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CONTACT: Andre Chon

AUS ANNOUNCES NATIONAL SURVEY RESULTS FOR TRANSMISSION SYSTEM UPGRADES

MOORESTOWN, NJ - March 8, 2004 – Today, AUS Consultants released the findings of its national survey involving transmission system upgrades at the National Association of Regulatory Utility Commissioners Winter Committee Meetings in Washington, D.C. The follow-up survey results showed that the level of outage concern among consumers has dropped from about 55% in November 2003 to about 49% in February 2004.

“Consumers’ memory of blackouts are fading fast, which may indicate a more troubled road in financing the much needed national transmission system upgrades,” said Andre Chon, vice president at AUS Consultants .

AUS Consultants interviewed 1,009 consumers nationwide in its follow up survey from its November, 2003 survey to assess the willingness of customers to pay for the upgrade to the nation’s transmission system to significantly reduce the likelihood of power outages such as the Northeast blackout in August, 2003.

The updated survey also found that less than 10% of respondents indicated that residential customers should bear the burden of the cost in improving the nation’s transmission system. Two-thirds of consumers think the upgrade to the nation’s transmission system should be paid for by entities other than consumers such as government, utilities and big power users. Fifty one percent of consumers felt that the government and electric utilities should pay for upgrades. This is a significant increase from the last survey that showed 45% felt the government or utilities should bear the brunt of improving the power grid.

“It is interesting to note and confirm that time heals everything,” said Chon. “Even with power reliability being one of the most talked about topics in the industry, consumers are increasingly more concerned about the effect on their pocket book. Utilities and regulators may have a tougher time in convincing consumers to pay for the bill.”

However, the study also found a strong correlation between consumers’ concern about electrical outages and willingness to pay for the necessary upgrades to the national power grid. Nearly two-thirds of consumers who are extremely or very worried about future outage are at least somewhat willing to pay an additional 10% over the next 10 years to upgrade the system. This compares to less than half of consumers who did not express a concern about outages.



“What the survey shows is that utilities and regulators need to do more consumer education on the level of the investment needed to improve the transmission system reliability assisted by the cost and benefit analyses. As indicated in the November survey, the updated survey showed more than 50% of consumers are at least somewhat willing to pay a 10% increase in their electric bills over the next 10 years to upgrade the nation’s power system. Effective consumer education will increase consumer support for funding the investment needed to increase the level of our nation’s aging power system reliability,” says Chon.

Methodology

The survey was conducted by ICR from February 18th to 22nd and results are based on 1,009 nationally representative telephone interviews and have a margin of error of plus or minus three percentage points. The study result is tabulated by four regions (Northeast, North Central, South and West) and by ten NERC regions.

About AUS Consultants, Inc.

AUS Consultants is a division of AUS, Inc., a Moorestown, N.J. based global market research and consulting firm. Founded in 1967, AUS provides its energy and utility clients with a wide range of sophisticated market research, systems, and consulting services. AUS Consultants includes experienced teams of economists, engineers, public utility rate specialists, and valuation professionals. For more information, please visit the company’s Website at www.ausinc.com.

About ICR

ICR is a leading marketing research firm specializing in problem definition, study design, data collection, analysis and reporting, and multivariate support for the energy industry. Its professional staff has extensive experience in utilizing a variety of research methodologies to aid energy companies in enhancing customer satisfaction. ICR’s services also include designing and implementing research programs that assist with market assessments and strategic planning in the energy industry.

More information on AUS Consultants’ “National Power Grid Upgrade Survey” may be found at www.ausinc.com or by contacting Andre Chon at AUS Consultants at 856-234-9200 (achon@ausinc.com) or Joe Jennings at 484-840-4390 (jjennings@icrsurvey.com) for more survey results.

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