

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION  
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**In the Matter of Minnesota Power's 2018 Annual Reports Concerning  
Safety, Reliability, Service Quality,  
and Proposed Annual Reliability Standards**

**MPUC Docket No. E-015/M-18-250**

**REGULATORY COMPLIANCE ASSESSMENT –  
REPORT**

**October 18, 2019**

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## EXECUTIVE SUMMARY

Minnesota Power engaged Winthrop & Weinstine, P.A. to conduct this Compliance Assessment following extensive discussions with the Office of the Attorney General Residential Utilities and Antitrust Division and Energy CENTS Coalition, and in accordance with a Scope of Work agreed to by those three parties and filed with the Minnesota Public Utilities Commission. The central purpose of the Compliance Assessment, as set forth in the Scope of Work, was to “gather information and data about [Minnesota Power’s] treatment of past-due customers, service disconnections and reconnections and reporting requirements.” The Compliance Assessment was also intended to provide useful information for the Commission and parties “to determine whether or not MP is complying with relevant laws and rules, if the company’s policies and practices should be modified and as a basis for specific customer service practice recommendations.” This Report summarizes the work of this Compliance Assessment.

The Compliance Assessment included interviews of Minnesota Power employees, review of thousands of pages of documentation, including detailed customer-specific records for nearly 400 randomly selected customers, and review of the recordings of all calls between Minnesota Power and 100 randomly selected customers. The result of this Compliance Assessment can be summarized as follows:

1. No current or on-going systemic compliance concerns regarding MP’s credit and collections, disconnection or reconnection efforts or reporting requirements were identified.
2. The review verified Minnesota Power’s failure to file accurate information with the Minnesota Public Utilities Commission in 2015 and 2016 and failure to file timely information with the Commission in 2017. In response, Minnesota Power has taken concrete steps to avoid such failures in the future.

3. The Report notes a legal question for the Commission to address regarding the interpretation of Minnesota Statutes § 216B.098, subd. 3, concerning payment agreement requirements. Depending on the Commission's resolution of this question, the Commission may need to approve a revision of the Company's currently-approved tariffs.

Overall, the Report concludes that while reasonable persons could debate whether or not certain policies and processes best advance the Company's overall goal of encouraging customers to pay their bills, the Commission and parties can have confidence that MP's credit and collection processes and procedures provide a platform that fully encourages and enables on-going compliance with Minnesota Statutes and Rules and with the Minnesota Power's Commission-approved tariffs.

## INTRODUCTION

On April 2, 2018, Minnesota Power (“MP” or “Company”) filed its annual Safety, Reliability and Service Quality (“SRSQ”) Report, as required by Minnesota Rules 7826.0100-2000, initiating this docket. Subsequent comments from other parties raised concerns regarding the Company’s compliance with Minnesota Statutes and Rules regarding utility service disconnections, including its compliance with certain reporting, Cold Weather Rule (“CWR”) and payment agreement<sup>1</sup> requirements regarding its customers with accounts in arrears. In order to best assure a common, consistent and accurate baseline of information regarding MP’s past and current practices regarding these matters, MP, the Energy CENTS Coalition (“ECC”) and the Office of the Attorney General – Residential Utilities and Antitrust Division (“OAG”) agreed that MP would engage a third party to conduct a review and assessment of these matters (“Compliance Assessment”), and MP engaged Winthrop & Weinstine, P.A. (the “Firm”) to conduct the Compliance Assessment and file this Report. The purpose of the Compliance Assessment, as set forth in the Scope of Work filed on January 14, 2019 and included here as Appendix A, has been to gather and analyze information and data about MP’s policies, procedures and handling of CWR and collection matters, including its service disconnections and

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<sup>1</sup> MP and other parties have also used terms such as payment arrangements and pay plans to discuss agreements between the Company and its customers regarding payment of past due bills. This Report uses the term payment agreement (“PA”) throughout, to cover all such agreements, as any internal or external distinction parties may draw between these terms does not bear on the central question of statutory or rule compliance.

reconnections and its compliance with Minnesota Statutes and Rules addressing those issues, during the January 1, 2016 through December 31, 2018 time period.

MP fully cooperated with the Firm's Compliance Assessment work throughout this engagement and made people, documents and data available upon request. During the course of this Compliance Assessment, the Firm has reviewed hundreds of documents, met with and interviewed MP employees, reviewed and analyzed summary data concerning customers in the credit and collections process over the relevant period, reviewed and analyzed significant data on hundreds of individual MP customers who have been in the credit and collections process over this time period, and listened to over 50 hours of phone recordings of customers and MP customer service personnel regarding bill payment, disconnection and reconnection of service.

This Report summarizes the Firm's work and analysis, for use by the parties to this proceeding and the Minnesota Public Utilities Commission ("Commission" or "MPUC"). Specific work conducted by the Firm during the course of this Compliance Assessment included:

1. Developing a data dictionary with MP, to ensure a common set of definitions was being used in gathering information and querying MP's system;
2. Reviewing all materials filed to date by any party in the current docket and MP's past three SRSQ dockets, MPUC Docket Nos. E-015/M-15-323, 16-268 and 17-252;
3. Reviewing monthly and weekly CWR Reports for the time period 2015-18;
4. Meeting with and interviewing several MP employees, including those responsible for various stages of MP's interaction with its customers, ranging from back office to Call Center to field, training of its Customer Care and Support Representatives ("CCSRs") (formerly referred to in certain documents as Customer Information Representatives ("CIRs")), preparation

of reports, interactions with regulators and with MP information technology and systems analysis personnel;

5. Gathering and reviewing Company written materials in place during the relevant time period, regarding: credit and collection activities generally; credit and collection training requirements for CCSRs; payment agreements; service disconnection process; service reconnection; CWR compliance; and reporting of SRSQ and CWR data to the MPUC;
6. Gathering and analyzing data by month for the years 2016-2018 across three different arrearage “buckets,” attempting to determine any trends or systemic issues;
7. Gathering and analyzing data on 380 randomly selected specific customers over the relevant time period with arrears of 61 days or greater, again to attempt to identify any trends or systemic issues; and
8. Reviewed all call recordings between MP and 100 randomly selected customers with arrears of 61 or more days.

The Firm’s work provided us a complete picture of MP’s credit and collection process over the relevant time period and confirmed certain past compliance issues related to timely and accurate reporting. However, this Compliance Assessment found no ongoing systemic issues raising compliance concerns. To the contrary, while reasonable persons could debate whether or not certain process changes may advance the Company’s overall goal of encouraging customers to pay their bills, the Firm believes that the Commission and parties can have confidence that MP’s credit and collection processes and procedures provide a platform that fully encourages and enables on-going compliance with Minnesota Statutes and Rules.

## **I. STATUTORY AND RULE REQUIREMENTS**

Several Minnesota Statutes and Rules impose certain requirements or limitations on Minnesota public utilities generally, and on Minnesota Power specifically, that are relevant

to this Compliance Assessment and are attached as Appendix B. The most pertinent of these can be summarized as follows:

**A. Minnesota Statutes**

1. Minn. Stat. § 216B.091 Monthly Reports:

(a) – requires the monthly submission of summary data on residential customers, including the number of past due accounts, number of disconnection notices mailed, number of disconnections and reconnections and the number of customers remaining disconnected.

(b) – requires additional data during October through April reporting months, including the number of CWR protection requests, payment agreement requests and the number of heat affected accounts disconnected for 24 hours or more.

(c) – requires submission of the monthly reports no later than 45 days after the last day of the month for which the data was filed.

2. Minn. Stat. § 216B.096 Cold Weather Rule; Public Utility:

Subd. 4 – during the CWR period of October 15 through April 15, requires provision of a Commission-approved notice to residential customers prior to disconnection, setting forth the date of proposed disconnection, the amount due, and a summary of the customer's rights and responsibilities.

Subd. 5 – provides several CWR protections, including protection against disconnection for residential customers whose household income is at or below 50 percent of the state median income and who make reasonably timely payments under a payment agreement with the utility that takes into consideration the financial resources and circumstances of the customer.

Subd. 7 – provides several prohibitions and requirements on utility actions during the CWR period.

Subd. 10 – provides certain CWR protections to customers above 50 percent of the state median income, including the right to a payment agreement that takes into account the customer's financial circumstances and other extenuating circumstances and protection against disconnection if the customer makes timely payments under such a payment agreement.

Subd. 11 – includes reporting requirements, beginning November 1 and continuing through April 15, including the requirement to report the number of heating service

customers that are or remain disconnected for nonpayment and the number reconnected each week.

3. Minn. Stat. § 216B.098 Residential Customer Protections:

Subd. 3 – requires utilities to offer residential customers payment agreements for the payment of arrears, which consider a customer’s financial circumstances and any extenuating circumstances of the household.

**B. Commission Rules**

1. Minn. R. 7820.1000 Permissible Service Disconnection with Notice:

Allows a utility to disconnect service to any customer under specified circumstances including nonpayment of the customer’s bill, provided the utility complies with the notice requirements of Minn. R. 7820.1000 and that the outstanding bill exceeds the amount of the customers deposit if one was provided.

2. Minn. R. 7820.2400 Notice Requirements:

Specifies notice requirements prior to disconnection, including that disconnection notices must contain the date on or after which disconnection will occur, the reason for disconnection, and methods of avoiding disconnection in normal, easy-to-understand language; further requires that all notice must precede the action to be taken by at least five days excluding Sundays and legal holidays.

3. Minn. R. 7820.2500 Manner of Disconnection:

Provides that service may be disconnected only in conjunction with a personal visit by a representative of the utility to the address where the service is rendered, including an attempt to make personal contact with the customer at the address.

4. Minn. R. 7820.2600 Reconnection of Service:

Allows charging a reconnect fee, consistent with the utility’s tariff on file with the Commission.

5. Minn. R. 7820.2700 Disputes:

Allows a customer to dispute all or a portion of a bill prior to disconnection and requires the utility to promptly investigate, advise the customer of its investigation and its result, attempt to resolve dispute, and withhold disconnection of service until the investigation is completed and the customer is informed of the findings in writing.

6. Minn. R. 7820.5300 Determination of Delinquency:

Establishes the circumstances under which a utility may impose a late payment charge.

## II. OVERVIEW OF MP'S CREDIT AND COLLECTION PROCESS

Before turning to the documents and data provided by the Company, its policies and the customer impact of those policies, it may be helpful to provide a high level overview of MP's credit and collections structure, processes and policies. Over the past few years MP has reorganized its reporting structure, brought in new leadership and created and filled new positions.<sup>2</sup> The current organizational structure appears to support well-defined roles and clear lines of accountability.

MP describes its overall credit and collection functionality as “a set of tools to encourage customer[s] to pay their debt.” A few overarching points can be made regarding the process and structure MP has put in place in an effort to achieve that goal:

- The credit and collection activities are housed entirely within MP and are considered to include everything up to and including disconnection and reconnection – the Company does not rely on any third party vendors for its credit and collections activities until a customer's bill is written off;
- The Company has a thorough training program for its new CCSRs, including approximately 80 hours of classroom work and 80 hours of customer interaction with a mentor, prior to the CCSR working on his/her own;
- The Company also has thorough and separate roughly day-long training programs for its CCSRs prior to the start of each CWR season and at the close of the CWR season as well as a separate one and a half hour session each season for call center personnel and focused on the Customer Care and Billing System and its functionality (“CC&B”) (formerly referred to as its Customer Information System (“CIS”));

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<sup>2</sup> The Company's current organizational structure is attached as Schedule 1.

- The Company’s CC&B was implemented in 2015 and retains detailed information on each customer account for use by CCSRs during their interactions with customers and for the production of various reports;
- The Company does not utilize specific “scripts” for its CCSRs, preferring more general talking points, guidelines or other tools in order to allow for more individualized conversations with customers;
- Similarly, the Company does not have an extensive set of formally established “policy and procedure” documents, deferring to the extensive level of detail in Statutes and Rules as well as the Company’s tariffs, and preferring to more frequently communicate its policies and procedures through other means, including training documents, guidelines and online tools available to its employees; and
- Aside from the personal interactions between CCSRs and customers that are initiated by the customer, the Company’s general credit and collection process is automated, with key events happening on a specified timeline once an account reaches a certain level of debt and time past due, potentially leading to disconnection if the customer does not respond. Exceptions to this general practice include for life support customers and for disconnected accounts prior to the CWR season.

In total, the Company’s process attempts to balance a number of competing goals, including flexibility, consistency and efficiency. In addition, the Company’s credit and collections processes and related activities are dynamic, not static. MP has instituted both process and structural changes over the past several years, including the implementation of its CC&B system, noted above. Additionally, the Company has new leadership and reporting structures in place, designed to provide greater consistency and accountability going forward. Finally, comparing similar training or other materials from one year to the next, while much of the content stays similar, it is also apparent that the Company refreshes those materials based on feedback it receives through various channels including its interactions with the Commission’s Consumer Affairs Office (“CAO”). The dynamic nature of the Company’s practices, combined with the lack of formal “scripts” and

infrequent formal establishment of “policies and procedures” necessitated a lengthier and more expansive review of Company materials than we originally anticipated. However, the Firm has confidence that its review has enabled it to gain a clear picture of the Company’s credit and collections practices and we have confidence in our conclusions.

### **III. ACCURACY OF DATA AND FILED REPORTS; TIMELINESS OF REPORTING**

The first task for the Firm as set forth in the Scope of Work was to assess MP’s data and report accuracy and timeliness. This work included reviewing MP’s SRSQ and CWR monthly and weekly reports to the Commission, reviewing how MP tracks and stores information about disconnections, reconnections, and payment agreements in its CC&B system, and reviewing any data collection or data handling changes made during the time period, the reason for such change, and the reasonableness and impact of any such change.

#### **A. Overview**

During earlier comments in this docket, both ECC and OAG raised concerns regarding the accuracy and timeliness of data filed by MP in this and other dockets. The parties noted, for example, dramatic changes in certain reconnection data following a disconnection, an item of concern as Minnesota Statutes specifically require the timely reporting of numbers of accounts disconnected for 24 hours or more.<sup>3</sup> The parties also noted, and MP acknowledged, that it failed to file certain required reports on a timely basis. Both the changing numbers on reconnections and the failure to file timely reports led ECC

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<sup>3</sup> Minn. Stat. § 216B.091 (b).

and OAG to question the overall accuracy of the Company's reports and the process used by MP to ensure compliance with statutory and rule requirements.

**B. Accuracy of Reported Numbers**

MP did substantially revise certain reconnection percentage numbers from those previously reported to the Commission. Specifically, the Company originally reported that in 2015 29.6% of residential customers disconnected were reconnected within 24 hours and that, for 2016, 11% of disconnected residential customers were reconnected within 24 hours. Subsequently, MP stated that the correct percentages were approximately 73.4% and 51.3% for 2015 and 2016, respectively.

