AN ASSOCIATION FOR CREDIT PROFESSIONALS
IN THE UTILITY INDUSTRIES

COLLECTION CONNECTION

Industry News, Insights and Updates for NACM-IUG Credit & Collections Professionals

MAY 2012

PROFESSIONAL NETWORKING & THE BEST PRACTICES IN UTILITY COLLECTIONS

Letter from the Chairperson

by Julie DeSalvo

Greetings from your NACM IUG Board. We have been planning the Dallas conference since last September and are very excited about the program that we have in store for you. The following are a few of the topics that will be discussed.

- **An update of the Economy**
- **Prepaid Metering**
- **Utility Exchange Experience**
- **Collection Agency Management**
- **Commercial Account Collections**
- **C&C Legislative Updates**
- **QR Codes, Texting and Mobile Web**
- **Tour a Collection Agency in Dallas**

There will also be several sessions for networking and hot topic discussions. Personally this is one of my favorite parts of the conference, this is where you get to ask the members in attendance questions that you have or you can learn about how other utility companies do things. The information shared at these sessions has proven to be invaluable to me as a manager over a credit department. In addition to this in-person networking opportunity, I have met many people at NACM conferences that I can reach out to any time for advice or just to learn how they are dealing with a particular credit and collections issue.

As you plan for your 2012 travels and meetings you will want to include the Registration information for the **NACM IUG Conference June 10 – 13, 2012 in Dallas, Texas** can be found online at http://creditcongress.nacm.org/register-2012.html.

I am the current Chairperson for the NACM IUG and after the conference in Dallas I will conclude my role on the Board. That does not mean that my participation in the NACM IUG will end, rather a new chapter will begin. There are many people to acknowledge, most importantly I would like to thank all that are on the IUG Board. You all are a wonderful group of people that I have so enjoyed the opportunity to work with. Your guidance, support and friendship have been invaluable. Thank you to all of you!

This organization is made of up of individuals that work in credit and collections for utility companies, consider taking an active role in this group it will bring you great benefit.

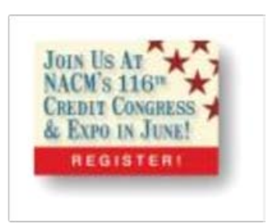
So, as I turn the page and move on to my next adventure I would offer you all a bit of advice, stay with this group and soak up all the information that you can from those that you meet at these conferences. You will gain resources that are often in the same situations as you and can help you through those areas that you struggle with. This is your conference, make the most of it.

Thanks for making my experiences with NACM IUG so great.
I so enjoyed meeting all of you and I look forward to seeing you all in Dallas!

Tribute to Dick Schauger

A special thanks to Dick Schauger for his guidance and help along the way. He has helped us in countless ways to make this group strong.

Page 5



IUG Agenda

Check out what is on the agenda for the 116th Credit Congress IUG Meeting in Dallas, TX June 10-13th, 2012!

Page 8

The Economic Crystal Ball for 2012

by The Unknown One Armed Economist

Yes it is me again! Back apparently by overwhelming demand. For those of you that read my first article you can jump down to the next paragraph. For you newcomers, you are probably reading this article either due to its intriguing title or the intriguing pseudonym that I have chosen. Well in the first case, I choose this title to reflect that just because a topic and possibly some suggested solutions may be covered in this article they may not actually come to fruition. This is no different than how a true scryer approaches their visions as they understand that the future they perceive is merely one of the paths that could be taken in the future. In the second case, my pseudonym has been chosen to reflect that I prefer to be anonymous and it is a tribute to President Truman who asked to be sent a one armed economist after becoming so irritated with exponents of the dismal science of economics proclaiming "On the one hand, this" and "On the other hand, that".

Now last time I started out addressing our good neighbors up North (I guess I may have limited the possibilities there of my identity) so why stop a good thing. In the last article I made some forward looking statements and I thought to start with I would reflect back on those to see how my little crystal ball worked (yes I do have one on my desk). Although there was some growth in employment in southwest Ontario it certainly was not robust. But then again I never said it would be robust, just having growth, which did occur. So you make the decision if that was 'spot on'. Economic growth was slightly below 2%, pretty much 'spot on', especially since I avoided giving a percentage in my article. I would think this level of growth fits the prediction "growth albeit modest as compared to the past year" (3%). Unfortunate volatility in foreign markets has had very adverse effects on this measure of performance. Office vacancy rates in Toronto were 'spot on', dropping from a rate of 7.3% to 5.6% by year end. So I think two out of three or if I can get your votes three out of three is proof that my little crystal ball might just be working. Ok, so I did have another prediction but to tell you the truth I could not find details to say whether it was right, wrong or indifferent; so I will stick to the possible three of three.

For 2012 going into 2013 Canada is mostly facing resistance to their growth from the problems in the U.S. and those pesky Gipsi's (Greece, Italy, Portugal, Spain & Ireland) in Europe. Just to be fair to the two armed economists, some are putting forth two very extreme projections that are referred to as the "binary outcomes". Think of it as two trains on a parallel course until at one point they diverge in two opposing directions. So one track is affected by the complete devastation of the Gipsi problems creating a credit freeze that makes the last one seem like nothing which naturally puts the whole world and unfortunately Canada into a very deep recession. You know in my school days in the last century we probably would have called it a depression. But times do change. The other 'track', so to speak, is that Europe is completely able to save the Gipsi's and all is cured bringing prosperity to the markets and Canada's economy takes off finally. Personally I am amazed that Canada has such a drug problem because that is the only way I could think of either of these two predictions even coming to being close.

I will stay with the more conservative approach which is also embraced by the government officials. To be clear: I am referring to the Canadian government, you would be hard pressed for me to embrace anything the U.S. government publishes, but that is a total other story.

So what should we really expect for Canada:

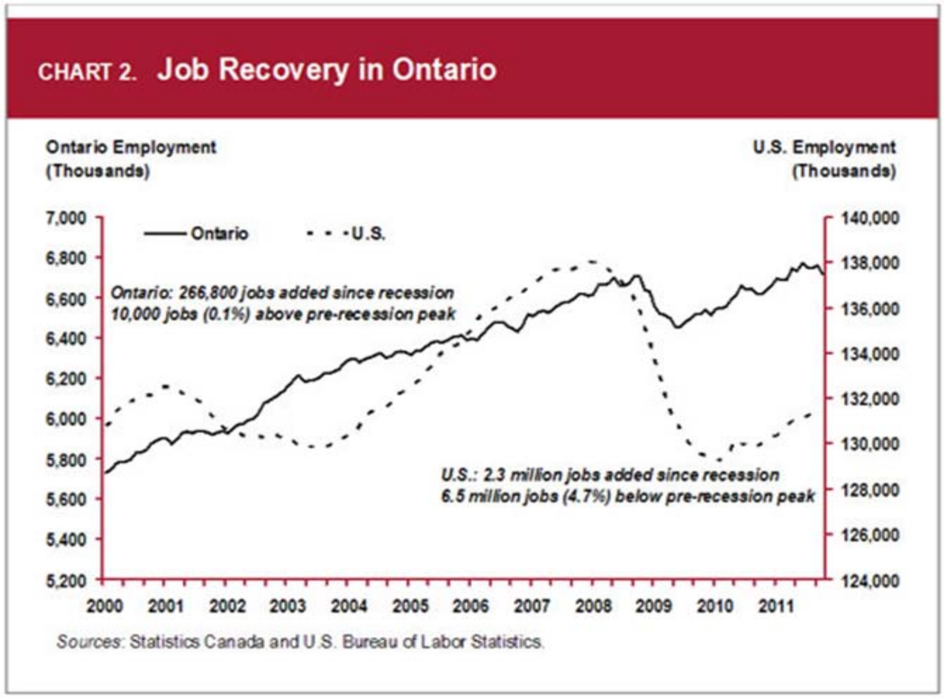
- GDP growth at 2% in 2012 and 2.6% in 2013 (it was 2.3% in 2011 and 3% in 2010)
- Unemployment of 7.4% in 2012 and 7.1% in 2013 (it was 7.5% in 2011 and 8.0% in 2010) So continued slow progress in line with the above slow growth
- All provinces will experience growth in 2012 led by the commodity rich west (B.C., Alberta & Saskatchewan) and softened by the manufacturing intensive provinces of Ontario, Quebec and new Brunswick. Unfortunately, Nova Scotia, Prince Edward Island and New Foundland will be on the soft side as tourism is expected to be below normal from the continued challenges in the U.S.
- Total Consumer price inflation (CPI) is expected to be in the 3% range driven by food and energy costs, while core CPI is expected to be in the range of 1.5% to 2%.
- The Bank of Canada is expected to not change their benchmark overnight rate of 1% until early 2013.
- The Canadian Dollar is not expected to re-reach parity with the U.S. until late 2012 and be above parity in 2013.

Overall this is positive for Canada, nice continued slow growth. That is unless you want to buy into those binary outcomes at which point I might suggest you find one of those abandoned missile silos to serve as your safe haven from Armageddon.

Now for their southerly neighbors, predictions are much more difficult as was the performance in last year's predictions. On foreclosures we saw some improvement in that home sales were up 8% from August to January, however continued regulatory and political meddling has prolonged the bottom as foreclosure sales now represent 24% of sales versus the 20% they represented in the prior year. To me at least it is obvious that the continued pressure not to foreclose is just extending the U.S. recession way beyond where it should have ended. This brings in one of my predictions of a possible Fed Rate increase in the first quarter of 2012, now we should be looking at 2014 and possibly beyond. That alone should tell you what I think of the strength of the U.S. economy. There is some hope though as the price of Gold did drop. Unfortunately, it was not a crash but rather a correction. The more subdued bear market for gold can be expected to continue into 2014 as well. Basically look for better growth and rumors for a higher Fed Rate to know the crash is forthcoming.

