

Billing, Credit & Collection Policy

Adopted by Shakopee Public Utilities Commission on: November 2, 2026

Policy Objective: The following policies and procedure have been established for the billing, credit and collections of electric and water services provided by Shakopee Public Utilities (SPU).

Account Set-Up/Deposit

- An application for new accounts must be submitted. The application can be found on shakopeeutilities.com.
- Any applicant with a prior history of one or more untimely or missed payments with SPU may be required to provide a deposit in the amount noted below for the appropriate customer class. The deposit must be received before the service connection date.
- In addition, if an applicant has a previous or current balance written off as uncollectible and requests new service, and the applicant occupied the premises, continues to occupy the premises, or in any manner received the benefits of the service, the applicant must pay the amount designated as uncollectible before the service connection date.

- A deposit shall be required to be paid by all residential customers who do not hold title to the property at the customer's service address - (**Resolution #2023-17).**
  - Residential deposits are $100 for standard electric service and $200 for electric heat service.
  - Deposits are non-transferable from one applicant to another and are only payable to the original applicant.
  - Residential homeowners are not required to pay a deposit (unless prior payment history issues).

- A deposit shall be required to be paid by all commercial and industrial customers - **(Resolution #2023-17)**
  - Commercial and industrial customers are required to pay a deposit equal to one month's average billings.
  - Deposits are non-transferable from one applicant to another and are only payable to the original applicant.
  - A surety bond or irrevocable letter of credit in a form acceptable to SPU may be furnished in lieu of a cash deposit.

- Deposits are retained on the account until service ends or until the account achieves a five-year good payment history, at which time, it will be applied to the active account. Deposits will accrue interest annually at the rate set for by the Minnesota Department of Commerce and Minnesota State Statute 325.E.02
  - If deposit is surety bond or irrevocable letter of credit, these instruments will be released at this time.

Billing

Regular Billing

- Monthly bills are issued for the following utility service: electric, water, sewer, and storm drainage. Shakopee Public Utilities bills the sewer and storm drainage on behalf of the City of Shakopee.
- Each utility meter usage is remotely collected (advanced metering infrastructure) or manually read (under SPU policy) by SPU staff on or near the same day each month so that approximately 28- 31 days of usage is recorded.
- Bills are created after all meters have been read. The date the bill is created is known as the billing date. It is mailed out the day of or the day after being created.

- Bills are due on the 15th of each month (or the following business day if the 15th falls on a Saturday or Sunday or holiday).
- Customers have the option of receiving their bills electronically or via the US Postal Service.

Final Billing

- It is the customer's responsibility to notify Shakopee Public Utilities that service to an account address is ending at least three business days before the date of final service. A forwarding address must be provided.

- Final bills are issued the first full week of the new month or during monthly billing depending on when the service is discontinued.
- Each utility meter is read based on the date of the customer's final day at the service address.
- Final bills approximate days of usage, which varies based on the customer's date of request.
- Bills are due on the 15th of the month the bill was issued (or the following business day if the 15th falls on a Saturday or Sunday or holiday).
- Any final billed accounts that have a credit remaining will receive a refund via check mailed out to their forwarding address.

Budget Billing Plan

- Shakopee Public Utilities offers a voluntary budget billing plan as a convenience for qualifying residential customers.
- Budget billing allows customers to pay an estimated amount each month, avoiding the fluctuation of utility costs throughout the year.
- A customer's average utility consumption over the previous 12 months is used to determine the budget billing amount for the next 12 months.
- A customer must have at least 12 months of consumption history and no balance owing to sign up.
- The average usage is reviewed each year. The consumption is trued up for the previous 12 months and a new budget billing amount is set.
- Customers are encouraged to also set up automatic payments.
- No more than two consecutive late payments in any 12-month period are allowed for budget billing customers. After two late payments, the customer will be notified that the account is removed from budget billing for 12 months.
- The budget billing plan is a pre-arranged payment schedule and therefore no other payment arrangements are available.

Payment Options

- **Acceptable Forms of Payment –** Cash or cash equivalent, money order, check, or authorized credit card.

- **Auto Pay –** Payments are processed automatically for the amount due using a credit card, debit card or bank account each month on the due date.

