

# Full File Credit Reporting in the Natural Gas Utility Industry

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# *Sending out an SOS*

- **AGA/EEI SOS Process**
- **Typical Response**
- **Benefits to members**
- **Full File Credit Reporting SOS**
  - *Minimal Response*
    - Lack of Interest
    - Few utilities full file reporting
- **We have our work cut out for us!**

# *Minimalist Responses*

- **Do not do full file reporting (2)**
- **We are no longer a full file reporter – we stopped a year or so ago**
- **We used to be a full file reporter and stopped. We found the pain of doing this outweighed the benefits. So about a year ago we stopped our full file reporting. We now only report finalised accounts with overdue balances**
- **Do not do credit reporting. We do use an external collection agent for final bills greater than 63 days old. The collection agent which is also a credit agency does list the debt on the customer's file.**

# *A Positive Response*

- **full file credit reporting for 15-20 years**
- **one of the very few utilities doing this**
- **we get a lot of phone calls related to our credit reports and customers that want to change their habits when they realize how they pay us impacts their credit**
- **informing the customer**
  - *reminders sent out in our monthly newsletters to customers*
  - *we also tell new customers as they apply for service*
  - *part of the script for our 'hold messages'*
- **seems to make a big difference in helping customers to pay us first**

# *Another Perspective*

- **Began reporting in 1998**
- **We communicate the program to customers**
  - *bill inserts*
  - *bill messages*
  - *newsprint*
- **Customers being reported negatively object to the program. These customers keep the program very visible with Legislatures.**
- **We do not report negative until the customer is greater than \$100 in arrears. We also allow an extra 30 days before a customer is reported negative.**
- **Roughly 80% of our customers benefit from the program. Because of good payment habits they actually build or increase their credit score.**

# *Yet Another Perspective*

- **We used to full file report**
- **The program was pulled due to data integrity problems – we were short on SSN's**
- **There used to be 2 or 3 full time contractors that were employed just to manage the inquiries and turn-around time on inquiries and disputes has gotten a lot shorter via revisions to the FCRA laws.**
- **Also need access to IT resources to deal with program changes and the sending/updating of files on a monthly basis.**
- **Many utilities have pulled back - making it a requirement for their 3rd party agencies.**

# Further Thoughts

- **It is a powerful tool that can prompt payment but there are some conditions and obligations behind the reporting. Some key items:**
  - *Fair Credit Reporting Act compliance – warrant the accuracy/integrity of the data and promptly correct inaccuracies*
  - *IT resource support on a regular basis - monthly reporting to agencies is typical*
  - *Dispute Investigation Obligations - 30 day cycle time to respond to customers.*
- **Some sensitive customers, whether media or other high profile individuals may end up reported.**
- **Limiting the reporting to final accounts only and via collection agencies lets us take partial advantage of the tool while minimizing the other issues.**

# *Conclusion – Our Challenge*

- **Few utilities presently full file reporting**
- **Expensive and time consuming**
- **Some challenges**
  
- **Need to inform utilities of the benefits**