For the U.S., I believe that it is probably more of a case of "Quadrary Outcomes", just pick a direction and you might get it right. With so much political and regulatory messing around with the economy trying to appease the extremes on both the left and the right combined with the saber rattling in the Mid-East combined with an election year that approaches the absurd we are in for a prolonged period of unemployment in the 8%+, slow growth and continued increases in the Total CPI led by energy, mostly gasoline. Ironically the U.S. has oil surpluses (Cushing, OK), oil ready to be imported (Canadian Oil Shale) and exports gasoline; however the powers that be apparently believe it is better to not build or allow to be built the necessary pipelines to take advantage of these surpluses and maintain our gasoline prices well above where they should be. I believe that we will see a very flat economy at best, continued high unemployment through all of 2012 and possibly continuing through 2013 due to regulatory uncertainty and political extremes which occur during bad recessions. (That would be an entire article in itself)

That's all folks, exit stage left….



Fond Farewell Mr. Schauger

by Julie DeSalvo & IUG Members

After many years of being with the NACM IUG, Dick Schauger is stepping down. Although I am very sorry to see him go, I am happy for him and his wife Mary. I wanted to take this opportunity to share some history about Dick and all he has done for this organization over the years.

Dick attended his first NACM Credit Congress in May 1982!

He gave several presentations to IUG members while serving as a District Director and member of the IUG Board.

Most often remembered by IUG members for his 1987 portrayal of a criminal court Judge in a presentation titled "Here Comes The Judge" at which time he was ushered into the meeting room in a Judge's robe and proceeded to inform the membership on the requirements for properly investigating and preparing Energy Diversion cases for trial in criminal court. Who knew that Dick was an actor too!

In 1990, as a member of the American Gas Association's Managing Committee, he was awarded the prestigious Outstanding Service Award.

Dick served as Chairman of the International Utility Group from May 1991 to May 1992.

1n 1991, he designed and managed the operation of a successful corporate outbound calling subsidiary at National Fuel.

He retired from National Fuel as an Assistant General Manager in June 1995 after **37 years of service**. Wow, what an accomplishment!

He was hired by NACM in June 1997 to serve as NACM Representative and Secretary of the International Utility Group.

Upon being assigned the responsibility of marketing the IUG Industry Day Program to utilities, he assisted in raising the IUG attendance at Credit Congress toa record high 104 attendees at the 1998 Congress in New Orleans, compared to prior totals of 68 in Chicago in 1996 and 44 in Salt Lake City in 1997.

During his tenure as NACM Representative and IUG Secretary, his careful monitoring and oversight prevented the IUG and its members from being accused of violating a single Federal Anti-Trust regulation.

Rob Stilwell wrote:

"At one of the Credit Congress IUG meetings many years ago, Dick did a presentation about the legalities of Energy Theft. He came out to the podium dressed in a robe, just like a judge. It was one of the best presentations I've ever seen. My best regards to Dick!!"

Bob Bernard commented:

"…I would just like to say that during the time I was active in the group, Dick was always so supportive and helpful to the board. He was our point person with the administrative folks at NACM and never hesitated to take the ball when we had an issue, concern or suggestion. He was a true professional and a pleasure to work with."

"It has been a pleasure working with Dick over the years. He is a very personable, dedicated, sincere and warmhearted man. It is a true honor to be his friend."

~ Darnell Foster, Meetings Coordinator, NACM

"I've had the pleasure of working with Dick Schauger for many years. When I was new here at NACM, I remember Dick visiting our office in Maryland – patiently taking time out to help me learn. Dick's always been a generous and kind person—a true gentleman—whose dedication and passion for his profession were unmatched. I will truly miss Dick as a colleague.....yet glad to have him as a friend."

Jill Leimbach
Director of Meetings
National Association of Credit Management

Laurie Karman wrote:

"Gosh, I've known Dick and Mary for so many years. In fact, I first met Dick when he was an NACM attendee and not our group's liaison, if that gives you any indication of how old I am. Just as Dick does with new attendees to our group today, I recall how welcome he made me feel at my first NACM Credit Congress in Las Vegas back in the early 1990's. And if Dick has been the ambassador to our group all these years, Mary most certainly has been our "first lady"! As a past Chair, I can certainly tell you how much I appreciated all the hand-holding and coordination he did behind the scenes that no one is ever aware of that he does on behalf of the group. The organization is what it is today because of Dick, and it is only fitting that his legacy continues through the annual award the group is initiating in his honor. I wish my friends Dick and Mary all the best!"

Leon Broughton wrote:

"I've known Dick Schauger, through our mutual involvement in the NACM-IUG, for over 17 years. One of my early memories of how serious Dick could be was at an IUG conference years ago. At that time I held one of the early offices in the IUG sequence of officers. On this particular day, I was appointed "Sergeant at Arms" for Day One of the conference. The title itself struck me as humorous, not to mention that someone apparently thought our little gathering needed one. As I would quickly learn, it was common for vendors to try and crash the party. Unfortunately for me, Dick made it abundantly clear that I was not taking the role as serious as I should when he discovered several vendors had gotten past my guard and were feverously taking notes at the back of the conference room hall. Dick, with his deadpan face in high gear, made it clear that I, as Sergeant at Arms, needed to go ask the Vendors to leave. I can't recall one presentation from that day, one vendor who crashed the party, or nearly anything else, but I will never forget Dick's face as he pointed out my dereliction of duties while guilting me into removing the vendors from the room. I have since shared many laughs with Dick and he has been a great friend to me personally and to the NACM-IUG and I will miss him."

My experience with Dick over the past ten years or so has been such a great learning opportunity for me. He was the rock of this organization that always kept us grounded and together. Whenever I needed advice or assistance he was always there and always responded to whatever was needed. He always had confidence in me, when I had none in myself. His encouragement and kind words kept me going at times when I was ready to throw in the towel. The contributions that he has made to this organization are countless, it truly amazes me how much of a difference one person has made. We will continue to follow the paths that he has guided us through and strive to meet the expectations and examples that he has provided. There will never be another like Dick Schauger! Although he may not always be at the conferences in person, his spirit will ALWAYS be there! So it is with a heavy heart that we wish Dick farewell. Best wishes to you and Mary, enjoy your retirement and keep in touch!

Thank you Dick from the bottom of my heart for all that you have done, it is appreciated more than you will ever know.

Julie DeSalvo

24 Hour Call Centers?

by Earlene Burris
Tucson Electric Power

I joined Tucson Electric Power Company/UniSource Energy Services as Manager, Customer Service. TEP/UES are smaller utilities serving almost 700,000 gas & electric customers scattered throughout the state of Arizona.

In this downturned economy, we are all scrambling to find smarter ways to do business, improve processes, and above all, cut costs.

I pretty much grew up in Customer Service at another utility, so to say I am sensitive to the customer is an understatement. I have always thought call centers should be open 24 hours a day making it convenient for our customers.

I have gained a whole new perspective here at TEP/UES. We are very sensitive to the customer, which certainly includes our costs versus service. I have to give credit to Lindy Sheehey, Director of Customer Service; her focus is cost containment while serving our customers. Our call center is open from 7AM to 6PM, Mon-Fri, to conduct any type of transaction the customers require. In years past, the Company used a third-party answering service to handle after-hours emergency calls. While this solution worked well, it was an additional cost and the answering service only had the ability to receive the customers 'emergency' and place an order.

While the answering service filled a void, there were several missed opportunities. One, it doesn't take long before a customer learns to call in an 'emergency' in an effort to get a cut for non-pay service re-established. Second, if field personnel needed any additional information, the answering service did not have access to the customer information system. Third, our employees are able to answer questions and provide customers with accurate information and direction outside of normal operating hours. And fourth, an external service simply doesn't have the same kind of commitment to the customer as exists with your own employees.

To replace the third party service, a skeleton crew from the call center - 4 teams, 3 CSRs per team - were formed to handle all gas & electrical emergency after-hours calls, as well as perform 'back office' work to fill idle time.

Not only has this saved the cost of an external service, but the 24/7 teams are able to perform work throughout the night, thus relieving day crews from beginning their day with a backlog of work.

With Internet services available, customers have the ability to conduct regular transactions 24 hours a day and you simply don't need staff performing routine work in the middle of the night.

I'm sure some of you are squirming at the thought of not having CSRs available 24/7, but this can be done very successfully without customer or regulatory complaints. And, the field service technicians love the ability to call a CSR at any time when they need additional information.

Good customer service doesn't necessarily mean you have to staff a full call center 24 hours a day.

However, for those of you with a 24-hour shop, take the time to calculate the potential savings you'd see. Then, it's just one baby step at a time.


WHILE U R COVERING UR CUSTOMERS,
WHO'S GOT UR BACK?
From OUTAGE
Outage detected at 1211 Main St.
Status Reported
Est Restore: 10/20 8:20A
Reply STAT for more information
What if a hurricane, snow blizzard, tornado, or other natural disaster struck your service area causing mobile alerts to your subscribers to sky rocket?
How would you plan for that in your budget?
With i2SMS you no longer have to worry about this with our One Million Message Natural Disaster Guarantee.
We will not charge you for your increase in messaging volume for that month. Now YOU have a vendor who is there for YOU financially in times of distress.
TXT: LEARN to 39044 for more benefits i2SMS can do for you.
giff@i2sms.com 404.944.1351 www.i2sms.com
i2SMS
Mobile Since 2001
WE ALSO OFFER DEBT COLLECTION WITH FREE 2 THE END USER TEXT MESSAGING

International Utility Group Agenda
2012 Credit Congress

Dallas, TX
June 10 – 13, 2012

5:00 PM-6:00 PM Officers, Counselors, Editors, Directors Meeting

Day One

8:00 AM-10:30 AM NACM General Session

11:00 AM-12:00 PM Welcome and Opening Statements
Room: Austin 1/2/3 Chairperson, Julie DeSalvo

Presentation
Topic: State of Economy
Presenter: Equifax

12:00 PM – 12:45PM 18TH Annual International Utility Group Luncheon
Room: Austin 4/5 Sponsored by: TSI, Bob Ryan

Utility Meeting
Room: Austin 1/2/3

12:45 PM-1:15 PM Chairperson – Julie DeSalvo
Announcements and Introductions
Policy Statement

