Applicant: Elster Integrated Solutions, LLC
File Number: 0291-EX-ST-2008
Correspondence Reference Number: 6493
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Mr. John Logan,

One thousand five hundred units and ten sites have been requested under 0275-EX-ST-2008. Please thoroughly justify the needed for the additional Baton Rouge site and 540 units under this experimental application. Explain what additional experimental information is going to be gained that could not otherwise be gained in the experiment proposed under 0275-EX-ST-2008.

Mr. Kennedy,

On behalf of Elster Integrated Solutions, LLC ("Elster"), we hereby provide the requested further justifications for Elster's STA request regarding residential testing with Entergy in and around Baton Rouge, Louisiana (0291-EX-ST-2008, "Baton Rouge STA Request"). As described in further detail below, the residential testing envisioned in the Baton Rouge STA Request differs significantly from that requested for testing in Virginia with Dominion Power (0275-EX-ST-2008, "Virginia STA Request").

Unlike the Virginia STA Request, the Baton Rouge STA Request includes three pilot projects rolled into one. These pilot projects are unique to Entergy's testing due to the energy company's market needs, processing resources, grid management processes, and other proprietary concerns. Entergy and Elster will be able to track the participation and customer satisfaction of three similar study populations, utilizing three different energy conservation methods. First, using the monitoring capabilities of the experimental equipment, Entergy plans to assess the reaction of volunteer participants to the adjustment of their power usage under three "time of use" pricing tiers for power consumption. Second, Elster and Entergy will undertake a "demand-response" pilot whereby some participants agree to allow Entergy to control their thermostats, and in some cases, high consumption devices (e.g., pool pumps) using experimental load control devices that are not part of the Virginia STA Request. These load control devices will give the utility company significantly more control over the participants' power usage than permitted in the Virginia STA Request, and thus will provide an entirely different set of experimental data. Third, some participants will receive only information on how much energy they are using, without tier-based pricing information or direct utility control of their high-energy-use equipment. The side-by-side residential market testing in these three modes will allow for cross-comparisons and a rich data set not duplicated in the Virginia experimental test.

The Baton Rouge STA Request also seeks consumer usage information from a different market segment than the Virginia STA Request. First, Dominion Power seeks information from larger residential dwellings with higher energy consumption. Entergy, on the other hand, seeks information on residential dwellings that more closely

approximate the average home size in its community. Second, the climates vary between Virginia and Louisiana (Louisiana is much hotter), and thus residential customers make different demands on the electricity grid. Consumers in the varying climates will use different types and various power levels of energy-intensive equipment (*e.g.*, air conditioners, water heaters, pool pumps, and kitchen appliances). Third, Elster recognizes societal and cultural differences between Virginia and Louisiana that may impact the use and effectiveness of the experimental equipment and thus will provide stronger experimental data for analysis. Cultural emphasis on economics, conservation, technology education, and personal empowerment could potentially provide widely disparate results in the two states.

In addition to the justifications provided above, as a supplement, Elster has identified Mr. Chris Kozlowski as the project manager who will be responsible for end-of-testing product retrieval or re-labeling. Elster will provide Mr. Kozlowski's contact information to the Commission upon request.