

## **Montana-Dakota Utilities Co. Overview of Billing and Collection Practices & Adjustments Made to Address Effects of Pandemic**

In South Dakota, when a residential account meets the debt criteria of \$25.00 and 35 days past due, outside of the winter moratorium, the account enters into a collections process and the following events occur:

- An automated call is placed with the customer. Upon verification the customer can receive account balance information the amount that must be paid to avoid interruption of service is communicated or a message is left asking the customer to contact the Company.
- Customers receive a written Disconnection of Service notice that provides a date on which service will be disconnected unless the account past due amount is paid in full or satisfactory arrangements are made before that date.
  - If none of these measures result in payment, staff manually review the accounts flagged for disconnection. Accounts are filtered based on a calculation that includes risk factors such as:
    - how long the account has been in service,
    - how long since payment was received on the account, and
    - the percentage of the account balance covered by the last payment.

Only those accounts most at risk for write off based on these and other risk factors are considered for 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 our agents continue to work with customers to discuss assistance options, give them time to pay or make reasonable pay plans to avoid disconnection.
- Additionally, Pay Plans may be initiated by our customers at any time through many self-service channels. Customers may create pay plans online, through the telephone IVR or by talking with a Customer Experience Team (CXT) Member. There are some restrictions for self-service options if a customer has made and broken numerous pay plans in a certain period of time.

When working with customers on the phone, the CXT Members are trained to:

- listen to each customer's concern or situation when considering payment extensions.

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- review risk factors to determine the best course of action for the customer including:
  - length of service,
  - amount of last payment compared to account balance,
  - date of last payment,
  - history of previous pay plans kept/broken
- attempt to establish a plan that covers the debt in arrears before the next bill's due date if possible; however, agents are given the flexibility to establish pay plans based on each customer's unique circumstances.
- when the account history demonstrates good efforts made by the customer to pay, but the current situation falls outside the normal guidelines, CXT members are then asked to make sound judgment calls on whether extended plan options are in the best interest of this customer and all rate paying customers.

Once service has been disconnected for non-payment:

- the account remains in active status for 10 days. The customer is required to pay the full account balance, reconnect fee and deposit before reconnecting service.

After 10 days, if the service is not reconnected, a final bill is issued to the customer with this final bill due in 22 days. After 36 days with no payment or reconnection of service, the account enters a Write Off process where the following events occur:

- a Final Bill letter is sent as a reminder of the unpaid account balance.
- a Final Notice letter is sent stating the account may be assigned to a Collection Agency. The customer is given the option to contact the Utility to make acceptable payment arrangements within ten days from the date of the notice.
- A manual call from a Credit Representative is made on all accounts prior to placement with a third-party Collection Agency. Credit Representatives are again looking to make contact to ensure proper mailing information is on file and payment options are known to the customer in order to avoid outside placement of the debt.
- After 105 days from the time the account final billed, if no payment has been received and no arrangements have been made, the account is placed with a third-party collection agency.

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Variation to Collections since March 16, 2020 to address the COVID19 crisis:

- All automated collection processes were stopped. No disconnect notices were sent to past due customers and no services have been disconnected for non-payment.
- The CXT Members are continuing manual outreach to customers having difficulty making payments with the sole purpose of educating customers on assistance options that might be available to them and to reassure them that if they were unable to enter into a pay plan today, we would remain available to them to establish longer-term arrangements in the future once the crisis lifts.
- CXT Members have been provided guidelines for offering new federal and state assistance options and entering into longer payment arrangement terms with customers.
- CXT Members established a special task force, known as the CARES team, to make outbound calls in response to emails coming in from customers who expressed concern about paying their bills due to impacts from COVID19. This personal contact again gives us the opportunity to educate our customers on assistance options and offer our reassurance.