

400 North Fourth Street
Bismarck, ND 58501
701-222-7900

June 30, 2020

Ms. Patty Van Gerpen
South Dakota Public Utilities Commission

RE: COVID-19 Service Disconnections

Dear Ms. Van Gerpen:

Montana-Dakota Utilities Co. (Montana-Dakota) provided notice to the South Dakota Public Utilities Commission (Commission) of its cessation of service disconnections and assessment of late payment charges at the onset of the COVID-19 pandemic¹ in order to minimize risk for its employees and to recognize hardships faced by customers given the uncertain economic conditions.

Since the time service disconnections were ceased, Montana-Dakota's credit team has been making phone calls to customers with past due account balances and discussing payment arrangements and providing information regarding energy assistance that may be available to the customer. While many customers did enter into payment arrangements, the past due accounts continue to increase and it has now been determined that since many of the restrictions have been lifted, and in order to manage past due balances prior to the start of the next winter heating season, it is appropriate to restart the service disconnection process. Following is a comparison of past due accounts as of June 19, 2020 to that same date in 2019 and 2018.

	Accounts	Total Past Due
2020		
Residential	6,541	\$894,710.24
Small Commercial	456	\$161,742.99
Large Comm/Industrial	3	\$9,528.24
Total	7,000	\$1,065,981.47
2019		
Residential	6,076	\$671,425.42
Small Commercial	305	\$80,155.91
Large Comm/Industrial	1	\$31.65
Total	6,382	\$751,612.98
2018		
Residential	6,547	\$723,129.47
Small Commercial	322	\$101,422.96
Large Comm/Industrial	1	172.95
Total	6,870	\$824,725.38

¹ Service disconnections and the assessment of late payment charges were stopped as of March 16, 2020.

Montana-Dakota is preparing to restart the credit process on September 1, 2020. Following is a timeline of the processes that will be restarted and a description of the communications and means of communication that will be implemented in order to inform customers.

- Starting on July 8, 2020 (first date the July cycle 1 bills will be mailed), the bill insert provided in Attachment A will be included with all bills issued during the months of July and August. As noted, the insert provides notice to the customer that the service disconnection process will be restarted soon and requests customers to contact the Customer Experience Team (CXT) to discuss a payment arrangement and energy assistance programs.
- Also, on July 8, customers with past due balances will see the message provided in Attachment B displayed on their bill.
- Finally, Montana-Dakota will post the following information on its website beginning on July 8, 2020:

Montana-Dakota Utilities suspended disconnections and late fees for past-due accounts in mid-March because of COVID-19 financial hardships. The company is planning to lift that suspension and will start the disconnection and late fee process for past-due accounts soon. If you have a past-due account, now is a great time to take advantage of Montana-Dakota Utilities payment plan designed specifically to relieve financial hardships as a result of the COVID-19 pandemic. We can also direct you to federal, state, and local agencies that provide financial assistance to pay utility bills. Please contact our Customer Service -Department at 1-800-638-3278 to discuss your payment plan and/or -financial assistance options.

- An auto-call process will be utilized to advise customers with a past due account(s) of the plan to restart the disconnection process and again requesting a call back to discuss payment arrangements and energy assistance options.
- Commercial accounts have been prioritized based on past due balances and other risk factors, and representatives from our Credit and Collections Team will attempt to contact each of these customers via manual outbound calling.
- Beginning on September 1, 2020 the credit process will be restarting in the Customer Care and Billing System. At that time, past due accounts will undergo a credit review process at the time the account goes through the designated billing cycle. Accounts qualifying for disconnection will be subject to the credit process from that point forward. The process in South Dakota, in accordance with Commission Rules is as follows:

- An auto-generated call will be initiated following the issuance of the bill advising the customer that they have a past due balance and that payment, or a payment arrangement must be made immediately to avoid disconnection of service.
- If neither a payment nor payment arrangement is made by the 3rd calendar day following the call, a Notice of Disconnection of Service will be mailed to the customer. The Notice of Disconnection states that if payment is not made by “x” date (10 business days after the Notice date) service is subject to disconnection.
- A manual call from an agent is made on all accounts considered for disconnection. This provides a level of thoroughness that is not achieved solely through the use of unattended calling. This manual attempt is made at least a full business day before disconnection and the Credit Agents continue to work with customers to discuss assistance options, provide time to pay or to make reasonable payment arrangements to avoid disconnection.

Based on experience, the Company expects that the notices will generate calls to the Credit Representatives and result in payment in full or the establishment of a payment arrangement. Montana-Dakota typically allows a maximum of 3 months under a payment arrangement. However, those payment arrangements will be allowed to be stretched up to 12 months to address this unprecedented situation.

Late payment charges applicable to past due balances will also be restarted on September 1, 2020 and assessed on a customer’s past due balance beginning with the first bill cycle in September.

Please contact Tamie Aberle at tamie.aberle@mdu.com or 701.222.7856 with any specific questions you have regarding this disconnection restart plan. We appreciate working with you and the Commission in plans established to protect employees and addressing customer hardships.

Sincerely,



Garret Senger
Executive Vice President, Regulatory Affairs,
Customer Service and Administration

Cc: Nicole Kivisto
Travis Jacobson
Brett Koenecke
Attachments

IMPORTANT CUSTOMER NOTICE

Montana-Dakota Utilities suspended disconnections and late fees for past-due accounts in mid-March because of COVID-19 financial hardships. The company is planning to lift that suspension and will start the disconnection and late fee process for past-due accounts soon.

If you have a past-due account, now is a great time to take advantage of MDU's payment plan designed specifically to relieve financial hardships as a result of the COVID-19 pandemic. We can also direct you to federal, state, and local agencies that provide financial assistance to pay utility bills. More information is available on our website; www.montana-dakota.com, or by scanning the QR code on this notice.

You can reach Customer Service at 800-638-3278, M-F, 7:30 A.M. - 6:30 P.M.



Important Notice

Montana-Dakota Utilities suspended disconnections and late fees in mid-March because of COVID-19 financial hardships. We are planning to lift that suspension and will resume the disconnection and late fee process for past-due accounts soon.

Your account is currently past due, now is a great time to take advantage of MDU's payment plan designed specifically to relieve financial hardships as a result of the COVID-19 pandemic. Please call us to discuss your options.

You may also qualify for financial assistance through federal, state, or local agencies. Visit our website or scan this code to learn more.

