

BUILDING A WORLD OF DIFFERENCE

STRATEGIC DIRECTIONS ELECTRIC UTILITY SURVEY RESULTS

STEVE STOLZE

VICE PRESIDENT
BLACK & VEATCH MANAGEMENT CONSULTING



BLACK & VEATCH
Building a world of difference.®

BLACK & VEATCH CORPORATION

BUILDING A WORLD OF DIFFERENCE[®]



- **Founded in 1915**
- **8100 professionals worldwide in 100 offices worldwide**
- **\$2.3 billion in annual revenues in 2010**
- **Gartner 2010 AMI and MDM Top 25 Survey**
 - **2nd Custom Solutions**
 - **2nd Smart Grid Demonstration Projects**
 - **2nd Regulatory Support**
 - **3rd SI Project Management**
 - **3rd Technology Selection**
- **2010 Engineering News Record Rankings**
 - **1st Top 25 in Telecommunications**
 - **3rd Top 25 in Power**
 - **4th Top 15 in Transmission and Distribution**

BLACK & VEATCH CORPORATION

THE MARKETS WE SERVE



Energy



Management Consulting



Telecommunications



Global Reach



Water



Construction



Federal

**A SPECTRUM OF UTILITY INFRASTRUCTURE ENGINEERING,
CONSTRUCTION, AND OPERATIONS CAPABILITIES**



2011 STRATEGIC DIRECTIONS SURVEY RESULTS

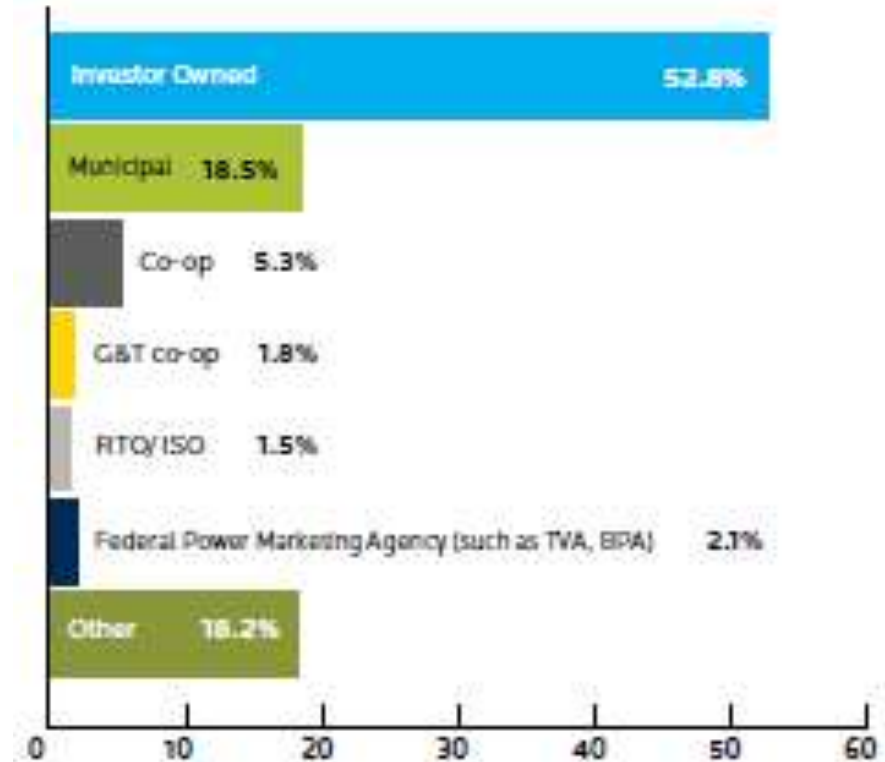
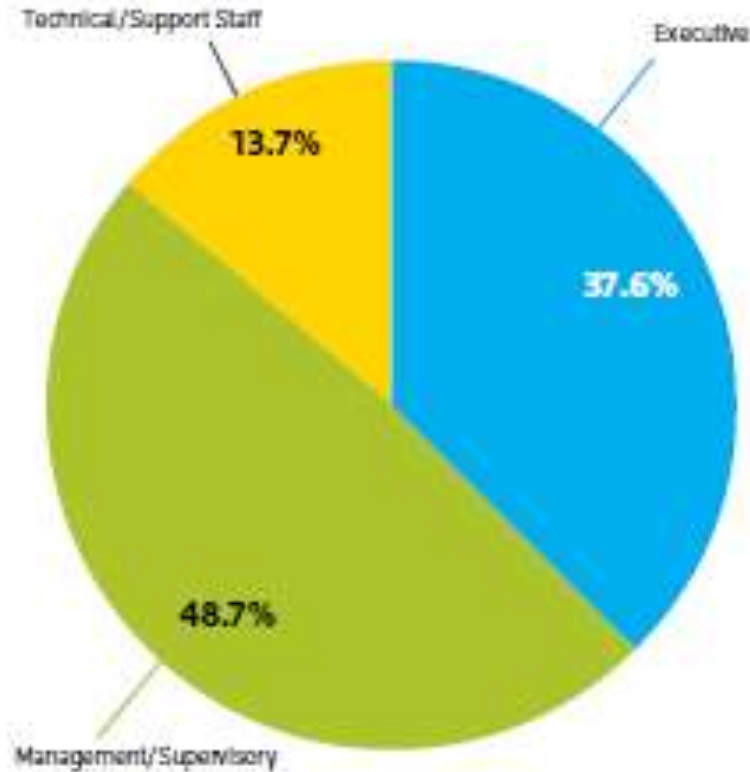
Managing the Transition in the Electric Utility Industry



