

Electric Utility Leaders Prepare for the Future of Competitive Energy Markets at EUCG's Spring Conference and Workshop

(Reston, VA – May 15, 2012) – Safety, emergency preparedness and the role of new technologies in power generation topped the list of issues examined by Electric Utility industry leaders during the EUCG Spring Workshop in Austin, Texas, last month.

EUCG, a global association of energy and electric utility professionals, meets semiannually to discuss current and emerging industry issues, share best practices and exchange data for benchmarking purposes. The association is in its 39th year of service to the power generation industry.

“Our member companies are starting to report an increase in the interest in competitive electricity markets. Deregulation is far from dead,” remarked EUCG President George W. Sharp from AEP (NYSE: AEP). “In addition, with increasing concerns about safety, delivery costs and new technologies, having a forum like the EUCG Spring Conference and Workshop is critically important to our member companies in the power generation industry. We need to be able to share best practices and performance data with our peers. Member companies across all technologies – fossil, hydroelectric, nuclear – must come together to learn and strategize for the future of electric power generation and delivery.”

The Workshop's opening remarks were provided by Michael McCluskey, Manager of Generation Resource Development for the Lower Colorado River Authority, who offered insights into the use of water in power generation in his presentation titled “Water and Power – the Ultimate Co-Dependents.”

After welcoming the attendees to his hometown of Austin, McCluskey discussed water's role in the power supply, noting that the power sector is the largest user of water in the United States, with condensing steam being power generation's largest use of water. McCluskey ended his talk by reminding the audience that “energy conservation saves water and water conservation saves energy.”

This year's keynote speaker, David Spence, Professor of Law, Politics and Regulation at the University of Texas at Austin's McCombs School of Business, delivered a presentation titled “The Future of Competitive Electricity Markets.” Starting with an historic overview of energy markets, he discussed the evolution from a regulated market to a more competitive model. In addition, he spoke about the effect that the competitive model has had on issues like prices, generation, transmission and innovation. The session was a lively “give and take” between audience and speaker.

EUCG Committees held Forums to discuss current events and what the future will bring to the Utility Technologies. During all of the Forums, members were encouraged to continue to pursue EUCG's mission to support discussion and dialogue among everyone and to continue going forward.

- **Nuclear Committee:** The Nuclear Committee, led by Chairman David Ward of Duke Energy (NYSE: DUK), focused on many critical issues, such as emergency planning, including Fukushima regulations/cost impact; data comparability/credibility; and inventory control/material costs and management. Highlights of the Forum included an update by Frederik Joubert of the Boston Consulting Group on utility impacts from the Fukushima Incident after one year. David Bradish of the Nuclear Energy Institute presented a Wall Street Briefing – Status of the Nuclear Industry,

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which included the annual briefing on nuclear power plant performance and key issues facing the U.S. nuclear energy sector.

The first ever DeMella Award was presented to NextEra Energy (NYSE: NEE) for their initiative that improved operating efficiency and encouraged greater employee engagement at all of their nuclear facilities. The EUCG Nuclear Committee will present this award annually to the member company that has demonstrated a high standard of innovation and dedication to improving the value delivered by its business processes. These business process improvements have been recognized by their peers and by an objective industry body, to be tangible in nature and embedded into the culture of the organization, so that the value is sustained. This award is named after the late John R. DeMella, who in his many years as the Chair of the Nuclear Committee demonstrated the highest standards of leadership. He laid out a vision as to where he saw EUCG in the future and through his dedication, pioneer attitude and professionalism was able to drive the organization to where it is today – a growing global player focused on enhancing value to its members.

- **Fossil Committee:** The Fossil Forum, led by Chairman Rick Collins, Tennessee Valley Authority (NYSE: TVA), featured a keynote presentation by Jackie Sargent, P.E., Senior Vice President of Austin Energy, who provided an overview of Austin Energy's Strategic Generation Plan. Committee members also discussed the 2007-2011 Fossil Productivity Cost and Performance Database, a survey on Plant Maintenance Staffing and Maintenance Productivity Metrics. With a focus on identifying best performers and sharing of best practices, the Forum also gave awards for Combined Cycle Best Performers to NV Energy (NYSE: NVE) and Korea East-West Power.
- **Information Technology (IT) Committee:** Chaired by Kathleen Heffelfinger, PPL Corporation (NYSE: PPL), the IT Forum focused its discussions on sharing ideas and information on more cost effective and higher quality IT services. Highlights of the Forum included a presentation on the increasing use of smart devices in the workplace and how best to protect company data. Another presentation explored the use of cloud computing by business and how best to leverage the benefits of cloud computing in the energy industry.
- **Hydroelectric Committee:** Hydroelectric Committee Chairman Jim Miller, Tennessee Valley Authority (NYSE: TVA) and his group focused on maintenance programs and a statistical analysis of hydro cost and performance data that helps member firms to compare their own operational costs and performance metrics with their peers in North America and Europe.
- **Transmission and Distribution (T&D) Committee:** Chaired by Jesse Medlock, Oncor Electric, the T&D Committee focused on a variety of current issues, including best practices for dealing with geomagnetic disturbances and responding to significant interruptions in service.

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The Conference, held at the Omni Austin Hotel Downtown, began on April 15 and concluded on April 18. The Conference attracted 135 electric utility professionals from various utility technologies from all over the world.

“This Conference and Workshop was one of the finest ever in terms of content and delivery, “ said Sharp. “Anyone attending this meeting went back to their companies with very valuable and tangible information in order to make better and more informed decisions. It will be hard to top this program in the Fall in Denver, but we will continue to raise the bar.”

The next EUCG Conference will be the EUCG Fall 2012 Conference and Workshop, September 23 – 26, 2012 in Denver, Colorado. For more information, please visit the EUCG website: www.eucg.org.

About EUCG: EUCG is a global non-profit association of energy and electric utility professionals who discuss current and emerging industry issues, share best practices and exchange data for benchmarking purposes. The 39-year old association is organized into committees that represent specific utility functions: Fossil, Nuclear, Hydroelectric, Transmission & Distribution and Information Technology. Members attend semiannual workshops that focus on strategic planning, maintenance practices, operations management, outage management and various other aspects of the electric utility business. Membership is open to all utility companies and professionals worldwide. Interested parties should contact Don Kaiser, EUCG Executive Director, at 703/234-4116 or Kaiser@eucg.org.

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