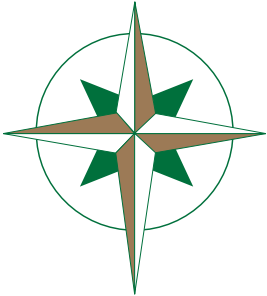




UTILITY ACQUISITIONS: RESIDENTIAL BANKRUPTCY PURCHASE PROGRAM



Portfolio Recovery
Associates, Inc.



*ELIMINATE BOTH YOUR
NEED TO MAINTAIN
A BANKRUPTCY
PROCESSING UNIT AND
YOUR MULTI-YEAR WAIT
FOR CASH. SELL YOUR
BANKRUPT ACCOUNTS
TO PRA.*

IN TODAY'S COMPETITIVE ENVIRONMENT, INNOVATION IS AN ESSENTIAL INGREDIENT TO SUCCESS. AS THE UTILITY INDUSTRY CONTINUES ITS EVOLUTION FROM A REGULATORY MONOPOLY TO A MARKET ENVIRONMENT, CREATIVE WAYS MUST BE EMPLOYED TO TACKLE INEFFICIENCIES, DECREASE EXPENSES, AND MINIMIZE LOSSES. PRA'S RESIDENTIAL BANKRUPTCY PURCHASE PROGRAM EFFECTIVELY ADDRESSES ALL THESE ISSUES.

Sell your residential bankrupt accounts to PRA.

Bankruptcy creates losses to all businesses, but is especially troublesome to utilities given that they are required to continue providing an essential service to all bankruptcy filers. Therefore, in addition to processing, administering, and dealing with legal issues associated with bankruptcies, utilities must simultaneously provide post-petition service to most, if not all petitioners. Given the economic costs and administrative headaches, managing bankruptcy is not simply a zero sum game for utilities. Therefore, a more innovative approach would be to outsource, via a sale, all residential bankrupt accounts.

Why sell residential bankrupt accounts?

- **We Take All the Risk.** PRA assumes the financial, legal and operational risks when we buy your bankrupt accounts. We pay you upfront on all the accounts, even those that are subsequently designated for a 0% payout under the Chapter 13 plan. By engaging in PRA's Program, you'll eliminate almost all pre-petition expenses and legal liabilities.
- **Time Value of Money.** Unsecured claims in a bankruptcy proceeding are the last ones to get paid out, so there's always a substantial delay in receipt of any recovery. With PRA's

Program, you'll receive prompt payment upfront when selling bankrupt accounts.

- **Increase Recoveries on Bankrupt Residential Accounts.** In addition to the time value of money, total recoveries are likely to increase under PRA's Program. Because PRA is focused on bankruptcy everyday, we're likely to collect more than you do, and therefore, we can often pay much more than you might expect, relative to your existing recoveries.
- **Tighten Existing Bankruptcy Operations.** Because you receive prompt notification of bankruptcy filings, more accurate meter readings may be obtained to differentiate pre-petition and post-petition account balances. In addition, you'll be able to obtain security deposits on post-petition accounts in a more timely manner, thereby reducing the potential for future losses.
- **Reallocate Staff to More Productive Tasks.** By engaging in PRA's Program, you'll eliminate the number of FTE's associated with monitoring the bankruptcy cases, filing proof of claims and managing the bankrupt accounts, while greatly reducing call center activity. Consequently, much of the supporting staff can be redeployed to other operational areas.

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- **Significantly Reduce Call Center Volumes.**

Selling your residential bankrupt accounts will dramatically reduce the potential for bankrupt credit calls to your already busy call centers. This will:

- Eliminate panic calls relating to impending disconnection of service.
- Eliminate calls dealing with legal issues related to ongoing bankruptcies.
- Eliminate calls related to improper disconnection of pre-petition service.
- Eliminate calls pertaining to 'dismissed' bankruptcies and handling of prior 'pre-petition' amounts.
 - Demand letters or delinquent notices.
 - Special payment arrangements, especially during winter moratoriums.
- Eliminate calls associated with re-filed petitions where accounts are subject to disconnection of service.

- **It is important to note that credit calls, especially bankruptcy related calls, require the most time to handle. As Call Centers are measured on how quickly calls are handled, call turnover rate is crucial. Eliminating bankruptcy calls will help ensure Call Center goals are achieved.**

- **Competitive pricing and customized contract terms.**

PRA performs detailed account level due diligence and analysis on every file presented for sale. We break the data down into various pools by scrubbing it through 3rd party and proprietary databases to determine the current status and progress of each bankruptcy case. In so doing, PRA is able to provide you with a very competitive bid that is based upon the most current bankruptcy court information. This up front analysis, along with our ability to customize contract terms, allows us to tailor a solution to meet your specific financial and operational needs.

PRA buys individual files of bankrupt debt, or if you like, we can establish a forward flow with predetermined contract terms and fixed pricing. Forward flow arrangements can be very attractive, because they allow you to more effectively forecast monthly recovery by creating a convenient method for the regular disposal of bankrupt debt. And forward flows free your staff from processing bankruptcies so they can be more productive elsewhere.

To minimize the negative affects of bankruptcy, PRA will be pleased to conduct a no cost, no obligation analysis of your current backlog of all applicable bankruptcies on file, as well as providing a plan to purchase all applicable bankruptcies on a forward flow basis.

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