KEY FINDINGS



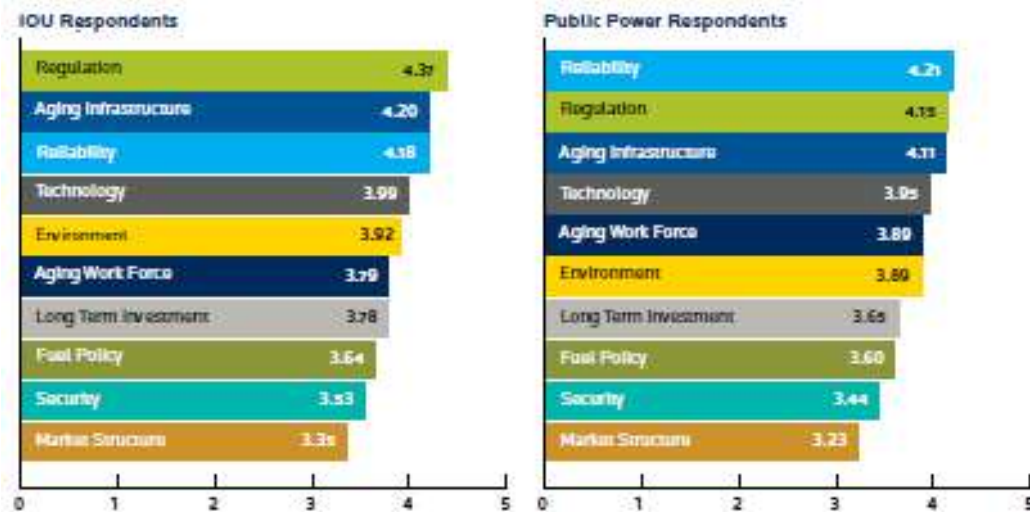
RESPONDENTS' PROFILE



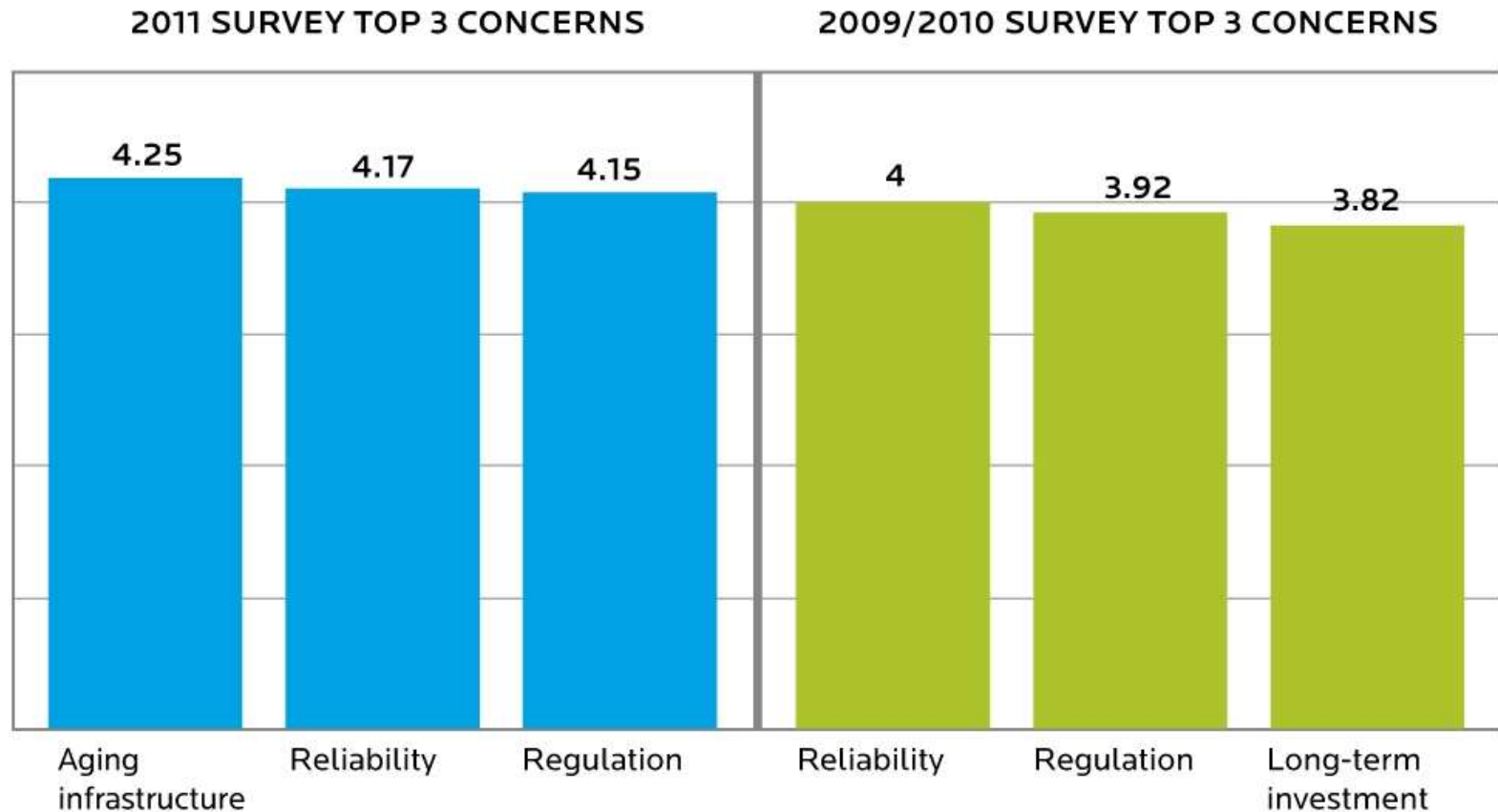
Nearly 700 Participants

2011 STRATEGIC DIRECTIONS SURVEY

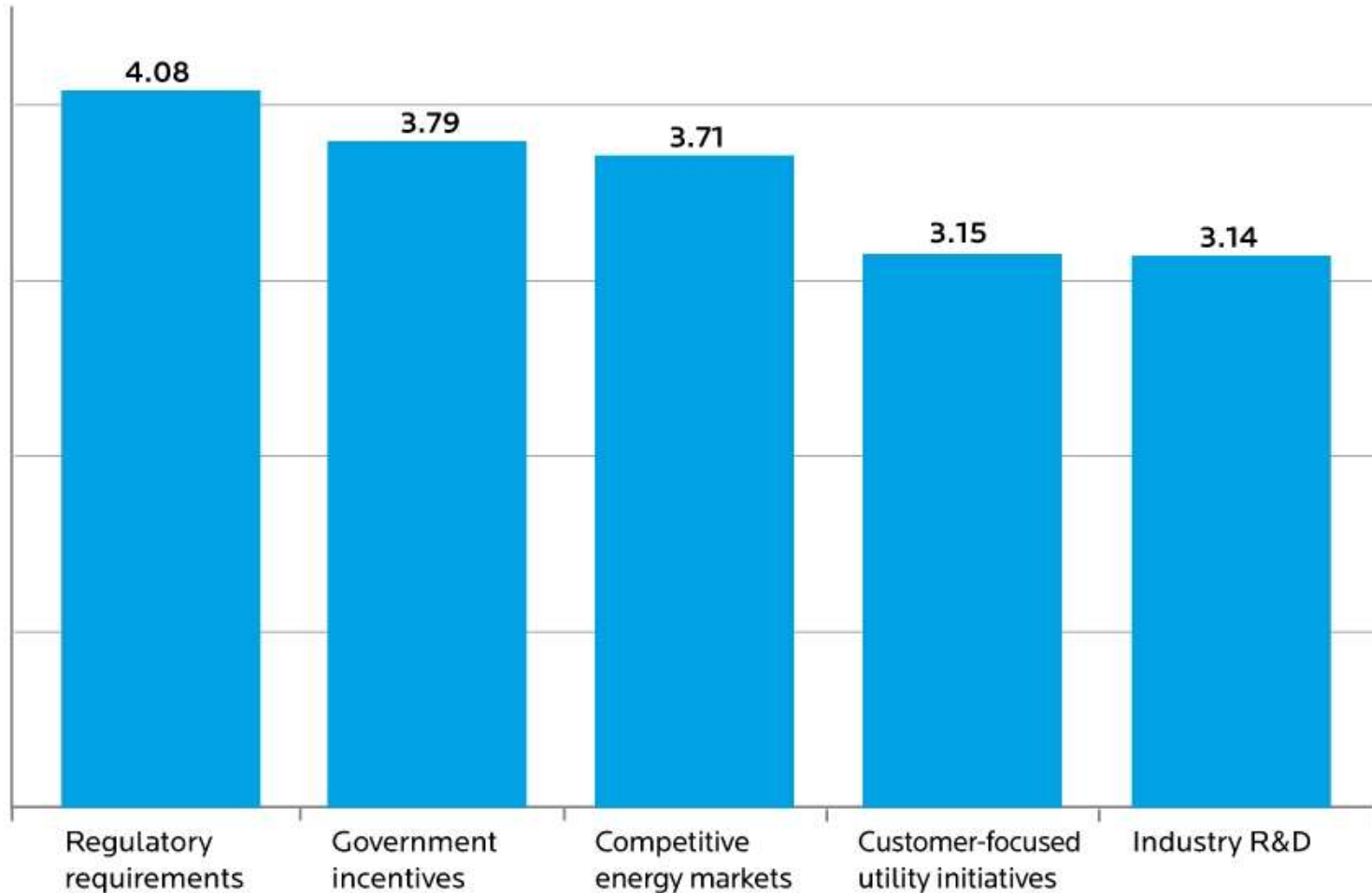
THE TOP TEN ISSUES



