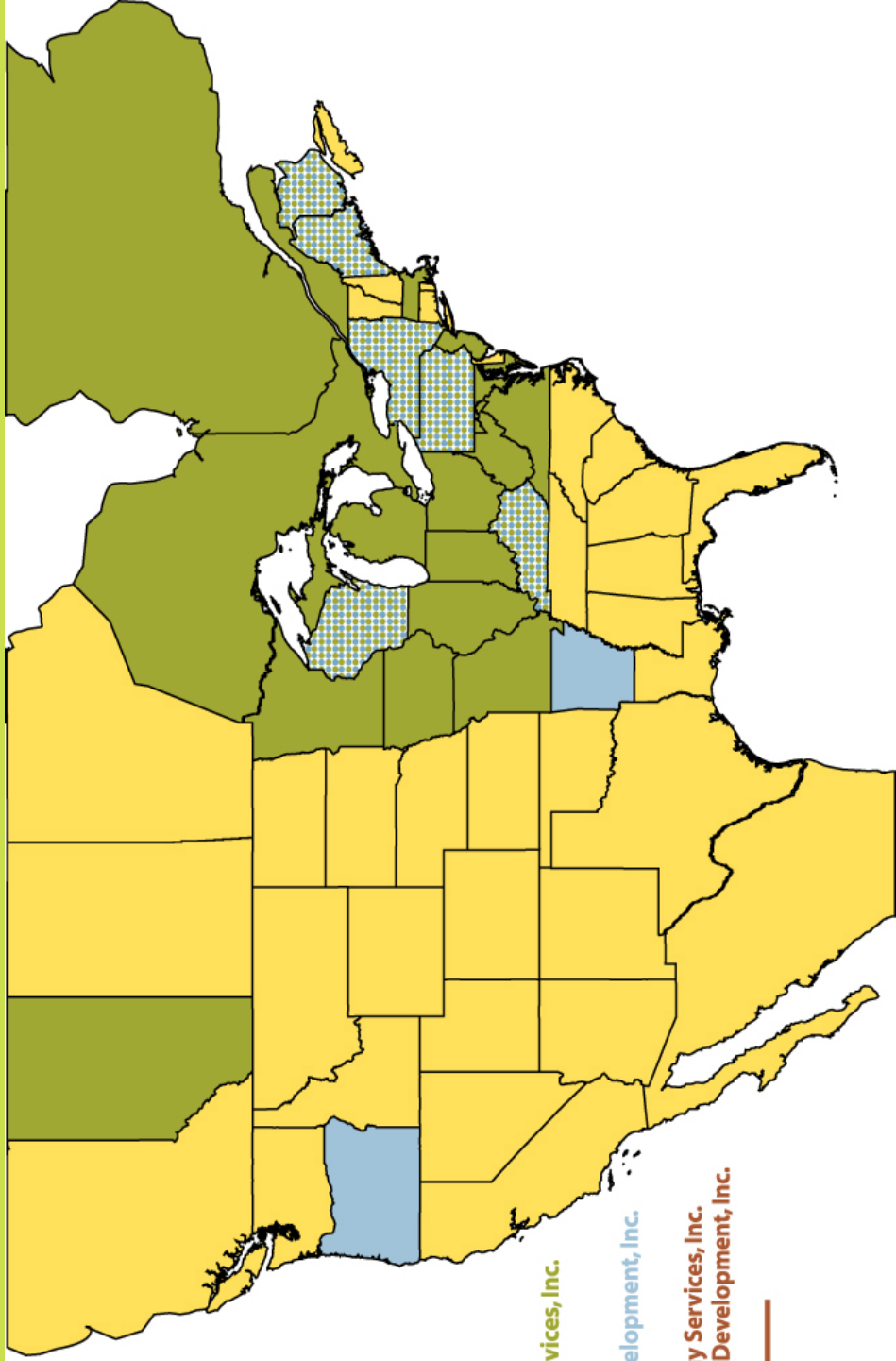


Overview of WPS Resources Corporation



■ WPS Energy Services, Inc.

■ WPS Power Development, Inc.

■ Both WPS Energy Services, Inc.
and WPS Power Development, Inc.



WPS Power
Development, Inc.



WPS Energy
Services, Inc.

