



FOR IMMEDIATE RELEASE

PULASKI ELECTRIC SELECTS TANTALUS FOR SMART GRID NETWORK

Hybrid FTTH and RF Network Gives Utility Coverage, Capacity and Cost Effectiveness

Vancouver, BC Canada – August 26, 2008 – Tantalus is pleased to announce that Pulaski Electric System (PES) has selected TUNet® – the Tantalus Utility Network – for its Advanced Metering Infrastructure (AMI) communications system, which is at the heart of its Smart Grid program. PES is an electric utility located in southern Tennessee that serves 15,000 electric customers and 5,000 Fiber-to-the-Home (FTTH) customers of PES Energize.

The Tantalus communications system gives Pulaski the option to use either its existing high-speed FTTH network or 220 MHz RF for two-way, real-time data transport. This allows PES to drive additional value from its FTTH as well as extend Smart Grid functionality to outlying areas of the community via the wireless TUNet wide area network.

TUNet is an end-to-end WAN / LAN / HAN data communications system that operates with both RF and IP-based networks including FTTH, Fiber, WiFi, WiMAX and GPRS/cellular. WAN options can be used individually or be combined to meet a utility's economic, coverage and redundancy needs. The 900 MHz LAN enables a utility to precisely monitor consumption and power quality, automatically pinpoint outages and energy losses in real time, and remotely manage meters and other apparatus, even in challenging urban, rural and industrial environments. It is Smart Grid technology that provides the data needed for timely billing, optimal system performance and progressive conservation initiatives including load shedding and customer signaling via the Web or an in-home display so that consumers can make informed decisions on when they purchase energy.

Pulaski is a growing rural community with an aggressive economic development focus. Situated midway between Nashville, TN and Huntsville, AL, it attracts residents seeking a small town way of life combined with modern conveniences such as high-speed internet. As Tennessee's oldest municipal electric system – and the first in the state to receive power from Tennessee Valley Authority – PES has achieved a well deserved reputation in providing customers with top tier service through the use of new technologies.

"We're a service driven utility," said Ron Holcomb, CEO of PES. "Before we made our decision, we needed to be convinced that this technology would enable us to bring value to our customers by allowing us improve our operational efficiency and prepare for effective demand response with time-of-use pricing."

"We chose TUNet because it's a communications network and application suite built for the future...one that addresses much more than metering," added Holcomb, who also chairs the TVPPA's technology applications committee. "It will enable us to implement demand response and energy efficiency programs and in-home displays as needed and to whatever degree desired without starting over or retooling the entire



network. This clears the path for adopting a full range of Smart Grid services and creating a distribution system in which consumers and utilities play an active role in reducing both consumption and costs.”

“We’ve seen TUNet in action at neighboring utilities and were impressed as much by its performance in really tough service areas as we were with the full-out attention Tantalus gives to customer concerns. Tantalus’s responsiveness to our questions and willingness to understand our unique situation convinced us that they would go the extra mile to make our project a complete success.”

“Ron and the Pulaski team realize the fundamental role communications technology plays in the effort to optimize energy efficiency,” said Eric Murray, President of Tantalus. “We’re proud to work with a utility that demonstrates such a high level of commitment to its customers and has a clear vision for what can be achieved. TUNet gives PES the freedom to evolve according to its own business goals, operational priorities and desire to improve the customer service experience. We’re excited to be working with such a progressive and dedicated utility and look forward to helping them realize the full benefits that can be achieved through Smart Grid technology.”

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About Tantalus

Tantalus designs, manufactures and markets two-way, real-time data communications networks to monitor and control electric, gas and water utilities. TUNet® – the Tantalus Utility Network – is a single, multi-purpose communications backbone specifically designed to help utilities automate their distribution infrastructure. Tantalus’ long-range wireless networks unite a utility’s applications, making advanced metering, outage management, power quality monitoring, load control, and distribution automation cost-effective and practical throughout both urban and rural service areas. For more information, please visit www.tantalus.com.