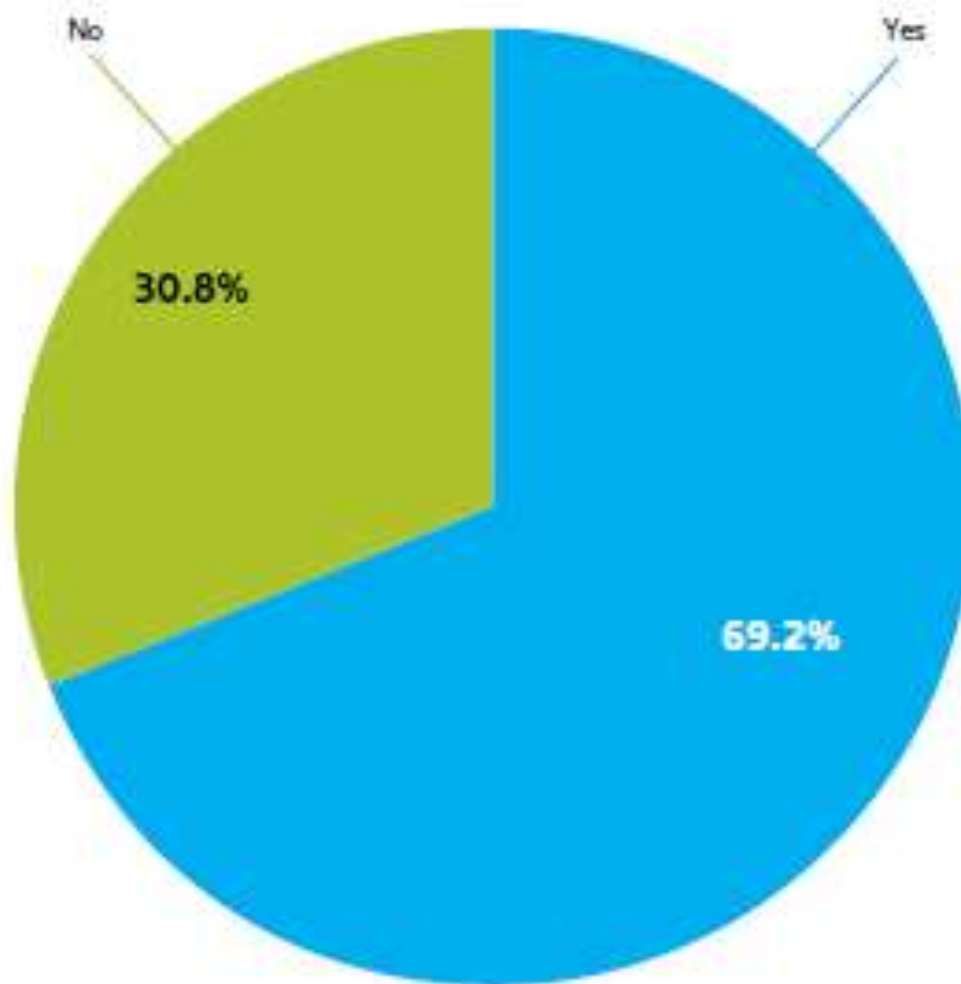
AGING INFRASTRUCTURE TOP CONCERN AMONG SURVEY PARTICIPANTS



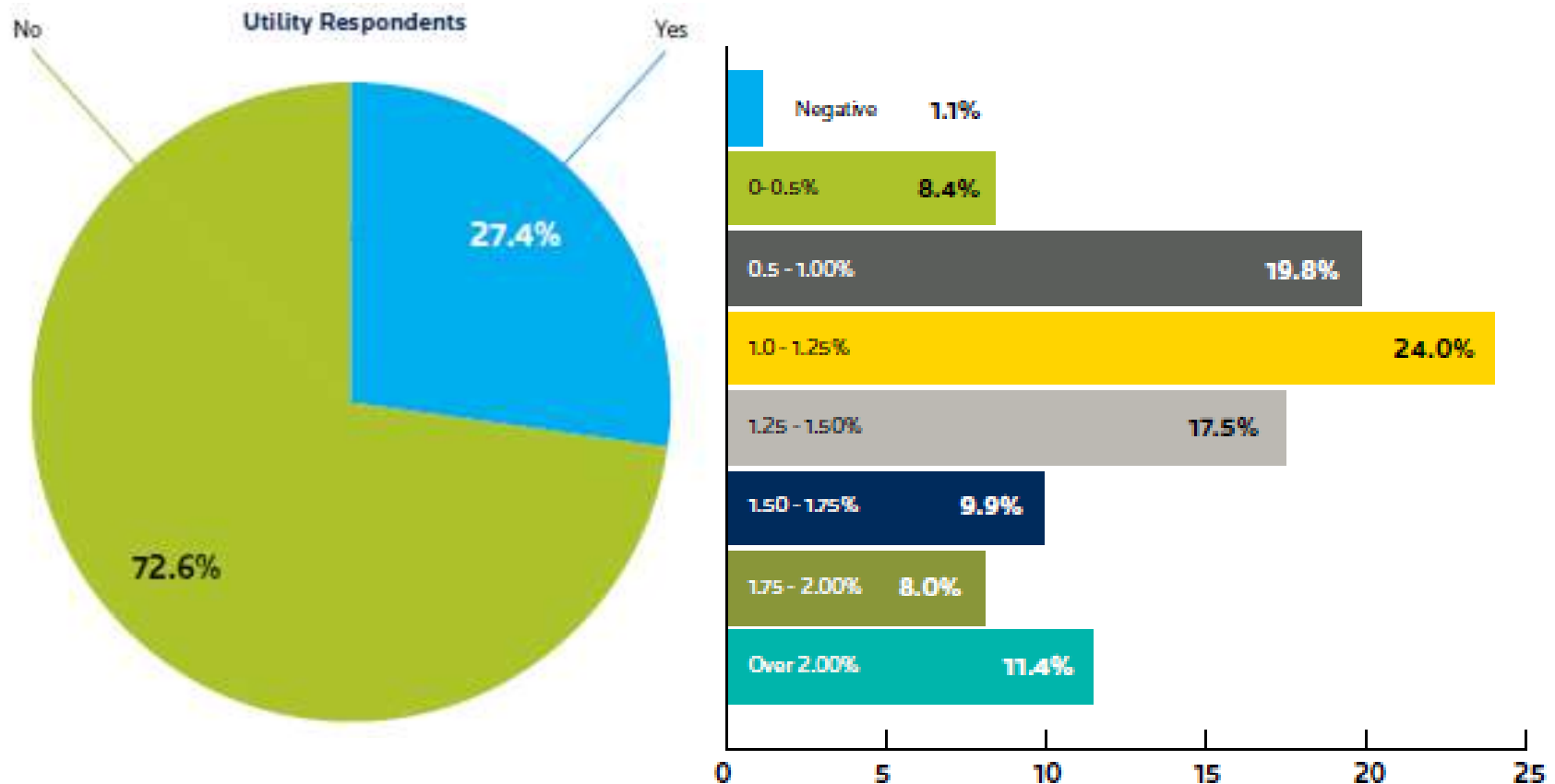
LACK OF ENERGY POLICY IMPEDES INVESTMENT IN NEW TECHNOLOGIES



BUILDING STRONG BALANCE SHEETS TO FINANCE NEW INVESTMENTS DRIVES M&A