MP stated that these substantial swings resulted from multiple reasons including the use of different dates for when a disconnection occurred, i.e. at times the Company was recording the disconnection as occurring when the Field Activity was entered into the system, while at other times it was recording the date on which the disconnection actually occurred in the field. An earlier recorded time of disconnection would necessarily understate the actual percentage of accounts reconnected within 24 hours. The Company also noted that it implemented its CC&B in May of 2015 and that this led to suspension or scaling back of certain credit and collection activities during the conversion year, potentially skewing certain 2015 reporting metrics.

The Firm has no reason to question the implementation of the CC&B. The Company's prior system, CIS, was an aging disk operating system ("DOS"), developed and supported in-house. The CC&B, in contrast, is a web-based system. This system provides a better platform for updates, a more user friendly system for CCRs, more

efficient retrieval of information to assist customers, lower need for ongoing information technology (“IT”) support, and other benefits to the Company’s overall Customer Care operations. However, while the changeover to the CC&B certainly provides benefits and may have skewed certain statistics making any comparisons of other years’ numbers to 2015 numbers of little value, the implementation of CC&B does not appear to have caused the shift in numbers related to reconnections within 24 hours for 2015 and 2016. Rather, the errors in prior reported numbers appears to have stemmed from internal inconsistencies and human error.

Unfortunately, historically, MP lacked a consistent methodology or consistent definitions related to its recording (and therefore reporting) of disconnections and reconnections. Several reasons cause the Firm to have a lack of confidence in the Company’s reported numbers prior to the past few years, including: different dates used to mark “disconnection,” as noted above; inconsistent handling of documentation regarding new customers initiating service on a disconnected meter; and inconsistent recording of reconnection dates.<sup>4</sup>

In order to better assess the likely accuracy of the Company’s revised numbers for the percentage of reconnections within 24 hours, the Firm attempted to reconcile the

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<sup>4</sup> From discussions with Company personnel, these inconsistent practices pre-date the 2015 and 2016 reporting periods, meaning there is little value in comparing the revised numbers to numbers reported in prior periods, e.g. 2008-2012, to judge the reasonableness of the revised numbers.

different sets of numbers for 2015 and 2016. However, with the passage of time and changes in MP's systems and policies and procedures, we were not able to do so.

From discussions with the Company, the Firm believes the errors, while not able to be reconciled, can be explained. As noted above, MP transitioned from its legacy CIS to its CC&B system in May of 2015. Given that transition, MP pieced together the disconnection and reconnection data included in the SRSQ report filed in the spring of 2016 (for the 2015 reporting year) from multiple systems. Also during the relevant years, the Company suspended or scaled back credit and collection activities for a period in 2015 and revised its thresholds for initiating the severance process during 2015 and 2016, in an attempt to moderate any unintended consequences of transitioning systems. The deviation from historical disconnection business practice, as well as the transition to CC&B created challenges in reporting that do not appear to have been recognized at the time the original reports were created. In hindsight, two principle reasons appear to account for the vast majority of the shift in the 2015 and 2016 numbers – different disconnection dates being recorded in the system, as noted above, and an error in the query used to generate the original reports.

In regards to the first cause, MP explained that the query developed for CC&B used the same design concept as the report for its legacy system. However, the way disconnection and reconnection information was entered and stored in CC&B varied from how it was entered and stored in the legacy CIS software, with the entry in CC&B showing the scheduled date of the disconnection activity as opposed to the legacy software that showed the date the activity was completed in the field. Exactly how much of the error

relates to this root cause cannot be determined. Regarding the error in generating the original 2015 and 2016 reports, the reconnection date was being subtracted from the disconnection date to determine the number not reconnected within 24 hours. However, since the report was using the system recorded date only (i.e. excluding time), the only reconnections being included in the reported numbers of those reconnected within 24 hours were those that were completed in the system on the same date as the disconnection. Thus, the original reports were excluding reconnections completed the next day but within 24 hours.

Neither of these issues should recur and the Company's recent reports have been consistent and, from our review, appear accurate. Going forward, the Company has committed to uniformly recording disconnections and reconnections as occurring when the disconnection or reconnection takes place in the field, as established by the meter read collected. This should bring consistency to future reporting. Moreover, MP's CC&B system implementation has resulted in a robust system that should ensure consistent reporting going forward, assuming accurate data entry. The Firm initiated a number of queries on the CC&B and received clear, easily understood responses to those queries. Overall, the Firm found no reason to question the accuracy of the information currently reported by the Company.

### **C. Filing of Reports**

As noted above, Minnesota Statutes impose certain reporting requirements on Minnesota utilities. Minn. Stat. § 216B.091 requires the monthly submission of summary data on residential customers, including the number of past due accounts, number of

disconnection notices mailed, number of disconnections and reconnections and the number of customers remaining disconnected, and requires additional data during the October through April reporting months. This information is reported using MPUC-provided templates. Further, this statute requires submission of the monthly reports no later than 45 days after the last day of the month for which the data was filed. In addition, if a utility has customers disconnected as of October 15 of a given year, Minn. Stat. § 216B.096, subd. 11 imposes weekly reporting requirements, beginning November 1 and continuing through April 15 of the following year, including reporting the number of heating service customers that are or remain disconnected for nonpayment and the number reconnected each week.

It is undisputed that MP failed to timely file multiple required monthly or weekly reports for much of 2017. MP has stated that this failure to timely file was caused in large part by a combination of key employee turnover and internal miscommunications. To address these issues and better ensure compliance going forward, MP has instituted a number of changes, including installing new leadership with direct accountability for timely filing of reports and creating a new position with direct responsibility for such timely filing, among other regulatory compliance matters.<sup>5</sup> While “the proof is in the pudding,” MP has taken affirmative steps to address this issue and has complied with the applicable filing requirements since these earlier missteps.

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<sup>5</sup> The job description for this position is attached as Schedule 2.

#### **D. Summary**

Regarding the accuracy of the reported numbers, while there can be understandable frustration at the significant changes to certain reported numbers for 2015 and 2016, the Firm was able to largely reconcile the two different sets of numbers at issue and, more importantly, was able to verify the accuracy of other more recently reported numbers, based on queries of the MP CC&B system. MP did fail to file multiple monthly and weekly reports on a timely basis throughout 2017 and has taken action to avoid such mistakes going forward. MP has installed new personnel and instituted new processes and definitions that should lead to consistent and timely reporting from 2016 forward. Overall, the Firm found no reason to question the accuracy of the Company's recent reports. The Company's structural, system and process improvements should allow the Commission and parties to rely on its reporting as a basis for judging the effectiveness and appropriateness of MP's credit and collections practices going forward.

#### **IV. CREDIT AND COLLECTION PRACTICES AND PROCEDURES**

The Firm was also tasked with reviewing and analyzing MP's credit and collection practices and processes, both in general and specifically related to calculations associated with CWR Payment Agreements ("PA").<sup>6</sup> The processes used by MP are different for

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<sup>6</sup> In order to distinguish between the non-CWR (April 16 - October 14) and the CWR (October 15- April 15) time periods, this Report refers to payment agreements between the customer and MP during the non-CWR time period as Summer Payment Agreements and such agreements during the CWR period as CWR Payment Agreements. The Company also enters "Winter PAs" with customers who first had a CWR PA but failed to make the agreed upon payments. A Winter PA may provide a more aggressive payment schedule than the CWR PA provided, as discussed below.

Summer and CWR PAs, given MP’s tariffs and the different level of statutory direction provided for such agreements during the CWR time period. Those differences lead the Company to conduct separate trainings at the appropriate times in the year, covering the different processes and requirements, as noted above. Given these differences, this Report addresses Summer PAs and CWR PAs separately, below.

**A. Offering and Negotiation of Payment Agreements**

1. Summer Payment Agreements

a. Offering of PAs

Minnesota Statutes Section 216B.098, subdivision 3 provides for payment agreements, regardless of the time of year, as follows:

A utility shall offer a payment agreement for the payment of arrears. Payment agreements must consider a customer's financial circumstances and any extenuating circumstances of the household. No additional service deposit may be charged as a consideration to continue service to a customer who has entered and is reasonably on time under an accepted payment agreement. (Emphasis added.)

For MP customers, Summer PAs may get discussed and agreed to at multiple points in the credit and collection process. As noted above, the Company’s core credit and collection process is automated and, in the event of non-payment of bills during the non-CWR time period, can be broadly summarized by key dates as follows:

Day 1	Bill issued to customer
Day 30	Next monthly bill issued to customer
Day 54	Customer over debt threshold enters collections process and receives both an Interactive Voice Response (“IVR”) call to the account primary phone number and a past due notice reminder mailed to the listed mailing address
Day 60	Next monthly bill issued to customer

Day 69	Customer enters pre-disconnection process and another IVR call is made to the account primary phone number and another past due notice reminder is mailed to the listed mailing address
Day 81	Customer is scheduled for disconnection

At any point during this process, a customer may request a Summer PA.<sup>7</sup> However, MP handles such requests differently, depending on the status of the account. First, for accounts in the collections process but prior to the automated system creating a Field Activity (i.e. the account has been scheduled for disconnection), the customer and Company can agree to a Summer PA and CCSRs have reasonable latitude in fashioning the PA with the customer, as discussed further, below. The CCSR will enter the terms into CC&B and check to see if the Summer PA will “reset” the process or if the customer’s arrearages assuming compliance with the PA would still lead to disconnection. In the latter event, the CCSR informs the customer and will attempt to work with the customer to develop an alternative Summer PA that “resets” the process.

Second, if Field Activity is pending but disconnection has not yet occurred, meaning the customer is 81 or more days past due with a balance exceeding the threshold and has not already entered into a Summer PA, MP requires payment in full of the amount listed on the disconnection warning, unless the customer is a life support customer or presents some other unique situation which prompts the CCSR to discuss the matter with his or her supervisor.

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<sup>7</sup> A customer must initiate the Summer PA discussion by responding to the IVRs or past due notices and contacting the Company. The Company does not otherwise proactively reach out to the customer.

Finally, if the Field Activity is completed, meaning the customer has been disconnected, MP requires payment in full and a reconnection fee.

ECC and OAG have raised concerns that MP's policies and practices with respect to Summer PAs violate the letter or the spirit of Minn. Stat. § 216B.098, subd. 3. They state that payment in full is not an "agreement" and, if universally required, cannot be said to "consider a customer's financial circumstances and any extenuating circumstances of the household."

MP, on the other hand, notes that Minn. Stat. § 216B.098, subd. 3 specifically refers to continuing service and makes no reference to reconnection of service. Under MP's reading of the statute, the requirement to offer payment agreements does not apply to persons not then receiving service. MP also notes that its Commission-approved tariff specifically states that the "Company shall reconnect service following disconnection for non-payment only after all past due accounts, deposits and reconnection fees, where applicable, shall have been paid."<sup>8</sup> The Company's current practice with respect to disconnected customers complies with this tariff provision.

Whether or not MP has violated Minn. Stat. § 216B.098, subd. 3 regarding the offering of PAs is a legal conclusion for the Commission to reach. The Firm would note that if the Commission determines that the Company's current Summer PA practices with respect to disconnected accounts violates the statute, the Commission will need to approve

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<sup>8</sup> Minnesota Power Electric Rate Book, Volume I, Section VI, p. 3.5, Revision 16, ¶20 (Emphasis added).

a revision to MP's Electric Rate Book as well, since the current Commission-approved language would also violate the statute.

b. Negotiation of Summer PAs

Regarding the negotiations themselves, the Company has not established a formal policy or process by which Summer PAs are negotiated. Given that, the Firm cannot list with confidence "all factors that MP includes in calculating a payment agreement," as discussed in the Scope of Work. Similarly, the Firm cannot provide a precise description of "how customers' unique and extenuating financial circumstances are used in developing a payment agreement."

The Firm can, however, verify that the Company has developed guidelines for these discussions and stresses to its CCSR's that they must apply their judgement and that unique situations may lead to unique PAs.<sup>9</sup> For example, CCSR's are instructed to inquire if a customer has applied for fuel assistance and, if not, to give the customer contact information to do so. CCSR's are also instructed to ask an amount the customer can pay immediately, to discuss the timing of pay days and method of payment, and to review the customer's payment history including any PAs made and whether they were maintained or broken. Finally, CCSR's are encouraged to ask the customer if they would like to take time to review their calendar and their finances and then call back to establish a PA.

Further, from the Firm's review of call recordings, the Firm can attest to the fact that Company CCSR's and customers have detailed conversations on a range of issues and

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<sup>9</sup> The Company's 2018 Summer PA guidelines are attached as Schedule 3.

customer circumstances in attempting to arrive at a PA. For example, in one call, the customer called regarding a disconnection notice. The customer stated that a payment had just been made but that another payment would not be able to be made for two weeks. The CCSR verifies that a payment had been made, that no Field Activity has issued, and then asks what the customer was thinking for the next payment. The two then discuss the balance on the account, the customer's pay dates, the customer's prior breaking of a PA (due to loss of a job), and then the CCSR and customer work out dates and amounts and set up a new PA.

Finally, the Firm's review of data and customer account histories provided by MP, and discussed in the next Section of this Report, also demonstrates that MP and its customers come to any number of different types of Summer PAs, suggesting legitimate "negotiation" occurs. For example, in May through September of 2018 over 5000 Summer PAs were started with customers in arrears between 31 and 60 days, with the number of payments ranging from 1 to 11, payment amounts ranging from \$19.00 to over \$6,000.00 and the length of the agreement ranging from 1 to 218 days.<sup>10</sup>

## 2. CWR Payment Agreements

### a. Offering of CWR PAs

MP has developed substantial materials related to the CWR and credit and collections during the CWR period and conducts substantial training of its CCSRs,

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<sup>10</sup> While the total number of customers was lower for the higher arrearage buckets of 61-90 days and 91 or more days, the general pattern of number of payments, length of the PA and size of payments for these groups of customers was not markedly different from the 31-60 day "bucket," as discussed below.

including training in conjunction with the Commission’s Consumer Affairs Office (“CAO”) in 2018.<sup>11</sup> As required by statute, all residential customers have the ability to enter into a CWR PA.<sup>12</sup> The Company proactively contacts disconnected customers prior to the start of the CWR season, and once in the CWR period does not follow any different process depending on the collection status of the customer, as it does for Summer PAs. As required by statute, before disconnecting a customer during the CWR period, MP provides the customer a Commission-approved notice that includes the date of the scheduled disconnection, the amount due, and a summary of rights and responsibilities, including the ability to make a PA and avoid disconnection. Once a CWR PA is entered into, MP will work with the customer as necessary and allows unlimited adjustments to the PA if the customer’s circumstances change, as long as the customer contacts the Company before breaking the PA. If a customer breaks a CWR PA, the customer and MP may agree to a Winter PA in order to avoid disconnection. A Winter PA may call for more timely payment than originally agreed to in the CWR PA.

b. Negotiation of CWR PAs

Negotiation of CWR PAs is guided by statute and the Firm’s review did not find instances in which the Company failed to follow the statutory process, including abiding by requirements or prohibitions regarding deposits or delinquency charges, timing of

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<sup>11</sup> Schedule 4, attached, is an internal PowerPoint presentation prepared by the Company for use in its 2018 CWR training and illustrates the Company’s overall approach to working with customers during the CWR months.