Treasurer's Report – Lindy Sheehey

Presiding Officer – First Vice Chairperson
Earlene Burris

1:15 PM-2:00 PM Presentation
Topic: Utility Data Exchange Experiences

- Program overview
- CIS implications
- What legal ramifications?
- Successes

Presenters: Buddy Flake, PSNC Energy
Leon Broughton, Citizens Energy Group

Day One continued:

2:00 PM-3:00 PM	**Presentation** **Topic: Panel Discussion - Collection Agency Management** • Difference between first and third party placements • Environment of 'Champion/Challenger' • Performance reports • Establishing the right expectations for your agency **Presenters: Danny O'Keefe, Contract Callers** **Brian Striker, CBC National**
3:00 PM-3:15 PM	**Break** **Sponsored by: CACi, Shawn Farris**
3:15 PM-4:00 PM	**Topic: Hot Topics/Open Forum Current Issues**
4:00 PM-4:45 PM	**Presentation** **Topic: Commercial Collection Practices** • Relationship with account managers • Account set up – know your customer • Collection strategies • C&I customers – are they adequately secured/deposit **Presenter: Tony DiLernia, Constellation**
4:45 PM	**Announcements - Adjourn**____________________
7:00 PM-9:00 PM	**Evening Reception** **Sponsored by: Torres Credit, Dave Bucher**

Notes:____

____

Day Two:

8:00 AM - 9:00 AM **Room: Austin 4/5**	**Breakfast** **Sponsored by: West Asset Mgmt, Maurine Merten**
9:00 AM - 9:15 AM **Room: Austin 1/2/3**	**Chairperson – Julie DeSalvo** **Announcements and Introductions** **Policy Statement** **Presiding Officer – Second Vice Chairperson Jeff O'Banion**
9:15 AM - 10:00 AM	**Presentation** **Topic: Legislative Update** • **LIHEAP** • **Red Flags** • **Dodd/Frank** **Presenter: Jonathan Weisgall, MidAmerican Energy Holdings Company**
10:00 AM -10:45 AM	**Hot Topics/Open Forum**
10:45 AM - 11:00 AM	**Break** **Sponsored by: First Collection Services, John Dunkum**
11:00 AM -11:15 AM	**2012 Strategic Planning and Process Improvement Forum**
11:15 AM -12:00 PM	**Presentation** **Topic: Mobile Devises Used to Collect in the Field** • **Where we've been** • **Technology available** • **Payment and confirmation options** • **Order completion in the field** • **Routing/mapping of orders** • **Efficiency and productivity gains** **Presenters: Sherri Smith and Mike Favero, Questar Gas**

Day Two continued:

Room: Austin 1/2/3

12:00 PM	**Announcements**
12:00 PM -1:00 PM	**Lunch – Expo Hall**
1:00 PM -1:15 PM	**Chairperson – Julie DeSalvo** **Announcements** **Presiding Officer – Third Vice Chairperson** **Lindy Sheehey**
1:15 PM -2:00 PM	**Presentation** **Topic: Prepaid Metering** • **Payment technology and application** • **How remote disconnect applies to protected accounts (low-income and temperature moratoriums)** • **New payment channels (gift cards)** **Presenter: Ron Sewell and LaDonna Bohling, PAYGO** **Michael Garrett, Georgia Power**
2:00 PM -2:45 PM	**Presentation** **Topic: QR Codes, Texting, Mobile Web Development** • **What is a QR Code? Why now?** • **When, who and how to text?** **Presenter: Giff Gfroerer, i2SMS**
2:45 PM-3:30 PM	**Hot Topics/Open Forum**
3:30 PM-3:45 PM	**Break** **Sponsored by: Aargon Collection Agency, Bill Woolbright**

Day Two continued:

Room: Austin 1/2/3

3:45 PM-4:30 PM

Presentation

Topic: Collection Strategies to Drive Performance

- **New Skiptracing Tools / Waterfall Processes**
- **External Dialing Programs / Convenience Calls**
- **Agency Opportunities**
- **External Letter Vendors / Correspondence Campaigns**
- **Debt Sales / Debt Settlement Companies**
- **CFPB's Impact on Collections**

Presenter: Gregory Straub, Esq., Omni Credit Services/IGR

4:30 PM-5:00 PM

Conclusion: Chairperson – Julie DeSalvo

- **Announcements**
- **Awards**
- **Presentation of "Dick Schauger Award"**
- **Drawing for Prizes**
- **Officer Nominations**
- **Adjournment**

5: OO PM-6:00 PM

Officers, Counselors, Editors, Directors wrap up meeting

Facility Tour and Dinner Hosted by CPA/ATS – transportation also provided.

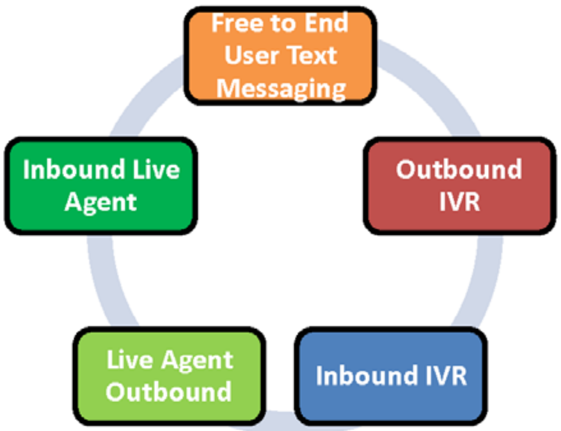
Notes:____

the cmi group

Cost Effective Receivables Management

The CMI Group is a nationwide company that has been helping the Cable and Utilities Industries for over 26 years with receivables management and call center services. Our programs are designed to provide you with superior netback and to help you reduce cost through efficiencies. Additionally, we purchase liquidation rights for aged receivables which will provide you with much needed cash immediately.

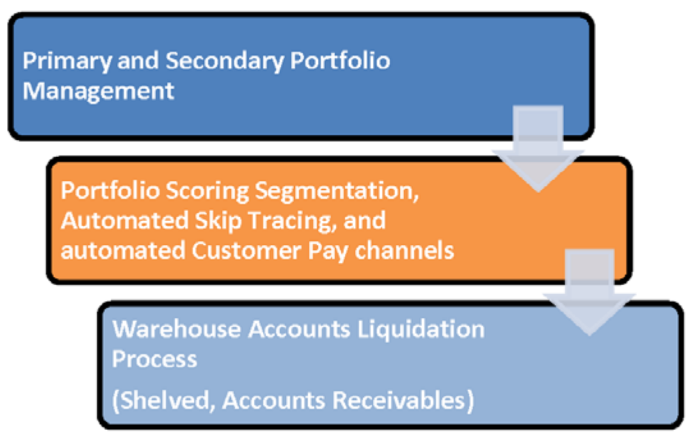
Customer Retention Services



- Free to End User Text Messaging for reaching mobile customers quickly and without cost to your customer
- Outbound IVR to reach a high volume of customers and reduce costs
- Inbound IVR can be set up to work in tandem with outbound efforts to reduce labor costs
- We specialize in Outbound Live Agent calling to help you increase retention and reduce losses
- We also specialize in live agent inbound call center services

Collections Receivable Services

- Best in Class interfacing capabilities to upload and process your write off accounts
- CMI utilizes multiple scoring algorithms to segment accounts for the highest yields
- Automated waterfall skip tracing process to gain the best contact information
- Multiple payment options via Live Agent, Online, Mobile, IVR or through the Mail
- Online access to your accounts and reports available 24 X 7
- Data warehousing programs to provide you with cash upfront for your aged receivables



ACA INTERNATIONAL SAS 70 SSAE 16

Your solution of choice...

The CMI Group

4200 International Parkway, Carrollton, Texas 75007
972.862.4304/800.377.7713, Fax: 972.862.4448
cmisales@thecmigroup.com
www.thecmigroup.com

Welcome to Texas!

by **Diana Dubois**
Credit Protection Association, LP & Advanced TeleSolutions

The Dallas - Fort Worth region is more than just the land of big hair and BBQ. Of course, there are plenty of stereotypically Texan things to experience here (cattle drives, rodeos, honky-tonks), but there are also world class cultural venues and events that people may not associate with Texas at first glance.

Fort Worth

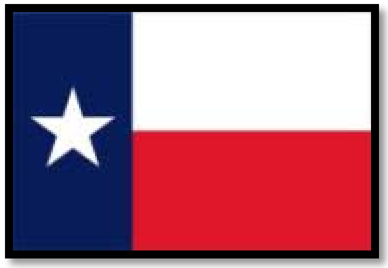
Fort Worth is often referred to as, "Where the West begins," and not simply because it sits a good 35 miles west of Dallas. Unlike the Big D, Fort Worth unabashedly embraces its cowboy roots, carrying its wild west atmosphere straight into the 21st century.

The Fort Worth Stockyards – This is the place to go for a wild west experience. This is where you can ride a mechanical bull, watch a gunfight reenactment, buy custom-made cowboy boots, hang out in a honkytonk, see the opry, witness a cattle drive, rent a horse, or head to the rodeo. *http://www.fortworthstockyards.org/*

National Cowgirl Museum and Hall of Fame - The National Cowgirl Museum and Hall of Fame is the only museum in the world dedicated to honoring trailblazing women of the American West. Its multimedia exhibits and historic photographs, papers, clothing, spurs and saddles tell the inspiring stories of remarkable women pioneers, ranchers, performers and rodeo stars. At the Cowgirl Shop, find books, apparel, gifts, jewelry and souvenirs. *www.cowgirl.net*

Sundance Square - Downtown Fort Worth has gained a reputation as one of the country's liveliest urban settings. The 35-square-block Sundance Square entertainment district is home to restaurants, live music clubs, theatres, shops, exciting nightlife and the beautiful Bass Performance Hall, named as one of the top 10 opera houses in the world. *www.sundancesquare.com*

NACM-IUG, See You in Texas!