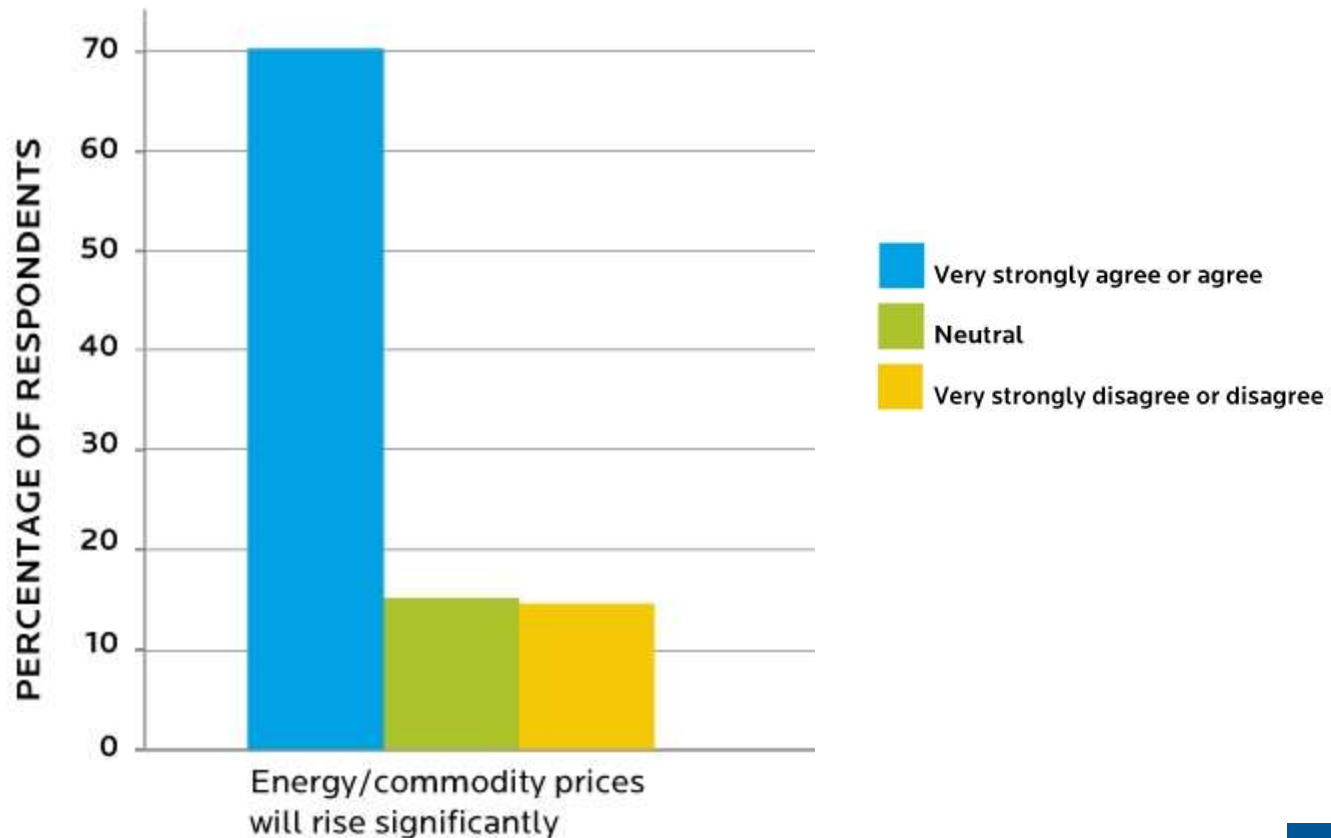


ARE LOADS BOUNCING BACK

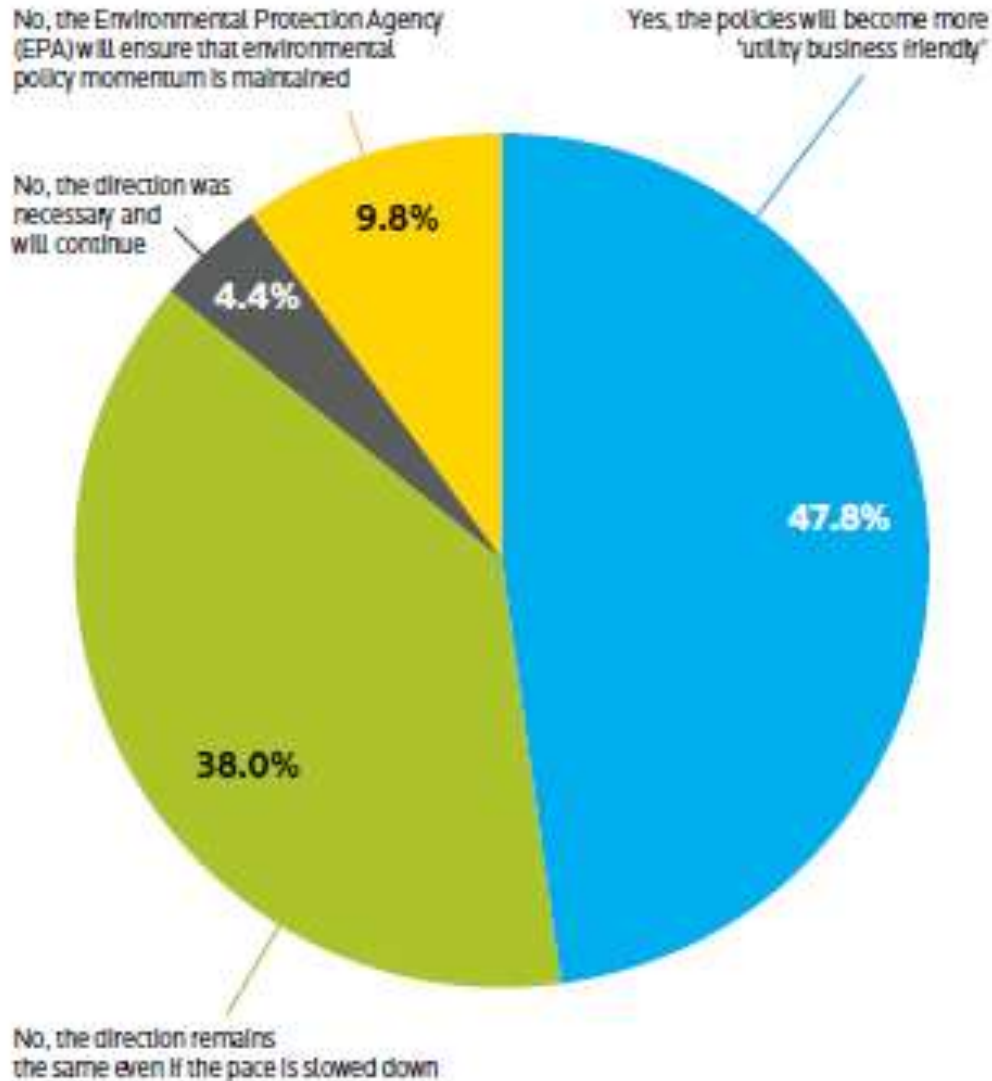


Economic Recovery is Slow, load growth expected to be between 1% and 2% annually