Nonregulated





Automated Meter Reading

“A Critical Asset to Manage
the Utility of the Future”



Steve Carrico
Director-Communication
Business Development
AMR Project Manager
Wisconsin Public Service



Strategy

Technology

Benefits

State of the Industry



The Strategy

- AMR
 - Was a sophisticated alternative to the meter reader
 - Now is a building block to transform the utility into a competitive, customer focused enterprise
 - Will provide the customer with choice



The Strategy

- Customer Knowledge
 - Know them well and individually
 - Use knowledge to build relationships
 - A Value Proposition
- “Customer Intimacy”
- The Automated Meter
 - Cash Register to Information Device
 - 12 to 365 to 8760 Data Points



The Strategy

- Gathering Customer Data is Strategic

Information → Intelligence → VALUE

Value is what the customer wants



The Strategy

- Simply Put:
 - Information is Power
 - Grows the Utility
 - Maintains Control of Revenue Cycle Services
 - AMR is a Transformational Asset



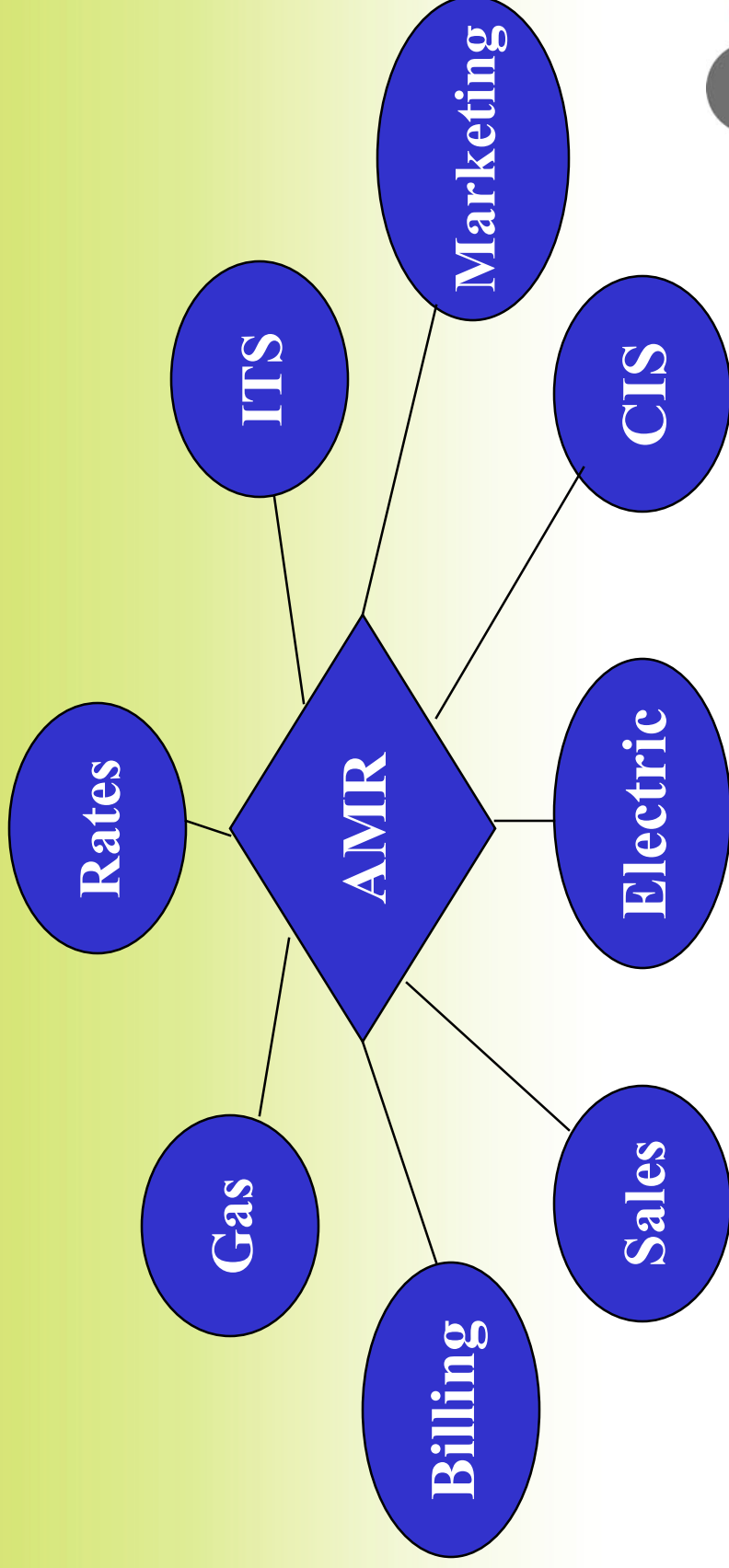
Some Issues

- Data Integration – A Key Issue for Success
- Important to Understand the Processes that must be Changed
- Standardizing the Processes
- Data Overload will be a Challenge
- Imperative that all Functional Areas Buy-in to the Strategy



The Strategy

- AMR Must Build Process Relationships
- The Asset Must Be Leveraged



The Technology

- Powerline
- Wireless
- Telephone
- Mobile



The Technology

- Key Issues
 - What Data Will You Need?
 - Monthly, Daily, Hourly, 15 Minute
 - Demand, Hourly or 15 Minute
- Geography
 - Flat, Mountainous, Wooded
- Climate
- Meter Density
- Urban vs. Rural
- The Purchase
 - Buy from a Vendor
 - Develop a Business Partnership



Benefits

- Reduction in Office Process Support
- Potential of New Revenues
 - Energy Information
 - Load Profiling
 - Consumption Monitoring
- Improvement of Meter Reading Accuracy
- Safety Inspection of Current Services
- Infrastructure to Allow Customer Choice
- Energy Use Information
- Electrical Safety
- Improvement in Cash Flow
- Increased
- Reduction in call Handling Time
- Reduction in Estimated Bill Costs
- Reduction in Bill Complaints



Benefits Cont.

- Reduction of Field Visits for Turn On/Offs and Special Reads
- Reduce Meter Costs for Time of Use
- Ability to Offer Real Time Pricing
- Ability to Disconnect From Office