The Kimbell Art Museum - The Kimbell's permanent collection contains holdings ranging from the third millennium B.C. to the mid-20th century, and includes major works by Fra Angelico, Velazquez, Bernini, Rembrandt, Goya, Monet, Cezanne, Picasso, Mondrian and Matisse. It is also home to Michelangelo's first known painting. The collection comprises Asian and non-Western as well as European art. The museum features special and traveling exhibits on display throughout the year. The gift shop has exhibition merchandise, art prints and posters, books, gifts, and children's book and games. Designed by world-renowned architect Louis Kahn, the museum is often referred to as one of the most significant works of architecture of the 20th century. *www.kimbellart.org*

Dallas

The Sixth Floor Museum at Dealey Plaza - The Sixth Floor Museum at Dealey Plaza is located in the Texas School Book Depository. It chronicles the assassination and legacy of President John F. Kennedy Visitors can also use their cell phones as a guide through historic Dealey Plaza and other important sites related to the assassination of President John F. Kennedy. *http://www.jfk.org/*

Northpark Center – This is the premier shopping destination in DFW. It has over 235 stores and restaurant. The center is lauded for architecture that draws in more natural light and fits seamlessly into the original mall's sleek, modern design. Best known for its reputation as an art museum inside a shopping center, in November 2007, Northpark Center was named as one of the seven retail wonders of the modern world. *www.northparkcenter.com*

Dallas Arts District: Highlights of this serene, easily walkable area include the Crow Collection of Asian Art, Dallas Museum of Art, Nasher Sculpture Center (see below), Meyerson Symphony Center, Winspear Opera House, Wyly Theatre, Sammons Park, Booker T. Washington High School for the Performing and Visual Arts, and One Arts Plaza. At about 68 acres, it's the country's largest urban arts district. Ninety-minute outdoor walking tours include peeks at the outsides of four buildings designed by Pritzker Prize-winning architects within a span of several blocks, as well as significant buildings erected as far back as the late 1880s, just 40 years after Dallas' founding.

The Nasher Sculpture Center - the Nasher Sculpture Center is one of the few institutions in the world devoted to the exhibition, study, and preservation of modern sculpture. *www.nashersculpturecenter.org*

Dallas Arboretum and Botanical Garden- The arboretum is one of the most beautiful display gardens in North America. Take a look at seasonal flowers and foliage, ornamental shrubs, trees and more in this 66-acre spread of gardens in the vicinity of White Rock Lake. *www.dallasarboretum.org*

Grapevine

The NACM Credit Congress & Exposition will be hosted at the Gaylord Texan Resort and Conference Center in Grapevine, Texas—a small town in between Dallas and Fort Worth that is a destination in itself. Step back in time in Historic Downtown Grapevine with its collection of shops, restaurants, art galleries and wine tasting tours. It even has a vintage railroad that offers weekend trips to the Fort Worth Stockyards *www.grapevinetexasusa.com/Default.aspx*

Everyone at CPA and ATS looks forward to spending time with our IUG friends. Please don't hesitate to contact us if we can help make your stay in Texas a pleasant one!

OMNI credit services

OMNI **Credit Services** is a collection agency, specializing in collecting payments on overdue accounts.

In 1987, OMNI Credit Services was formed because of the apparent need for an outsourcing solution for collections. Unpaid bills were an obvious reality in every business, and the amount of time it took to collect money owed proved daunting.

Today, OMNI Credit Services locates consumers, determines the reasons for unpaid debt, and attempts to provide a mutually agreeable payment plan. Our organization is professionally trained to assume the management of collective revenue with integrity and sensitivity.

Recognized nationally as offering services in the health care, government, utility, and commercial sectors, OMNI Credit Services has first hand experience in a variety of business categories. We have a strong investment in technology, facilities, education and training, and we add to that diverse experience in order to produce one of the best deliverables in the collection industry.

OMNI Credit Services is a collection of independent organizations with over 150 years of management experience in the associations of credit and collection professionals. With offices in Florida, Michigan and Wisconsin, you'll discover that we're large enough to matter, small enough to care.

Systems and Services

Operating within the highly regarded ONTARIO Systems™ Platform and using the equally praised CR Software Product Suite, OMNI Credit Services demands state-of-the-art deliverables for its clientele.

Services

- OMNI Temporary Services/ 'Temp' to 'Perm'
- 3rd party collection and recovery services
- Skip tracing and returned mail services
- Walk-in payment centers
- Remittance processing and payment applications
- On-site and off-site call center services
- Performance, efficiency and operations consulting
- Medical billing services
- Purchasing receivables
- Pre-collect services
- Collection (retail, credit card, medical, utility, and student loans)

Industries

Medical
Hospitals
Utilities
Commercial
Institutional
Retail
Government agencies
Financial institutions
Student loans

OMNI credit services

800-305-6664

www.omnicredit.net

Strategic Planning Forum - 2011

by Brian Bub
Tucson Electric Power

Washington D.C. provided an incredible backdrop, steeped in American history, for last year's planning meeting. For those of us who have either never been, or haven't been for a very long time, it's a city that you leave only wanting to return and spend more time.

The purpose of the annual Planning Forum is for IUG members to preview/discuss/decide upon relevant topics, products and services, view presentations, and ultimately set an agenda for the following year's annual NACM-IUG conference. And, of course, network.

The success of every annual conference begins with the Planning Forum. And for the past several years, first-timers have made the trip, participated, and contributed expertise, ideas, and perspectives based on unique and individual experiences. Washington D.C.'s forum was no exception.

2011 Strategic Planning Forum Attendees

Back Row (L-R): Julie DeSalvo, Brian Bub, Jeffrey O'Banion, Larry Blain, Jesse Blumberg, Lindy Sheehey, Shalonda Norman, Tony DiLernia, Dick Schauger

Seated: Lois Douglass, Carisa Woolstenhulme, Shelley Sutherland, Sherri Smith

Not Pictured: Earlene Burris

Check out the info for the 2012 Forum in Reno, NV - Featured on Page 28

Learn More

LeChevallier is also author of American Water's "Dr. Water" blog on Facebook: *http://www.facebook.com/weareamericanwater*

FAST FACTS

16%

American Water's goal to lower greenhouse gas emissions per volume of water produced before the year 2017

20%

The amount of peak usage power that is now supplied by solar electric systems installed at the American Water Canal Road Water Treatment Plant

14.5%

Paper usage decrease in American Water offices due to "Green" conservation and recycling efforts

U.S. UTILITIES UNITE

Utility companies throughout the U.S. should investigate local incentives for renewable energy as well as implement energy efficiency programs to reduce environmental impacts, energy costs and their future exposure to higher electricity costs.

The "Greening" of Water

by Dr. Mark LeChevallier
American Water

Just as other industries have been "going green" in recent years, the water industry has likewise developed ways to use its resources more efficiently. What's more, these solutions not only make environmental sense, they make economic sense as well.

At American Water, we treat, pump and deliver one billion gallons of water a day. This takes a substantial amount of energy. Our goal is to lower greenhouse gas emissions per volume of water produced by **16 percent** from 2007 levels by the year 2017. A large portion of this reduction will come from increasing our pump efficiencies, but six percent is slated to come from increasing our use of renewable energy sources – either generated on site or purchased.

The company launched its use of alternative energy in 2005 by investing in solar technology for its Canal Road Water Treatment Plant in Somerset, N.J. and enrolling in wind power for its Yardley Water Treatment Facility in Yardley, Pa. While each project has different advantages and levels of operational commitments, both have achieved ecological benefits and cost efficiencies beyond what was originally projected.

The company's solar electric system at the Canal Road Water Treatment Plant produces 585,000 kilowatt-hours a year – enough to supplement **20 percent** of the peak usage power needed to run the plant. This annual reduction in energy usage prevents 1,577 pounds of nitrogen oxide, 4,875 pounds of sulfur dioxide and 699,856 pounds of carbon dioxide from being emitted into the air. According to the EPA and U.S. Climate Technology Cooperation, this savings in carbon dioxide pollution is equivalent to planting 94 acres of tree seedlings or preserving 2.6 acres of land from deforestation.

The Yardley Water Treatment Facility runs on 100 percent wind-generated energy. In 2009, the company purchased 1,400,000 kilowatt-hours of wind power saving approximately 1.6 million pounds of carbon dioxide from being emitted to the air.

And most recently, the company installed floating solar modules on a reservoir at our Canoe Brook Water Treatment Plant in Millburn, N.J. This is the first solar array on the East Coast on a body of water designed to withstand a freeze/thaw environment. The 400 solar modules, measure 110 ft by 110 ft and rest on a docking station designed to float on the water's surface. The array will generate 112 kilowatts of DC (direct current) power, which will then be converted to AC (alternating current) power. Annually, the solar field will produce 135,000 kilowatt hours per year, or approximately two percent of the plant's power. The solar panels are fixed at a 14-degree angle and specially made to endure the severe weather conditions – such as heavy wind, rain, snow, and ice – allowing this pilot project to be monitored for the effectiveness of the solar station during these inclement weather changes.

Water conservation—using water efficiently and avoiding waste—is fundamental in this effort as well. Early detection and repair of leaks saves water and energy, and reduces repair costs. Our research and development team has established a variety of successful programs to reduce "lost" water, and is testing a number of innovative new technologies including Continuous Acoustic Monitoring, Advanced Metering Infrastructure communication, leakage control zones and pressure monitoring, as well as GIS analysis.

American Water is also "going green" inside its offices. The company recently reduced its paper usage in 2011 by **14.5 percent** and the total cost of paper purchased was reduced 13.4 percent.

Many individuals assume paper is cheap and they don't think twice about excess printing, recycling, throwing away misprints, or using Post-it notes as their wallpaper in their offices and cubes. Nearly 4 billion trees worldwide are cut down each year, and approximately 324 liters of water are used to produce 1 kilogram of paper.

If you have not yet done so, set your printers to print on both sides of the paper. For every ton of paper recovered by recycling, about 3 cubic yards of landfill space is saved. Better yet, don't print something you can read on your computer.

American Water also offers these suggestions to be more green at work and at home:

- Keep a bottle of cold tap water in the refrigerator. You'll avoid the cost and environmental impact of bottled water and you'll have cold water available in the summer without running the faucet.