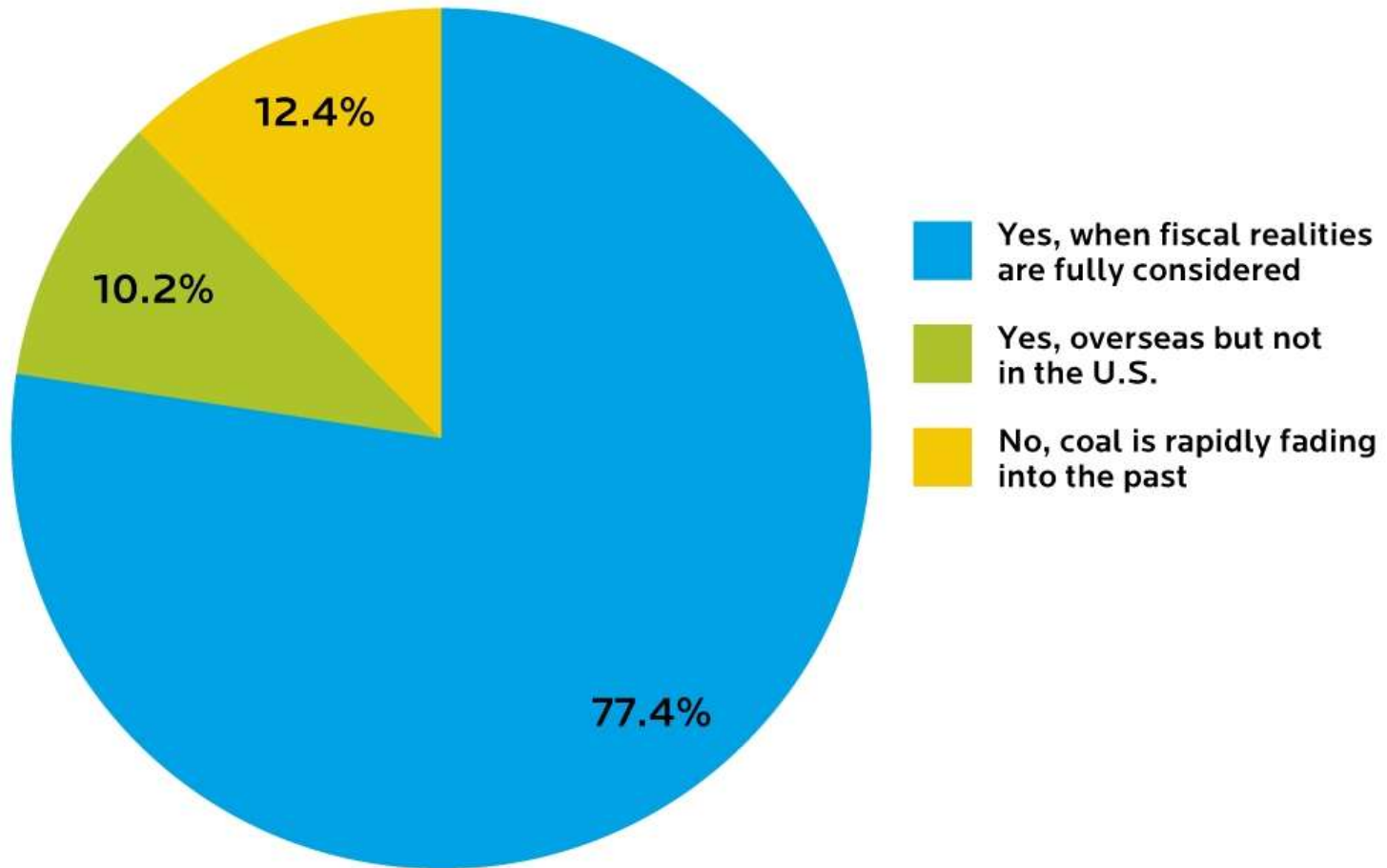
PARTICIPANTS EXPECT “SIGNIFICANT RISE” IN ENERGY AND COMMODITY PRICES



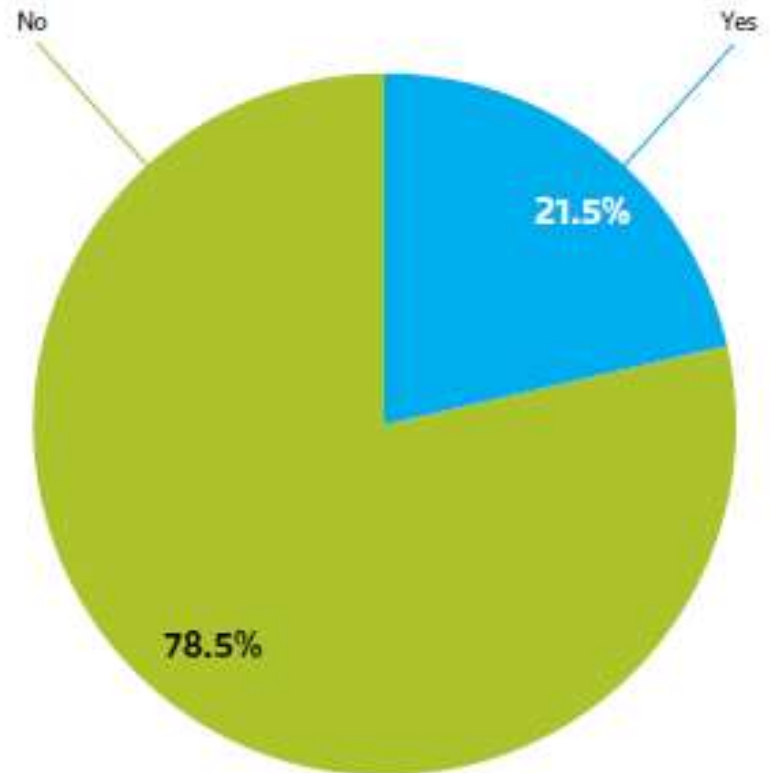
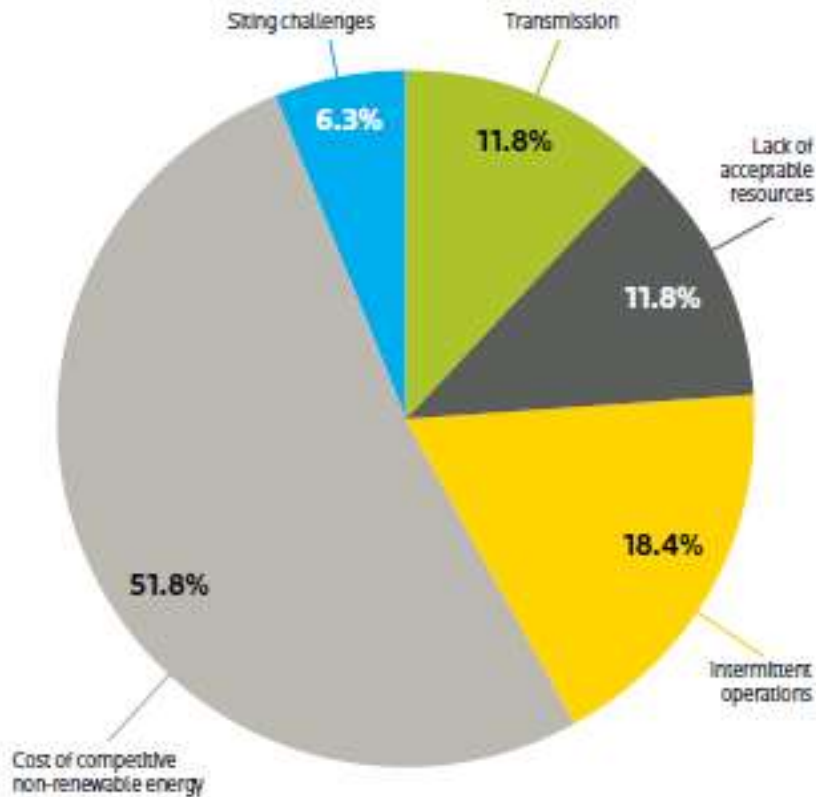
MANY RESPONDENTS BELIEVE CARBON-RELATED ENERGY POLICY WILL EASE