<sup>12</sup> Specific residential customer rights vary, depending on whether the customer has household income above or below 50 percent of the state median income. *C.f.*, Minn. Stat. § 216B.096, subs. 5, 10.

disconnections, provision of a Commission notice of the right to appeal, and provisions for recognizing “reasonably timely payment” to avoid disconnection. MP’s materials on CWR PAs consistently note that “low income customers cannot be required to pay more than 10% of their income to a CWR pay plan.” However, in its work with customers to establish CWR PAs, the Company does not request or verify the customer’s income.<sup>13</sup> Rather, the Company accepts the customer’s representation of income, if provided, and focuses on establishing a CWR PA that will work for the customer.

With respect to customers qualifying for Fuel Assistance, the Company does not “require” any particular minimum payment, but defers to the customer’s statements of what he or she can afford. In this regard, as the Firm confirmed in discussions with MP personnel, CCSRs have substantial flexibility in entering into CWR PAs with fuel assistance customers.<sup>14</sup> Because MP does not verify customer incomes, while the Company does not “require” energy assistance customers to pay of more than 10% of his or her income under a CWR PA, the Firm cannot state with confidence that no customer has agreed to a CWR PA that exceeded that level.

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<sup>13</sup> Given MP’s policies and practices, MP does not “calculate” payment agreements, as that term may have been understood in the Scope of Work. See Appendix A, p. 3 of 5. Rather, the establishment of payment agreement amounts is a dynamic and iterative process between the CCSR and the customer.

<sup>14</sup> With this exception, the Compliance Assessment did not identify any disparate treatment of energy assistance customers compared to non-participating customers. The Company encourages all customers to explore energy assistance, both in the Summer and CWR months. Additionally, while notes in MP’s system may indicate whether any agency funding was Crisis funding, the CC&B cannot be queried to determine the specific type of funding.

Once a CWR PA is reached, the CCSR enters the terms into CC&B and MP sends a letter to the customer confirming the details of the PA.

Unsurprisingly, the Firm's review of data provided by the Company demonstrated that, on average, when compared to Summer PAs, CWR PAs stretch over a significantly longer period of time (e.g. averaging over 100 days for CWR PAs entered into in October 2017 through January 2018 for customers in the 31 to 60 day arrearage "bucket," versus averaging under 15 days for Summer PAs entered into in May through September 2018 for customers in that same group). As with Summer PAs, CWR PAs can provide for a number of different payment installments and payment amounts, again suggesting genuine negotiation with customers. Again, this data suggests genuine negotiation, leading to significantly different outcomes customer-by-customer.

#### **B. Communication of Customer's Right to Appeal**

CWR training, guideline and other documents routinely stress the right of a customer unable to come to a CWR PA with the Company to appeal to the Commission.<sup>15</sup> Nothing discovered during the course of our Compliance Assessment raised concern that a customer's right to an appeal is not clearly and effectively communicated to the customer. In addition, while no statutory "right to appeal" exists during the non-CWR period, CCSRs will refer customers to the Commission's CAO in those months if they cannot reach agreement with the customer, depending on the circumstances.

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<sup>15</sup> An example of a policy document outlining the process to be followed in the event of an appeal is attached as Schedule 5.

### **C. Summary**

The Commission will need to determine whether MP's Summer PA process complies with Minn. Stat. § 216B.098, subd. 3. If the Commission determines that it does not comply, the Commission must also approve a change to MP's tariffs as the Company's practice with respect to disconnected customers complies with its current Commission-approved tariff. In all other regards, the Firm's Compliance Assessment found no policies or practices that raised compliance concerns.

### **V. CUSTOMER IMPACTS**

The final area of exploration and analysis set forth in the Scope of Work related to assessing the customer impacts of MP's process and practices, both on an aggregate or overall level and on the basis of a more detailed customer-by-customer analysis.

#### **A. Aggregate Data**

Regarding the aggregate or overall analyses, the Scope of Work called for the Firm to review and summarize the following information by month, using end of month as the point in time reference, for three sets of customers – those with arrears of 31-60, 61-90 and 90+ days:

- Average, range and median number of days past-due;
- Average, range and median amount past-due;
- Average, range and median monthly bills to the customer;
- Average, range and median late fees assessed;
- Average, range and median electric energy consumption level;
- Average, range and median receipt of LIHEAP funds;
- Aggregate number of customers receiving LIHEAP funds;
- Aggregate number of customers in arrears;
- Aggregate number of customers disconnected;
- Aggregate number of customers reconnected;
- Aggregate number of customers reconnected within 24 hours;
- Aggregate number of customers reconnected within 30 days;

- Aggregate number of customers reconnected in greater than 30 days;
- Aggregate number of customers placed on a payment plan;
- Average, range and median monthly cost of a payment plan agreed to by a customer; and
- Average, range and duration of disconnection.

The Firm worked with MP to develop queries of the CC&B to receive data responsive to this listing. On discussion and analysis, the Firm agreed that certain data, such as average, range and median number of days past due had limited utility. Obviously, for the 31-60 day and 61-90 day buckets the average, range and median number of days is essentially self-explanatory. The range is 31-60 and 61-90, respectively and the average and median are likely to fall near the midpoint.

For the other parameters, this Report provides several graphs, below, which we believe best represent the data provided and illustrate certain trends or key data points requiring further analysis and discussion. In addition, we provide a brief narrative on each graph and discuss additional information beyond that displayed, where appropriate.<sup>16</sup>

Table 1, on the following page, provides a chart of the average amounts past due for those customers in the three “buckets.” These averages follow a predictable pattern of being higher in the winter months and lower in other months, with a slight summer “bump,” likely due, in part, to air conditioning loads. Across the three year period analyzed, average amounts past due generally ranged from around \$80.00 to \$125.00 for the 31-60 and 61-

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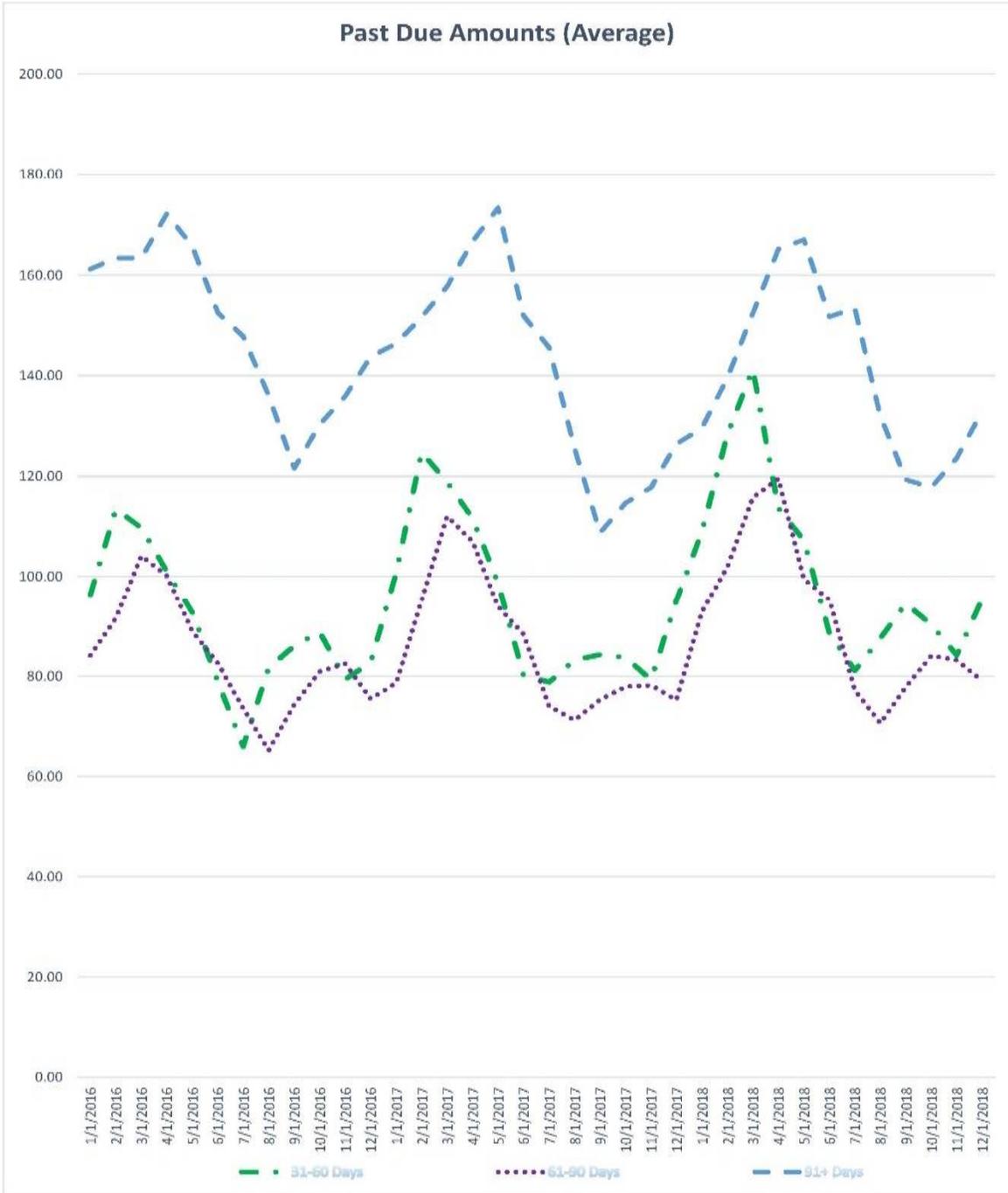
<sup>16</sup> The full summary data has been filed contemporaneously with this Report in electronic format, as the Excel spread sheets generated cannot be presented in an easily readable hard copy format.

90 day groups, and from about \$125.00 to \$170.00 for the 91 or more day grouping.<sup>17</sup> Further, in each bucket, the median amount past due routinely fell below the average. Finally, while the past due amounts for customers within the 31-60 and 61-90 buckets did not show a notable change over the three years, the 91 or more days past due grouping did show a notable downward trend in the average past due balances over this period.

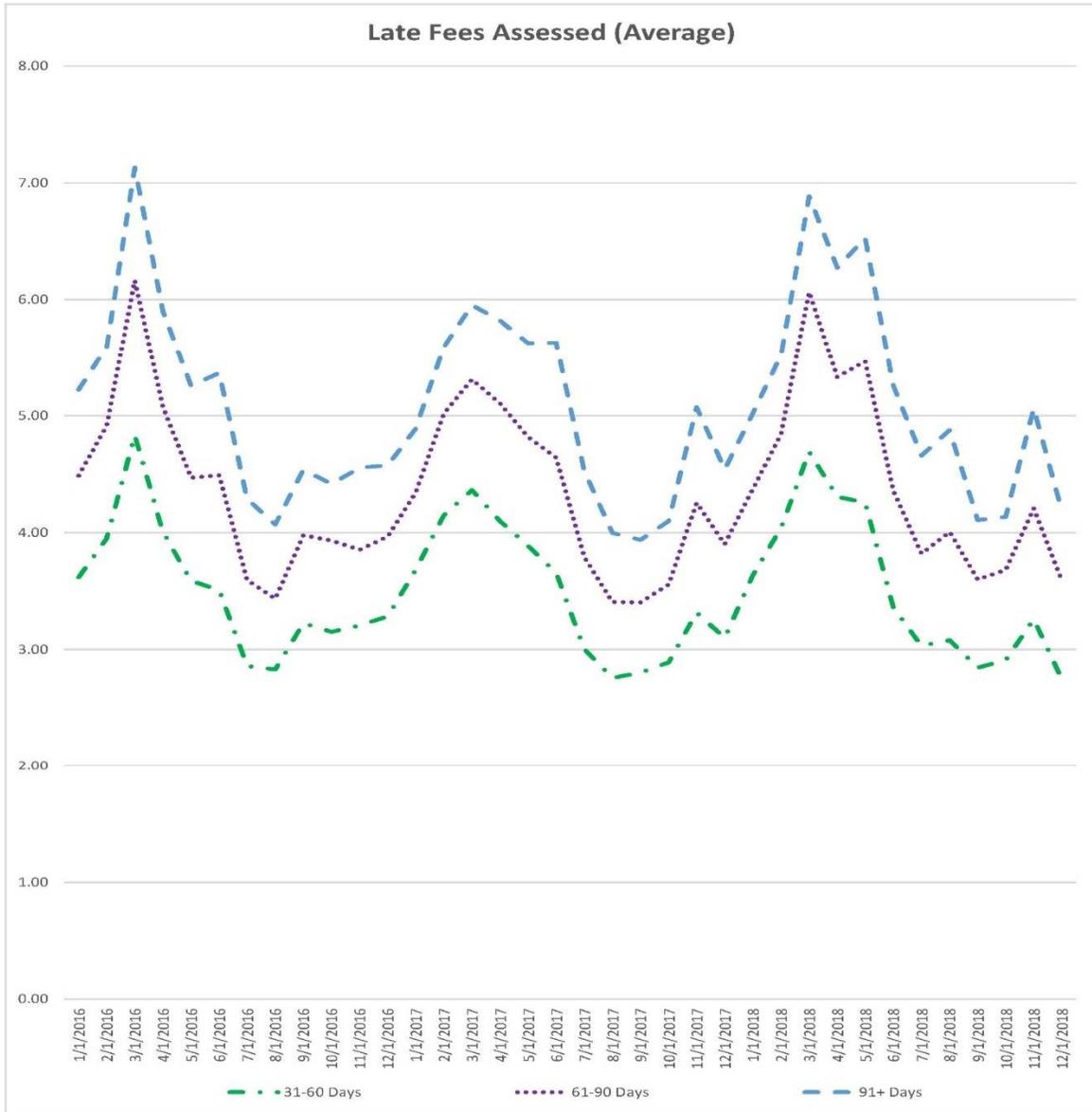
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<sup>17</sup> Within the back-up data MP provided, maximum past due amounts frequently exceeded several thousand dollars and twice in 2018 exceeded \$10,000 for the 91 or more days past due bucket. On inquiry, MP explained that such high amounts are explained by the fact that CC&B includes farm accounts, for example, with Residential accounts.

