



Chugach Electric Association, Inc.
Anchorage, Alaska

Semi-Annual Write-Off of Uncollectable Accounts

Ron Vecera
Director of Member Services

December 11, 2002



Agenda

- ◆ Billing and Collection Timeline
- ◆ Security for New Accounts
- ◆ Collection of Inactive Accounts
- ◆ Write-Off History
- ◆ The KMART Effect
- ◆ KMART Capital Credits?



Billing and Collection Timeline

Day	1	New Service Established
	30	First Bill
	60	Second Bill (Past Due)
	70	Mailed "Shut-Off" Notice (<i>1st Notice</i>)
	90	Third Bill (Delinquent) (<i>2nd Notice</i>)
	97	"Shut-Off" Door Tag (<i>3rd Notice</i>)
	100	Shut-Off for Nonpayment
	115	Later Shut-Off When Exceptions Apply



Security for New Accounts

- ◆ Deposits of Two Times Average Bill
- ◆ Experian Credit Score/Positive ID
- ◆ Deposit Waivers:
 - ▶ Past Payment History
 - ▶ Letter of Credit
 - ▶ Experian Credit Score



Collection of Inactive Accounts

- ◆ Balance Transfer to Another Active Account
- ◆ Assignment to Collection Agency
- ◆ "Past Indebtedness" Tariff Provision
- ◆ Confiscation of Capital Credits

5



Write-Off History (% Per Year)

1993	0.48
1994	0.36
1995	0.57
1996	0.44
1997	0.34
1998	0.38
1999	0.41
2000	0.32
2001	0.19
2002	0.28

6



The KMART Effect

	<u>With KMART</u>	<u>Without KMART</u>
Write-Off	<u>210,767</u>	<u>115,686</u>
Percent	0.40%	0.22%

7



KMART Capital Credits?

\$164,773 earned through 2001

Payable beginning with 1993 retirements

8