

## Energy Project Data Request 20

### Rule 11D: Recovery of Collection Agency Costs. A. General:

In response to WUTC Staff Data Request No. 4, the Company stated that 2013 collection costs covered a range of collection costs as high as \$888.74. Assuming a 20% collection cost contracted rate, this would indicate that the unpaid debt was \$4443.70. In this regard, please respond to the following:

1. What was the actual amount of the unpaid debt for which the collection cost of \$888.74 was recovered?
2. Was the unpaid debt a residential account?
3. Please explain how an unpaid residential debt can reach such a sizeable amount before collection and disconnection has occurred or the bill has been written off as bad debt expense?

### Response to Energy Project Data Request 20

1. The actual amount of the unpaid debt was \$3,280.66. When reviewing this account in detail it was discovered that the above collection cost was calculated incorrectly. This account collection cost was \$656.13.
2. Yes.
3. This customer had multiple payment agreements that were canceled due to non-payment. The customer also had multiple returned checks that canceled collection actions to disconnect. The customer claimed "prior obligation" three times and had four accounts with the Company from 2006 to 2013, which means that the customer was not responsible for paying the debt in order to receive service. The Company will collect a deposit from the customer at the time of new service and assign the prior obligation debt to a collection agency. All the regular notifications took place to disconnect service. In 2013, the customer discontinued service. In April 2013, the customer paid the majority of the balance from all four accounts, leaving only \$75.03 left to be paid.

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