

PUC PROJECT NO. 36699

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FILINGS MADE IN COMPLIANCE
WITH ORDER DATED DECEMBER
22, 2008 IN DOCKET NO. 35639,
CONCERNING DEPLOYMENT OF
AN ADVANCED METERING
SYSTEM BY CENTERPOINT
ENERGY HOUSTON ELECTRIC,
LLC

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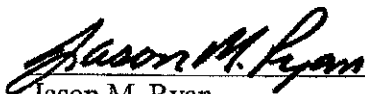
BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS

MONTHLY PROGRESS REPORT OF CENTERPOINT ENERGY
HOUSTON ELECTRIC, LLC FOR PERIOD ENDING DECEMBER 31, 2011

CenterPoint Energy Houston Electric, LLC ("CEHE" or the "Company") files this monthly progress report in compliance with Public Utility Commission of Texas ("PUC" or "Commission") Substantive Rule 25.130 and the final order entered in Docket No. 35639.

The Company continues to be on schedule with its accelerated Advanced Metering System ("AMS") deployment plan. At the end of December, the Company had installed 1,999,898 advanced meters out of the approximately 2.2 million meters expected to be installed by mid-2012.

Respectfully submitted,



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REPORT

SUMMARY

- (1) As of the end of December, CEHE has installed 1,999,898 advanced meters.

METERS

- (2) Number of advanced meters installed, listed by ESI ID, with geographic identification [Subst. R. 25.130 (d)(9)].

Report: 98,993 advanced meters were installed during the month of December. See Appendix A, which is provided electronically, for meter detail.

- (3) The number of advanced meters that have been replaced as a result of problems with the AMS [Subst. R. 25.130 (d)(9)].

Report: 385 meters were replaced under warranty during the month of December.

- (4) Records of advanced meter failure, repair rates and costs [Finding of Fact No. 84].

Report: See answer to Question 3 above.

DELAYS OR PROBLEMS

- (5) A description of significant delays or deviation from the Deployment Plan and the reasons for the delay or deviation [Subst. R. 25.130 (d)(9)].

Report: During the month of December, there were no significant delays or deviations from the Deployment Plan initially described in the May 2010 report and updated August 22, 2011 as part of the Company's compliance with the final order in Docket No. 38339.

- (6) A description of significant problems with the AMS and how those problems are being addressed [Subst. R. 25.130 (d)(9)].

Report: During the month of December, there were no significant problems.

FUNCTIONALITY

- (7) The status of the features identified in the Deployment Plan and any changes in implementation of these features [Subst. R. 25.130 (d)(9)].

Report: Status of and changes to features identified in the Deployment Plan are detailed in items 8 through 17.

- (8) The status of support for prepaid service for customers [Finding of Fact No. 85].

Report: CEHE has fully implemented support for prepaid service for customers as of February 2011.

- (9) Status of support for the Home Area Network ("HAN") functionality as determined in Project No. 34610 [Subst. R. 25.130 (d)(9)].

Report: CEHE completed implementation of the full suite of HAN Smart Energy Profile (SEP) v1.0 load control support via the SMT Portal in May 2010. Pricing functionality, which allows REPs to transmit the current price along with the start times and duration to HAN devices, was implemented in April 2011. CEHE's December 2011 HAN Device Interoperability Evaluation scorecard may be found in Appendix B and attached to this document.

(File attached: APPENDIX_B_December_2011_HAN_Interoperability_List.xlsx)

- (10) Status of support for 15-minute settlement at the Electric Reliability Council of Texas ("ERCOT") [Subst. R. 25.130 (d)(9)].

Report: The Company is actively engaged in sending data files to ERCOT as defined by the ERCOT Market Advanced Readings and Settlements Task Force. The Company will continue to participate in the ongoing discussions with the Advanced Meter Implementation Team in exploring a long-term settlement solution at ERCOT.

WEB PORTAL DEVELOPMENT

(11) Status of web portal deployment [Subst. R. 25.130 (d)(9)].

Report: The SMT team completed the development of the functionality to support third party access to consumer data via the SMT Portal. User testing of this functionality is underway in anticipation of an early 2012 deployment. During the 4th quarter, the SMT team held initial working sessions with the Advanced Metering Implementation Team (AMIT) to define the functionality to be delivered with the SMT Release 4.0.

