

Utility Full File Credit Reporting Evidence From the Field

December 2005

About We Energies

We Energies serves more than 1.1 million electric customers in Wisconsin and Michigan's Upper Peninsula and more than one million natural gas customers in Wisconsin. We also serve about 2,500 water customers in Milwaukee's northern suburbs and about 500 steam customers in downtown Milwaukee.



We Energies Credit Reporting

- Credit information reported to only two Credit Bureaus
 - Trans Union receives credit report for following types of customers:
 - Residential
 - Farm
 - Sole proprietor commercial
 - Partnership commercial
 - Dun and Bradstreet receives credit report for commercial customers except sole proprietor and partnership.
- We Energies reports all utility accounts, both positive and negative, with exception of:
 - Disputed charges (until disputed charges are resolved)
 - On Complaint (until complaint is resolved)



Credit Bureau Bill Messages

- Residential, Farm, Sole Proprietor Commercial, and Partnership Commercial Accounts
 - Warning message:

"We report to the credit bureau on a monthly basis. To avoid a negative report, please pay your bill in full by the due date."
 - Past-due reporting message:

"We have notified the credit bureau of the past due balance on your account. To prevent further negative reporting, payment in full must be received in our office by the due date."
- Commercial Accounts
 - Warning message:

"We report to Dun and Bradstreet on a monthly basis. To avoid a negative report, please pay your bill in full by the due date."
 - Past-due reporting message:

"We have notified Dun and Bradstreet of the past due balance on your account. To prevent further negative reporting, payment in full must be received in our office by the due date."



Credit Bureau Updates

- If two customers' names appear on bill, both are reported same way (not as "primary" or "secondary"), since both are equally responsible for bill.
- Credit bureau reports are updated as follows:
 - Active accounts.
 - Reports are generated at time of bill calculation and sent to Credit Bureau on Friday night following bill calculation.
 - Finalized accounts.
 - Reports are sent 10-15 days after final bill date.
 - Finalized accounts will be updated monthly on Friday of week where there is activity on account.
 - When finalized account is turned over to collection agency, We Energies stops reporting and our trade line is zeroed out. The balance owing will now be under collection agency trade line.

Credit Reporting Guidelines

- We Energies will send positive notification to Credit Bureau if:
 - Full payment is made by due date every month.
 - Pay agreement is established and kept current.
- We Energies will send negative notification to Credit Bureau if:
 - Residential, farm and commercial accounts with \$50 or more in arrears for 31 days or more.
 - Industrial accounts \$200 or more in arrears for 31 days or more.
- When customer fails pay plan, account goes through Credit Bureau reporting immediately.
- Budget Billing settlement balances are not reported.

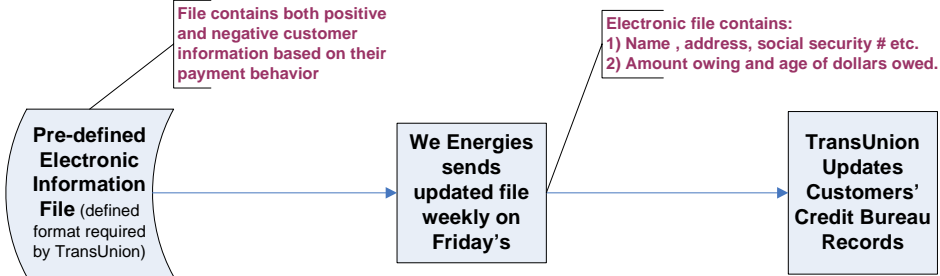
Customer Questions About Credit Report

- Residential, farm, sole proprietor commercial, or partnership commercial with question as to how Trans Union conducts its business or error made by Trans Union.
 - Contact Trans Union.
 - Access Trans Union web site, www.transunion.com.
- Commercial other than sole proprietor or partnership with question as to how Dun and Bradstreet conducts its business or error made by Dun and Bradstreet, customer should call Dun and Bradstreet.
- When it appears We Energies incorrectly reported to Credit Bureau, see Process for Credit Bureau Reporting - We Energies.

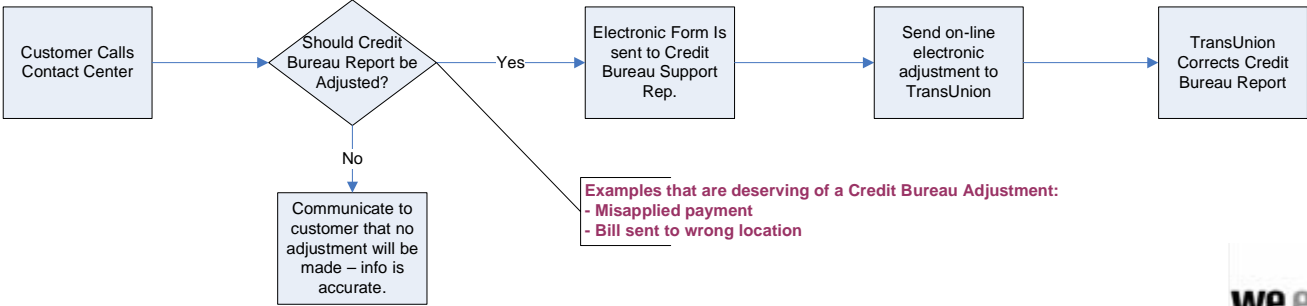


Process for Credit Bureau Reporting

Process for Credit Bureau Reporting – We Energies



Customer Inquiry Process



Benefits

- Improve customer satisfaction.
- Reduce arrears and uncollectibles.
- Become a creditor of choice (payment priority).
- Enable customers to better manage their credit health.
- Prevent/minimize identity theft.
- Prevent/minimize the chance of becoming over extended with unmanageable debt.
- Ability to broaden credit availability - assists customer with obtaining loans for larger purchases.
- Reduce need for Utility Letter of Credit.
- Establish credit rating for customers with non-traditional credit sources.
- Helps keep rates low for all customers through reduction in number of past-due accounts.

Q & A

we energies®