**Table 1. Past Due Amounts (Average)**

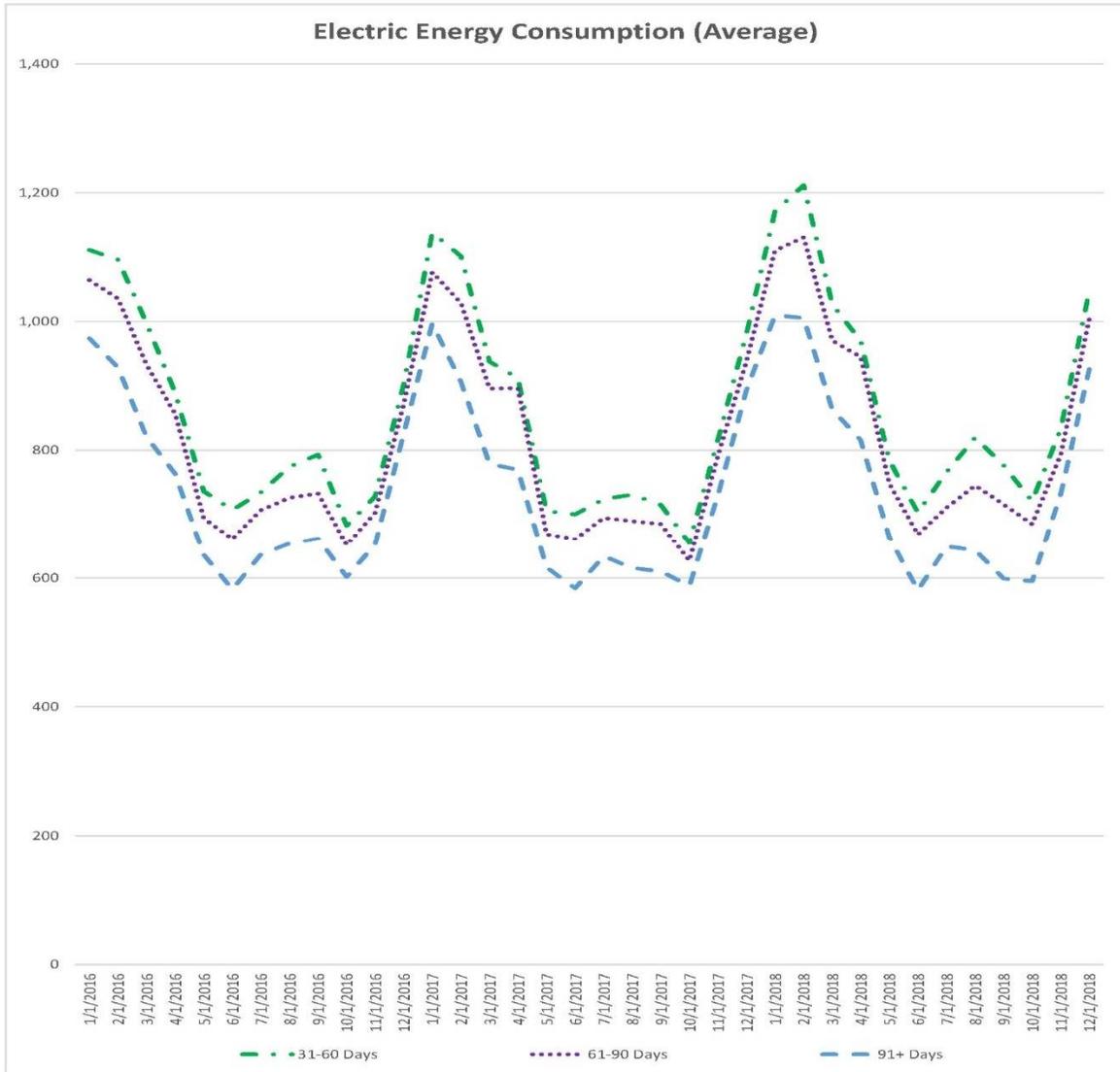


**Table 2. Late Fees Assessed (Average)**



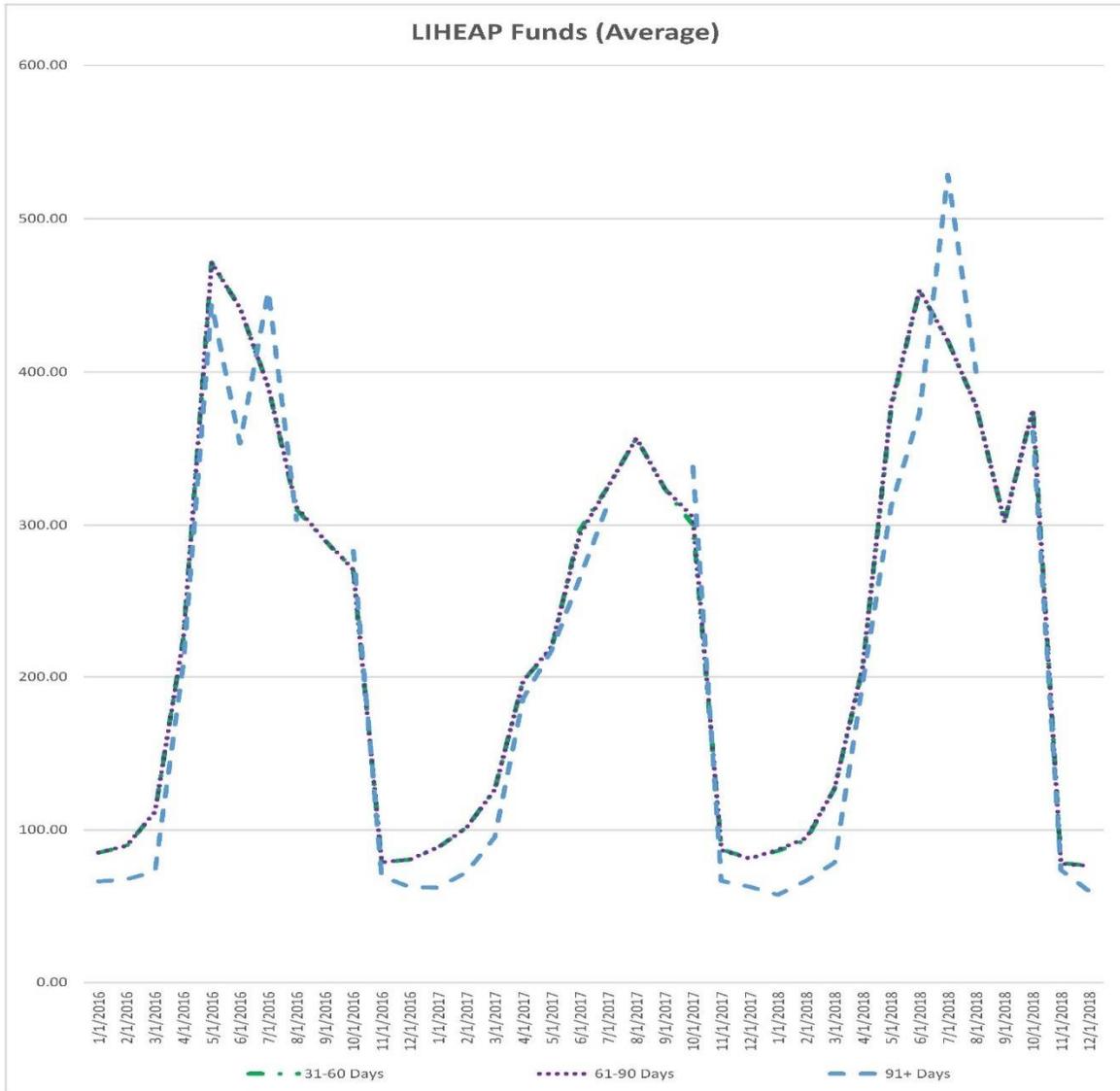
MP applies late fees consistent with its tariff. As Table 2 demonstrates, those fees track the pattern of past due amounts. Within the back-up data, late fees demonstrate the same variance in size as the past due amounts, with certain high use customers incurring substantial fees, but the average and median amounts applied are both relatively modest.

**Table 3. Electric Energy Consumption (Average)**



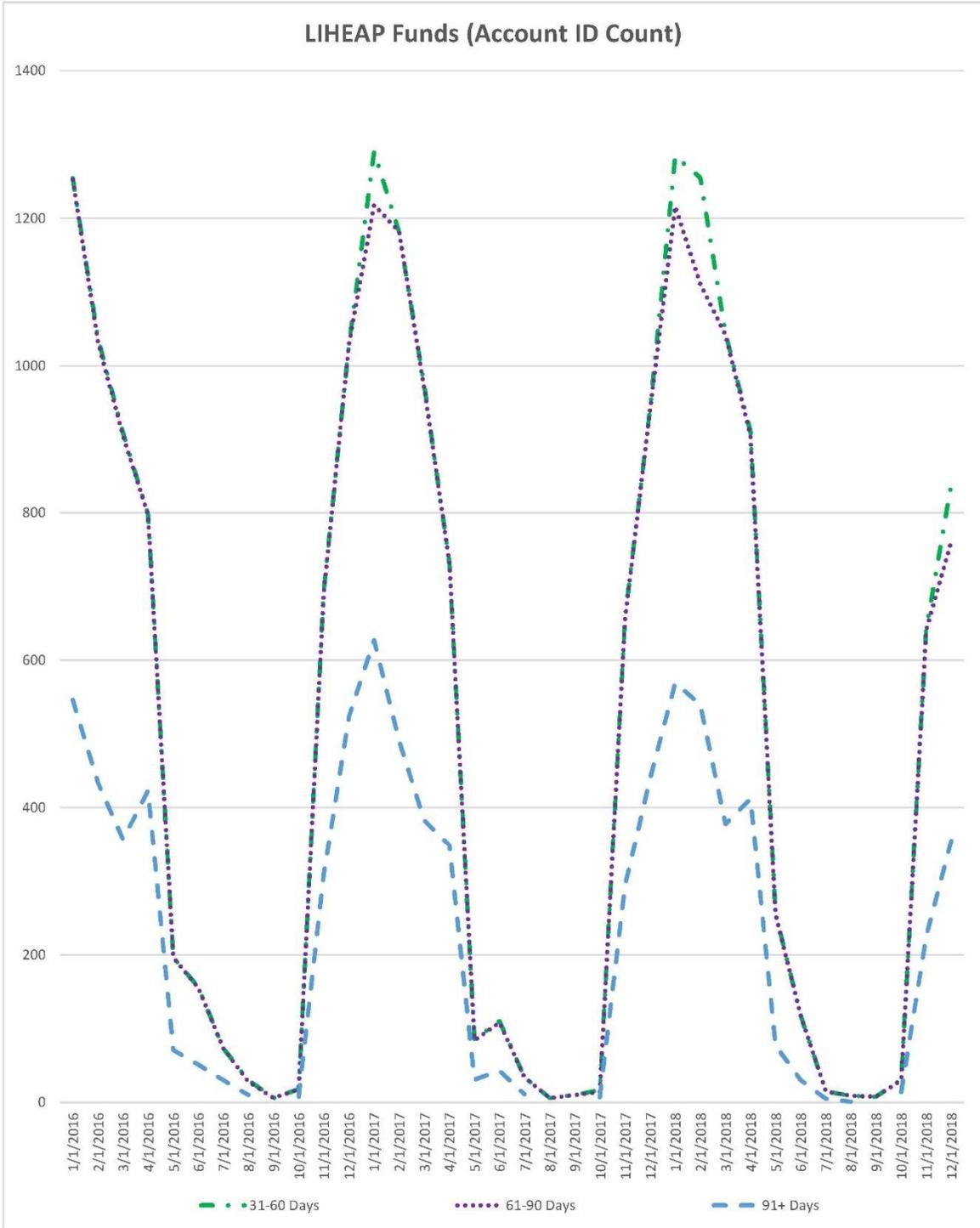
As with the prior tables, customers’ average energy consumption over the three year time period analyzed followed predictable patterns. Once again, the average consumption exceeded the median consumption, at times by large margins due to certain high use accounts that are anomalies, such as farm or medical accounts, skewing the numbers. For example, in February, 2018, the “average” consumption of 1131 kWh for the 61-90 days in arrears bucket exceeded the median consumption of 827 kWh by nearly 37 percent.

**Table 4. Third Party Funds (Average)**  
 (includes LIHEAP, Salvation Army, etc.)

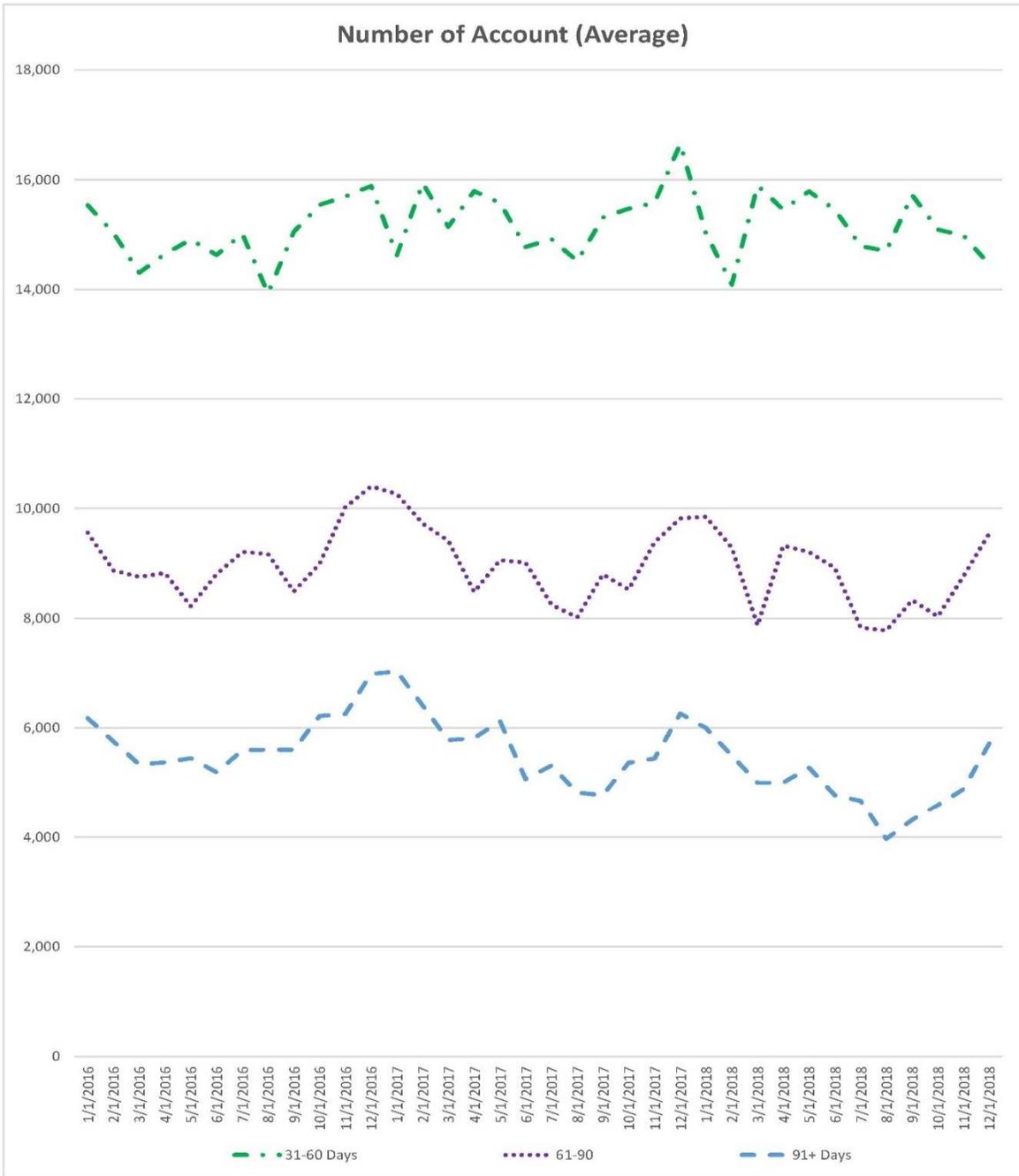


During the 2016-2018 time period, LIHEAP or other third party funds received by month ranged from \$5.00 to over \$1,900.00. Monthly customer counts of third party fund recipients ranged from a handful in certain summer months to over 1,200 in certain winter months. Table 5, below, shows the number of accounts by month showing third party assistance.

