



Elster Electricity announces expansion of EnergyAxis[®] System at Midstate Electric Cooperative

Midstate Electric Cooperative completes system testing and moves into the first phase of expansion

Raleigh, North Carolina, U.S.A., February 6, 2007 – Elster, a leading provider of metering solutions worldwide, announces that Midstate Electric Cooperative in LaPine, Oregon is expanding its EnergyAxis System. Midstate Electric initially installed over 500 REX[®] meters during its trial stage that began in October 2005. It is now moving into the first phase of expansion and is installing approximately 100 REX meters per month on new construction in this rapidly growing area of Oregon. It is also implementing a plan to replace all pre-existing meters with REX meters over the coming years.

Midstate Electric selected Elster's EnergyAxis System because it was familiar with the EnergyAxis System's communication technology. Additionally, it tested a demonstration system over the winter of 2005 and found the system performed well in areas with dense tree growth and snow-covered trees. Other driving factors for Midstate Electric were the amount of information the EnergyAxis System provides and its ease of installation with no additional infrastructure costs.

Midstate Electric's EnergyAxis System uses A3 ALPHA[®] meter collectors with an RS-232 interface and INET IP-addressable radios to provide an RS-232 over Ethernet communications protocol for system data collection. In addition to monthly billing reads, REX meters are read on a daily basis for load profile data. Midstate Electric uses data such as system voltages, peak demand, and customer usage to look at transformer loading and determine where improvements to the distribution system are needed.

"Midstate Electric Cooperative has used the trial system for load studies looking at voltage drop, transformer loading and service requirements in our new subdivisions.

The system has sold itself!" stated Gary Logsdon, Midstate Electric Cooperative's Meterman.

"The ease of installation of the EnergyAxis System has sold us. It has proven extremely reliable and has exceeded all of our expectations," said Tim Judd, Midstate Electric Cooperative's Senior Meterman. "This system is so simple and the amount of information available makes it the best buy for our metering dollars. It's easy. I don't know how else to describe it. It's just easy."

Ronald B. Via, vice president of Elster Electricity said, "I am delighted that the unparalleled performance of the Energy Axis System exceeds the customer's performance expectation and satisfies the criteria for a positive business case."

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About the EnergyAxis System

The EnergyAxis System uses a powerful two-way RF communications system to retrieve metering information directly from meters. The communication network uses a spread spectrum, frequency-hopping technology with self-registration to provide secure, reliable communications between meters and data collectors. This technology enables individual meters to act as repeaters, creating a dynamic communication path that optimizes signal strength of the RF and reliability of the communication link. With residential REX meters, A3 ALPHA meter collectors, and polyphase A3 ALPHA meters, the EnergyAxis System is a complete metering automation solution that enables utilities to deploy a system that provides thorough territorial coverage.

About Midstate Electric Cooperative

Midstate Electric Cooperative is a member-owned electric cooperative serving over 18,000 customers in four Central Oregon counties. The co-op has provided power to residential, commercial, industrial and agricultural customers for over 50 years.

Midstate Electric is one of the most progressive, innovative rural electric cooperatives in the Northwest. Highly trained in the use of computers, online services, SCADA systems and other technologies, Midstate Electric can do more with less; therefore, it is more competitive in service and price, and highly reliable in today's energy market. For more information, visit www.midstateelectric.coop

About Elster Electricity, LLC

Elster Electricity is a provider of advanced metering infrastructure solutions to help utilities improve their revenue cycle services, customer service, delivery reliability, and workforce utilization. Elster Electricity is located in Raleigh, North Carolina and is part of the world's largest multi-utility metering company for electricity, water, and gas metering. For more information, visit www.elsterelectricity.com.

About Elster Group

Elster Group is the world's leading manufacturer and supplier of highly accurate, high quality, integrated metering and utilisation solutions to the gas, electricity and water industries. In addition, through its subsidiary Ipsen International, it is the leading global manufacturer of high level thermo-chemical treatment equipment.

The group has over 9,000 staff and operations in 38 countries, focused in North and South America, Europe and Asia. Elster's high quality products and systems reflect the wealth of knowledge and experience gained from over 170 years of dedication measuring precious resources and energy.

The Elster Group is headquartered in Luxembourg