

SUBJECT: CNP-M-A011812-02 – Update - CNP Meter Data Management (MDM) System

NOTICE DATE: January 19, 2012

NOTICE TYPE: Update

SHORT DESCRIPTION: CenterPoint Energy is providing this update to the original Market Notice - CNP-M-A011812-01 – CNP Meter Data Management (MDM) System - issued January 18, 2012 concerning the MDM System issue that has caused incorrect interval data.

INTENDED AUDIENCE: All Market Participants utilizing AMS-Metered 15-minute interval data (LSE files).

DAYS AFFECTED: Mid-November 2011 – January 18, 2012

LONG DESCRIPTION: CenterPoint Energy is compiling lists of affected ESI-IDs and dates for each affected CR, and will provide the lists to individual Competitive Retailers (CRs) via CenterPoint Energy's FTP site, tomorrow, January 20, 2012.

We have identified what we believe to be all occurrences of the error through January 18, 2012 and will correct the LSE data for each occurrence by Friday, January 27, 2012.

Going forward, we have initiated a process to identify incorrect intervals in each day's LSE files and exclude those ESI-IDs from each day's LSE files. The incorrect intervals will be corrected and sent with the next day's LSE files.

A permanent fix to prevent the issue from occurring in the future should be in place by January 27, 2012.

ADDITIONAL INFORMATION: CenterPoint Energy will provide an additional update tomorrow, January 20, 2012.

CONTACT: If you have any questions regarding this notification, please send an email to cr.support@centerpointenergy.com.

Competitive Retailer Relations
CenterPoint Energy Houston Electric, LLC

SUBJECT: CNP-M-A011812-01 CNP Meter Data Management (MDM) System

NOTICE DATE: January 18, 2012

NOTICE TYPE: Initial

SHORT DESCRIPTION: CenterPoint Energy has discovered an issue in our Meter Data Management (MDM) system that has resulted in incorrect high usage estimates being reported in some individual intervals.

INTENDED AUDIENCE: All Market Participants utilizing AMS-Metered 15-minute interval data (LSE files).

DAYS AFFECTED: Mid-December 2011 - Current

LONG DESCRIPTION: CenterPoint Energy has discovered an issue in our Meter Data Management (MDM) system that has resulted in incorrect high usage estimates being reported in some individual intervals. The incorrect interval data was delivered in LSE files to SMT and ERCOT, and may have been used by Competitive Retailers to bill customers on particular products such as prepaid services. The issue appears to have affected a small population of ESI-IDs beginning with the implementation of upgraded MDM software in mid-December 2011.

CEHE is currently working to identify all instances of the error, correct the interval data sent to SMT and ERCOT, and prevent the issue from occurring in the future.

In the meantime, Competitive Retailers who are using the LSE interval data to bill customers or to track prepaid usage should examine the interval data closely for estimated interval values that appear unreasonably high. If such intervals are identified, Competitive Retailers should open a MarkeTrak issue to alert us of the issue.

ADDITIONAL INFORMATION: CEHE will provide an update on this issue tomorrow, January 19, 2012.

CONTACT: If you have any questions regarding this notification, please send an email to cr.support@centerpointenergy.com.

**Competitive Retailer Relations
CenterPoint Energy Houston Electric, LLC**