PIPELINE PUNKS · INTELLIGENCE SERIES

Petroleum AI Field Report

Less artificial. More intelligence.

Thursday, November 26, 2026 | Use case: Collections prioritization (who to call first, who to hold, and what never gets automated)

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BOTTOM LINE

Most collections prioritization is plain rules. You need an aging report, a true exposure figure for each account, and hold triggers that a person approves. Machine learning adds one useful thing: a per-invoice estimate of whether a payment will be late, which can reorder the call list. Generative AI drafts reminders and sums up long email threads. It does not decide anything. Two legal points matter more than the software. Federal Regulation B covers business credit, including farm accounts, and it sets notice duties for some credit actions. Colorado's automated decision-making law takes effect January 1, 2027.

THE OPERATOR PROBLEM

The AR clerk works the aging report from the top down by balance. That means calling a large account that always pays at 45 days. Meanwhile a small contractor keeps fueling at the cardlock and taking tank wagon deliveries on open terms. By the time that account shows up in the 60-day bucket, the product is gone.

Prioritization fails in two directions:

- Exposure grows on accounts nobody flagged. Unbilled cardlock transactions and scheduled auto-fills are not in the aging report yet.
- Good customers get chased or held over billing errors that look like credit risk, such as a wrong price, a wrong tax line, or a missing delivery ticket.

Interpretation: the costly mistake is not a slow call list. It is a hold placed on the wrong account, or no hold on the right one.

WHAT ACTUALLY DOES THE WORK

Plain rules (not AI):

- aging buckets
- exposure = open AR + unbilled deliveries + cardlock transactions not yet invoiced, compared with the credit limit
- broken promise-to-pay flags
- dunning schedules
- hold triggers

This covers most of the value.

Machine learning: predicting whether each invoice will be paid late from payment history.

Statistics: a priority score, such as the open balance multiplied by the chance of late payment, plus a trend in days-to-pay. This is arithmetic, not AI.

Generative AI: drafting reminder emails for review, summarizing dispute threads, and pulling promise-to-pay dates out of customer emails.

Optimization: not needed. Sorting a list is enough.

DATA REQUIRED AND WHERE IT LIVES

- ERP AR ledger: invoices, due dates, terms, payments, credit memos, unapplied cash.
- Customer master: credit limits, terms, guarantors, linked accounts.
- Cardlock network files: daily transactions posted between billing cycles.
- Dispatch and tank monitors: deliveries already scheduled for accounts under review.
- Email: promises to pay, disputes, remittance advice.
- Bank lockbox or ACH files: payments not yet applied.

BUILD, BUY, OR CONFIGURE WHAT YOU OWN

Configure. Most petroleum back-office systems already run rules. Automated Wireless Environments says its E-SYS system offers automated credit holds on delivery tickets and work orders, dunning letters, real-time credit review to flag delinquent accounts, cardlock interfaces, and an event log of field changes (AWE E-SYS (https://automatedwireless.com/enterprise-back-office-system/)). These are vendor claims, and the features described are rules, not AI.

Microsoft documents a Late Payment Prediction extension for Dynamics 365 Business Central (Microsoft Learn (https://learn.microsoft.com/en-us/dynamics365/business-central/ui-extensions-late-payment-prediction)). According to that documentation:

- It predicts late payment on posted invoices and shows a confidence rating: High is at least 90%, Medium is 80% to 90%, Low is below 80%.
- It trains on invoice amount, payment terms, credit memos and the customer's payment history. Customer information is excluded from the dataset.
- It will not let you enable it manually if model quality is low.
- Online tenants use Microsoft's service. Other deployments need their own Azure machine learning resources.

We did not test it.

Buy. Dedicated AR automation platforms exist. None was reviewed for this edition.

Build. A spreadsheet or SQL score using:

- days past due
- days-to-pay trend over the last six invoices
- exposure as a share of the credit limit
- unbilled cardlock spend in the last seven days
- broken promises

This is statistics and rules. It is cheap to build, and you own the upkeep.