- If you purchase any kind of beverage in a plastic bottle, recycle that bottle today. Plastic bottles make up approximately 11% of the contents of landfills. Plastic bottles are recycled into all sorts of new products such as new bottles and containers, lumber, pipe, park benches and railroad ties. The plastic can be spun into fiber that is used in fleece pullovers, carpet and fiberfill for clothing, pillows and sleeping bags. You'll sleep better if you do!

- Recycle rechargeable and non-rechargeable batteries, which are composed of metals such as zinc, silver, nickel, lithium, silver, cadmium and/or lead. These metals can leach toxic metals from landfills. Local suppliers often provide free recycling services (e.g., RadioShack, Office Depot, Lowes, or Home Depot). To find a nearby drop-off location, enter your zip code at the following website: **http://www.ehso.com/ehso2.php?URL=http%3A%2F%2Fwww.rbrc.org/call2recycle/dropoff/index.php**

- Change out incandescent light bulbs with energy efficient compact fluorescent bulbs. All fluorescent lamps contain mercury, which if not properly managed, can pose a risk to both human health and the environment. You can safely dispose of compact fluorescent bulbs at most Home Depot or Lowes stores. To find a nearby drop-off location, enter your zip code at the following website: **http://earth911.com/**

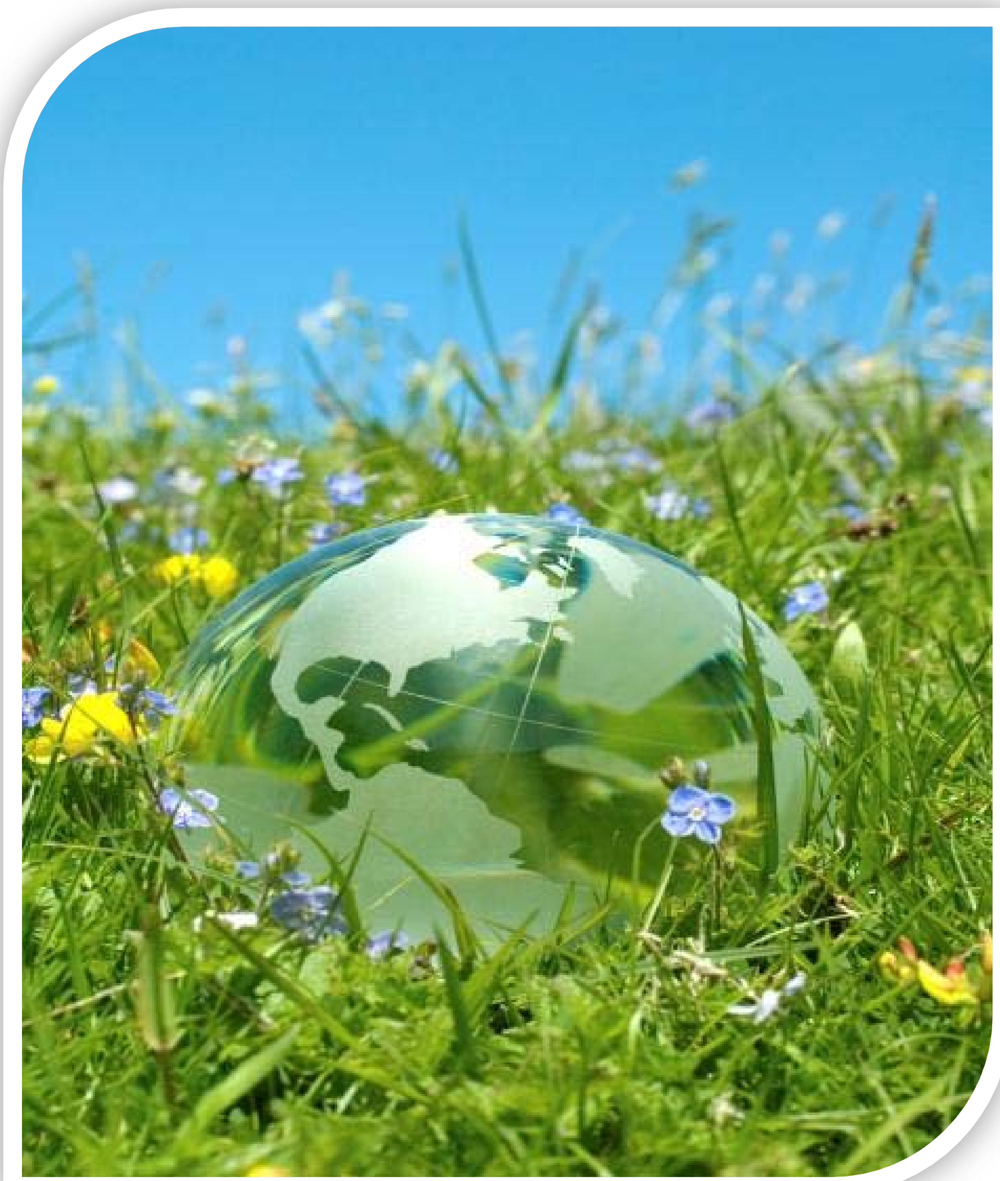
- If you must replace a plumbing fixture, the EPA reminds you to look for the WaterSense label. WaterSense labeled toilets and faucets have been independently tested and certified to save water and perform as well as or better than standard models. For more information, visit **http://www.epa.gov/watersense/**

- Regularly check your toilet, faucets and pipes for leaks. Use American Water's leak detection kits, which can be downloaded from the Learning Center of our Web site. **http://www.amwater.com/learning-center/wise-water-use.html**. If you find a leak, have it fixed as soon as possible.

- Individuals can download the free software and use Ecofont on their home computers. The font uses tiny circles placed in the characters to cut down on ink costs and used ink cartridges. All of the software packages that offer this font are compatible with Windows. **http://www.brighthub.com/environment/green-computing/articles/59723.aspx**

- Check the air pressure in your tires to ensure they're properly inflated. Cooler temperatures lower tire pressure, which lowers fuel efficiency. Keep your car tuned up. Regular maintenance helps improve fuel efficiency and reduces emissions.

RECYCLE



The Changing World of Bankruptcies: Why You Need to Work Dismissals

by Michael Horn
Ameren Missouri

Consumer bankruptcies is not something you hear me talk about much, but in reality I spend quite a bit of time looking at cases, trends and ways to improve recoveries for Ameren Missouri specifically from consumer and to a lesser degree corporate bankruptcies.

Recently I was shocked to find that a close peer of mine admitted that his utility does not work dismissals. Basically it was a matter of man hours. Oddly enough his staff is no smaller than mine, so perhaps it was more of a lack of recognition as to the value in working these dismissals. At Ameren Missouri we have always understood the importance of working dismissals, especially since we are in a fairly large city and thus are prone to those repetitive filers that the not so new 2005 bankruptcy laws were to rid from the system. Guess what they are still there, just fewer of them.

So here are some statistics from our filers:

- Bankruptcy filings were down 2.12% in 2011 as compared to 2010
- Recoveries were down 6.78% in 2011 as compared to 2010
- Dismissals were up 82.22% in 2011 as compared to 2010
- Dismissal dollars in 2011 ($187K) represented a 70% increase in potential recoveries from bankruptcies as they were transferred to active service. (In 2010 it was merely 30%)

Now you might think this is just the Eastern District, but even when I combine all of the courts that Ameren Illinois and Ameren Missouri have to deal with, these are the stats:

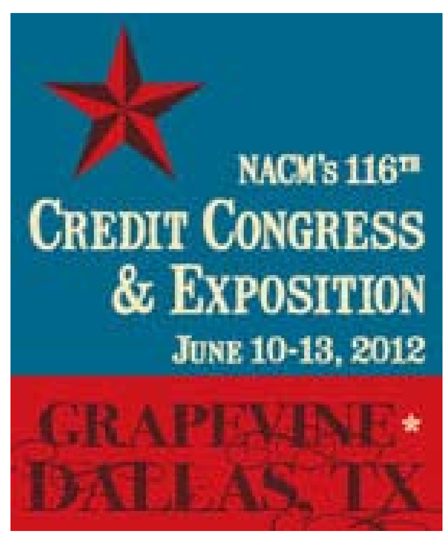
- Bankruptcy filings are down 5.95% in 2011 as compared to 2010
- Recoveries were down 12.45% in 2011 as compared to 2010

- Dismissals were up 19.06% in 2011 as compared to 2010
- Dismissal dollars in 2011 ($523K) represented 95% increase in potential recoveries from bankruptcies as they were transferred to active service. (In 2010 it was still a whopping 70%)

If you have not been working your dismissals diligently in the past I am sure I have your attention now. As of yet I do not have any exact correlation but I do see some trends whereby there is a noticeable difference between rural areas and cities, whereby the cities have much larger rates of dismissals and lower rates of recoveries than the rural areas. For instance Ameren's most rural utility was the only one of four utilities that reflected an actual decrease in dismissals in this period (16.43%).

So I suppose first off you might be wondering what is causing recoveries to be so much lower than the decrease in actual filings. From the Chapter 13 cases that I have reviewed (13's are more prone to dismissal) it has become evident, at least in the Eastern District of Missouri, that the plans no longer have any recovery meant for the unsecured creditor. They are what I term the strategic consumer bankruptcy. Basically the only reason they are filing is to try and save their house from foreclosure. I no longer see the long lists of medical bills that preceded the filing. There are still large credit card bills but the one thing that sticks out the most is that the debtor is behind on their mortgage and they are underwater (negative equity) on the loan. This naturally means that the 5 year plan becomes funded in such a way that only the secured creditors, lawyers and the court get any money. This was not the same picture as before the 'Great Recession'. I believe the reason I am seeing the high credit card bills along with these filings versus the medical bills from the past is that basically these people were living way beyond their means. Now don't get me wrong here, I know some people got caught in the bubble when it burst and they were not trying to live beyond their means but believe me the number of 'poster children' that typifies the type of debtor I am referring to is not hard to find. The ultimate is when you get to see a Chapter 11 personal bankruptcy. (Poster Child: owes $3M on a $1.5M home, 7 time shares for over $250K, 7 credit cards for over $330K, 2 signature loans for $1.3M and there was more; all on the income of a hospital podiatrist who is unpublished and was certainly not a trust fund baby)

What does this have to do with diligently working your dismissals? Well with these particular Chapter 13 bankruptcies the debtors have not changed their lifestyle, the courts allow the debtors to keep their 'tricked out' phone plans with unlimited data and texting, their 'to the max' cable/tv services and often other unnecessary luxuries while they are in the bankruptcy case. Ultimately these types of cases are dismissed. How long is ultimately? About 6-9 months. Then what happens? Well within a month or as long as 6-9 months later they are filing another Chapter 13 because the mortgage holder is once again pushing foreclosure. (It can take up to 6 months for a 'normal' foreclosure to take place) So your time to collect on these dismissals can be very short but can pay off with huge dividends. At Ameren Missouri we have been able to reduce some debts by between 50% and 100% between their bankruptcy filings, and that is just on the ones that re-file or are reinstated. For the ones where we transfer the balance to active, I would expect the recovery to be at or near 100%, although often over time. Still I believe you can see the advantages of working dismissals, despite the FTE hours involved.



