



## **ESCO Finalizes Contract With Pacific Gas and Electric Company (PG&E)**

November 7, 2005

ST. LOUIS, Nov 07, 2005 /PRNewswire-FirstCall via COMTEX News Network/ -- ESCO Technologies Inc. (NYSE: ESE) announced today that its Distribution Control Systems, Inc. (DCSI) subsidiary finalized a contract with PG&E to provide equipment, software and services to PG&E in support of the electric portion of PG&E's Advanced Metering Infrastructure (AMI) Project.

The current AMI program plan provides for the coverage of approximately five million electric endpoints over a five year period after the commencement of full deployment, which is contingent upon satisfactory system testing, regulatory approval and final PG&E management approval. System testing and regulatory action are currently expected to be concluded by the end of the third quarter of calendar 2006. The total anticipated contract value from commencement through the five year full deployment period is approximately \$300 million. Annual purchase order releases are anticipated.

Vic Richey, Chairman and Chief Executive Officer, commented, "While we were notified of our selection in June, we are extremely pleased to have the commercial arrangement with PG&E completed. Our teams spent a considerable amount of time developing the program baseline to be certain the requirements were well understood. We're gratified by PG&E's confidence in us, given the scale and complexity of this AMI Project. Our team at DCSI has invested a great deal of time and money preparing to satisfy large scale AMI requirements for both PG&E and other similar sized Investor Owned Utilities (IOU's). In order to meet PG&E's needs, we will be deploying a next generation of DCSI's TWACS(R) software which is being designed to efficiently handle the additional levels of communication dictated by the size of the service territory and the frequency of reads that are required under a time-of-use or critical peak pricing scenario. One by-product of deploying our next generation software is that although we will be performing services for and providing hardware to PG&E during our fiscal 2006, the accounting guidelines provide that revenue cannot be recognized until the final software configuration is deployed, which is currently scheduled during our fiscal 2007.

"We look forward to helping deliver the benefits that PG&E envisions for its customers under its AMI program. We expect to be well positioned to do the same for other IOU's that are actively considering following PG&E's lead in implementing comprehensive AMI solutions."

Statements in this press release regarding the size of the AMI Project, number of electric endpoints to be included in the AMI Project, the anticipated DCSI contract value, the timing and schedule of deployment, receipt of regulatory approvals, final PG&E management approval, satisfactory system testing, the timing and success of DCSI software development efforts and software configuration deployment, the issuance by PG&E of purchase order releases, potential contracts with other IOU's, and other statements which are not strictly historical are "forward-looking" statements within the meaning of the safe harbor provisions of the federal securities laws. Investors are cautioned that such statements are only predictions, and speak only as of the date of this release and the Company undertakes no duty to update. The Company's actual results in the future may differ materially from those projected in the forward-looking statements due to risks and uncertainties that exist in the Company's operations and business environment including but not limited to actions by the California Public Utility Commission and PG&E's management and Board of Directors impacting PG&E's AMI Project, changes in customer demand, termination for convenience of the contract, technical issues experienced by the Company or other participants in the AMI Project impacting the success and timing of the Project and the timing and magnitude of any purchase order releases issued by PG&E.

ESCO, headquartered in St. Louis, is a leading supplier of engineered filtration products to the process, health care and transportation markets worldwide. In addition, the Company markets proprietary, special purpose communications systems and is the industry leader in RF shielding and EMC test products.

SOURCE ESCO Technologies Inc.

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