Notice due date) 06/04/2009 | CIS reviews the account for any payments, if the arrears balance meets the routing criteria, the account will be listed on the route report the following day. |

| **1-Day Call Ahead/7000 issued by Route Desk** 06/05 | The 7000 (collection of the April 16th bill) must be completed prior to beginning collections on the May bill. The Review Date for the May Notice will match the Expiration date of the April Bill's Disconnect order: 06/17/2009. |

7000 in the field 06/08

Commercial

Example Account 266173-4 for Maiden Industrial Park

Account billed
Example: 4/23/09

The customers meter is read on 4/23. The bill is printed the night of 4/23 and given the same bill date. The bill is mailed on 4/24. The due date is always 16 days after the bill postmark date and always on a business day.

16 days

Bill Due Date
05/11/2009

7 days

Collection Review
Delinquent Notice
Reviewed 05/18
Mailed 05/19

Seven to ten days after the due date, the Collections List screen will show Delinquent No on 05/19

Collection Review
Urgent 5-Day Notice
Reviewed 05/27
Mailed 05/28

NOTE: The 15-Day & 5-Day notice will list the same due date. In this example, the notice due date is 06/04/09.

Collection Review Date (Notice due date)
06/04/2009

CIS reviews the account for any payments, if the arrears balance meets the routing criteria, the account will be listed on the route report the following day.

1-Day Call Ahead/7000 issued by Route Desk 06/05

The 7000 (collection of the April 23rd bill) must be completed prior to beginning collections on the May bill. The Review Date for the May Notice will match the Expiration date of the April Bill's Disconnect order: 06/17/2009.

7000 in the field 06/08

Routing Criteria

Below are the current routing criteria.

Things to keep in mind when making arrangements with customers:

- Routing amounts could be changed without notice to meet business needs.
- Do not share minimum amounts with customers.
- Stop action if needed; don't assume that if a past due amount falls below the threshold they will not be routed.

Account Type	20-Day Notice		5-Day Notice	
Non-Plan	**Minimum A/R Amount**		**Minimum A/R Amount**	
Good +2	$20/ 60 days		$75	
Good	$75		$75	
Risk	$75		$75	
BD/Coll	$75		$75	
LPP/CB+	**Minimum A/R Amount**	**Minimum Plan Amount**	**Minimum A/R Amount**	**Minimum Plan Amount**
Good	$100	$50	$100	$50
Risk	$100	$50	$100	$50
BD/Coll	$100	$50	$100	$50
EPP	**Minimum A/R Amount**	**Minimum Plan Amount**	**Minimum A/R Amount**	**Minimum Plan Amount**
Good +2	$100	$10/ 60 days	$100	$50
Good	$100	$100	$100	$100
Risk	$100	$50	$100	$50
BD/Coll	$100	$50	$100	$50
EPP-C	**Minimum A/R Amount**	**Minimum Plan Amount**	**Minimum A/R Amount**	**Minimum Plan Amount**
Good +2	$100	$10/60	$150	$100
Good	$150	$100	$150	$100

Initial TPA amounts of $25 (or TPA and deposit installments totaling $25) may be routed for disconnection.

ATS Call Ahead

Overview

All accounts are reviewed for an ATS Call Ahead prior to a 7000 being issued.

The day after an Urgent Final Shut-off Notice (5-day Notice) is due, a file of eligible, delinquent accounts is sent to Active Telesource (ATS.) Residential accounts get reviewed for a 3-day day and 1-day call ahead. Commercial accounts are only reviewed for a 1-day call ahead, unless the account is on a payment plan. If the commercial account is on a payment plan, they will get both the 3-day and 1-day call ahead. Active Telesource will attempt to collect a payment by phone on each call ahead to help the customer prevent a service interruption. This call-ahead program is not a PUC requirement and is provided as a courtesy for qualifying customers.

The ATS Call-Ahead program will call all customers on their list up to two times. **They do not leave a message on an answering machine until the last attempt** to reach the customer. After the last attempt, a CALLA contact will be created in CCOM with a finish code.

Call Ahead Eligibility

Accounts are not eligible for a call ahead when:

- The account has a CREDT contact in the previous five business days.

- The account has a IVARG (IVR Payment Arrangements Accepted) or WBARG (Web Payment Arrangements Accepted) contact in the previous five business days.

- The residential account has an invalid home phone number on file; cell phone numbers will be used (if available) when a home phone number is not on file.

- The commercial account has an invalid business phone number on file; home phone numbers will be used (if available) when a business phone number is not on file.

- The account has a "Password" flag.

- The account has a "No Checks" flag.

- The account has a "Medical Exemption" flag.

- The account has a "No Call Aheads" flag.