



EUCI Presents a Conference on:

Credit & Collections for Utilities

Minimize Bankruptcy's Impact, Reform Internal Processes,
And Use New Tools to Mitigate Risk, Reduce Costs
And Maximize Revenues

May 5-6, 2003

Learn from 10 case study presentations!

Conference Co-Sponsored By:



WORKSHOP 1

**Outsource to Ensure
Best Practices in
Credit & Collections
for Utilities**

Pre-Conference
Workshops
May 5, 2003

WORKSHOP 2

**Credit Scoring -
A Powerful Tool to
Evaluate, Monitor,
and Manage
Your Accounts for
Maximum Revenue
and Minimal Risk**

**Marriott Atlanta Mid-Town Suites
Atlanta, GA**

Credit & Collections for Utilities Conference

May 5-6, 2003

Overview

As we face a tough economy, personal and commercial bankruptcies are on the rise. As a result, utility credit and collections professionals are under increased scrutiny to protect their companies from risk and to collect as much revenue as possible. Yet with pressures to decrease departmental costs, it becomes increasingly difficult to balance the investments involved with new methods, technologies or outsourcing partnerships.

This conference will highlight the strategies of major U.S. utilities that have struggled to set new rules for extending credit and collecting revenues and the applications that have allowed them to succeed in this tightened economy. By learning from ten case studies how to ensure optimal decision-making that new tools and processes can provide, attendees will learn how to tackle their current credit and collections challenges.

Invest in this two-day conference that brings together credit and collections professionals from the largest and most respected electric and gas companies in the country to learn how you can implement strategies and solutions to bring your credit and collections operations into the 21st century.

Target Audience

The target audience for this conference includes:

- General Managers, Managers, Directors and Supervisors of Credit & Collections
- Revenue Management
- Debt Management
- Directors, Managers and Supervisors of Customer Services
- Call Centers
- Training and Development

Program Agenda

Monday, May 5, 2003

Registration: 12:30 – 1:15 p.m.

Conference Chairman: Mr. Bob Hall, Vice President, Marketing, InoVision Inc. and Former General Manager, Credit & Collections, Duke Power Co.

SESSION I: 1:15 – 3:00 P.M. POSITION CREDIT DECISIONS UP-FRONT BY COLLABORATING WITH MARKETING & SALES

“Bridging the Gap Between Utility Marketing and Credit & Collections”

As utilities become stronger marketers, and economic pressures are brought upon the customer, a conflict arises. The marketing team is viewed by the customer as their advocate. The role of the marketing team has evolved to become part of collection opportunity negotiations. The credit and collections management team are often viewed as adversaries by the customer. Learn how the two can join forces to ensure shareholder value in the new business environment.

Kevin Fletcher, Vice President, Marketing & Customer Service, Georgia Power Co.

“Perform Up-Front Credit Analysis for Commercial & Industrial Accounts”

As electric utilities move into deregulation, new and exciting opportunities are created for up-front credit analysis on commercial and industrial customers. In the deregulated environment, these customers sign multi-year contracts, increasing the credit risk to the electric provider for both accounts receivable and future contract market valuation. Coordination between sales and credit is essential during this customer acquisition process. TXU has built a credit module into its customer management software that requires a credit analysis and credit approval on all new commercial and industrial accounts before the contracts can be consummated. Doing so reduces the amount of bad debt for the electric provider and increases smarter decisions on how much credit to extend to new and existing accounts.

- Control the extension of credit on customers
- Understand the future value of accounts
- Gauge and monitor the maximum amount of credit to extend

*Carol Carr, Director, Credit Risk Management, TXU
Ted Nolte, Senior Vice President, Bass & Company*

Break 3:00 – 3:30 p.m.

**SESSION II: 3:30 – 5:00 P.M.
MINIMIZE BANKRUPTCY'S IMPACT ON
CREDIT & COLLECTIONS**

“Examine Bankruptcy Issues in Utility Collections”

An increased number of consumer and corporate bankruptcies are taking place as the economy “corrects itself”, making it more difficult for utilities to recover revenue. Learn how a customer’s bankruptcy filing affects your business relationship, examine the core bankruptcy issues for utilities and review strategies to be employed in response.

- Examine pre-bankruptcy alternatives such as letters of credit, debt-restructure agreements and prepayments
- Learn how to acquire post-petition adequate assurance of future payment through 11 U.S.C. Section 366
- Discuss strategies for responding to preference actions

John M. Merritt, Esq., Associate, Troutman Sanders LLP

“Combat Bankruptcy Risk From Commercial and Industrial Clients”

When utilities extend credit to large commercial and industrial accounts, they are, in effect, extending a two-to-three month loan. In a tougher economy, how do you begin to combat the bankruptcies occurring in your commercial and industrial accounts? What can you do to protect yourself from losing revenue?

