



## KANSAS GAS SERVICE

A DIVISION OF ONEOK, INC.

December 2, 2008

Ms. Susan K. Duffy  
Executive Director  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, Kansas 66604-4027

STATE CORPORATION COMMISSION

DEC 03 2008

RE: Docket No. 08-KGSG-723-CPL

Dear Ms. Duffy:

The Commission's Order in Docket No. 05-ATMG-643-GIG, at paragraph 13.g., required the Joint Applicants to file their policies and procedures for recovering uncollectible accounts; those documents were initially filed on January 31, 2008. The Order further directed, at paragraph 13.h., that we notify the Commission any time those policies and/or procedures changed. The referenced docket was created to receive these required compliance filings.

Kansas Gas Service plans to implement such a modification effective January 2, 2009. Specifically, the company plans to extend its timeline under which a customer's outstanding debt is declared to be "uncollectible" and assigned to a third-party collection agency. During those additional few weeks, we intend to provide additional notices to the affected customers who, if they have not merely overlooked the past-due obligation, will benefit from the extra time to arrange payment.

The enclosed procedure, dated January 2, 2009, outlines the revised timeline. The second enclosure is a graphical comparison of the current and revised timelines. The last section of the procedure is not included here; the confidential provisions therein have not changed from those currently on file.

I have enclosed one original and eight copies of this filing. I would appreciate it if you would stamp one copy for our records and return it in the enclosed envelope.

Sincerely,

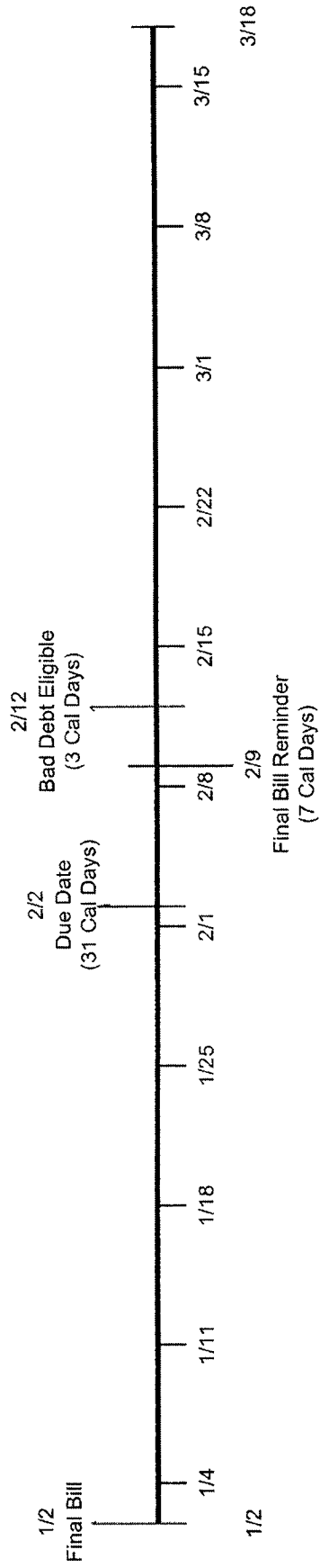
David N. Dittmore  
Manager – Rates and Regulatory Affairs

Attachment

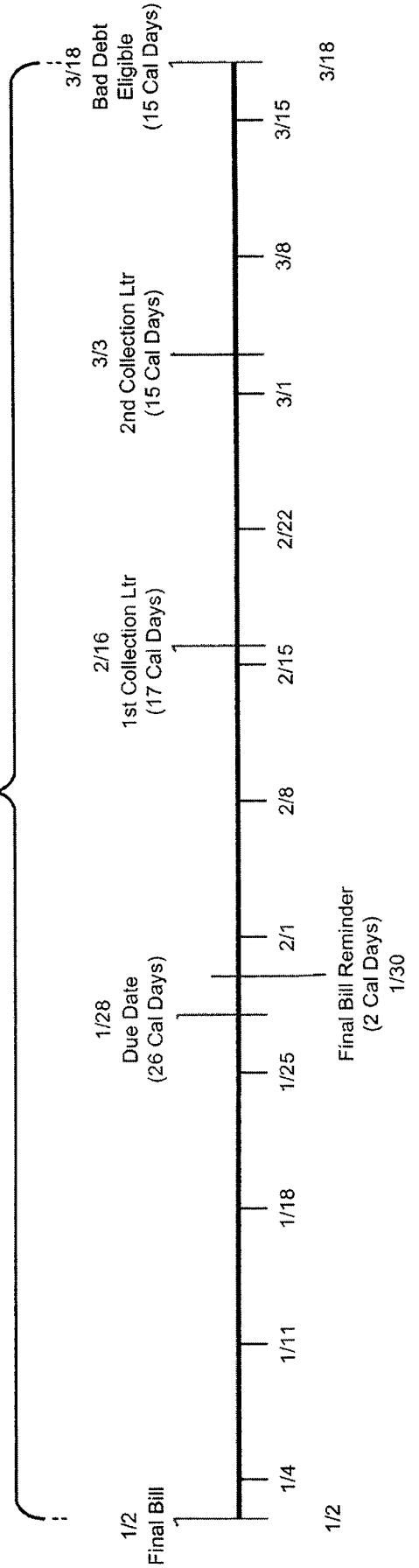
# Kansas Gas Service

Final Bill Timeline – Current and Proposed

1/2 - 2/12  
Current  
(41 Calendar Days)