TSI Total Solution Inc

Proud to support NACM IUG

Tools that make meaningful and measurable contributions in all aspects of the utility credit cycle.

There are only three times in a utility customer's lifecycle when you need to be concerned with what you know: Before, during and after they are customers. TSI offers a comprehensive array of hosted and in-house tools that ensure you are positioned to take the right action at the right time.

New Accounts

New applicants can (and should) be run through a good matching process to see if they have had prior accounts. If the account was paid then you can maybe breathe a bit easier as they come back. If not, now's your chance to collect the balance and, if allowed, a deposit.

Active Accounts

Monitoring active accounts is a month to month, if not day to day challenge. While only 20% of the portfolio may be delinquent at any one point in time, only half of them usually represent significant risks to the organization. The challenge: to know which 10% is just a little behind and will pay and which will do its best to increase your charge-offs.

Final and Charged-off Accounts

Final accounts represent another type of challenge. Without the ability to disconnect service, most utilities are outside their core competency when it comes to tracing and collecting final and charged-off accounts. However, knowing which accounts will pay from those that probably won't provides the credit manager with critical information about how much good money to expend chasing the bad.

Come see our recently redesigned web site, www.totalsolutioninc.com .

Learn how TSI can impact your results in meaningful and measureable ways.

www.totalsolutioninc.com

Total Solution Inc. | 12017 Flint Drive |Homer Glen, IL | 60491
T 866.737.5328 |F 630.214.7545 | e-mail contactus@totalsolutioninc.com

Collection Agency Process Enhancement Project

by Andy McGlinn
Integrys Business Support, LLC

Integrys Energy Group is comprised of regulated utilities as well as non- regulated entities. This article describes the path the regulated utilities took to develop common processes in the final bill charge off collection agency process. The article describes how Integrys has moved from multiple strategies to a common strategy and process for collection agency management. Integrys expects to obtain operating synergies and improved net return by implementing an agency management system. Integrys also undertook a comprehensive competitive bid process to ensure that Integrys collaborated with the optimal partners to obtain the desired results.

Collection Agency Management System Integration:

In early 2008, PGL-NSG and WPSC-UPPCO began using the CollectLink collection agency management tool developed by DRN Commerce. The business units are independent clients within the CollectLink system; however, the business units used the same primary level collection agencies. These collection agencies were selected through a combined RFP process.

As stated, the integrated process and system included the primary level agencies. PGL-NSG had previously used secondary level collection agencies. The WPSC-UPPCO business unit had not previously utilized secondary agencies. Therefore, the decision was made to integrate at the primary agency level. The PGL-NSG business unit did contract with secondary agencies. However, those agencies were managed through the in-house process.

Using the CollectLink system allowed Integrys to share results and compare collection agency performance. Integrys analyzed the data and developed a process to allocate the market share for each utility based on agency performance for each utility. The Integrys strategy was twofold; both components intended to drive increased recoveries. The first part of the strategy was based on the belief that competition for market share would drive increased recoveries. Integrys established and made the collection agencies aware of this process. Monthly reports allowed the agencies to see comparative performance. The second strategy was to allocate additional market share or placements to the higher performing agencies. The process was allowed for each utility and provided for a six-month change is market share based on the previous twelve month recovery by utility. Integrys allocated a base 25% share to each agency, with the top performing agency for each utility receiving an additional 25% share. While this article is not intended to discuss results, Integrys can say that this strategy did provide increased recoveries.

In 2011, after an analysis of secondary level collection agency returns, the WPSC-UPPCO business unit implemented a pilot program to begin using a secondary level agency. An additional reason for this pilot was to develop the process to use CollectLink to manage multiple agency levels. The recovery for the pilot has exceeded Integrys' expectations. In addition, the pilot allowed the Integrys team to develop the forward flow processes that were to become an integral part of the upcoming collection agency strategy.

Developing a Comprehensive Collection Agency Strategy:

During the 2008-2010 period, Integrys tracked several data points. This tracking was done at the batch level for each utility. Analysis of this data provided insight that allowed Integrys to determine the points where recoveries reached a plateau at different agency levels. The analysis also showed, that for Integrys, using multiple agencies at multiple levels, would lead to increased recoveries. The use of multiple agencies leading to increased recoveries has been described. The pilot program also demonstrated improved recoveries for the WPSC-UPPCO business unit.

In early 2011, a team was formed to develop a strategy across Integrys and to conduct a competitive bid process for collection agencies at multiple levels across Integrys. The team consisted of representatives from:

- each business unit collection area
- the strategy development team
- Supply Chain area
- Legal staff

The team examined several potential agencies and levels. The data analysis demonstrated that using primary, secondary and tertiary levels would provide improved returns. In addition, the team determined that three primary, three secondary and two tertiary agencies would be the optimal mix for Integrys. The team also determined that installing CollectLink across all Integrys business units and across the multiple levels of collection agencies would optimize management of the process. The CollectLink system allowed Integrys, working with the Agency Support team at DRN Commerce, to develop and implement strategies for allocations at each level, for time duration at each level as well as common remittance and invoice processes. Using a common system also allows the Integrys staff to develop consistent processes for collection agency transactions.

Competitive Bid Process:

The team was also charged with executing a competitive bid process for collection agencies across Integrys. Every agency contract with any Integrys business unit was timed to expire at the end of 2011. In addition to the contracted agencies, Integrys had been solicited by numerous collection agencies during 2010 and 2011.

The team developed a comprehensive staged process that included the creation of an RFP, a weighted scorecard, a review process, presentations by agencies, reference checks, financial reviews, and site visits. This process enabled the Integrys team to narrow the list of potential candidates so that the leaders would continue the process. Each team member update the scorecard after each stage of the selection process. The team also asked candidate agencies to submit bids at each level. This will allow Integrys to use CollectLink to assign accounts at multiple levels to any of the selected collection agencies. The contracts were executed with the selected collection agencies in the fall of 2011 and became effective on January 1, 2012. Each agreement included a Statement of Work and a Service Level Agreement.

Change Management and Communication Plan:

During the development of both the strategy process and the RFP process the team understood that this project would impact a significant number of areas. These areas include:

- Contact Centers
- Collection areas
- Treasury and Finance areas
- Payment processing areas
- ITS systems

Each Integrys business unit required change management and communication. In addition, the staff at DRN Commerce had to be aware of and involved in the process. The team utilized the ADKAR methodology to develop a plan that could be rolled out to each area. The developed communication plan is scalable so that parties can be provided information based on the impact the change has on that area. After an initial communication to describe the strategy, each communication was designed to be implemented just prior to a deliverable milestone. This included training for internal staff, training for collection agencies and milestone updates to leaders at each business unit. The training for the collection agencies included a presentation describing Integrys. This presentation included:

- Background for each utility
- Demographic information for each utility
- Integrys Mission, Vision and Values
- Integrys expectations

Implementations:

Each Integrys business unit operates a unique Customer Information System (CIS). In addition, as described above, each business unit had a unique operating process. The unique processes included;

- Number of agencies
- Levels of agencies
- Use of an agency management tool.

The team determined to stage implementations for each business unit. This allowed for availability of resources at Integrys, the agencies and DRN Commerce. In addition, each business unit had unique challenges such as:

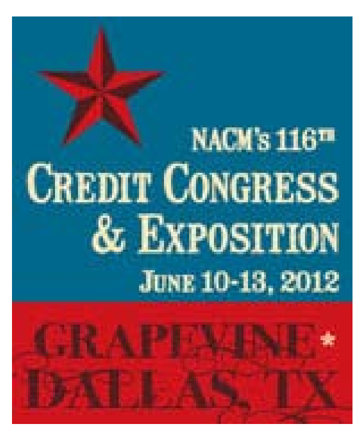
- Inventory
- Accounts at agencies no longer under contract
    - o Within the CollectLink system
    - o Outside of the CollectLink system
- Integration to the DRN Commerce system.