- Reduction in Energy Theft
- Flexibility to Generate New Rates
- Reduction in Estimated Bills
- Timely Meter Information
- Enhance Outage Detection and Service Restoration



Reading Levels

<u>Meter Readers</u>	<u>AMR</u>
90%	99.8%
71,588	1,432

1-2% customer contact reduction =
\$10-20,000/month



Reading Accuracy

Meter Readers

99.7%

2148

AMR

+99.99%

<8

1-2% customer contact =

Over \$2,000/month



Outage Assessment & Management

- Storm Assessment
- Storm Clean-up
 - \$10-15,000 per storm/location
- Customer Follow-up (Callbacks)
 - Automated with AMR (91% effective)
 - A recent small outage had a \$1/customer savings



New-Dynamic Rate Options

- Optional Time-of-Use (OTOU)
 - Saving \$177/OTOU Customer
 - Faster response to account changes
- Customer Choice Rates-gas
- Critical Pricing Rates
- Tiered Time-of-Use Rates



Direct Load Control

- Uses the Current Infrastructure
- Affirmed System Load Reduction
- Available to all Customers



Customer Satisfaction

- First Call-One Call Resolution
- Preferred Reading/Due Dates
- Customer Options
 - Turn-on/offers (any day)
 - Totally automated



State of the Industry

- **Technology Development**
 - Over a Decade Old
 - Still in its Infancy
 - Monthly, Daily, Hourly, 15 Minute
- **Networks for Incremental Data**
 - Wireless (Urban)
 - Power Line
 - Telephone/Cellular



State of the Industry

- Key Drivers and Issues Facing the Market
 - Gas and electricity prices are on the rise
 - The application of usage data now extends beyond billing applications
 - Deregulation has slowed
 - Some form of FERC's standard market design (SMD) policy looms on the horizon



State of the Industry

- Key Drivers and Issues Facing the Market
 - End users are looking for ways to control costs
 - Large customers have increasingly savvy energy managers
 - Energy management costs total \$1 billion annually
 - Energy costs – and the percentage of total operating costs they represent – are on the rise



State of the Industry

- Key Drivers and Issues Facing the Market
 - Increased pressure for reliability
 - Capital budget constraints – competition for dollars
 - Little utility distribution automation exists
 - Minimal investments in infrastructure
 - Vision of advanced applications and models to run and optimize the system like transmission





Bottom Line



AMR is a Critical Asset to
Managing the Utility of the
Future