**Table 5. Accounts with LIHEAP or Other Third Party Assistance**

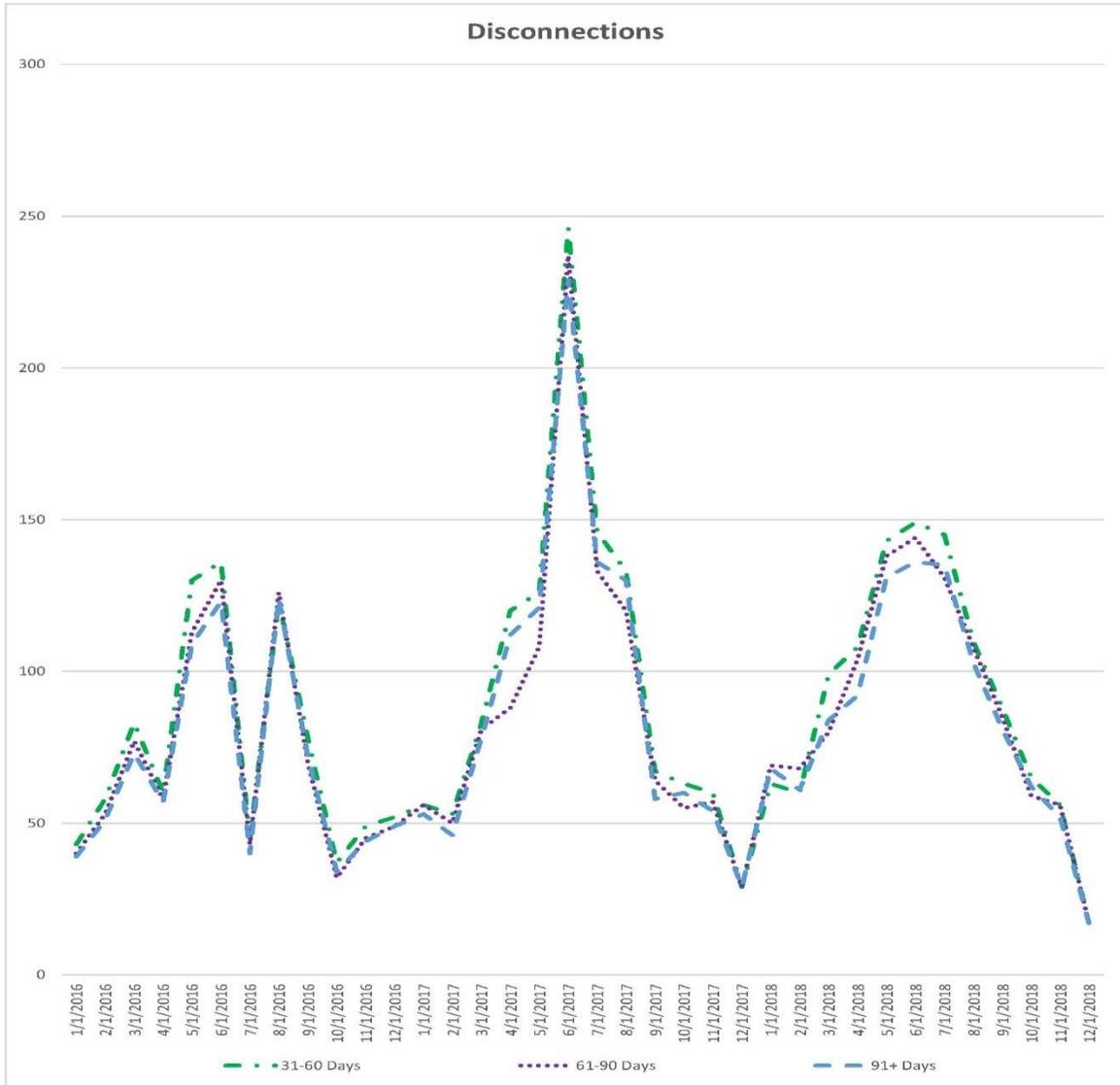


**Table 6. Number of Customers in Arrears**



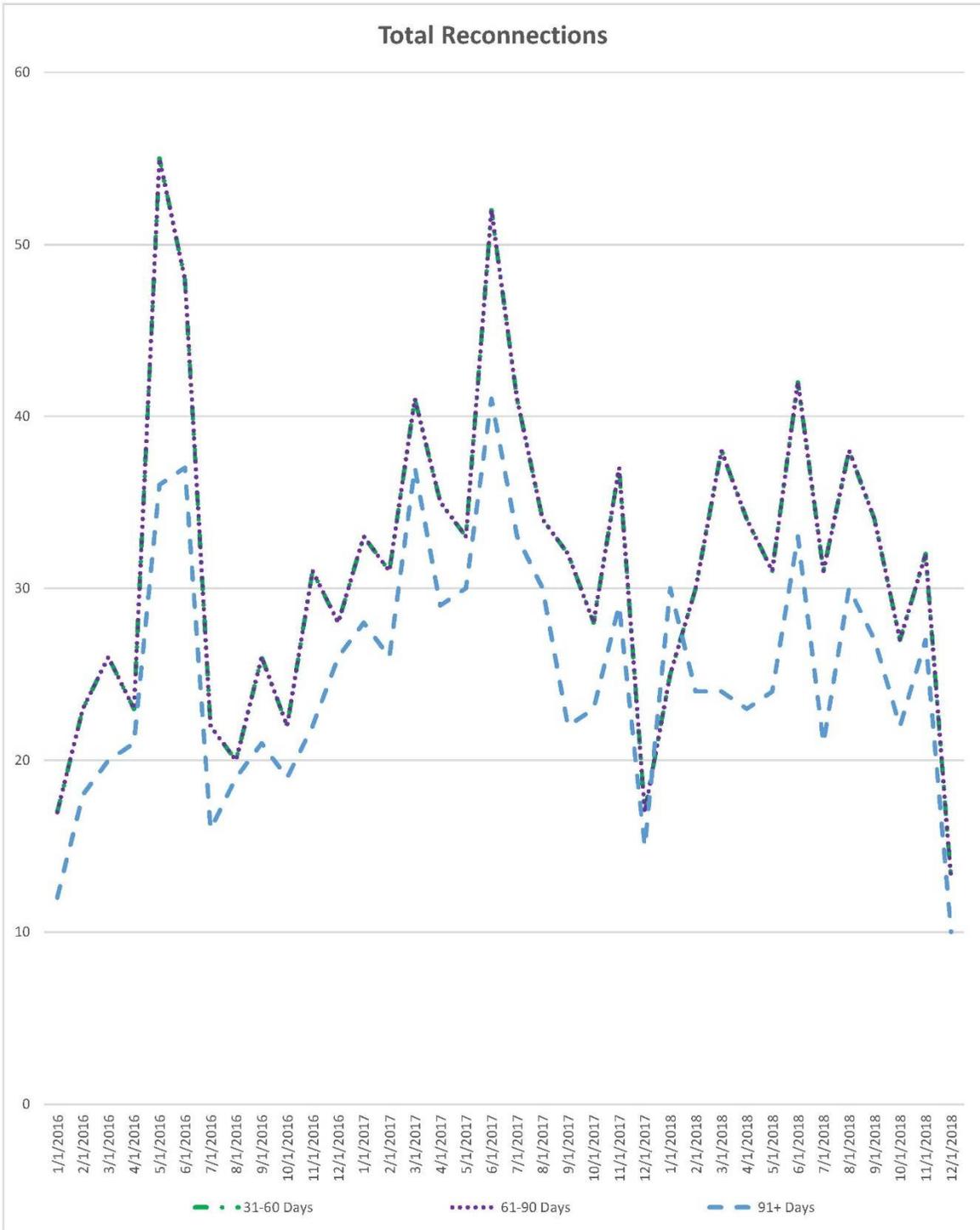
As shown in Table 6, MP’s total number of accounts in arrears has held relatively steady across each of the three buckets over the three years analyzed.

**Table 7. Disconnections**

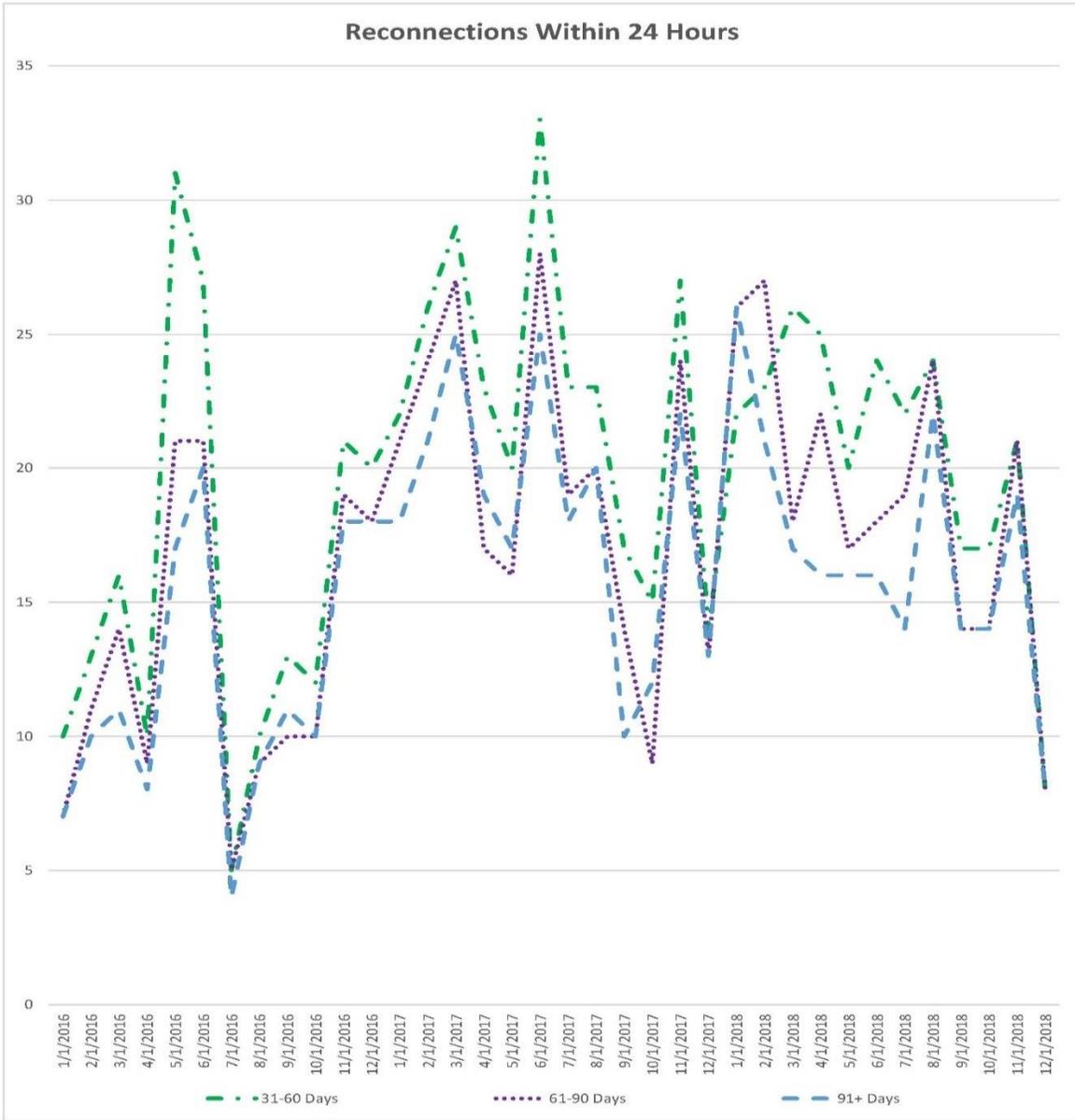


MP disconnections rise substantially each summer and drop prior to the start of the CWR. The significant one-time spike in the total number of disconnections in June of 2017 followed a drop in the dollar threshold for a customer to enter the severance process, from \$200.00 to \$100.00. By 2018, the number of disconnections in June reverted to approximately 2016 levels.

**Table 8. Total Reconnections**



**Table 9. Reconnections Within 24 Hours**



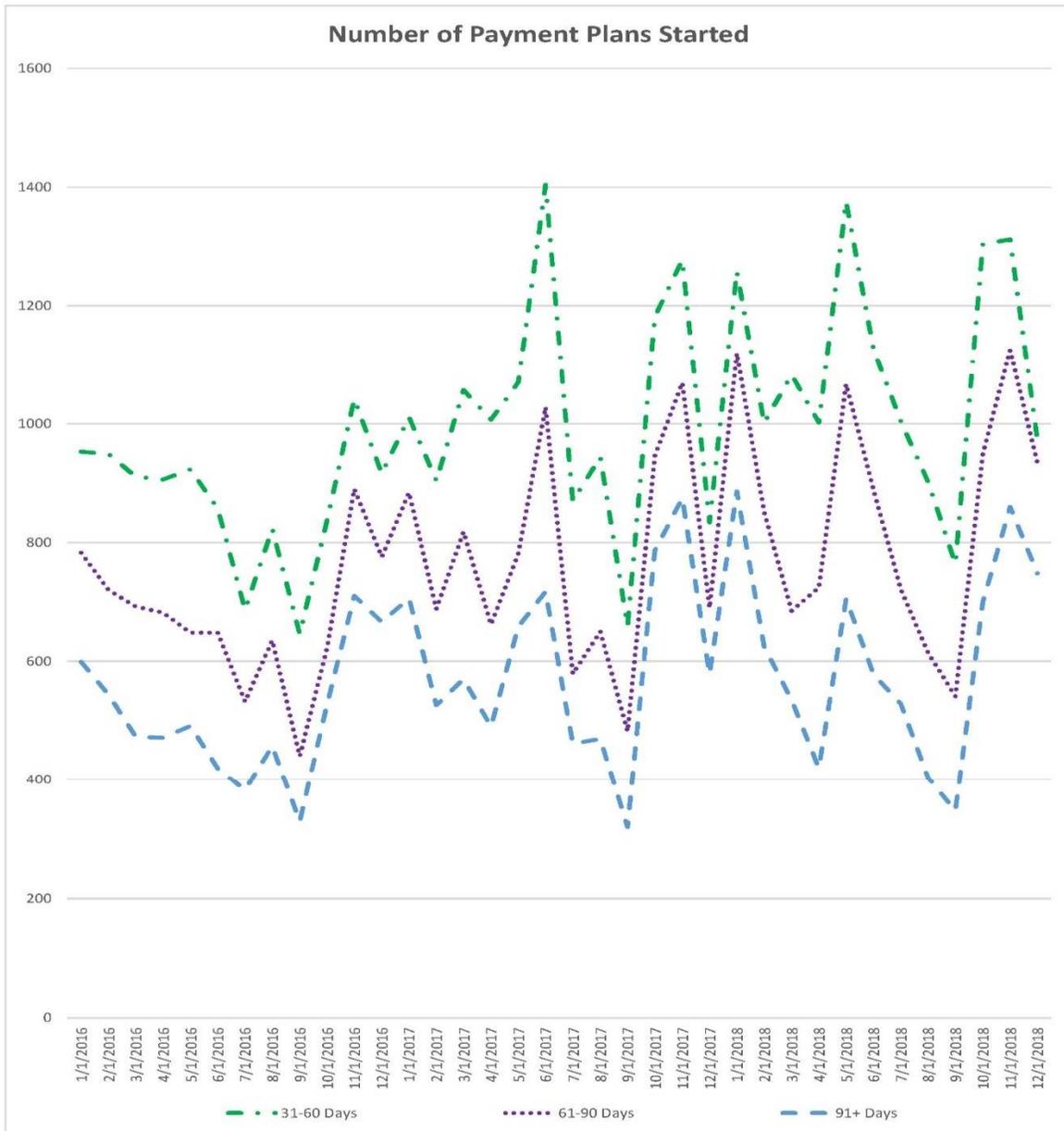
Comparing the accounts reconnected within 24 hours, to the total number of reconnections, across all three years, the percentage of reconnections within 24 hours for the 31-60 day, 61-90 and 90+ buckets were 63 percent, 54 percent and 63 percent, respectively.