1/2 - 3/18  
Proposed  
(75 Calendar Days)



## RESIDENTIAL COLLECTION PROCEDURES

Kansas Gas Service's collection policies and procedures will be consistent with the Kansas Corporation Commission's Billing Standards and with the company's General Terms and Conditions for Gas Service, all as filed with and approved by the KCC. The collection procedures for residential customers will vary depending upon whether we are in the Cold Weather Rule Period (November 1 through March 31) or outside this period.

### NON-COLD WEATHER RULE PERIOD: Collection Procedures

If an account is inactive (KGS has performed a service disconnect) and the customer is re-applying for service, we will collect all past-due balances the customer accrued over the past three years before turning on service for the customer.

If the account is active, Kansas Gas Service will require the customer to pay the entire past-due balance owing on their account to avoid disconnection. The exception is when complying with Section 4.07 of our General Terms and Conditions, which allows the customer to enter another 12-month agreement outside the Cold Weather Rule period if they have satisfied their previous cold weather rule period pay agreement.

The company will also require 25% of the total deposit applicable to the premise for which the customer is reapplying for service plus any reconnection or disconnection fees.

The practice of (a) requiring the active customer to pay the entire past-due balance owing to avoid service disconnection or (b) requiring the inactive customer to pay the entire past-due balance accrued over the past three years to have service restored may be relaxed from time to time. Our telephone representatives and field personnel have the discretion, on an individual basis when extraordinary conditions warrant such an exception, to accept less than the full amount owed in order to help a customer avoid disconnection. Such conditions may include, but are not limited to, such things as a billing dispute, a miscommunication between company and customer, or humanitarian reasons.

# COLLECTION PROCEDURES

KANSAS GAS SERVICE  
A DIVISION OF ONEOK, INC  
January 2, 2009

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## NON-COLD WEATHER RULE PERIOD: Collection Timeline

The number of days in a billing cycle will vary from month to month due to holidays and/or weekends during each month, therefore, the exact day of each event may vary slightly. The following is a typical timeline in calendar days.

Day 1	First Bill issued. Includes: First month's service	
Day 31	Next billing cycle (approx 30 calendar days) Unpaid First Bill becomes delinquent.	
	Second Bill issued. Includes: First month's delinquent service Second month's service A separate Disconnect Notice	
Day 42	Collection telephone call is made	8 business days
Day 44	Disconnect Service Order for disconnection is issued to field. Service personnel disconnect service	2 business days
Day 54	Account becomes inactive within the system. Deposits are applied against the amount owed. Final bill is issued. Includes: First month's service Second month's service Service and charges from end of second billing period until disconnection	10 calendar days
Day 80	Final bill is due	26 calendar days
Day 82	Final Bill Reminder	2 calendar days
Day 97	First Collection Letter	17 calendar days
Day 112	Second Collection Letter	15 calendar days
Day 127	Unpaid balance charged off as uncollectible Account is turned over to collection agency	15 calendar days

## COLD WEATHER RULE PERIOD: Collection Procedures

From November 1 to March 31, Kansas Gas Service will follow the Kansas Corporation Commission's Cold Weather Rule.

Inactive Accounts: If an account is inactive and the customer is reapplying for service, the guidelines allow the customer to pay 1/12 of the past-due balances accrued over the past three years to restore service. KGS will require the customer to make a minimum initial payment of the 1/12 plus the deposit installment plus the full amount of any disconnect/reconnect charges. In the subsequent months, the customer will be required to pay the remaining 11 installments in addition to the current billing. The customer may elect to pay the deposit in 12 equal installments.

Active Accounts: If any active customer cannot pay their bill during the Cold Weather Rule period, we will offer a 12-month agreement to the customer. The customer shall pay 1/12 of their total billed amount to establish the pay agreement plus, if applicable, the full amount of any disconnection /collection /reconnection charges.

If the customer does not contact us to request a pay agreement and they have an arrearage, we will initiate collection procedures up to and including disconnection of service:

- The forecasted low for the next 48-hour period must be above 35 degrees.
- On day one of that 48-hour period we will
  - issue orders to the field personnel to:
    - 1) if the customer is not home: tag the door (put a notice on the door that the premise's service is subject to disconnection) or
    - 2) if the customer is home: either collect the amount owing or advise them to contact Kansas Gas Service to establish a new pay arrangement.
  - attempt a phone call to the customer the same day to again collect or make arrangements.
- On day two of the 48-hour period, we will:
  - Continue the collection process if the forecast for the next 24 hours is still above 35 degrees.
  - Identify accounts which were tagged or contacted the day before and remain in arrears and without a pay agreement.
  - Issue orders to field personnel to collect or disconnect the service. The customer may pay the service person 1/12 of the total bill plus the collection fee and we will establish a pay agreement for the customer.