- **Pay Now** –Online payment option via link found on shakopeeutilities.com

- **By Phone** – Call 833-498-1072 to make payments 24/7.

- **24-Hour drive-up drop box** – Located at our service center at 255 Sarazin Street. Payments are securely deposited into the building.

- **SPU Service Center** – Lobby or Drive-up window.

- **USPS Mail –** Address to: Shakopee Public Utilities, PO Box 470, Shakopee, MN 55379.

Returned Payments

- Payments by check or ACH that are returned for non-sufficient funds (NSF), account closed or credit/debit cards that are declined will be assessed a return fee, established by the fee schedule.
- If the customer has already been notified of a pending disconnection and the payment is returned, service may be disconnected without further notice.
- If customer has not already been notified of a pending disconnection, then SPU sends customer a letter by mail and email letting them know about the returned payment. Customer has thirty (30) days from issuance of letter to repay funds and return fee.
    - If it is not paid in that time, the account is up for disconnection of service.
    - A customer with more than two (2) of any combination of the following: NSF, account closed, or declined credit/debit card payments within a twelve (12) month period will be required to make future payments in cash, money order, cashier's check, wire transfer, or acceptable credit cards for twelve (12) months of acceptable payment history
    - Disconnects are performed weekly for returned payments

Late Payment Fee

- A penalty of 5% will be added to the current bill if not paid in full on or before the stated due date.
- Penalties are billed 3 business days after the due date.

Dispute/Appeal Process

- When a customer disputes any water or electric charge on their bill the following process is followed:
    - All disputes are escalated to the Customer Service and Billing Supervisor. The billing dispute is reviewed to determine if staff may resolve the issue.
        - All disputes are investigated; this includes re-reading the meter, reviewing past usage, and/or testing the meter.
    - Customers are notified of the findings.
    - If a customer is dissatisfied with the findings, customers are directed to the written Appeals Policy for next steps.

Payment Plans

- Payment plans are allowed but must be requested by the customer.
- Terms are determined based on the current outstanding amount, the projected amount billed for the duration of the payment plan, and the customer's ability to make payments. Generally, payment plans fall into the following categories:
    - $0-$200 – 2 months
    - $201-$500 – 4 months
    - $501-$1,000 – 6 months
    - $1,001+ - 8-12 months
- After the first untimely payment under the payment plan (default), customers are notified and must make payment to keep the payment plan current.
- After the second default, payment plans are revoked, and customers must make full payment of the past due balance to prevent being disconnected.
- Disconnects are performed monthly following the standard disconnection schedule.

Permissible Service Disconnections with Notice

- SPU may disconnect service to any customer with notice for any reason stated below:
    1. failure to make timely payment;
    2. failure of the customer to make proper application for service or misstatements;

3. customer's violation of any SPU policies/rules approved by the Commission;
4. failure of the customer to provide SPU reasonable access to its equipment and property; or
5. other situations provided in Minnesota statutes and rules.

- Unless a customer authorizes electronic communication, delinquent notices shall be sent by first class mail to active accounts with past due balances approximately one week after the due date. These notices identify that electric service (or water service, where applicable) will be disconnected if payment is not received in 30 days. For any rental property with a third party authorization, a delinquency notice will also be sent to the property owner or management company.
- A second delinquency notice is sent five days before the planned disconnect day via email or an automated phone call.
- Cold weather rule is followed October 1 – April 30. See Cold Weather Rule section for details.
- Disconnections for nonpayment may occur no sooner than 30 days after the date of the disconnection notice, subject to applicable laws and customer protections.
- Service will not be disconnected on Fridays, Saturdays, or Sundays, or the day before an observed holiday, or when inclement weather is applicable.
- Customers are required to pay the past due balance or become current on a payment plan to be removed from the disconnect list. Staff has access to the online billing and payment system to view real-time payments.
- A minimum past due balance of $50.00 is required before an account becomes eligible for disconnection due to nonpayment.
- Those customers that are disconnected must pay a reconnect fee plus the past due balance to be reconnected.
- Customers who request payment plans after being disconnected must pay the reconnect fee plus the first payment plan payment to be reconnected.
- During the cold weather months, any accounts that are disconnected for electric service will be reviewed and water will be shut off within a reasonable period of time in an effort to prevent bursting water pipes at the property.
- After two weeks from the physical disconnect, a billing system disconnect will also be completed if payments remain past due assuming the residence is vacant to formally close out the account.