**Table 10. Disconnection Length (Days) (Average)**



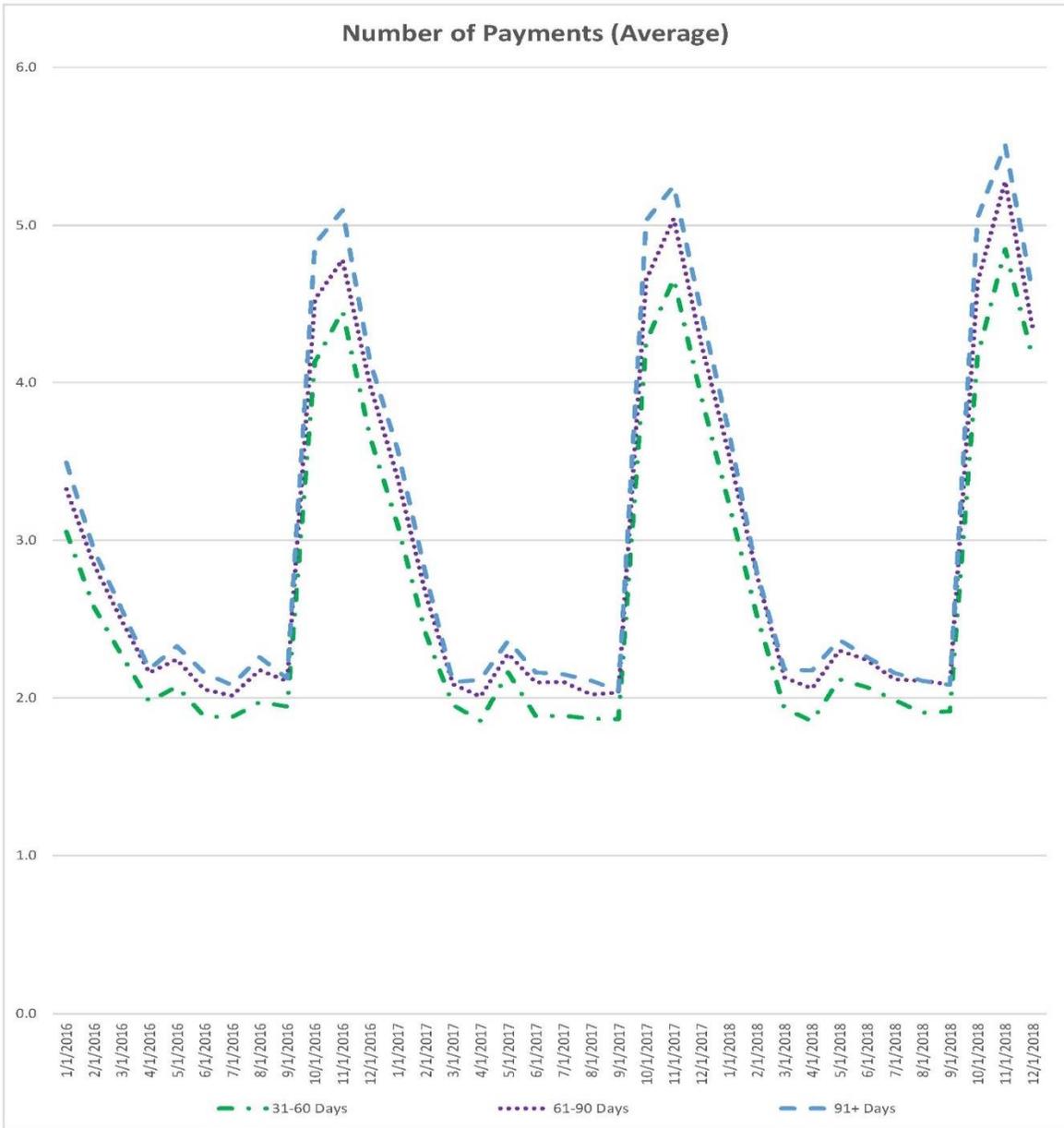
As Table 10 demonstrates, MP has steadily reduced the average disconnect length for its customers from over 80 days through much of 2016 to under 60 days since July, 2017. Notably, the median disconnection length in 2018 fell below the average across all buckets and was as low as one in certain months.

**Table 11. Number of Payment Agreements Started**



In total, from January 1, 2016 through December 31, 2018, MP started nearly 84,000 payment agreements with its customers – 35,773 with customers in the 31-60 day arrears bucket, 27,565 PAs with those 61-90 days in arrears and 20,599 PAs with those more than 91 days behind in their payments.

**Table 12. Number of Payments (Average)**



As demonstrated by Table 12, and discussed above, Summer PAs consistently provide for a lower number of payments than CWR PAs.

Overall, while certain data prompted follow-up inquiry, such as the disconnection spike in 2017 or the high past due balances of some accounts, the Firm's review of the aggregate data failed to identify any issues that raised compliance concerns.

## **B. Customer-Specific Data**

In addition to the overall or aggregate data, the Firm gathered detailed customer-specific information on 380 randomly selected customers with arrearages exceeding 60 days.<sup>18</sup> Review of that customer-specific data, as with the Firm's review of the aggregate data, failed to raise compliance concerns. It is well beyond the scope and time frame for this report for the Firm to summarize all of those customer experiences. However, for illustrative purposes, below the Firm highlights the experiences of the three customers out of the sample with whom MP had the most extensive contact<sup>19</sup> (108, 83, and 80 contacts respectively) as well as the two customers out of the sample who experienced the largest number of disconnections (5 disconnections and 63 contacts, and 3 disconnections and 78 contacts, respectively) over the 2016-2018 time period.

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<sup>18</sup> To generate the sample, the Firm first requested a listing of all residential account numbers with arrearages of 61 days or more at any time between January 1, 2016 and December 31, 2018. There were 31,256 such account numbers provided. In order to have a 95% confidence interval and a 5% margin of error, standard sampling technique calls for a sample of 380 from that population size. The specific accounts were then selected randomly from the total population.

<sup>19</sup> These contacts may have been initiated by MP, may have been initiated by the customer, or may have, in some instances, involved only an internal, unilateral action by MP, such as an internal notation on a customer account, in response to an earlier interaction with the customer or in response to a subsequent event, such as fuel assistance approval or a related inquiry by a third party agency, concerning the customer.

1. Customer W10017<sup>20</sup>

According to the data presented, during the 2016-2018 time period, Customer W10017 had 108 documented contacts with MP, resulting in a single disconnection with a disconnection duration of one day. A chronological progression of the primary activity on Customer W10017's account during the 2016-2018 time period is recorded as follows:

- On or about January 11, 2016, MP sent Customer W10017 a Payment Reminder Notice Letter.
- On or about January 22, 2016, Lutheran Social Service made a LIHEAP payment on Customer W10017's account in the amount of \$15.00.
- Following a couple of interspersed touchpoints regarding Customer W10017's bill and collection activities on Customer W10017's delinquent account, on or about February 10, 2016, MP sent Customer W10017 another Payment Reminder Notice Letter.
- On or about February 24, 2016, Lutheran Social Service made a LIHEAP payment on Customer W10017's account in the amount of \$16.00.
- On or about February 25, 2016, MP sent Customer W10017 a Disconnection Warning Letter.
- On or about March 3, 2016, MP and Customer W10017 entered into a PA, with two scheduled payments of \$25.00 to take place on March 31 and April 15, 2016. On or about March 8, 2016, Lutheran Social Service made a LIHEAP payment on Customer W10017's account in the amount of \$500.00. Customer W10017 did not make the payments scheduled for March 31 and April 15, 2016, and the PA was thus deemed broken and was discharged.
- On or about July 5, 2016, Lutheran Social Service made another LIHEAP payment on Customer W10017's account in the amount of \$293.00.
- Following a couple of interspersed touchpoints regarding Customer W10017's fuel assistance consumption and collection activities on Customer

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<sup>20</sup> The Firm created unique numbers for each of the customer accounts analyzed to ensure the Firm could effectively track and analyze those accounts while preserving customer anonymity and privacy. This Report utilizes these Firm-assigned numbers.

W10017's delinquent account, on or about November 11, 2016, MP sent Customer W10017 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.

- On or about November 28, 2016, MP initiated the transmission of another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account, which prompted contact regarding the collection activities on Customer W10017's delinquent account the following day, November 29, 2016.
- On or about December 12, 2016, MP sent Customer W10017 another Payment Reminder Notice Letter indicating a then-owing arrears amount of \$336.90,<sup>21</sup> as well as another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- On or about December 19, 2016, MP and Customer W10017 made contact regarding the collection activities on Customer W10017's delinquent account.
- On or about December 27, 2016, MP sent Customer W10017 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- On or about January 1 and 10, 2017, MP and Customer W10017 made contact regarding Customer W10017's bill.
- On or about February 8, 2017, MP sent Customer W10017 another Payment Reminder Notice Letter and another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- The following day, February 9, 2017, Customer W10017 contacted MP regarding the collection activities on Customer W10017's delinquent account and entered into a CWR PA, with scheduled payments of \$40.00 to take place on February 28, March 30, and May 31, 2017. Although Customer W10017 made the first payment, Customer W10017 failed to make the two

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<sup>21</sup> For feasibility of review, the Firm requested data regarding the amount of a customer's arrears on a quarterly basis. Accordingly, only Payment Reminder Notice Letters sent at the quarterly mark included data on the amount of the arrears then owing.

consecutive payments. As a result, the PA was deemed broken and was discharged.

- On or about February 23, 2017, MP sent Customer W10017 another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- On or about March 13, 2017, MP sent Customer W10017 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$149.99, as well as another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- On or about March 28, 2017, MP sent Customer W10017 another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- On or about April 7, 2017, MP sent Customer W10017 another Payment Reminder Notice Letter and Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- On or about April 19, 2017, MP and Customer W10017 made contact regarding the collection activities on Customer W10017's delinquent account.
- On or about April 24, 2017, MP sent Customer W10017 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- On May 8, 2017, Customer W10017 contacted MP regarding the collection activities on Customer W10017's delinquent account and entered into a PA, with one scheduled payment of \$484.30 to take place on May 31, 2017. However, on May 31, 2017, Customer W10017 contacted MP and the payment plan was cancelled.<sup>22</sup>
- On or about June 5, 2017, Customer W10017 contacted MP regarding fuel assistance. On or about that same date, MP sent Customer W10017 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$484.30, as well as another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.

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<sup>22</sup> A PA is "cancelled," rather than "broken," when a customer contacts MP on or prior to the scheduled payment date to inform MP that the scheduled payment cannot be made and the parties thereafter devise a new PA.

- On or about June 7, 2017, Customer W10017 contacted MP regarding its Customer Affordability of Residential Electricity (“CARE”) Program.
- On or about June 20, 2017, MP sent Customer W10017 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10017’s delinquent account.
- On or about June 21 and 22, 2017, Customer W10017 again contacted MP regarding fuel assistance and the MP CARE Program.
- On or about June 22, 2017, Lutheran Social Service contacted MP and entered into a payment plan on Customer W10017’s behalf.
- On or about June 26, 2017, Lutheran Social Service made two LIHEAP payments on Customer W10017’s account totaling \$660.00.
- Following a couple of interspersed touchpoints regarding the MP CARE Program and Customer W10017’s fuel assistance consumption, on or about September 11, 2017, MP sent Customer W10017 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$105.74, as well as an Interactive Voice Recording regarding the collection activities on Customer W10017’s delinquent account.
- On or about September 22, 2017, Customer W10017 and MP made contact regarding Customer W10017’s bill.
- On or about September 26, 2017, MP sent Customer W10017 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10017’s delinquent account.
- On or about October 10, 2017, MP disconnected Customer W10017’s service for non-payment. The following day, October 11, 2017, MP reconnected Customer W10017’s service and entered into a PA with Customer W10017, with one scheduled payment of \$457.42 due that same day. However, Customer W10017 failed to make the payment, and the PA was thus deemed broken and was discharged.
- Following several interspersed touchpoints regarding Customer W10017’s bill and the collection activities on Customer W10017’s delinquent account, on or about January 31, 2018, MP and Customer W10017 entered into a CWR PA, with scheduled payments of \$10.00, \$20.00, \$20.00, and \$20.00 to take place, respectively, on February 1, February 28, March 30, and April 23, 2018. Customer W10017 made each payment.

- Following a couple of interspersed touchpoints regarding fuel assistance and Customer W10017's bill, on or about March 12, 2018 MP sent Customer W10017 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$124.07, as well as an Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- On or about March 27, 2017, MP sent Customer W10017 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- On or about April 9 and 16, 2017, MP sent Customer W10017 an Interactive Voice Recording regarding the end of the CWR Period and MP and Customer W10017 made contact regarding the same.
- Following a couple of interspersed touchpoints regarding Customer W10017's bill and the collection activities on Customer W10017's delinquent account, on April 23, 2018, MP sent Customer W10017 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- Following a few additional interspersed touchpoints regarding Customer W10017's bill and the collection activities on Customer W10017's delinquent account, on May 8, 2018, MP sent Customer W10017 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- On or about May 15, 2018, Lutheran Social Service contacted MP and entered into a PA on Customer W10017's behalf.
- On or about May 17, 2018, Lutheran Social Service made two LIHEAP payments on Customer W10017's account totaling \$481.00.
- Following a couple of interspersed touchpoints regarding Customer W10017's bill, Customer W10017's fuel assistance consumption, and a possible payment agreement, on or about September 10, 2018, MP sent Customer W10017 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$218.81, as well as an Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.
- Following a couple of additional interspersed touchpoints regarding Customer W10017's bill and the collection activities on Customer W10017's

delinquent account, on or about September 25, 2018, MP sent Customer W10017 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10017's delinquent account.