SURVEY RESPONDENTS BELIEVE COAL WILL REMAIN PART OF U.S. ENERGY PORTFOLIO

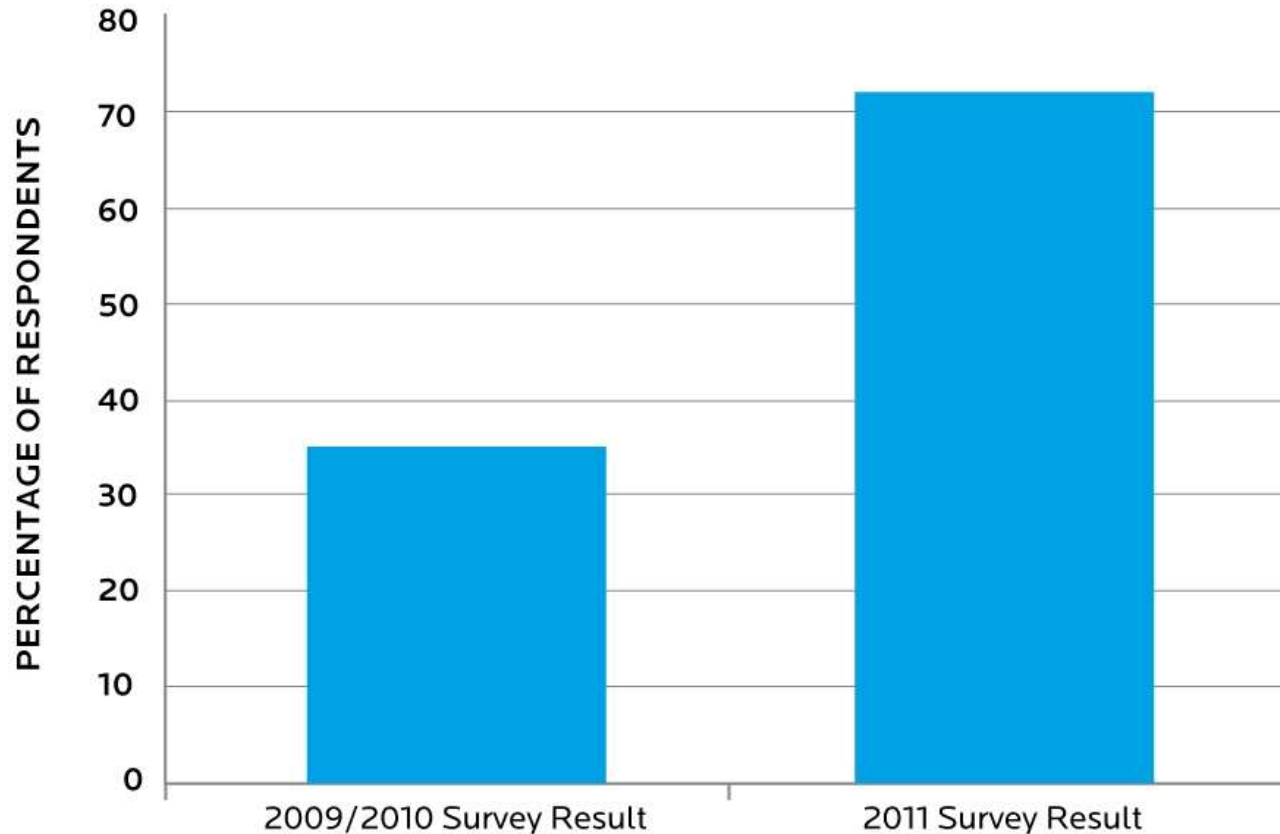


RENEWABLE GENERATION CONTINUES TO FACE ECONOMIC AND OTHER BARRIERS



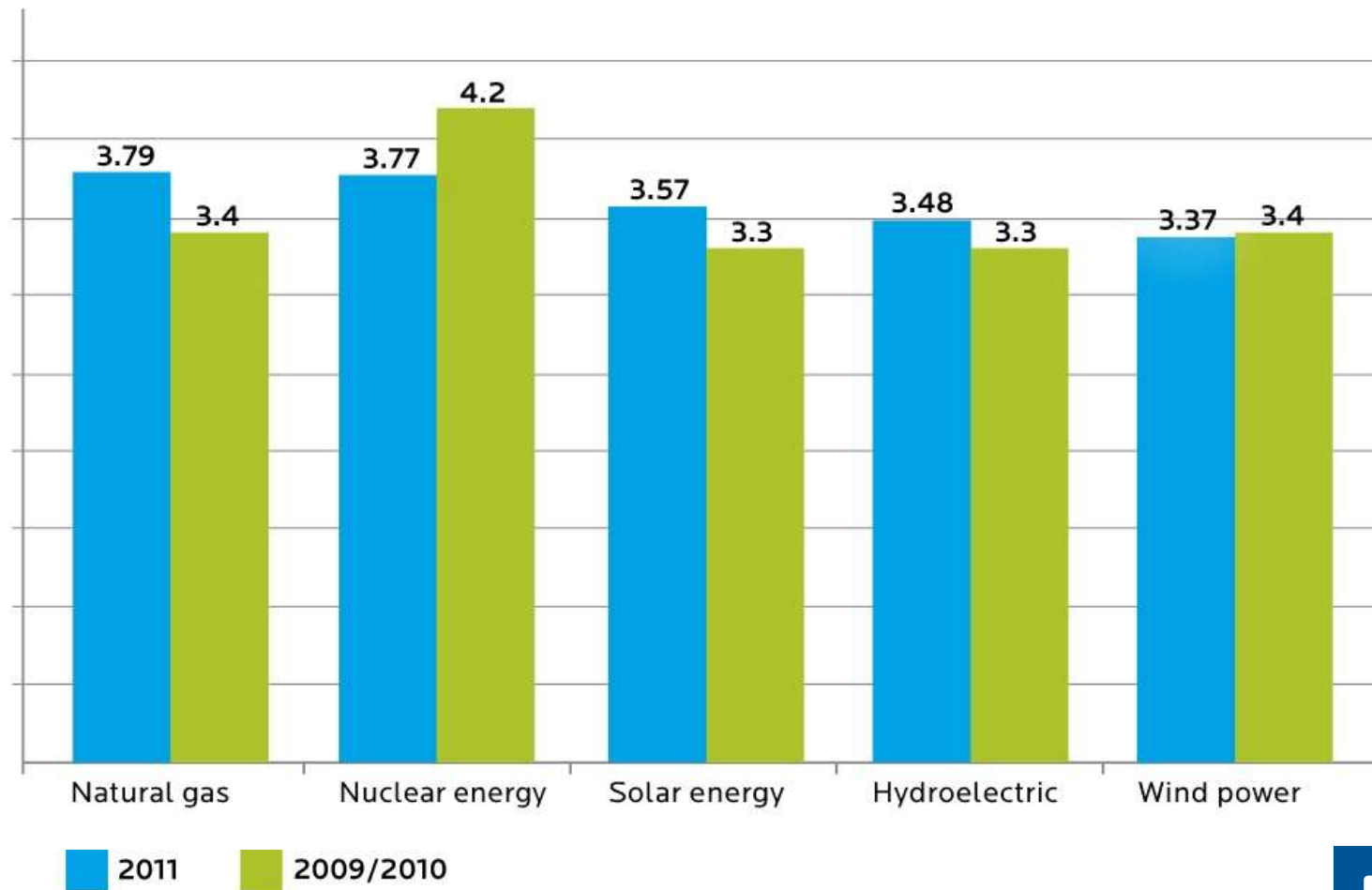
Do you have plans for energy storage?

TRAGEDY IN JAPAN INFLUENCES INDUSTRY VIEWS ON NUCLEAR

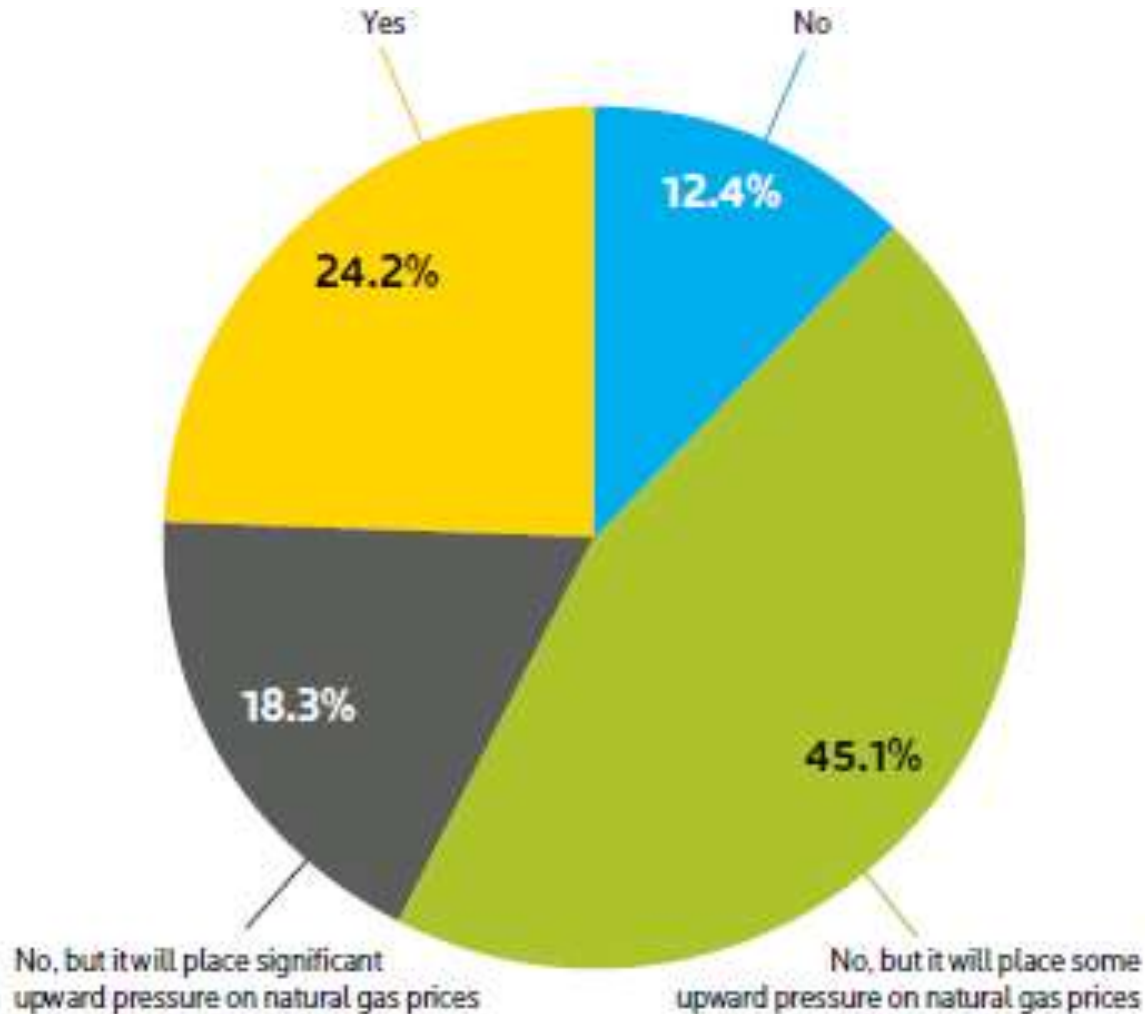


Percentage of respondents who said they were “concerned” or “very concerned” about nuclear fuel disposal/storage more than doubled from last year’s results.