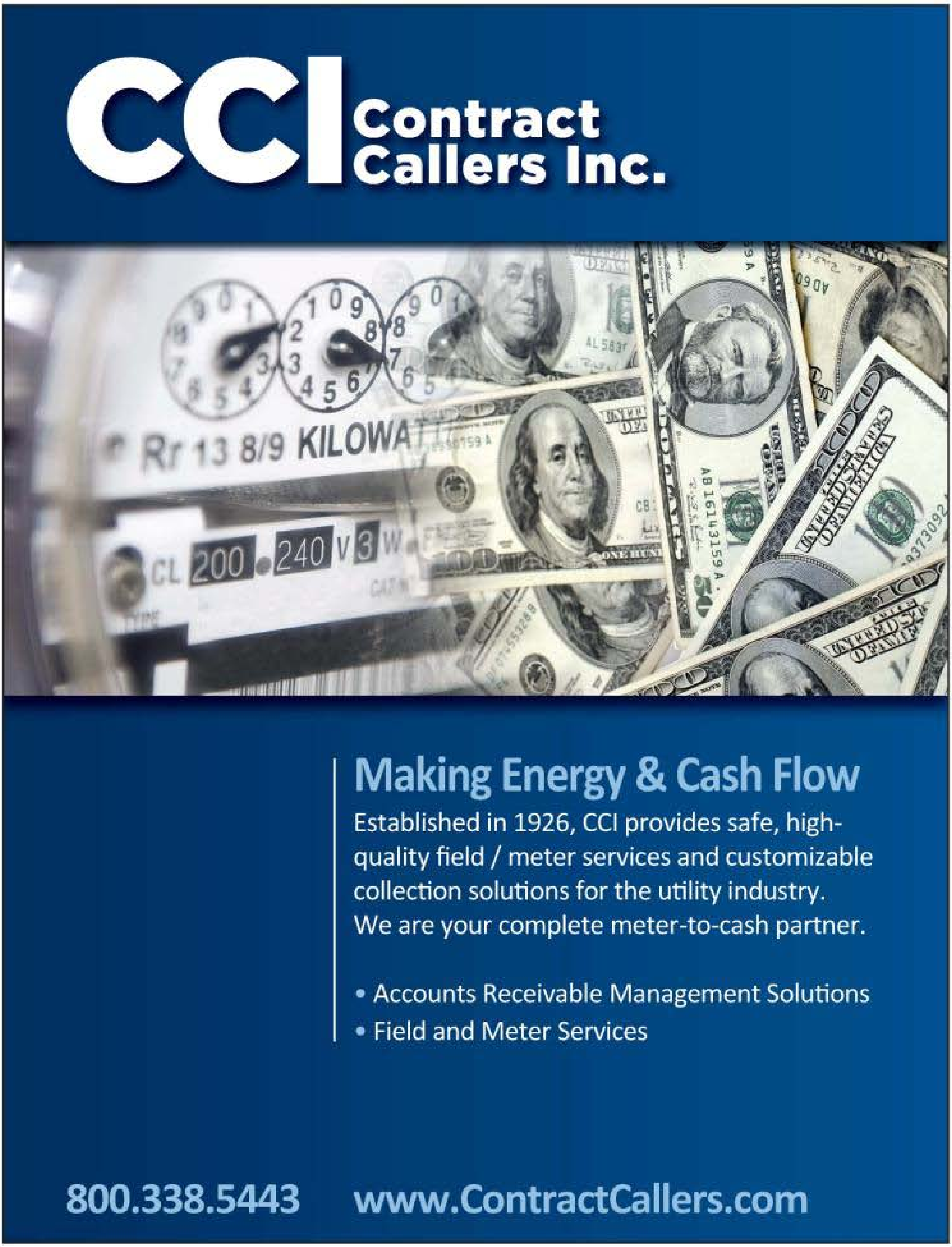
The team developed a Business Requirements Document (BRD) to guide the system testing and implementation process. The business unit IT staff used this document to develop test schedules, test plans and test requirements. The test plans included not only the Integrys business unit, but also each collection agency and DRN Commerce. To some extent the testing was redundant; however, because each CIS is unique, testing at each business unit was required.

As this is submitted, implementation at the final business unit is underway. The team has encountered some challenges; however, early returns show very positive signs. Integrys has found the agencies, internal teams and the DRN team to be adaptable and eager to participate. The recovery results will take some time to develop.

Lessons Learned:

- Be inclusive – each impacted area can name another area the change might impact
- Do not plan system testing, system changes or training near holidays
- Use real data to test
- Socialize strategy, process and expected benefits to whoever you can and as often as you can
- Use data to drive the process
- Best practices are what is best for your situation
- Build a glossary of terminology so all parties understand meaning




CCI
Contract Callers Inc.
Making Energy & Cash Flow
Established in 1926, CCI provides safe, high-quality field / meter services and customizable collection solutions for the utility industry. We are your complete meter-to-cash partner.
• Accounts Receivable Management Solutions
• Field and Meter Services
800.338.5443
www.ContractCallers.com

Robocalls Ruling

by Scott Aaronson
Edison Electric Institute

Summary

On February 15, 2012 the Federal Communications Commission ("FCC" or "Commission") adopted its *Robocalls Report and Order*, changing its telemarketing rules. In general, the FCC accommodated most of the concerns raised by the Edison Electric Institute ("EEI") and its members. In particular, the FCC's *Robocalls Report and Order* does not affect automated non-marketing informational and/or service calls (including debt collection calls) made by utilities.

According to the Commission, it acted in order to afford consumers greater protection from intrusive telemarketing calls and to harmonize the FCC's rules with those of the Federal Trade Commission ("FTC") in a way that reduces industry confusion about telemarketers' obligations and does not increase compliance burdens for most telemarketers. Unlike the FTC (which has no jurisdiction over entities such as common carriers), the FCC has jurisdiction over all telemarketers.

Specifically, the FCC:

(1) revised its rules to require prior express written consent for all autodialed or prerecorded telemarketing calls to wireless numbers and residential lines;

(2) eliminated the "established business relationship" ("EBR") exemption it had previously applied to telemarketing robocalls to residential lines;

(3) required telemarketers to implement an automated, interactive opt-out mechanism for telemarketing robocalls which would allow a consumer to opt out of receiving additional calls immediately during a robocall; and

(4) revised its rules to limit permissible abandoned calls on a per-calling campaign basis, in order to discourage intrusive calling campaigns.

The FCC's revised rules follow existing FTC standards. Moreover, none of the Commission's actions change requirements for prerecorded messages that are non-telemarketing, informational calls – such as calls by or on behalf of tax-exempt non-profit organizations, calls for political purposes and calls for other noncommercial purposes, including those that deliver purely informational messages such as bank account balance, credit card fraud alert, package delivery, school closings and presumably outage notifications. However, such calls continue to require some form of prior express consent Commission's if placed to wireless numbers. The Commission's changes also do not affect messages sent to consumers to alert them to emergency situations because the new rules do not apply to calls initiated for emergency purposes.

1. Prior Express Written Consent Requirement

In the *Robocalls Report and Order* the FCC, seeking to harmonize its rules with those of the FTC, decided to require prior express written consent for all telephone calls using an automatic telephone dialing system or a prerecorded voice to deliver a telemarketing message to wireless numbers and residential lines. While this represents a change in connection with calls made to residential lines, it does not represent a change with regard to autodialed or prerecorded calls to wireless numbers which will continue to require either written or oral consent from consumers.

Likewise, although the FCC revised its consent rules to now require prior written consent for autodialed or prerecorded *telemarketing* calls to residential lines, it maintained the existing consent rules for all *non-telemarketing, informational* calls, such as those by or on behalf of tax-exempt non-profit organizations, calls for political purposes, and calls for other noncommercial purposes, including those that deliver purely informational messages such as school closings and presumably outage notification. The Commission's rules for these calls will continue to permit oral consent if made to wireless consumers, and will continue to require no prior consent if made to residential wireline consumers.

The FCC concluded that a consumer's written consent to receive telemarketing robocalls must be signed and sufficient to show that the consumer: (1) received "clear and conspicuous disclosure" of the consequences of providing the requested consent, i.e., that the consumer will receive future calls that deliver prerecorded messages by or on behalf of a specific seller; and (2) having received this information, agrees unambiguously to receive such calls at a telephone number the consumer designates. In addition, the written agreement must be obtained "without requiring, directly or indirectly, that the agreement be executed as a condition of purchasing any good or service." Finally, should any question about the consent arise, the seller must bear the burden of demonstrating that a clear and conspicuous disclosure was provided and that unambiguous consent was obtained.

With respect to the actual content and form of written consent, the Commission indicated that the term "signed" may include an electronic or digital form of signature, to the extent such form of signature is recognized as a valid signature under applicable federal or state contract law, most particularly the E-SIGN Act (15 U.S.C. § 7001). This would include permission obtained by email, website form, text message, telephone keypress, or voice recording.

2. Elimination of the Established Business Relationship Exemption

Prior to the adoption of the *Robocalls Report and Order* the Commission had allowed, without the need for additional consent, prerecorded telemarketing calls to residential lines when the caller had an established business relationship with the consumer. This exemption was eliminated. Consequently, telemarketing calls to residential lines will require prior written consent, even where the caller and called party have an EBR.

3. Requirement for an Opt-Out Mechanism

The Commission also revised its rules to require any artificial or prerecorded message call that could be answered by the consumer in person provide an interactive opt-out mechanism that is announced at the outset of the message and is available throughout the duration of the call. In addition, the opt-out mechanism, when invoked, must automatically add the consumer's number to the seller's do-not-call list and immediately disconnect the call. Where a call could be answered by the consumer's answering machine or voicemail service, the message must also include a toll-free number that enables the consumer to subsequently call back and connect directly to an autodialed opt-out mechanism.

4. Abandoned Calls/Predictive Dialers

The Commission modified the method by which it will determine whether a telemarketer's "abandoned" call rate is within the lawful numerical limits for such calls and changed its abandoned call rule to require that the three percent call abandonment rate be calculated for each calling campaign. It did so in order to match the FTC's rules which require that assessment of the call abandonment rate occur during a single calling campaign over a 30-day period, and further that if the single calling campaign exceeds a 30-day period, the abandonment rate be further calculated each successive 30-day period or portion thereof during which the calling campaign continues. According to the FCC, this revised requirement will deprive telemarketers of the opportunity to average abandoned calls across multiple calling campaigns, which can result in targeting abandoned calls to less desirable consumers – a form of robocall "redlining."

5. Implementation Schedule

The Commission established a 12-month period for implementation of the requirement that prior express consent be in writing for telemarketers employing autodialed or prerecorded calls or messages. This 12-month period will commence upon publication of OMB approval of the FCC's written consent rules in the Federal Register. In connection with the implementation of the written consent requirement for telemarketing robocalls, the Commission will phase out the established business relationship exemption over the same 12-month period that follows publication of OMB approval of the written consent rule in the Federal Register. Consequently, telemarketers are allowed 12 months from publication of OMB approval of the FCC's written consent rules to cease utilization of the established business relationship as evidence of consumer consent to receive prerecorded telemarketing calls. Additionally, the Commission established a 90-day implementation period for the automated, interactive opt-out mechanism for telemarketing calls, again commencing upon publication of OMB approval of its opt-out rules in the Federal Register. Finally, it established a 30-day implementation period for the revised abandoned call rule, also commencing upon publication of OMB approval of its abandoned calls rule in the Federal Register.

