



Energy Data Alert

Prepared by EEI's Business Information Group

Transmission Investment Remained Strong in 2008

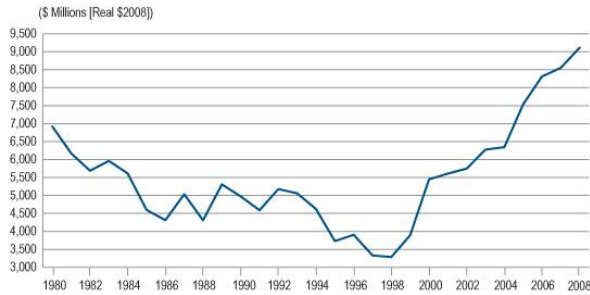
Summary

Shareholder-owned electric utilities and stand-alone transmission companies invested an unprecedented **\$9.1 billion** in our nation's transmission infrastructure in 2008 according to preliminary survey data released by EEI's Business Information Group. Additional highlights from the latest EEI Annual Property & Plant Capital Investment Survey include:

- Adjusted for inflation using the Handy-Whitman Index of Public Utility Construction Costs¹, **actual transmission capital expenditures increased 5.8% in 2008**, although increasing construction costs kept that figure from being even higher. On a nominal dollar basis, transmission investment increased 16.7% or roughly \$1.3 billion over 2007 investment totals.
- 2008 industry transmission investment represents a 67% increase over 2000 levels and in the past eight years combined the industry has invested \$62.8 billion in transmission.
- Shareholder-owned electric utility **distribution capital expenditures in 2008 was \$19.0 billion**, an increase of 7.8% over 2007 on a nominal basis. However, due to distribution construction costs rising 11% in 2008, distribution investment adjusted for inflation actually declined 2.8% in 2008 as compared to 2007.
- Since the beginning of 2000, the industry has invested approximately **\$170 billion** in the nation's distribution system.
- Costs for transmission construction increased 10.1% in 2008 and 38% between 2004 and 2008. Distribution construction costs have climbed even more than transmission costs as year 2008 saw a 10.9% increase in distribution costs and a 44% jump between 2004 and 2008.

Steve Frauenheim

Transmission Investment, Real 2008 Dollars (1980-2008)

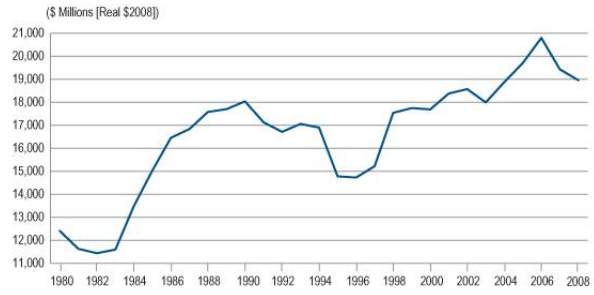


Note: Real dollar results are shown using the Handy-Whitman index of Public Utility Construction Costs to adjust for inflation from year to year.

Sources: Prior to 1999, data are from Edison Electric Institute's "Uniform Statistical Report". For 1999, data are from Edison Electric Institute's Construction Expenditures Survey, the Federal Energy Regulatory Commission (FERC Form 1), and company Annual Reports (10-K). For 2000-2008, data are from Edison Electric Institute's Annual Property & Plant Capital Investment Survey and the Federal Energy Regulatory Commission (FERC Form 1).

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Distribution Investment, Real 2008 Dollars (1980-2008)

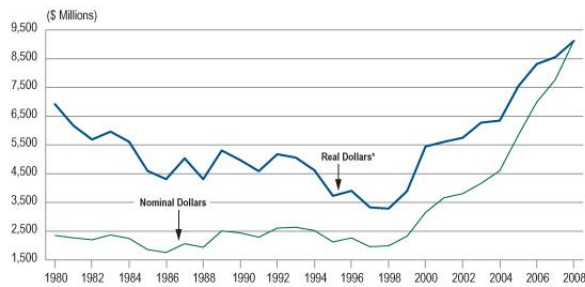


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Transmission Investment, Nominal and Real 2008 Dollars (1980-2008)



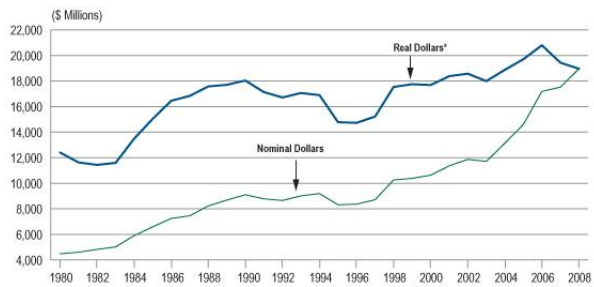
* 2008 Dollars

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Distribution Investment, Nominal and Real 2008 Dollars (1980-2008)



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Group Contact Information

For information regarding other industry data, please contact:

- Chris Eisenbrey, Director, Business Information Group, 202-508-5574, ceisenbrey@eei.org
- Steve Fraunheim, Senior Analyst, 202-508-5580, sfraunheim@eei.org
- Peggy Suggs, Analyst, 202-508-5572, psuggs@eei.org

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