

EXHIBIT

Elster Integrated Solutions, LLC (“Elster”) seeks extension of special temporary authority (0291-EX-ST-2008) to continue small-scale testing of equipment developed under contract with Entergy, an electrical generation company. Elster requests an additional 6 months, until June 24, 2009, to continue residential testing in Baton Rouge, Louisiana (30°27’29”N 91°08’25”W) and surrounding areas (in an approximate 16 km extended radius, dependent on residential site location).

This request does not propose any change to the technical aspects of the testing program, testing locations, or the scope of the experimental program. This request decreases the overall number of transceivers in the experiment from 540 to 250 and changes the mix of transceivers. The original STA covered 250 transceivers for electric meters, 250 transceivers for thermostats, and 40 transceivers for load control devices. The instant request includes only 250 transceivers for electric meters. The remainder of the test program will employ thermostat and load control transceiver units that are FCC-certified. This request seeks only a 6-month extension for electrical meter transceivers to allow full roll-out and testing over additional seasons. Without extension of the STA, Elster will be forced to prematurely end the experiment.

Justification for Extension Request

Roll-out of experimental units under the original STA faced delays, but the experiment is currently underway with active tester participation. Entergy and Elster have begun collecting valuable information about consumer actions, system management, and product improvements, but need further time to complete roll-out to fulfill the objective of the testing program. Additionally, hurricane conditions in and around southern Louisiana have slowed the experimentation because of the necessary diversion of the utility’s personnel to service restoration and other priorities.

The power utility and the public utilities commission seek an appropriately-sized sample to determine the effectiveness of the equipment and the energy conservation algorithms over a statistically significant population. The utility also needs to measure the impact of their power reduction actions (e.g., thermostat adjustments) upon power generation and distribution systems. Due to roll-out delays, Elster and the utility have not yet been able to complete the planned installation of experimental units so as to create the sample size in the program design. Extension of the STA will allow completion of installations and the receipt of appropriate experimental data.

In addition to completing equipment roll-out to ensure statistically significant samples, Entergy has requested that the experimentation continue through multiple seasons so that the utility may obtain data about differing consumer patterns based on seasonal use.

Entergy also currently faces extreme obstacles due to the heavy Gulf Coast hurricane season. Both Hurricane Gustav and Hurricane Ike severely impacted Entergy's Louisiana service areas, and thus redirected Entergy's priorities from the experiment to more critical tasks. The damage inflicted on the power infrastructure by the heavy hurricane season required Entergy to divert both financial and human resources from the experiment. Elster and Entergy remain committed to completion of the experiment and wish to achieve the experimental objectives, but must recognize the impact of this hurricane season on Entergy's customers and infrastructure.

Experimental Units

As explained in the original application (0291-EX-ST-2008), the devices being tested provide a radio connection between the residential electric meter and the interior thermostat to reduce electrical consumption during times of peak demand and peak rates. Some residential testing sites will also utilize a load control device that has the ability to shut off intensive-use equipment such as pool pumps or hot water heaters.

For each home in the trial, one transceiver unit is embedded in the metering equipment owned by the electrical carrier and remains outside the control of the residential user. The other end of the communication link is another transceiver unit embedded in the home's thermostat. Some homes also have a load control device that communicates with the thermostat and meter and powers down electrical devices according to a usage schedule. Residential users participating in the test are customers who have specifically requested to participate in the test. Elster and Entergy do not charge residential participants a fee. Elster receives compensation from the utility company for training, installation, and data collection hardware and software.

The equipment has been designed to operate within transmitting power levels acceptable for Part 15 devices and on a frequency (2.405 – 2.480 GHz) on which the Commission authorizes Part 15 devices. The transmitting methodology is a standard-design [IEEE 802.15.4, similar to "ZigBee"]. Accordingly, no harmful radio interference should result from the tests proposed herein.

Experiment Purpose

As explained in the original application, the purpose of the test is to allow the power utility to assess the reactions of residential customers to the pricing and usage information supplied through the system and to determine whether the system provides information in a form that allows the customer to govern usage during peak hours to reduce the customer's electrical bill and to reduce the demand on the electrical system. The system also allows the utility to adjust energy usage in the home through making slight adjustments to the thermostat settings. The customer has the option to override these adjustments, and the utility's monitoring of this behavior is important to the study. Based on information from this test, Elster will proceed to revise the developmental equipment as necessary and seek Part 15 certification for the devices.

The residential testing envisioned in the Baton Rouge STA Extension Request continues to differ 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. First, using the monitoring capabilities of the experimental equipment, Entergy is assessing 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 are in the process of 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 load control devices that are not part of the Virginia STA Request. Third, some participants 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. 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.

End-of-Test Retrieval and/or Relabeling

As stated in previous communications to the Commission, Elster maintains sole responsibility for end-of-testing removal or relabeling of experimental devices and will not delegate its responsibility to the utility or the home owner. Mr. Chris Kozlowski (or a successor employee should Mr. Kozlowski leave) will be responsible for this task.

To accomplish the installation, retrieval, and/or re-labeling of devices, a well-respected energy industry installation implementation contractor, GoodCents Solutions, has been and will continue to be utilized. For more than 28 years, GoodCents has managed utility-sponsored residential installation programs. For more information on GoodCents’ excellent track record, please see www.GoodCents.com.

GoodCents was chosen for installation and end-of-testing revisits to residential locations as the most efficient, secure, and effective means to fulfill the experimental obligations. GoodCents has extensive experience with the residential installation of electric utility-related equipment, maintains employees familiar with residential

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installation, and has an established tracking program for identifying residential customer equipment that will ensure the proper removal and disposition of equipment at the conclusion of the experimental periods. As both the installation and end-of-testing contractor, GoodCents will have utmost familiarity with the project, product, and locations that makes it the most qualified contractor to retrieve or re-label the devices quickly, efficiently, and properly.

Elster has been maintaining a tracking program to maintain data on compliance status for the devices. Using GoodCents at both the installation and end-of-testing stages allows Elster to easily track where and how many devices have been installed, removed, and/or re-labeled based on unique serial numbers assigned to each device. Elster maintains data on the tracking numbers of each unit installed, the installation location(s) of the device(s), and the status of each unit's potential FCC certification.