A 30-DAY PILOT

Scope: one branch, with commercial tank wagon and cardlock accounts only. Leave residential heating accounts out of the first pilot.

- Days 1 to 10: run the ranked list next to the current aging list in shadow mode. Collectors keep working the old list. Each day the credit manager reviews the top 20 on the new list and marks each account as a real risk, a billing error, or noise.

- Days 11 to 30: collectors work the ranked list. The tool only ranks. Every hold, limit change, cardlock shutoff or delivery stop needs the credit manager's approval, recorded with a reason code.

Measure:

- minutes to build the daily call list
- past-due dollars contacted within three days of the due date
- promises to pay that were kept
- billing errors found before a hold was placed
- false alarms: flagged accounts that paid on time without contact
- misses: unflagged accounts that went past 60 days

Stop condition: stop if any of these happens:

- a hold or shutoff happens without a recorded approval
- the score uses a field tied to a protected characteristic, or a stand-in for one
- false alarms still outnumber real hits at day 20

CONTROLS AND FAILURE MODES

Audit trail: for each account, log the score, its inputs, the model or rule version, the action taken, who approved it, and when.

Permissions: the scoring tool can read data but cannot write to credit limits, hold flags or cardlock status.

Sign-off: the credit manager approves holds. The controller approves write-offs and agency referrals.

Regulation B. Business credit, including agricultural credit, is covered by Regulation B (12 CFR 1002.2 (https://www.consumerfinance.gov/rules-policy/regulations/1002/2/)).

- An action taken because an account is currently delinquent is not "adverse action." Acting on a past delinquency generally does require notice.
- Terminating an account or making its terms worse can be adverse action if the change does not apply to all or most of a class of accounts.
- For trade credit, the creditor must tell the customer about the action within a reasonable time, orally or in writing. It must give written reasons if the customer asks in writing within 60 days (12 CFR 1002.9 (https://www.ecfr.gov/current/title-12/chapter-X/part-1002/subpart-A/section-1002.9)).
- Saying the customer failed to reach a qualifying score is not a sufficient reason.

Interpretation: use reason codes that record "currently past due" separately from "score" or "exposure." Whether your fuel terms count as trade credit is a question for counsel.

Failure modes:

- seasonal farm accounts that look late every fall
- billing errors scored as credit risk
- one customer split across several accounts
- unapplied cash
- cardlock data that arrives a day late
- a model trained on last year's payment patterns

Never automated:

- credit holds

- cardlock shutoffs
- cancelling heating deliveries
- agency referrals
- lien filings
- write-offs
- settlement offers
- adverse action notices
- any customer message nobody has reviewed

CURRENT DEVELOPMENT: COLORADO'S AUTOMATED DECISION-MAKING LAW

Colorado SB 26-189 was signed May 14, 2026. It replaces the 2024 AI Act, and its obligations begin January 1, 2027 (Colorado General Assembly (https://leg.colorado.gov/bills/sb26-189)).

- It covers technology whose output, including scores and rankings, materially influences decisions about an individual's access to financial or lending services, among other areas.
- Deployers must notify consumers before using it.
- Deployers must explain an adverse outcome within 30 days.
- Consumers can request human review.
- Deployers must keep compliance records for three years.

The Colorado Department of Law adopted its implementing rules on November 19, 2026. Those rules become final 20 days after publication, which follows an Attorney General opinion (Colorado Attorney General (https://coag.gov/ai/)).

Interpretation: commercial accounts are probably outside the law's consumer focus. Residential propane or heating oil accounts on credit may be inside it. Check with counsel before a score influences a hold on a Colorado household.

THREE DEEPER READS

- Microsoft Learn: The Late Payment Prediction extension (https://learn.microsoft.com/en-us/dynamics365/business-central/ui-extensions-late-payment-prediction)
- CFPB: Regulation B, 12 CFR 1002.2 definitions, including adverse action and business credit (https://www.consumerfinance.gov/rules-policy/regulations/1002/2/)
- Colorado Attorney General: Automated Decision-Making Technology rulemaking (https://coag.gov/ai/)

Not legal advice. Confirm how these rules apply to your operation with counsel.

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