During the Cold Weather Rule period, a customer who defaults on a pay agreement may enter another pay agreement by paying another 1/12 of their total bill. A customer may have as many 12-month agreements as (s)he wants during this time period.

# COLLECTION PROCEDURES

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The collection of insufficient funds checks may create an exception to the temperature provision in the Cold Weather Rule period. If the bad check was given as a down payment or an installment for a Cold Weather Rule Payment Plan, a 10-day disconnect notice will be sent to the customer. If the customer does not cure the insufficient payment within those 10 days, we will send an order to our field personnel for collection or disconnection of the customer's account, regardless of temperature.

## COLD WEATHER RULE PERIOD: Collection Timeline

The number of days in a billing cycle will vary from month to month due to holidays and/or weekends during each month, therefore, the exact day of event may vary slightly. The following is a typical timeline in calendar days.

Day 1	First Bill issued. Includes:	First month's service	
Day 31	Next billing cycle (approx 30 calendar days) Unpaid First Bill becomes delinquent.		
	Second Bill issued. Includes:	First month's delinquent service Second month's service A separate Disconnect Notice	
Day 42	Collection telephone call is made		8 business days
Day 44	Weather forecast is reviewed		2 business days
	<ul style="list-style-type: none"><li>• Forecast low temperature is above 35 degrees for the next 48-hour period:<ul style="list-style-type: none"><li>○ Disconnect Service Order for tagging is issued to field.</li><li>○ Collection telephone call is made.</li><li>○ Service personnel collect or tag door.</li></ul></li><li>• Forecast low temperature is below 35 degrees for next 48-hour period:<ul style="list-style-type: none"><li>○ All collection activities stopped.</li><li>○ Account is placed on hold until the weather allows collections or the account bills again for the next month.</li></ul></li></ul>		

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Day 45	Weather forecast is reviewed <ul style="list-style-type: none"><li>• Forecast low temperature is above 35 degrees for the next 24-hour period:<ul style="list-style-type: none"><li>○ Disconnect Service Order for disconnect is issued to field.</li><li>○ Service personnel collect or disconnect service.</li></ul></li><li>• Forecast low temperature low is below 35 degrees for next 24-hour period:<ul style="list-style-type: none"><li>○ All collection activities stopped.</li><li>○ Account is placed on hold until the weather allows collections or the account bills again for the next month.</li></ul></li></ul>	1 business day
Day 54	Account becomes inactive within the system. Deposits are applied against the amount owed. Final bill is issued. Includes: First month's service Second month's service Service and charges from end of second billing period until disconnection.	10 calendar days
Day 80	Final bill is due	26 calendar days
Day 82	Final Bill Reminder	2 calendar days
Day 97	First Collection Letter	17 calendar days
Day 112	Second Collection Letter	15 calendar days
Day 127	Unpaid balance charged off as uncollectible Account is turned over to collection agency	15 calendar days

**GENERAL SERVICE COLLECTION PROCEDURES**

General Service Accounts are not subject to the Cold Weather Rule. Our policies allow us to commence the collection process sooner than in the case of residential customers. Kansas Gas Service requires all past due balances be paid to avoid disconnection of service. If the account is turned off due to non-payment, the full past-due balance must be paid along with the disconnect/reconnect fees before service is restored. If no deposit is held, KGS will require the full deposit. A large General Service customer (one whose usage averages greater than 50 Mcf/month) must pay the entire deposit before service is turned on. A small General Service customer (one whose usage averages less than 50 Mcf/month) will be required to pay 25% of the deposit before receiving service and pay the remainder in three additional installments.

**GENERAL SERVICE CUSTOMERS: Collection Timeline**

The number of days in a billing cycle will vary from month to month due to holidays and/or weekends during each month; therefore, the exact day of each event may vary slightly. The following is a typical timeline in calendar days.

Day 1	First bill issued. Includes: First month's service.	
Day 17	Unpaid first bill becomes delinquent. Disconnect notice is sent.	
Day 30	Collection call is made.	
Day 31	Second bill issued for monthly use.	
Day 32	Service order for disconnect is issued to service personnel. Service is disconnected or past due balance is collected.	
Day 42	If disconnected, account finals and deposit is applied. Final bill issued. Includes: First month's service Second month's service, and Service from the end of second month until disconnection.	
Day 68	Final bill is due	26 calendar days
Day 70	Final Bill Reminder	2 calendar days
Day 87	First Collection Letter	17 calendar days



**COLLECTION PROCEDURES**

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Day 102	Second Collection Letter	15 calendar days
Day 117	Unpaid balance charged off as uncollectible Account is turned over to collection agency	15 calendar days