- Following several more interspersed touchpoints regarding Customer W10017's bill and the collection activities on Customer W10017's delinquent account, on October 4, 2018, MP and Customer W10017 entered into a PA, with two scheduled payments of \$196.00 to take place on October 19 and November 23, 2018. However, Customer W10017 did not make either payment, and the PA was thus deemed broken and was discharged.
- Following a couple of additional interspersed touchpoints regarding the payment of Customer W10017's bill and fuel assistance, on or about November 7, 2018, Lutheran Social Service made a LIHEAP payment on Customer W10017's account in the amount of \$60.00.
- To close out 2018, MP and Customer W10017 made contact a few additional times regarding Customer W10017's bill and the CWR Period.

## 2. Customer W10234

According to the data presented, during the 2016-2018 time period, Customer W10234 had 83 documented contacts with MP, resulting in no disconnections. A chronological progression of the primary activity on Customer W10234's account during the 2016-2018 time period is recorded as follows:

- On or about January 6, 2016, MP sent Customer W10234 a Payment Reminder Notice Letter.
- On or about January 21, 2016, MP sent Customer W10234 a Disconnection Warning Letter.
- On or about February 4, 2016, MP and Customer W10234 entered into a CWR PA, with three scheduled payments of \$75.00 to take place on February 15, March 15, and April 15, 2016. However, Customer W10234 did not make any of the scheduled payments, and the PA was thus deemed broken and was discharged.
- On or about February 8, 2016, MP sent Customer W10234 a Payment Reminder Notice Letter.

- On or about February 23, 2016, MP sent Customer W10234 a Disconnection Warning Letter.
- On or about March 4, 2016, MP and Customer W10234 entered into another PA, with a single scheduled payment of \$500.00 due the same day. Although Customer W10234 did not make the scheduled payment, and the PA was thus deemed broken and was discharged, on or about March 8, 2016, the Arrowhead Economic Opportunity Agency (“AEOA”) made a LIHEAP payment on Customer W10234’s account in the amount of \$500.00.
- On or about April 7, 2016, MP sent Customer W10234 a Payment Reminder Notice Letter.
- On or about April 22, 2016, MP sent Customer W10234 a Disconnection Warning Letter.
- On or about April 29, 2016, MP and Customer W10234 entered into a PA, with two scheduled payments of \$266.66 to take place on May 6 and 20, 2016. However, Customer W10234 did not make any of the scheduled payments, and the PA was thus deemed broken and was discharged.
- On or about May 10, 2016, MP sent Customer W10234 a Payment Reminder Notice Letter.
- On or about May 13, 2016, MP and Customer W10234 made contact regarding fuel assistance.
- On or about May 25, 2016, MP sent Customer W10234 a Disconnection Warning Letter.
- Following a few touchpoints on June 7, 2016 regarding fuel assistance and Customer W10234’s pending cutoff, on or about June 9, 2016, AEOA made a LIHEAP payment on Customer W10234’s account in the amount of \$461.00.
- On or about August 8, 2016, MP sent Customer W10234 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10234’s delinquent account.
- On or about September 6, 2016, MP sent Customer W10234 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$188.31, as well as another Interactive Voice Recording regarding the collection activities on Customer W10234’s delinquent account.

- On or about September 21, 2016, MP sent Customer W10234 another Interactive Voice Recording regarding the collection activities on Customer W10234's delinquent account.
- On or about October 21, 2016, MP sent Customer W10234 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10234's delinquent account.
- On or about November 1, 2016, MP and Customer W10234 entered into a CWR PA, with six scheduled payments of \$150.00 to take place starting on November 10, 2016, and occurring thereafter in approximately one month intervals. However, Customer W10234 did not make any of the scheduled payments, and the PA was thus deemed broken and was discharged.
- Approximately four months later, following a few interspersed touchpoints, on or about April 7, 2017, MP sent Customer W10234 a Payment Reminder Notice Letter and another Interactive Voice Recording regarding the collection activities on Customer W10234's delinquent account.
- On or about April 24, 2017, MP sent Customer W10234 an Interactive Voice Recording regarding the collection activities on Customer W10234's delinquent account.
- On or about April 27, 2017, MP sent Customer W10234 a Disconnection Warning Letter.
- Following a couple of touchpoints regarding MP's CARE Program and the collection activities on Customer W10234's delinquent account in May 2017, on or about July 5, 2017, MP sent Customer W10234 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10234's delinquent account.
- On or about July 10, 2017, MP sent Customer W10234 another Interactive Voice Recording regarding the collection activities on Customer W10234's delinquent account as well as a letter regarding Customer W10234's broken PAs.
- The following day, July 11, 2017, MP sent Customer W10234 a Disconnection Warning Letter and contact was made regarding the cancellation of Customer W10234's participation in the MP CARE Program.
- Following one touchpoint on or about July 17, 2017 regarding the collection activities on Customer W10234's delinquent account, on or about July 22, 2017, MP and Customer W10234 entered into a PA, with four scheduled

payments of \$335.50 to take place starting on July 28, 2017, and occurring thereafter in approximately one week intervals. However, Customer W10234 did not make any of the scheduled payments, and the PA was thus deemed broken and was discharged.

- On or about August 1, 2017, MP and Customer W10234 made contact regarding fuel assistance, and MP sent Customer W10234 a Disconnection Warning Letter.
- On or about August 15, 2017, the Salvation Army contacted MP and entered into a PA on Customer W10234's behalf.<sup>23</sup>
- On or about August 29, 2017, Salvation Army made a LIHEAP payment on Customer W10234's account in the amount of \$500.00.
- On or about October 9, 2017, MP sent Customer W10234 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10234's delinquent account.
- On or about October 16, 2017, MP and Customer W10234 entered into a CWR PA, with seven scheduled payments of \$125.00 to take place starting on October 31, 2017, and occurring thereafter in approximately one month intervals. Although Customer W10234 made the first payment, Customer W10234 did not make any of the consecutively scheduled payments, and the PA was thus deemed broken and was discharged.
- Following one touchpoint regarding Customer W10234's bill, on or about December 8, 2017, MP sent Customer W10234 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$190.95, as well as an Interactive Voice Recording regarding the collection activities on Customer W10234's delinquent account.
- On or about December 26, 2017, MP sent Customer W10234 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10234's delinquent account.

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<sup>23</sup> In some cases, a third party working with the customer to provide assistance may negotiate on the customer's behalf to arrive at a mutually agreeable payment agreement. In those instances, the customer has already shared information with the energy assistance provider, which is within the scope of the vendor agreements under LIHEAP.

- Approximately four months later, on or about April 9, 2018, MP sent Customer W10234 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection of Customer W10234's delinquent account.
- On or about April 24, 2018, MP sent Customer W10234 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10234's delinquent account.
- Following several interspersed touchpoints regarding Customer W10234's bill, MP's CARE Program, and fuel assistance, on or about September 6, 2018, MP sent Customer W10234 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$124.56, as well as an Interactive Voice Recording regarding the collection activities on Customer W10234's delinquent account.
- On or about September 12, 2018, MP sent Customer W10234 a Disconnection Warning Letter and contact was made regarding the cancellation of Customer W10234's participation in the MP CARE Program.
- On September 17, 2018, MP and Customer W10234 entered into a PA, with one scheduled payment of \$425.03 to take place on October 1, 2018. Customer W10234 satisfied the terms of the PA.
- Following one touchpoint regarding the collection activities on Customer W10234's delinquent account, on or about October 5, 2018, MP sent Customer W10234 a Disconnection Warning Letter.
- On or about October 15, 2018, MP and Customer W10234 entered into a CWR PA, with seven scheduled payments of \$100.00 to take place starting on November 1, 2018, and occurring thereafter in approximately one month intervals. However, on or about November 6, 2018, this PA was cancelled in favor of a nearly identical PA. Customer W10234 nevertheless failed to make any of the scheduled payments, and the PA was thus deemed broken and was discharged.
- On or about December 5, 2018, MP and Customer W10234 entered into another PA.

### 3. Customer W10196

According to the data presented, during the 2016-2018 time period, Customer W10196 had 80 total contacts with MP, resulting in no disconnections. A chronological

progression of the primary activity on Customer W10196's account during the 2016-2018 time period is recorded as follows:

- On or about January 4, 2016, MP sent Customer W10196 a Payment Reminder Notice Letter.
- On or about January 8, 2016, MP sent Customer W10196 a letter informing Customer W10196 of a \$20.00 charge that would be applied to Customer W10196's account as a result of a Non-Sufficient Funds ("NFS") Check (a "NSF Check Letter").
- On or about January 18, 2016, MP sent Customer W10196 a Disconnection Warning Letter.
- On or about January 28, 2016, MP and Customer W10196 entered into a CWR PA, with five scheduled payments of \$400.00, \$200.00, \$200.00, \$200.00, \$300.00 and \$65.00 to take place, respectively, starting on January 30, 2016, and occurring thereafter in one week intervals. Customer W10196 made all but the last payment.
- On March 9, 2016, MP and Customer W10196 made contact regarding the payment of Customer W10196's bill.
- On or about March 18, 2016, MP sent Customer W10196 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$362.80.
- On or about April 4, 2016, MP sent Customer W10196 a Disconnection Warning Letter.
- On or about April 14, 2016, MP and Customer W10196 entered into a PA, with three scheduled payments of \$300.00 to take place starting on April 15, 2016, and occurring thereafter in one week intervals. Although Customer W10196 made the first payment, Customer W10196 failed to make the two consecutive payments. As a result, the PA was deemed broken and was discharged.
- On or about April 26, 2016, MP sent Customer W10196 a Payment Reminder Notice Letter.
- On or about May 11, 2016, MP sent Customer W10196 a Disconnection Warning Letter.
- On or about May 17, 2016, MP and Customer W10196 entered into another PA, with two scheduled payments of \$200.00 and \$325.00 to take place,

respectively, on May 18 and 20, 2016. However, Customer W10196 did not make either payment, and the PA was thus deemed broken and was discharged.

- Following one touchpoint on or about May 20, 2016 regarding the payment of Customer W10196's bill, on or about May 23, 2016, MP sent Customer W10196 a Payment Reminder Notice Letter.
- On or about June 7, 2016, MP sent Customer W10196 a Disconnection Warning Letter.
- On or about June 14, 2016, MP and Customer W10196 entered into another PA, with two scheduled payments of \$257.92 to take place on June 17 and 24, 2016. However, this PA was subsequently cancelled.
- Following several interspersed touchpoints regarding the collection activities on Customer W10196's delinquent account, PAs, and the payment of Customer W10196's bill, on or about October 10, 2016, MP sent Customer W10196 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about October 19, 2016, MP and Customer W10196 entered into a CWR PA, with seven scheduled payments of \$200.00 to take place, respectively, starting on October 19, 2016, and occurring thereafter in approximately one month intervals. Although Customer W10196 made the first four payments, Customer W10196 failed to make the final three payments. As a result, the PA was deemed broken and was discharged.
- Approximately four months later, on or about February 20, 2017, MP sent Customer W10196 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about March 7, 2017, MP sent Customer W10196 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about March 17, 2017, MP and Customer W10196 entered into a PA, with three scheduled payments of \$300.00, \$300.00, and \$371.64 to take place, respectively, starting on March 18, 2017, and occurring thereafter in approximately two week intervals. However, Customer W10196 did not make any of the scheduled payments, and the PA was deemed broken and was discharged.

- On or about May 12, 2017, MP sent Customer W10196 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about May 25, 2017, MP and Customer W10196 entered into a PA, with four scheduled payments of \$100.00, \$200.00, \$200.00, and \$100.00 to take place, respectively, starting on May 26, 2017, and occurring thereafter in approximately two week intervals. Although Customer W10196 made the first two scheduled payments, Customer W10196 did not make the two remaining payments. As a result, the PA was deemed broken and was discharged.
- On or about June 27, 2017, MP sent Customer W10196 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$317.50, as well as an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about July 12, 2017, MP sent Customer W10196 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about July 26, 2017, MP and Customer W10196 entered into a PA, with two scheduled payments of \$300.00 and \$319.01 to take place, respectively, starting on August 4 and 18, 2017. Customer W10196 did not make either scheduled payment, and the PA was deemed broken and was discharged.
- On or about September 11, 2017, MP sent Customer W10196 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$312.13, as well as an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about September 26, 2017, MP sent Customer W10196 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- Approximately three months later, following a few touchpoints regarding the collection activities on Customer W10196's delinquent account, the payment of Customer W10196's bill, and the start of the CWR Period, on or about January 9, 2018, MP sent Customer W10196 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.

- On or about January 10, 2018, MP and Customer W10196 entered into a CWR PA, with four scheduled payments of \$150.00, \$200.00, \$300.00, and \$200.00 to take place, respectively, starting on January 19, 2018, and occurring thereafter in approximately one month intervals. Customer W10196 satisfied the terms of this PA.
- On or about March 12, 2018, MP sent Customer W10196 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$438.24, as well as an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about March 27, 2018, MP sent Customer W10196 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about May 4, 2018, MP and Customer W10196 entered into a PA, with four scheduled payments of \$150.00, \$150.00, \$250.00, and \$250.00 to take place, respectively, starting on May 18, 2018, and occurring thereafter in approximately two week intervals. However, Customer W10196 did not make any of the scheduled payments, and the PA was thus deemed broken and was discharged.
- On or about May 19, 2018, MP sent Customer W10196 a NSF Check Letter.
- On or about May 22, 2018, MP sent Customer W10196 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about June 6, 2018, MP sent Customer W10196 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about June 12, 2018, MP and Customer W10196 entered into a PA, with two scheduled payments of \$763.00 to take place, respectively, on June 18, 2018 and July 9, 2018. Although Customer W10196 made the first scheduled payment, it appears Customer W10196 lacked sufficient funds to complete the payment. As a result, the PA was deemed broken and was discharged.
- On or about June, 22, 2018, MP sent Customer W10196 two NSF Check Letters, a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$1,339.32, an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account, and also made contact with Customer W10196 regarding the same.