*James Maynard, Commercial & Industrial
Credit Coordinator, Georgia Power Co.*

Cocktail Reception 5:00 – 6:00 p.m.

Tuesday, May 6, 2003

Registration and Coffee 7:45 – 8:30 a.m.

**SESSION III: 8:30 – 11:15 A.M.
REFORM INTERNAL PROCESSES TO OVERCOME
CREDIT & COLLECTION CHALLENGES**

“Seek New Strategies for the Future of Utility Credit & Collections”

As utilities continue to be challenged by a weakened economy, tighter budgets, customers who game the system, etc., the opportunity still exists for Credit and Collection managers to meet these and other challenges head on in order to deliver desired expense and customer service targets as established by management. Mr. Hall will touch on the four “Walking the Diamond” components that can facilitate the success of meeting such targets:

- Technology
- Processes
- People
- Performance Management

*Bob Hall, Vice President, Marketing, InoVision Inc.
Former General Manager, Credit & Collections,
Duke Power Co.*

“Establish a Replicable Template for Operational Assessments and Outcome-Based Strategies within Credit & Collections”

While most utilities face similar roadblocks, successful solutions do not always produce universal results. By developing a replicable operations review process, the goals, challenges and solutions can be identified and horizontally aligned before implementation. Templates and assessments review baseline functionality, identify opportunities to enhance the performance of an organization and, most importantly, create a manageable and replicable approach to implementing change. A successful operations template includes assessments of the following:

- Unit goals
- Credit and collections process
- Performance measurements and benchmarks
- Corporate and political boundaries
- Regulatory and legal limitations/restrictions
- Financial objectives

*Greg Straub, Director, Corporate Development and
Strategic Planning, OPUS21 – Connexus Energy*

Break 10:00 – 10:30 a.m.

“Develop a Comprehensive Strategy to Reduce Bad Debt”

When your bad debt goal is more aggressive than ever before, you need to find new ways to achieve it. By developing a comprehensive strategy that coordinates a team approach and takes a global and strategic view, utilities can make better credit decisions up front to collect on customer accounts.

- Review current state of bad debt
- Gauge impact to the bottom line of residential vs. commercial, including bankruptcy
- Work around antiquated systems
- Understand your company’s bad debt history
- Include your information technology group into your strategy
- Recognize your market and customer behavioral patterns
- Know public service commission restraints
- Seek feedback from employees, customers and vendors

*Gina Zabran, Manager, Credit, Collections & Strategies,
Tampa Electric, a TECO Energy Company*

**SESSION IV: 11:15 A.M. – 3:30 P.M.
TOOLS TO MITIGATE RISK, REDUCE COSTS
AND MAXIMIZE REVENUES**

“Mitigate Customer Credit Risk Using Up-Front Scoring Tools”

Predictive scoring programs help determine which customers will likely pay and which ones should be targeted on the front end of the applications process or as soon as they fall behind. This case study discusses how you can increase your deposit base and mitigate some risk in a fair and consistent manner:

- Understanding what you do today
- Uncovering problems and issues
- Developing a mitigation risk plan
- Understanding the technology application

*Grady Reid, Manager, Credit & Collections, Cinergy Corp.
Bill Parrish, Vice President, Sales, Equifax*

**Group Luncheon 12:00 Noon – 1:15 p.m.
Sponsored by **InoVision****

“Develop an Internal Behavioral Score”

Minimize bad debt by using your own data to score and segment customer accounts. This session highlights:

- Utilizing Six Sigma methodology
- Matching resources to your highest risk customer
- Evaluate combinations of internal and external scores

*Chuck Bedall, Manger, Customer Relations,
Six Sigma Black Belt, Dominion Resources*

“Sell Bad Debt: A New Tool in the Recovery Manager’s Toolbox”

Increasingly, collection and recovery managers at utility companies across the country are recognizing the benefits of selling their bad debt. With the number of buyers and sellers increasing, the utility debt-sale market is becoming more efficient and mainstream. Several utilities have incorporated selling accounts into their overall recovery program. Learn how you can use selling receivables as an effective tool to increase financial performance. This session will describe how you can:

- Maximize the value of your charged-off accounts
- Minimize the risk of complaints, legal actions and regulatory complaints
- Perform your own portfolio due diligence
- Avoid costly mistakes

- Use your sold accounts as a tool to examine weaknesses in your existing collection activities

*Bruce A. Gay, President, Monticello Consulting Group Limited
Former Senior Analyst of Revenue Recovery, PECO Energy*

“Outsource to Ensure Best Practices in Utility Credit & Collections”

Use of outsourcing for specific parts of the credit and collections function can help maximize revenue coming in while reducing overhead costs. Hear how NSTAR uses an outsourcing partner for specific collection incoming and outbound call campaigns with measurable results.

