

Memorandum

To: Commissioners Kalk, Christmann and Fedorchak

From: Victor Schock Public Utility Analyst & Jack Schuh Special Assistant Attorney General

Date: June 17, 2016

Re: Uncollected Damage Prevention Enforcement Penalties

Case No. PU-13-877, Case No. PU-13-878, Case No. PU-13-879, Case No. PU-13-880, Case No. PU-13-881, Case No. PU-13-882, Case No. PU-13-883, Case No. GS-13-884, Case No. GS-13-885, Case No. GS-13-886, Case No. PU-14-134, Case No. GS-14-229, Case No. GS-14-230, Case No. PU-14-671 and Case No. GS-12-31.

As of June 17, 2016, the Commission has not received any payments from Northern Excavating, Inc., and therefore has a total of \$19,000 in unpaid damage prevention enforcement penalties outstanding from the above captioned Northern Excavating, Inc. cases. Northern Excavating, Inc. was a North Dakota corporation that voluntarily dissolved in 2015. In addition to Northern Excavating, Inc. the Commission also ordered a penalty in case GS-12-31 against Shores Companies, Inc in the amount of \$2000 that is also unpaid. Shores Companies, Inc. is an active Minnesota Corporation.

Staff has researched our options with the four collection agencies authorized by North Dakota OMB procurement. The advice that was received from three of the agencies was such that if the Commission's Order and penalty against Northern Excavating, Inc. is not able to be legally transferred to the company owner (Robert Lindberg), that we would have an extremely low likelihood of collecting this penalty. The agencies also found that Northern Excavating, Inc. already has \$44,000 worth of unsatisfied civil judgements against it since 2015(MDU - \$16k, SAK Construction - \$28k). This is another indicator that collection activity on these penalties would not bear fruit. Based on this information the three agencies declined to offer their services for collection of these unpaid penalties.

However, the last collection agency staff contacted (Harvard Collection Services) was very willing to attempt collection on these outstanding items. They had a more positive attitude toward the process, citing past successful collections of such abject accounts.

Based on its investigation staff believes pursuing collection of these cases with Harvard Collection Services is the most advantageous plan to move these cases forward and will have a motion to execute an addendum to the North Dakota OMB contract with Harvard Collection Services, Inc. on the next agenda.

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44	PU-14-134	Filed 06/17/2016	Pages: 1	67	PU-13-883	Filed 06/17/2016	Pages: 1	67	PU-13-879	Filed 06/17/2016	Pages: 1
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84	GS-13-886	Filed 06/17/2016	Pages: 1	67	PU-13-882	Filed 06/17/2016	Pages: 1	67	PU-13-878	Filed 06/17/2016	Pages: 1
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85	GS-13-885	Filed 06/17/2016	Pages: 1	67	PU-13-881	Filed 06/17/2016	Pages: 1	67	PU-13-877	Filed 06/17/2016	Pages: 1
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