Request No. DTE 1-21:
Refer to Exh. MHC-1 (Gas) at 44. Please describe any measures the Company has taken in the past, as well as those taken currently, to reduce bad debt expense.

Response:
The Company has undertaken several measures to reduce bad debt expense, including the following:

1. The Company now utilizes 3 collection agencies, as opposed to using only 1 in the past.

2. Internal control procedures have been revised to ensure that customers on payment plans are keeping current on their accounts.

3. Internal programs have been enhanced to expedite the review of delinquent accounts and to act more promptly.

4. The exchange of information with fuel assistance agencies has been automated, allowing more time in the credit area to deal with delinquent accounts.

5. Outreach efforts toward low-income families have been expanded so customers are more aware of reduced rates and available assistance.

Person Responsible: Mark H. Collin