- Getting buy-in for the union on the use of an outsourcing partner
- Selecting a partner
- Structuring a successful outsourcing partnership
- Service level agreements
- Training and communication protocols
- Terms and conditions
- Implementing various call campaigns to maximize incoming revenue and minimize risk
- Skip tracing on final accounts to reduce write off and bad expense

Tony Simas, Manager, Credit & Collections, NSTAR

PRE-CONFERENCE WORKSHOP 1 - May 5, 2003

Outsource to Ensure Best Practices in Credit & Collections for Utilities

Monday May 5, 2003

Registration and Coffee 7:30 a.m. – 8:00 a.m.
Workshop Timing: 8:00 a.m. – 12:00 Noon

WORKSHOP OUTLINE

The utility industry is managing in difficult, turbulent times with increasing energy prices, an overall economic downturn and the threat and/or opportunity of deregulation. What better time than now to examine what many companies view as a cost center that is really a ripe opportunity center? Utilizing industry best practices is the key to mining the full opportunities that many utilities have available.

This workshop combines an overview of outsourcing opportunities for utilities with a special one-on-one assessment to see how outsourcing certain parts (or all) of your operations can benefit you.

I. Examine Factors that Affect Receivables Performance

- Billing timeliness and accuracy
- Economy, commodity price, and seasonality
- Shut-off policy, execution effectiveness, and moratorium
- Agent utilization (universal rep vs. collection specialist)
- Availability and use of hardship and low income support programs
- Ability to segment the customer base for varying treatment strategies

II. Determine the Management Tools That Tie Your Financial Targets to Collections Operations

- Performance modeling
- Performance tracking
- Agent utilization
- Technology integration
- Gap analysis

III. Engineer a “Future State” That Achieves Best-In-Class Performance

- Defining best practices
- Building a viable business case
- Establishing performance benchmarks
- Identifying and overcoming obstacles

— ABOUT THE INSTRUCTOR —

Mike Staed, Executive Vice President, Sales & Marketing, Outsourcing Solutions Inc. (OSI). Mr. Staed has overall responsibility for sales and marketing functions in OSI’s Consumer Business Unit as well as for corporate marketing and communications. In addition, he is responsible for developing key alliances and partnerships, co-marketing agreements and alternate distribution channels. The Consumer Business Unit includes the Bankcard, Financial Services, Telecommunications and Utilities Services divisions, each of which has dedicated operations and sales organizations providing a seamless line of customized solutions across the receivables continuum of outsourcing, collection and portfolio services.

PRE-CONFERENCE WORKSHOP 2 - May 5, 2003

Credit Scoring - A Powerful Tool to Evaluate, Monitor, and Manage Your Accounts for Maximum Revenue and Minimal Risk

Monday May 5, 2003

Registration and Coffee 7:30 a.m. - 8:00 a.m.
Workshop Timing: 8:00 a.m. - 12:00 Noon

WORKSHOP OUTLINE

While scoring is becoming more accepted by the utility industry, it is still a greatly misused term. Scoring is a generic term used to describe the process of grading historical actions as a way of predicting future customer behavior. The term is applied to subjective and judgmental techniques, as well as to models developed using sophisticated statistical techniques to identify the characteristics that distinguish good from bad paying customers. This workshop will provide insights into industry best practices including actual experiences and will:

- Articulate the differences between judgmental and statistical scoring methodologies
- Address types of scoring and explore their applications during the account lifecycle
- Identify benefits and justifications of scoring
- Include examples of quantified savings and results
- Introduce emerging applications of statistical methods
- Review TSI's approaches to scoring and implementation

The benefits of using credit information and scoring are detailed in this interactive workshop. Hear about the many applications of scoring, how to choose the right tools for your business needs, implementation considerations and how to measure your success. This workshop is designed to clearly illustrate why scoring is effective in account management and how it is used.