Permissible Service Disconnections Without Notice

Shakopee Public Utilities may disconnect service to any customer without notice for any reason stated below:

1. Unauthorized use of or tampering with SPU's equipment;
2. A condition determined by SPU to be hazardous to the customer, to other SPU customers, to SPU's equipment, or to the public.

Bankruptcy

- Customers who file for bankruptcy protection will be subject to the bankruptcy law in effect at the time of their filing. Customers in bankruptcy proceedings will be required to provide a deposit or other assurance of payment acceptable to SPU within twenty days of the bankruptcy petition in order to continue service.

Cold Weather Rule (October 1st – April 30th)

Minnesota Statutes, Section 216B.097 states that SPU must not disconnect and must reconnect the utility service of a residential customer during the period between October 1 and April 30, if the disconnection affects the primary heat source for the residential unit and all of the conditions described in the statute are met. This protection does not prohibit SPU from disconnecting service but requires several steps to be taken before disconnection.

SPU will not disconnect or will reconnect the utility service of a residential customer if the disconnection affects the primary heat source for the residential unit and all of the following three conditions are met:

1. The household income of the customer is at or below 50 percent of the state median household income. SPU may verify income on forms it provides or obtain verification of income from the local energy assistance provider. A customer is deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses an income eligibility threshold set at or below 50 percent of the state medical household income

2. The customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household. "Reasonably timely payment" means payment within five working days of agreed-upon due dates. It does not include any payment returned for non-sufficient funds (NSF), account closed, or credit/debit cards that are declined.

3. The customer receives referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

SPU will notify all residential customers between August 15 and October 1 each year of the provisions of this policy and Minnesota Statutes Section 216B.097.

Before disconnecting service to a residential customer during the period between October 1 and April 30, SPU will provide the following information to a customer (the Disconnection Notice):

1. A notice of proposed disconnection;
2. A statement explaining the customer's rights and responsibilities;
3. A list of local energy assistance providers;
4. A form on which to declare inability to pay; and
5. A statement explaining available time payment plans and other opportunities to secure continued utility service.

At the same time that SPU provides the Disconnection Notice, SPU will give written or electronic notice of the proposed disconnection to the local energy assistance provider and the department.

If SPU must disconnect a residential customer under Minnesota Statutes, Section 216B.097, subd. 3, the disconnection will not occur:

1. On a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by SPU;
2. On a weekend, holiday, or the day before a holiday;
3. When SPU offices are closed;
4. After the close of business on a day when disconnection is permitted, unless a field representative of SPU who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer;
5. If before disconnection, the customer appeals a Disconnection Notice under SPU's established appeal procedure, until the appeal is resolved.

Further, the disconnection must not occur until at least thirty (30) days after the Disconnection Notice has been mailed to the customer or fifteen (15) days after the notice has been personally delivered to the customer. SPU will not disconnect the customer until SPU attempts to confirm whether the residential unit is actually occupied, by examining energy usage data obtained through advanced metering infrastructure to determine whether there is energy usage over at least a 24-hour period that indicates occupancy, or as otherwise permitted under Section 216B.097, subd. 3.

Collections Process – For Inactive Customers

- A series of letters are sent out monthly notifying inactive electric and water customers of their past due balances. Sewer and storm drainage charges billed on behalf of the City of Shakopee are managed through the City and not SPU.
- The first letter is sent 21 days after the bill date. This letter is a reminder of the balance due on the utility account.
- The second and final notice is sent 15 days later. This letter notifies customer that payment is due and if not paid balances will be sent to collections.
- Electric and water customers are allowed an additional 10 days to make payment. After 10 days the collections file is created and sent to the collection agency.
- The collection agency will proceed with the collection process per the agreements in place. The collections efforts include mailings, phone calls, and legal avenues as applicable.
- Payments on collection accounts can be paid directly to SPU or to the collection agency until the account balance is satisfied.

Tax/Property Liens

- SPU reserves the right to certify unpaid utility services through the City of Shakopee or Scott County as unpaid taxes or for assessment as a lien against the property.