

SRP TO DOUBLE ELSTER ENERGYAXIS® AMI SMART GRID SOLUTION DEPLOYMENT

Phoenix's Largest Provider of Electricity Expanding to One Million Elster Smart Meters

SRP Recognized as a Leader in Customer Service and Energy Conservation

PHOENIX, AZ and RALEIGH, NC, May 18, 2010 – Elster and the Salt River Project Agricultural Improvement and Power District (SRP) announced today that SRP, the largest provider of electricity to the greater Phoenix metropolitan area and the third-largest public power utility in the nation, will utilize its United States Department of Energy (DOE) Smart Grid Investment Grant (SGIG) award to double its deployment of the [Elster EnergyAxis®](#) advanced metering infrastructure (AMI) Smart Grid solution.

Since 2003, SRP has paved the way for Smart Meter technology among U.S. electric utilities, deploying approximately 500,000 Elster REX residential and ALPHA commercial and industrial Smart Meters and utilizing the data provided by EnergyAxis to support industry-leading customer service, and significant cost and environmental savings.

SRP estimates that the EnergyAxis solution has enabled the Arizona utility to remotely address more than 748,000 customer orders, save more than 249,000 in labor hours, avoid more than 1.3 million driving miles and conserve 135,000 gallons of fuel.

EnergyAxis enables SRP customers to better monitor and manage their energy consumption based on pre-selected time-of-use (TOU) rates. The utility has seen a 20 percent increase in voluntary TOU rate program participation with Smart Meter installations, as consumers gain access to TOU data via the SRP web portal or email notifications.

This and other focused consumer initiatives have contributed to SRP receiving several J.D. Power and Associates honors, scoring highest in customer satisfaction for business and residential electric service among large electricity providers in the western United States.

SRP is in the process of ordering an additional 500,000 EnergyAxis Smart Meters for delivery over the next three years, at a rate of approximately 14,000 Smart Meters per month. This will bring SRP's total number of EnergyAxis endpoints to approximately one million while also maintaining SRP's position as a smart meter leader in the utility field. SRP will use Elster's EnergyICT meter data management system to process the information from these endpoints.

In October 2009, the DOE awarded a matching grant to SRP under the American Recovery and Reinvestment Act's SGIG initiative.

"We chose Elster's EnergyAxis solution in 2003 to deploy one of the nation's largest Smart Grid implementations, and were quickly able to generate tremendous benefits for customers and reduce our overall operational expenses," said Michael Lowe, SRP's manager of Customer Services-Power.

“Over the years, Elster has impressed us with the breadth of its solution, and we are committed to EnergyAxis as a pillar of our Smart Grid strategy and success. We have a history of being a major provider of TOU rates and prepayment. Working with Elster, in 2006 we were the first utility in North America to roll-out remotely controlled 200A service switches to our consumer base. EnergyAxis provides the necessary Smart Grid technology to further support our award-winning customer service program and our dedication to power conservation, performance and reliability,” Lowe added.

“SRP was one of the first Elster customers to implement the EnergyAxis solution for Smart Grid applications. We are excited that the innovation, performance, reliability and service we have provided has led to Elster being chosen for the expansion of this significant and successful project,” said Mark Munday, president and CEO, Elster Solutions.

“SRP is an industry leader in power reliability, system performance, power restoration and customer satisfaction, and is pragmatically executing on its vision for the Smart Grid. We look forward to playing a continuing role in that vision, helping SRP serve its customers and the environment,” he added.

EnergyAxis, a field-proven Smart Grid solution with more than 3.5 million endpoints deployed with utilities across North America, enables utilities to:

- Realize operational efficiencies;
- Conserve environmental and economic resources by reducing the losses in electricity, gas and water grids
- Reduce outages, and improve outage response and repair time;
- Improve customer service and consumer choice;
- Implement demand response programs that can conserve resources and reduce costs, especially during periods of peak demand;
- Provide real-time information to end consumers to allow them to better manage their energy consumption; and
- Detect and reduce non-technical losses

About Elster

Elster is one of the world’s largest electricity, gas and water measurement and control providers. Our offerings include distribution monitoring and control, advanced smart metering, demand response, networking and software solutions, and numerous related communications and services – key components for enabling consumer choice, operational efficiency and conservation. Our products and solutions are widely used by utilities in the traditional and emerging Smart Grid markets.

Elster has one of the most extensive installed revenue measurement bases in the world, with more than 200 million metering devices deployed over the course of the last 10 years. It sells its products and services in more than 130 countries across electricity, gas, water and multi-utility applications for residential, commercial and industrial, and transmission and distribution applications.

With a heritage of more than 170 years of providing utility solutions, Elster enjoys a reputation as a leading innovator and has played, and continues to play, an important role in shaping industry standards with respect to performance, reliability, accuracy and functionality.

Elster was acquired by funds advised by CVC Capital Partners in September 2005.

For more information about Elster, please visit www.elster.com.

About Salt River Project

SRP is the third-largest public power utility in the country, serving more than 935,000 electric customers through a variety of resources, including solar, wind, biomass, geothermal, hydroelectricity, natural gas, coal and nuclear. For more information about SRP, please visit www.srpnet.com.

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