I. Use Credit Data and Scoring Models to Minimize Credit Risk

- Examine the need for better client risk evaluation in the utility industry
- Understand the uses for scoring in establishing credit, identification of customers and effective collections management throughout the customer lifecycle
 - i. application scoring
 - ii. early delinquent
 - iii. mature behavior
 - iv. final/recovery

II. Choose the Right Tools for Your Business Needs

- Evaluate your current capabilities and goals
- Test and analyze the performance of credit scoring on your accounts
- Calculate a return on investment (ROI) to develop the business case

III. How to Implement Credit Scoring into Your Business

- Know the options
- Understand the data requirements
- Segment the customers for appropriate treatment
- Consider change management issues
- Measure and communicate success

IV. Consider Next Steps and Other Applications

- Agency management techniques
- Automated decisioning technology
- Marketing and up-sell opportunities
- Reserve account calculation methodologies

— ABOUT THE INSTRUCTORS —

Michael Connors – TSI founder and former director of account mechanization at AT&T, Mike's years of industry experience includes numerous scoring project engagements, most recently with ComEd, PECO and Ameren.

Stephen Bona – Steve provides systems integration and project management expertise derived from over 25 years experience in the software and IT concentrating on Credit & Collection solutions.

Robert Ryan – With over 30 years of utility experience, Bob's focus is on measurements, best practices and strategy development within Credit & Collections.

Total Solution Inc. – (TSI) has been providing consulting, scoring and software solutions for over 10 years. Its principals have over 50 years experience in the implementation and measurement of credit and scoring solutions in the telecommunication and energy utility industries.

SPONSORSHIP/EXHIBITION OPPORTUNITIES

Do you want to meet this powerful audience to drive new business?

At EUCI's Credit & Collections for Utilities conference, you will find a highly targeted audience of senior level decision-makers. EUCI events are attended by those with the seniority and authority to change the way their firms operate.

For sponsors and exhibitors, this means an unparalleled opportunity to raise your profile before a manageable group of executives who make the key purchasing decisions for their businesses. There are a wide range of sponsorship packages available which can be customized to fit your budget and marketing objectives. Select the components YOU require in order to increase your brand identity.

Space is very limited, so call NOW.

Please contact Raj Mrig at tel. 303-770-8800 or via email at rrmrig@euci.com

PROCEEDINGS

The proceedings of the Conference and the two Workshops will be published and one copy will be distributed to each registrant at the conference. Extra copies of the composite proceedings will be available at \$395.00 each.

CONFERENCE LOCATION

A room block has been reserved at the Marriott Atlanta Mid-Town Suites, 35 14th Street, Atlanta, Georgia, 30309, for the nights of May 2-10, 2003. The rate is \$159 single or double occupancy, plus applicable tax. Call the Marriott Mid-Town Suites, (404)876-8888 or (800)228-9290 for reservations and mention the EUCI Conference to get the group rate. Make your reservations prior to April 14, 2003. Reservations after this date will be on a space available basis and **cannot be guaranteed at the conference rate.**

REGISTRATION

For instant registration, call (303)770-8800 or fax the Registration Form to (303)741-0849.

Register 3, Send 4th Free!! Any organization wishing to send multiple attendees to these conferences may send 1 FREE for every 3 delegates registered. Please note that all registrations must be made at the same time to qualify.

All cancellations received on or before April 4, 2003, will be subject to a \$195 processing fee. Written cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI conference or publication. This credit will be good for six months. In case of conference cancellation, Electric Utility Consultants' liability is limited to refund of the conference registration fee only.

— ABOUT OUR CO-SPONSOR —



Bass & Company is a leading advisor to the energy, telecom and financial services industries. Bass & Company members have been providing professional services to the energy industry since 1982. Our consultants average over 16 years of professional, industry specific and functional expertise. Because Bass & Company's consultants have experience in industry sectors beyond energy and utilities, we are able to draw from lessons learned in other industries to ensure that our energy clients are well positioned to take advantage of the challenges they face in an industry in transition.

Bass & Company's credit risk management team consists of leading experts from industries on the forefront of risk management. Our professionals have designed, implemented and managed innovative risk management techniques at such industry leaders as Citibank, Capital One, AT&T, AEP and TXU. Recent additions to our world-class team have brought experience in implementing power and gas trading and risk management systems for energy traders in the US, UK, New Zealand, France, Germany and Brazil.

REGISTRATION FORM

- Credit & Collections for Utilities Conference May 5-6, 2003
\$1,195, **Early Bird Before April 25, \$1,095**
- Pre-Conference Workshop 1, May 5, 2003 \$595, **Early Bird Before April 25, \$545**
- Pre-Conference Workshop 2, May 5, 2003 \$595, **Early Bird Before April 25, \$545**
- Discounted Registration for Attending Conference and Workshop: \$1,595,
Early Bird April 25, \$1,495
 - Pre-conference Workshop 1
 - Post-conference Workshop 2
- Sorry, I Cannot Attend But Please Send Me the Conference/Workshops Proceeding at \$395

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