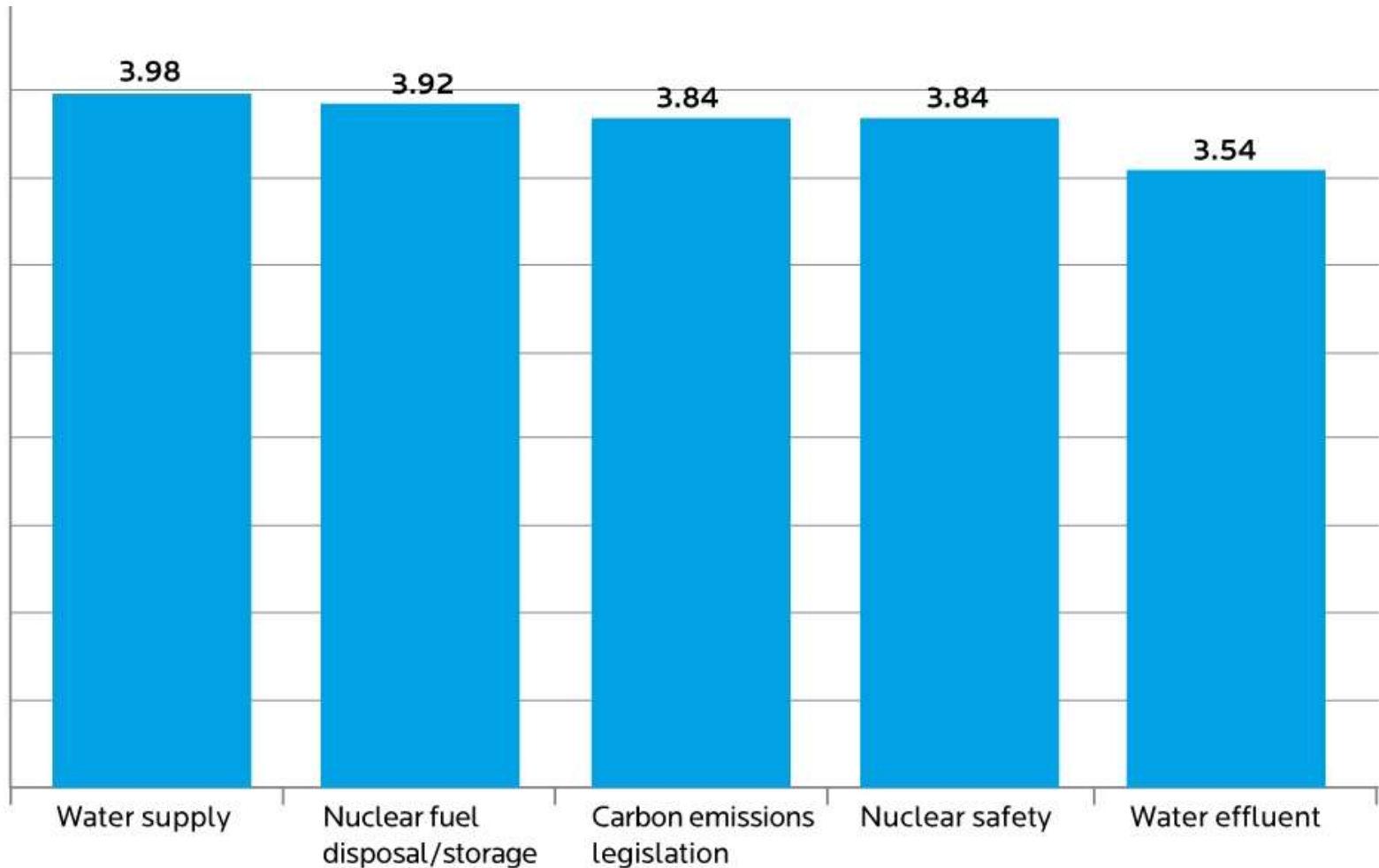
NATURAL GAS OVERTAKES NUCLEAR AS PREFERRED “ENVIRONMENTALLY FRIENDLY” TECHNOLOGY (5 = HIGH IMPACT)



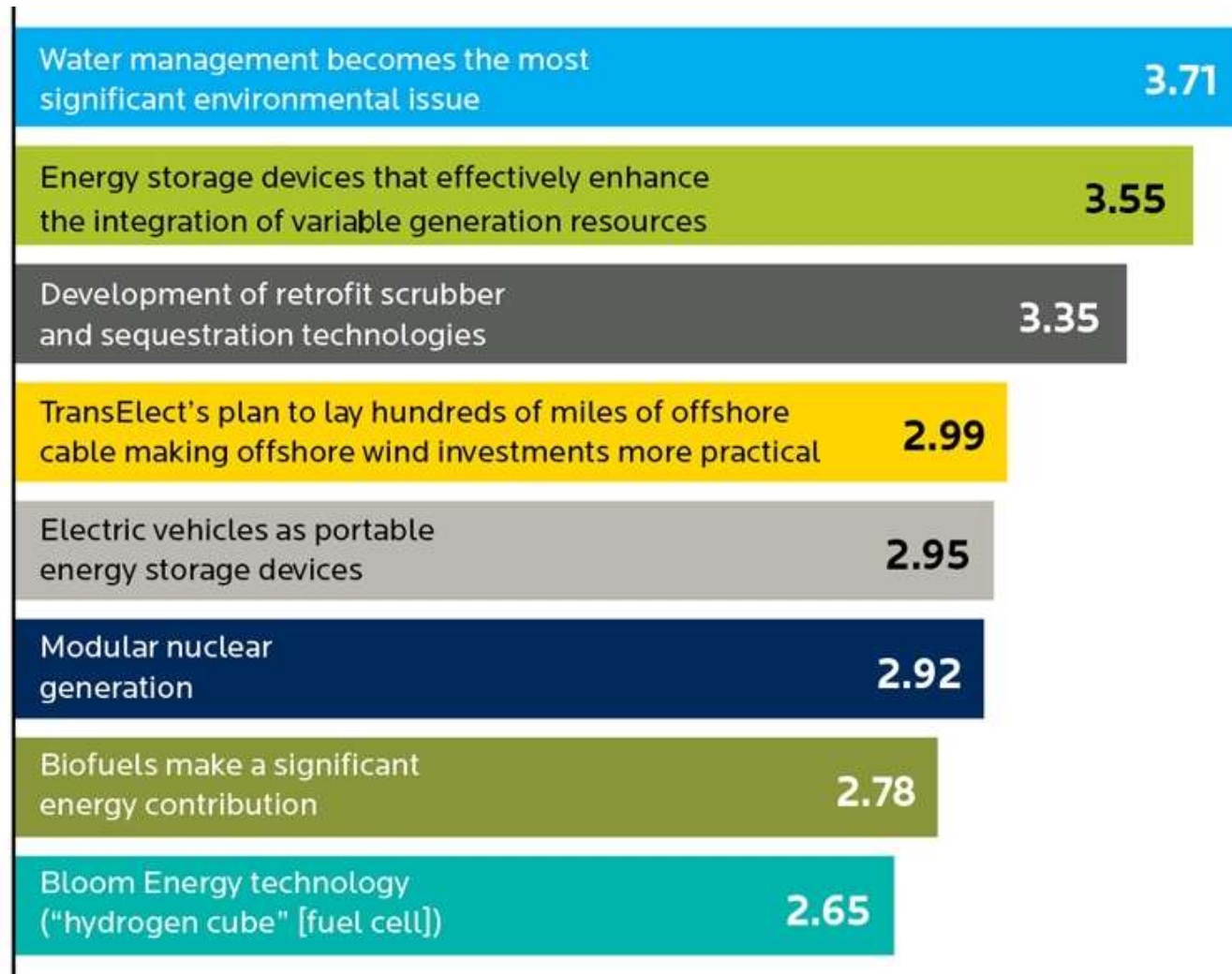
WILL FRACKING CONCERNS IMPEDE THE DEVELOPMENT OF SHALE GAS



NEXUS OF WATER & ENERGY IS THE TOP ENVIRONMENTAL CONCERN (5 = HIGH IMPACT)