- On or about June 27, 2018, MP and Customer W10196 entered into a PA, with three scheduled payments of \$330.00 to take place, respectively, on July 9, 2018 and occurring thereafter in approximately two week intervals. Although Customer W10196 made the first scheduled payment, Customer W10196 failed to make the two consecutive payments. As a result, the PA was deemed broken and was discharged.
- On or about July 27, 2018, MP sent Customer W10196 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about August 13, 2018, MP sent Customer W10196 another Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about September 10, 2018, MP sent Customer W10196 Payment Reminder Notice Letter indicating a then-owing arrears amount of \$487.81, as well as an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about September 18, 2018, MP and Customer W10196 entered into a PA, with three scheduled payments of \$200.00, \$300.00, and \$295.81 to take place, respectively, on September 28, 2018 and occurring thereafter in approximately two week intervals. This PA was cancelled on or about October 15, 2018, in favor of another PA, with two scheduled payments of \$300.00 and \$295.69 to take place, respectively, on October 26 and November 9, 2018. However, Customer W10196 did not make either payment, and the PA was thus deemed broken and was discharged.
- On or about November 5, 2018, MP sent Customer W10196 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about November 20, 2018, MP sent Customer W10196 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10196's delinquent account.
- On or about December 11, 2018, MP and Customer W10196 entered into a CWR PA, with five scheduled payments of \$100.00 to take place, respectively, starting on December 30, 2018 and occurring thereafter in approximately one month intervals. However, Customer W10196 did not make any of the scheduled payments, and the PA was thus deemed broken and was discharged.

#### 4. Customer W10013

According to the data presented, during the 2016-2018 time period, Customer W10013 had 63 documented contacts with MP, resulting in five disconnections, each of which had a disconnection duration of less than 24 hours with the exception of the final disconnection, which lasted 29 days. A chronological progression of the primary activity on Customer W10013's account during the 2016-2018 time period is recorded as follows:

- On or about March 14, 2016, Customer W10013 started services with MP.
- On or about April 7, 2017, Customer W10013 inquired regarding MP's CARE Program.
- On or about May 1, 2017, MP sent Customer W10013 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection of Customer W10013's delinquent account.
- On or about May 16, 2017, MP sent Customer W10013 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10013's delinquent account.
- On or about June 1, 2017, MP disconnected Customer W10013's service for non-payment. That same day, MP reconnected Customer W10013's service and entered into a PA with Customer W10013. Customer W10013 satisfied the terms of the PA the following day, June 2, 2017, with a payment of \$500.00.
- Following a couple of interspersed touchpoints regarding Customer W10013's fuel assistance, on or about December 28, 2017, MP sent Customer W10013 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$324.43, as well as an Interactive Voice Recording regarding the collection of Customer W10013's delinquent account.
- On or about January 12, 2018, MP sent Customer W10013 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10013's delinquent account.
- On or about January 29, 2018, MP disconnected Customer W10013's service for non-payment. That same day, MP reconnected Customer W10013's service and entered into a CWR PA with Customer W10013. The PA

required three payments of \$200.00 to take place, respectively, starting on February 15, 2018, and occurring thereafter on one month intervals. However, Customer W10013 did not make any of the scheduled payments, and the PA was thus deemed broken and was discharged.

- On or about February 23, 2018, MP sent Customer W10013 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection of Customer W10013's delinquent account.
- On or about March 12, 2018, MP sent Customer W10013 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10013's delinquent account.
- On or about March 15, 2018, AEOA contacted MP and entered into a PA on Customer W10013's behalf.
- On or about April 15, 2018, AEOA made a LIHEAP payment on Customer W10013's account totaling \$1,188.00.
- On or about May 30, 2018, MP sent Customer W10013 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection of Customer W10013's delinquent account.
- On or about June 14, 2018, MP sent Customer W10013 a Disconnection Warning Letter and another Interactive Voice Recording regarding the collection activities on Customer W10013's delinquent account.
- On or about June 29, 2018, MP disconnected Customer W10013's service for non-payment. That same day, MP reconnected Customer W10013's service and entered into a PA with Customer W10013. The PA required a single payment of \$804.00 to take place that same day. However, Customer W10013 did not make the scheduled payments, and the PA was thus deemed broken and was discharged.
- On or about July 6, 2018, MP sent Customer W10013 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection of Customer W10013's delinquent account.
- The following day, July 7, 2018, MP sent Customer W10013 a NSF Check Letter.
- On or about July 23, 2018, MP sent Customer W10013 a Disconnection Warning Letter and an Interactive Voice Recording regarding the collection activities on Customer W10013's delinquent account, and MP and Customer W10013 made contact regarding Customer W10013's bill.

- On or about August 10, 2018, MP disconnected Customer W10013's service for non-payment. That same day, MP reconnected Customer W10013's service and entered into a PA with Customer W10013. The PA required a single payment of \$1,010.49 to take place that following day, August 11, 2018. Although Customer W10013 attempted to make the scheduled payment, Customer W10013 lacked sufficient funds to complete the payment.
- On or about August 16 and 17, 2018, MP sent Customer W10013 multiple NSF Check Letters, a Payment Reminder Notice Letter, an Interactive Voice Recording regarding the collection activities on Customer W10013's delinquent account, and also made contact with Customer W10013 regarding the same.
- On or about August 31, 2018, MP sent Customer W10013 a Disconnection Warning Letter and an Interactive Voice Recording regarding the collection activities on Customer W10013's delinquent account.
- On or about September 13, 2018, MP disconnected Customer W10013's service for non-payment.
- MP stopped Customer W10013's service 29 days later, October 12, 2018.
- On or about October 25 and November 16, 2018, respectively, MP sent Customer W10013 the first and second notices of the closing of Customer W10013's account and the outstanding balance on the account.
- On or about November 11, 2018, MP appears to have administratively closed Customer W10013's account.

#### 5. Customer W10144

According to the data presented, during the 2016-2018 time period, Customer W10144 had 78 documented contacts with MP, resulting in three disconnections, two of which had a disconnection duration of one day and one of which had a disconnection duration of less than 24 hours. A chronological progression of the primary activity on Customer W10144's account during the 2016-2018 time period is recorded as follows:

- On or about January 6, 2016, MP disconnected Customer W10144's service for non-payment. The following day, January 7, 2016, MP reconnected

Customer W10144's service and entered into a PA with Customer W10144. The PA required a single payment of \$821.00 to take place January 29, 2016. Although Customer W10144 failed to make the scheduled payment, and the PA was thus broken and discharged, on or about January 8, 2016, two LIHEAP payments were made on Customer W10144's account totaling \$821.00.

- On or about June 15, 2016, MP sent Customer W10144 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$100.48.
- On or about July 18, 2016, MP sent Customer W10144 another Payment Reminder Notice Letter.
- On or about August 17, 2016, MP sent Customer W10144 another Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection of Customer W10144's delinquent account.
- On or about September 1, 2016, MP sent Customer W10144 a Disconnection Warning Letter and an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about September 15, 2016, MP and Customer W10144 entered into a PA, with a single payment of \$200.00 to take place on October 14, 2016. Customer W10144 satisfied the terms of this PA.
- On or about September 16, 2016, MP sent Customer W10144 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$127.72, as well as an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about October 17, 2016, MP sent Customer W10144 another Payment Reminder Notice Letter and Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about October 21, 2016, MP and Customer W10144 made contact regarding fuel assistance.
- On or about November 1, 2016, MP sent Customer W10144 a Disconnection Warning Letter and an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about November 10, 2016, Mahube made a LIHEAP payment on Customer W10144's account in the amount of \$38.00.

- On or about November 11, 2016, MP and Customer W10144 made contact regarding a CWR PA.
- On or about November 17, 2016, MP sent Customer W10144 another Payment Reminder Notice Letter and Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about December 2, 2016, MP sent Customer W10144 a Disconnection Warning Letter and an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about December 12, 2016, Mahube made a LIHEAP payment on Customer W10144's account in the amount of \$38.00.
- On or about December 15, 2016, MP and Customer W10144 entered into a CWR PA, with five payments of \$10.00, \$30.00, \$30.00, \$30.00, and \$30.00 to take place respectively, starting on December 29, 2016, and occurring thereafter on approximately one month intervals. However, Customer W10144 did not make any of the scheduled payments, and the PA was thus deemed broken and was discharged.
- On or about December 16, 2016, MP sent Customer W10144 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$159.95, as well as an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about January 2, 2017, MP sent Customer W10144 another Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about January 6, 2017, MP sent Customer W10144 a Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about January 11, 2017, Mahube made a LIHEAP payment on Customer W10144's account in the amount of \$38.00.
- On or about January 23, 2017, MP sent Customer W10144 a Disconnection Warning Letter and an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about February 8, 2017, Mahube contacted MP and entered into a payment plan on Customer W10144's behalf.

- On or about February 10, 2017, Mahube made two LIHEAP payments on Customer W10144's account totaling \$454.00.
- Approximately four months later, on or about June 15, 2017, MP sent Customer W10144 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$132.64, as well as an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about June 30, 2017, MP sent Customer W10144 a Disconnection Warning Letter and an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- Following several touchpoints during August 2017 regarding Customer W10144's fuel assistance consumption, on or about September 15, 2017, MP sent Customer W10144 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$102.29, as well as an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about October 2, 2017, MP sent Customer W10144 a Disconnection Warning Letter and an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about October 18, 2017, MP disconnected Customer W10144's service for non-payment. That same day, MP reconnected Customer W10144's service and entered into a CWR PA with Customer W10144. The payment plan required one payment of \$5.00 to take place on October 25, 2017, and six consecutive payments of \$50.00 occurring thereafter on approximately one month intervals. However, Customer W10144 did not make any of the scheduled payments, and the CWR PA was thus deemed broken and was discharged.
- On or about November 28, 2017, MP and Customer W10144 entered into a Winter PA, but this time with one payment of \$5.00 to take place on November 30, 2017, and five consecutive payments of \$30.00 occurring thereafter on approximately one month intervals. Although Customer W10144 made the first scheduled payment, Customer W10144 failed to make the remaining payments. As a result, the PA was deemed broken and was discharged.
- On or about December 18, 2017, MP sent Customer W10144 a Payment Reminder Notice Letter indicating a then-owing arrears amount of \$118.13,

as well as an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.

- On or about January 2, 2018, MP sent Customer W10144 a Disconnection Warning Letter and an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about February 2, 2018, MP sent Customer W10144 another Payment Reminder Notice Letter and an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about February 19, 2018, MP sent Customer W10144 a Disconnection Warning Letter and an Interactive Voice Recording regarding the collection activities on Customer W10144's delinquent account.
- On or about March 13, 2018, MP disconnected Customer W10144's service for non-payment. The following day, March 14, 2018, MP reconnected Customer W10144's service and entered into a PA with Mahube.
- On or about March 15, 2018, Mahube made two LIHEAP payments on Customer W10144's account totaling \$678.00.
- On or about March 19, 2018, MP and Customer W10144 made contact regarding fuel assistance.
- Approximately four months later, on or about July 16 and August 7, 2018, respectively, MP sent Customer W10144 the first and second notices of the closing of Customer W10144's account and the outstanding balance on the account.

### **C. Call Recordings**

As a third means of assessing the customer impact of MP's credit and collection practices, the Firm requested and reviewed in detail all call recordings for a group of 100 randomly selected customers with arrears of 61 days or more during the 2016-2018 time period.<sup>24</sup> Those 100 customers had 562 recordings associated with their accounts (although

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<sup>24</sup> The Firm requested recordings on 100 customers, as a sufficient population to provide a reasonably accurate picture of MP's personal interactions with customers, while recognizing the time and resource constraints for this Report. Those 100 customers yielded

eight of those were recordings of an empty line) and the recordings, collectively, resulted in over 50 hours of interaction between MP and its customers. While a number of calls were fairly brief, thirty calls lasted ten or more minutes, with one call lasting over a half an hour.

Our review of those recordings can be summarized as follows:

- Many of the calls were routine – customers calling to request their balance or confirm a due date, make a payment by phone, report a power outage or tree and brush removal concerns, or similar matters.
- Several dozen calls related to payment agreements (also discussed on the call recordings as payment arrangements and payment or pay plans), with several customers having multiple such calls with the Company over the relevant time period.<sup>25</sup>
- At least 80 recordings included specific mention of the Cold Weather Rule, although two or more recordings discussing the CWR often occurred with a single customer.
- The CCSR actions on the calls mirrored the Company’s policies, training materials and guidelines and showed the CCSRs working with customers to address their specific circumstances, as appropriate.

A number of recordings discussing Summer PAs (or CWR PAs after the customer had already broken their initial CWR PA) concluded without an agreement being reached. The reasons varied, from the customer needing to talk to a spouse or others, apply for energy assistance, or just wanting to consider the situation and call back.

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between 50 and 60 hours of recordings for the Firm to listen to and summarize. The specific customers were selected randomly from the population of 380 customers for whom we requested detailed data.

<sup>25</sup> In some cases, a third party working with the customer to provide assistance may negotiate on the customer’s behalf to arrive at a mutually agreeable payment agreement. In those instances, the customer has already shared information with the energy assistance provider, which is within the scope of the vendor agreements under LIHEAP.

Only one recording ended with a clear refusal by the Company to accept anything less than full payment. Since the opening of that account, only one payment had been attempted and that was rejected due to non-sufficient funds. The account had a past due balance of over \$1,400.00 and the spouse of the named customer indicated that he already knew he did not qualify for energy assistance. The Company representative asked if family, friends or others could assist and suggested the customer try to talk to energy assistance anyway. The spouse indicated she would tell him they needed to do that and the Company representative indicated she would note that on the account.

A more typical recording was the following:

- the customer called and asked to be able to set up a PA;
- the CCSR explained that the last five PAs made by the customer were broken and asks if this time can be different;
- the customer says yes and that she's prepared to make an immediate payment, followed by another in short order;
- the customer and CCSR agree to a two payment PA over the next couple of weeks, discuss the details, and the call ends with the CCSR reminding the customer that this PA needs to be kept.

#### **D. Summary on Customer Impact**

The Firm's review of aggregate data, customer-specific data and individual call recordings failed to identify any systemic compliance concerns related to MP's interactions with its past due customers during the relevant time period. From the aggregate data, the most notable trend over the course of the review period is a marked reduction in the length of disconnections. No other metric demonstrated substantial change (other than consistent seasonal changes) over the three year period reviewed. For example, while customer past

due amounts trended somewhat downward for the 91 or more days in arrears group, it held relatively steady for the two other groupings. The customer-specific data demonstrated substantial interaction between the Company and its customers, much of it automated. The call recordings demonstrated substantial and meaningful interaction between the Company and its customers and that the CCSRs complied with Company policies, procedures and guidelines, in conformance with Minnesota Statutes and Rules.

## CONCLUSION

This Compliance Assessment entailed substantial work and required the cooperation of Minnesota Power and multiple employees at the Company in order to be meaningful – cooperation which the Firm received. The Assessment was also greatly aided by the input of the Energy CENTS Coalition and the Office of the Attorney General in establishing the parameters of the Assessment. Further, Energy CENTS Coalition provided occasional ongoing input, which improved the quality of the Assessment.

This Assessment did not identify any current or on-going systemic compliance concerns regarding MP's credit and collections, disconnection or reconnection efforts. The Assessment verified failures to file accurate information with the Commission in 2015 and 2016 and failures to file timely information with the Commission in 2017. MP has taken concrete steps to avoid such failures in the future.

The Assessment also notes the legal question for the Commission to address regarding the interpretation of Minnesota Statutes § 216B.098, subdivision 3, concerning payment agreement requirements, which, depending on the Commission's resolution, may require amendment of the Company's currently-approved tariffs.

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