



PRESS RELEASE

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PACIFIC GAS AND ELECTRIC TEAMS WITH NEXANT ON SYSTEM INTEGRATION UPGRADES.

ENHANCEMENTS WILL IMPROVE MANAGEMENT OF ELECTRIC DISTRIBUTION SYSTEM.

January 20, 2004---SAN FRANCISCO---Nexant, Inc. (www.nexant.com) announced today that it has completed a project to assist Pacific Gas and Electric Company (PG&E) with efforts to upgrade and integrate the computer and communications systems PG&E uses to operate its electric distribution system. These system enhancements will enable PG&E to better manage its electricity distribution system during severe outage conditions such as storms. The project was completed on schedule prior to the winter storm season in California.

Nexant led a project team that includes systems integration consultants Utility Integration Solutions, Inc. (UISOL), and Wipro Technologies, a global information technology firm.

The Nexant team, working closely with PG&E, initially focused on developing a multi-year roadmap for implementing the upgrades. The project team then began developing software for integrating PG&E's existing outage information system with its field automation system. Now that this integration is complete, power outage orders can be sent to field personnel automatically using a wireless communications network and work status or damage information can be sent back to the distribution operator over the same wireless network. By enabling PG&E to better manage the troubleshooting and restoration process—particularly during severe storm conditions—customers can find out when PG&E repair crews will be able to troubleshoot and repair an outage and turn the power back on.

As a separate task, Nexant helped PG&E integrate the supervisory control and data acquisition (SCADA) systems used to manage both the distribution network and the outage information system. This integration will allow data received by the SCADA systems to be automatically communicated to the outage information system at the operator's direction, thereby increasing the accuracy of the information and streamlining power restoration efforts.

The Nexant-led project also included developing a new distribution operator dashboard and integrated logging information system using state-of-the-art portal technology. "This

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web-based intranet system will bring together many aspects of the workflow in a way that will enable distribution operators to more efficiently and effectively perform their duties,” said Virgil Rose, Nexant’s senior vice president of Energy Management and Delivery. “We believe that the integration of information for distribution operators will pay significant dividends for many utilities across the country.”

Nexant team experts and PG&E tied together a number of existing independent systems using cutting-edge enterprise architecture integration (EAI) software, a relatively new approach in the electric utility industry.

“The integration approach taken with the PG&E project is an effective way to maximize the value of utility investments made in existing computer systems and we believe that many distribution utilities will be interested in the benefits of system integration,” said Barney Speckman, Nexant project manager.

PG&E began rolling out the newly integrated systems in November 2003 and will complete the rollout within the next few months.

ABOUT NEXANT

Nexant’s products and services help clients solve critical strategic and operational challenges in several key areas: retail and wholesale power markets; energy trading; enterprise risk management and decision support; energy delivery and management; advanced energy technology; and petroleum and chemicals. The company is headquartered in San Francisco, CA. Nexant maintains offices in London, U.K.; Bangkok, Thailand; Tokyo, Japan; White Plains, NY; Washington, D.C.; Houston, TX; Boulder, CO; Phoenix, AZ; and Madison, WI. The company is owned by a select group of investors and Nexant management and employees. Nexant[®] is a proprietary trademark of Nexant, Inc.

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