Conclusion

In general, the FCC accommodated most of the concerns raised by EEI and its members.

The FCC's *Robocalls Order* does not affect automated non-marketing informational and/or service calls (including debt collection calls) made by EEI and its members. Such calls may still be made to residential lines without having obtained prior express written consent. Such calls made to wireless lines still require prior express consent which may be obtained orally or in writing. Moreover, the FCC reaffirmed that the provision of a wireless number to a creditor, as part of an application, reasonably evidences consent by the consumer to be contacted regarding the debt. This should give EEI members a sufficient basis to continue to route automated debt collection to wireless numbers. Accordingly, autodialed or prerecorded calls regarding outages, service issues or debt collection would not require prior consent.

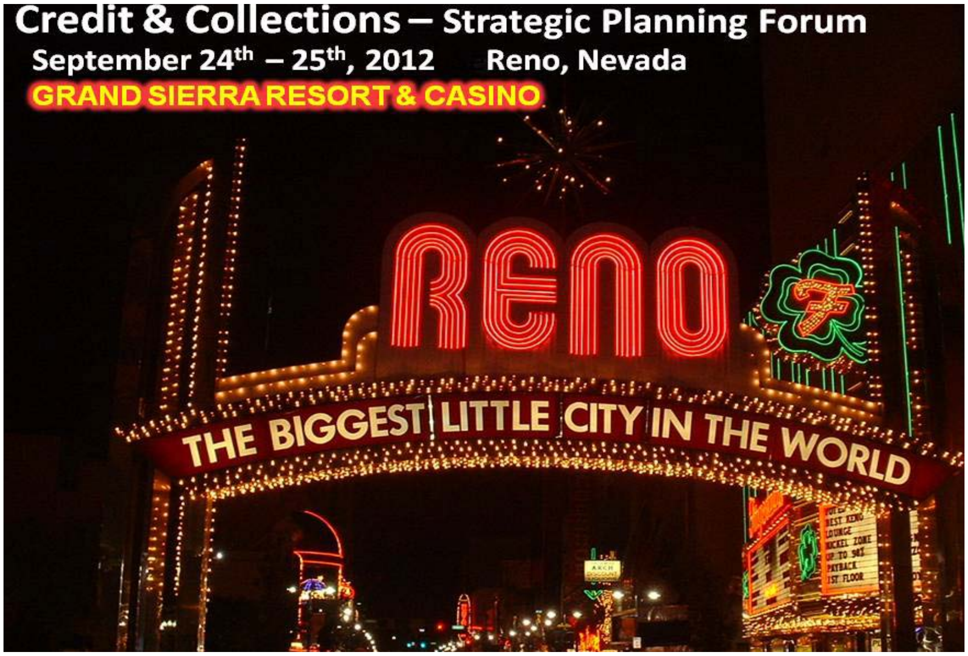
However, autodialed or prerecorded telemarketing calls made by utilities to both wireless numbers and residential lines will require prior express written consent regardless of whether the utility has an EBR with the consumer. To the extent that a call contains telemarketing messages (i.e. attempts to "market goods or services to the home or to other businesses"), it will require prior written consent.

NACM – IUG

Members help one another by providing insightful data and information based on experience and lessons learned from their everyday efforts. Member participation and networking is what makes the difference!

The More We Give

The More We Grow



Join the NACM-IUG for the 2012 Strategic Planning Forum

September 24 & 25, 2012

Reno, Nevada

Grand Sierra Resort Phone

1-800-648-5080

2500 E Second St

Reno, NV

Refer to NACM for Discounted Rates by <u>Sept. 7th</u>

Collection Agency Management – Improving Recoveries

by Ella Hochstetler
Dominion East Ohio

Dominion East Ohio is well on its way to successfully implementing a three-year strategy to improve our collection agency recoveries. By the end of 2012, we expect to increase recovery rates by up to three percentage points through several initiatives, which include renegotiating vendor contracts with incentives, implementing secondary collections and rerouting accounts likely to pay to our own call center.

Prior to starting this initiative in 2010, Dominion East Ohio used external collection agencies for accounts that remained with an unpaid balance 10 days after we had issued a final bill. Disconnected customers were on a fast path to collections, with a dunning letter sent with final bill and the account sent to collections after due date. At the time, the company used three collection agencies to attempt to skip trace and collect on any balances owed. The three agencies were used equally and randomly to receive assigned accounts from Dominion. The accounts that we assigned for collection were actively pursued by the agencies for six months before they were placed in a warehouse status (this status refers to an account not actively being collected on, but still reported by the collection agencies to the credit bureaus as a delinquent balance). This process would yield a modest liquidation rate of 6% on average per year.

In 2011, Dominion implemented a collection agency management tool to report on and manage collection agency activities. System (CIS) constraints and limited IT resources made implementing these efforts very challenging. The new tool acts as an intermediary between our Customer Information System and the collection agencies. By using this tool, we receive detailed reporting and analysis of the collection practices, auditing reports for invoice payment and flexibility to easily add or drop a collection agency with little to no intervention from our IT group. Adding and replacing vendors is now very easy and inexpensive. This allows us to act more quickly if a vendor is underperforming. This year, DEO will begin to segment accounts and send specific account types to the collection agency best suited for the task, based on past performance metrics to collect on these segments.

We can now produce files to report directly to the credit bureaus once an account is placed in the "warehouse" status. We are no longer paying commissions related to the recovery of these older dollars that are not being actively worked. Although secondary and tertiary collection efforts are not new, it is a new practice for DEO. However, with our new management tool, we are able to add in these efforts by simply negotiating with the vendors. We can customize the length of time an account stays with an agency, track movement to another agency and the commission payments due. Dominion will also begin a pilot program at the beginning of first quarter 2012 to route final accounts that are scored by the tool as "highly collectable" to a Dominion call center for collection attempts prior to being routed to the commission based collection agencies. This will focus our collection agencies on the accounts we truly need help collecting on and save commission expenses.

The objective for 2012 is to renegotiate the contracts for collections to include incentives for improved performance, identify our top performing vendor or vendors and determine the cost benefit for shifting our vendor allocations and changing the length of time in collections. We are in the process of negotiating incentive-based contracts with the goal of higher liquidation in exchange for higher commissions or bonuses. Discussions with the agencies are also including an emphasis on performance audits (reviewing the customer contacts) and reporting from the vendors. We plan to make more regular site visits to the collection agencies to establish a relationship with the agencies and discuss common patterns they may be experiencing with our customers. An audit program is being developed to review customer contacts and monitor quality in collection efforts monthly. Our ultimate goal is to monitor the actual level of performance with each agency each month.

2011-12 NACM-IUG

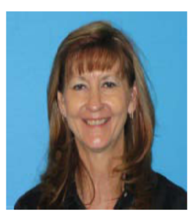
Officers

Julie DeSalvo
Mid American Energy
Chairperson
jadesalvo@midamerican.com

Larry Blain
Rocky Mountain Power/ PacifiCorp
Planning Chair
Larry.Blain@PacifiCorp.com

Earlene Burris
Tucson Electric Power Co.
1st Vice Chair
eburris@tep.com

Jeffrey L. O'Banion
Northwest Natural Gas Co. dba NW Natural
2nd Vice Chair
J2o@nwnatural.com



Lindy Sheehey
Tucson Electric Power Co.
Treasurer
lsheehey@tep.com

Brian Bub
Tucson Electric Power Co.
Newsletter Co-Editor
bbub@tep.com

Shalonda Norman
American Water
Newsletter Co-Editor
shalonda.norman@amwater.com

Counselors

Shelley Sutherland
City of Saskatoon
Past Chairperson
Shelley.Sutherland@Saskatoon.ca.

Linda L. DeCowsky
Comcast Cable
linda_decowsky@cable.comcast.com

Brenda Kay Reddick
Memphis Light, Gas & Water
bkreddick@mlgw.org

Jim Maynard
Georgia Power
pjmaynar@southernco.co

Robert Bernard
Comcast Cable.
bob_bernard@cable.comcast.com

INTERNATIONAL UTILITY GROUP

AN ASSOCIATION FOR CREDIT PROFESSIONALS IN THE UTILITY INDUSTRIES

www.nacm.org/welcome-to-iug.html

2011-12 NACM-IUG District Directors

Director Position Available		**Canada East** New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec
Shelley Sutherland *City of Saskatoon* Shelley.Sutherland@Saskatoon.ca.		**Canada West** Alberta, British Columbia, Manitoba, North West Territories, Saskatchewan, Yukon
Director Position Available		**Central U.S.** AR, IL, IA, KS, MO, NE, ND, OK, SD, TX
Brenda Kay Reddick *Memphis Light, Gas & Water* bkreddick@mlgw.org		**Eastern U.S.** DE, D.C., KY, MD, NJ, PA, WV
Mike Weber *Duke Energy* mike.weber@duke-energy.com	Photo not available	**East Central U.S.** IN, MI, MN, OH, WI
Jessica Hobbick *Arizona Public Service (APS)* jessica.hobbick@aps.com		**Northeastern U.S.** CT, ME, MA, NH, NY, RI, VT
Lois Douglass *Northwest Natural Gas Co. dba NW Natural* ldd@nwnatural.com		**Northwestern U.S.** AK, CO, ID, MT, OR, UT, WA, WY
Director Position Available		**Southern U.S.** AL, FL, GA, LA, MS, NC, SC, TN, VA
Debra Smithe *Sacramento Municipal Utility Dist. (SMUD)* dsmithe@smud.org	Photo not available	**Western U.S.** AZ, CA, HI, NV, NM

NACM
National Association of Credit Management

Register now for the

116th NACM Credit Congress & Exposition

June 10-13, 2012

Grapevine - Dallas, TX

INTERNATIONAL UTILITY GROUP

AN ASSOCIATION FOR CREDIT PROFESSIONALS
IN THE UTILITY INDUSTRIES

***Strength* in Numbers**