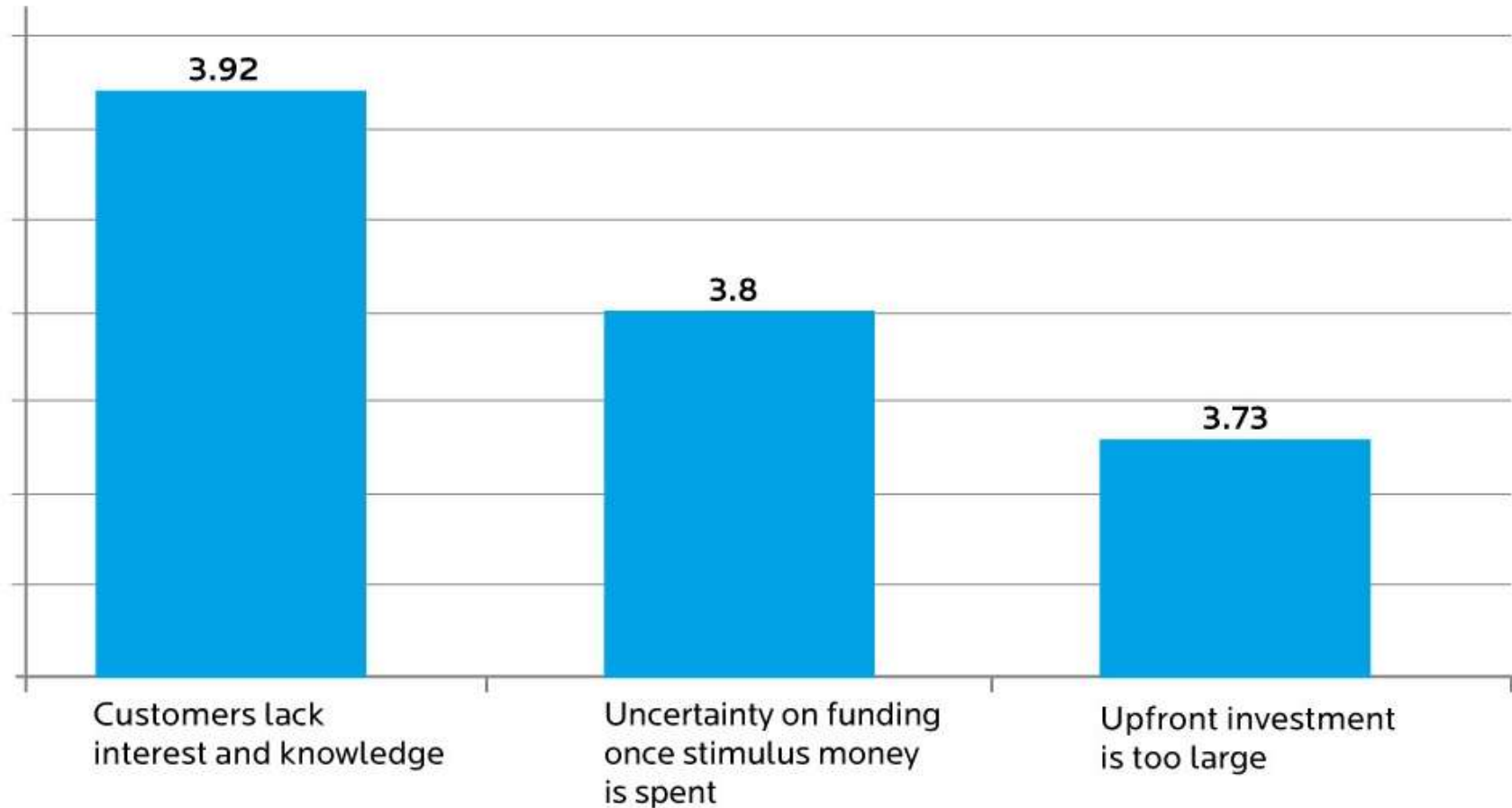


NEXUS OF WATER & ENERGY ALSO CITED AS A KEY BUSINESS ISSUE (5 = HIGH IMPACT)

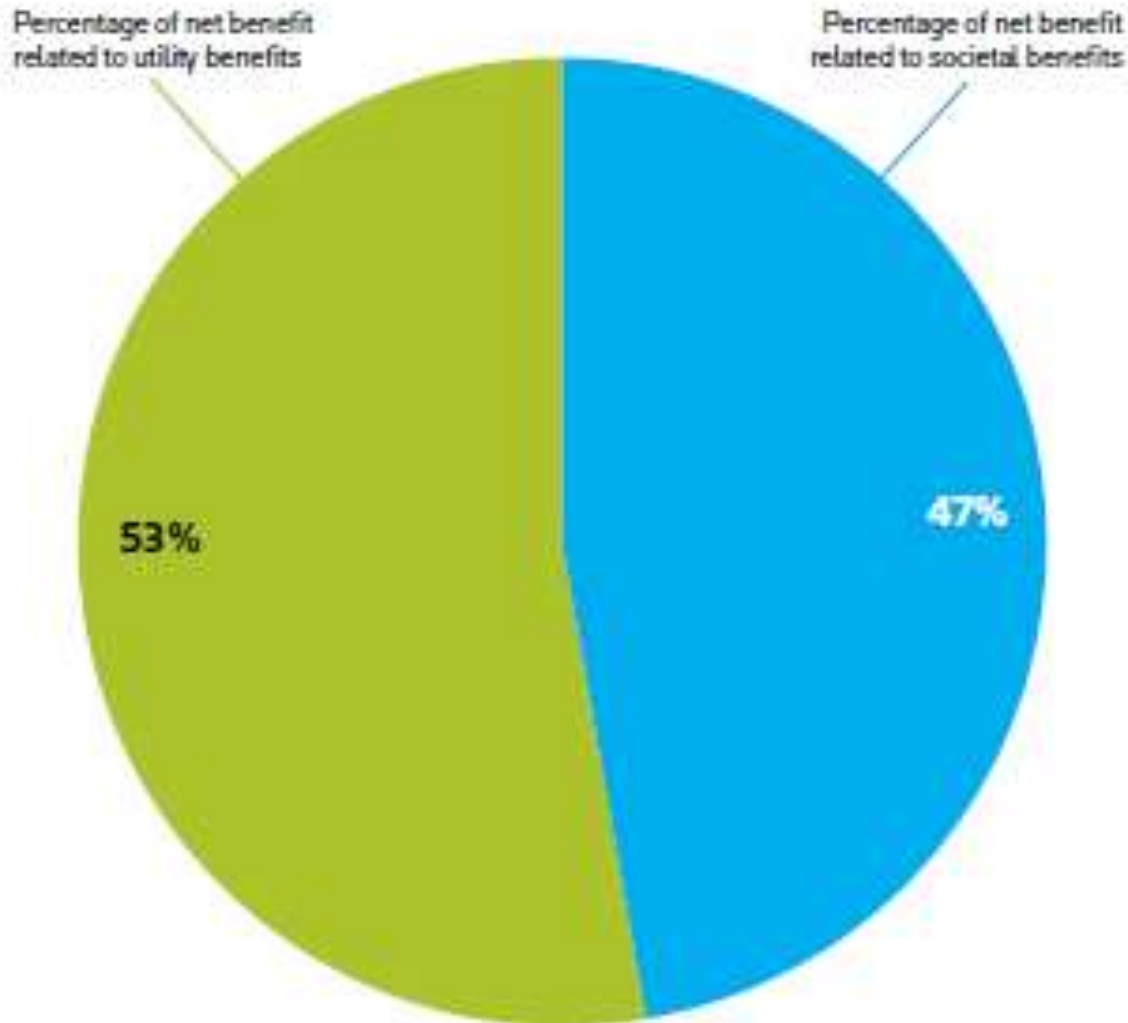


LACK OF CUSTOMER ENGAGEMENT AND FUNDING TOP SMART GRID OBSTACLES

(5 = HIGH IMPACT)



THE SMART GRID JOURNEY IS AN EVOLUTION THAT HAS BENEFITS FOR ALL



2011 STRATEGIC DIRECTIONS SURVEY RESULTS

Managing the Transition in the Electric Utility Industry



AVAILABLE ELECTRONICALLY
[HTTP://WWW.BV.COM/MARKETS/RESOURCES/DEFAULT.ASPX](http://www.bv.com/markets/resources/default.aspx)



Building a **world** of difference.®

Together



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