(12) Status of web portal security audit [Finding of Fact No. 104].

Report: The Internal and External Security Audit of Smart Meter Texas was completed in October 2011. The audit results were reviewed and approved and updates are currently being developed and tested.

LOW-INCOME IN-HOME MONITORS

(13) Status of implementation of the low-income in-home monitor program [Finding of Fact No. 112].

Report: CEHE has initiated a pilot to provide 100 in home displays (IHDs) to low-income customers. Currently 30 IHDs are deployed and an additional 54 end use customer locations have been identified for deployment. We expect to identify the remaining 16 end use customer locations during January with an expected deployment completion in February. We will continue to provide follow-up support throughout the pilot and gather customer feedback through a series of surveys during early 2012.

FUNDING FROM ENERGY INDEPENDENCE & SECURITY ACT

- (14) Status of efforts to pursue funding under the Energy Independence & Security Act [Finding of Fact No. 116].

Report: As of June 2011, CEHE had received \$150 million from its DOE Smart Grid Investment Grant award to offset the costs of the accelerated AMS deployment.

CUSTOMER EDUCATION

- (15) Status of customer education efforts.

Report: The following represents an expanded discussion of CEHE's customer education efforts to comply with the quarterly reporting obligations set forth in Exhibit J of the Order.

From October 2011 through December 2011, the Company continued its advertising campaign to educate customers, focusing on impending automatic outage notification functionality, using the following media:

(i) Broadcast television and radio ads in English and in Spanish

(ii) Internet ads presented to computers throughout the greater Houston area as well as paid ads on computer search engines

The television and internet advertisements direct customers to the Company's AMS website at <http://www.CenterPointEnergy.com/EnergyInSight>,

which details the consumer, economic and environmental benefits of AMS. The web site includes FAQs, videos, a deployment schedule lookup tool, maps, energy efficiency tips, a link to the Smart Meter Texas web portal, the opportunity to register for e-mail reminders, smart meter news and energy efficiency tips, and other features. Much of this information is provided in both English and Spanish.

Other forms of education include:

(A) Community events – On October 15, 2011, Company representatives engaged hundreds of attendees at the inaugural Energy Day event in downtown Houston with the Energy InSight Interactive Traveling Display, which features an advanced meter, miniature model smart home, and video monitor, while also distributing brochures and giveaways.

(B) Radio interviews –

- a. On October 23, 2011, a Company representative conducted an interview discussing AMS deployment on local radio station KMJQ.**
- b. On November 28, 2011, Company representatives conducted an interview discussing AMS Deployment on local Spanish-language radio station KLAT, during which they answered questions phoned in by listeners.**

(C) Biggest Energy Saver campaign – On December 14, 2011, the Company announced the CenterPoint Energy service territory winners of the Biggest Energy Saver contest via the following media:

- a. **Locally and nationally issued press releases, also posted to the Company website at <http://www.CenterPointEnergy.com/newsroom>**
- b. **The Company website at <http://www.CenterPointEnergy.com/EnergyInSight>**
- c. **The Company's quarterly electronic smart grid newsletter *InSights* (<http://CenterPointEnergy.com/insightsnews>), which also features energy efficiency tips and programs, FAQs, and more.**
- d. **The Company's YouTube channel at <http://www.youtube.com/centerpointenergyvid>**
- e. **Web banners on the local ABC affiliate (KTRK) website, which appeared on December 14, 2011 and December 18, 2011**
- f. **The Biggest Energy Saver website at <http://www.biggestenergysaver.com>**
- g. **The Biggest Energy Saver Facebook page at <http://www.facebook.com/biggestenergysaver>**
- h. **And the Biggest Energy Saver Twitter account at <http://twitter.com/usaenergysaver>**

The Biggest Energy Saver winners announcement has been widely re-circulated via social media.

(D) During this period, the Company continued to distribute door hangers outlining the potential benefits of advanced meters to retail electric consumers as part of

its meter deployment efforts. In each month from October through December 2011, approximately 80,000 door hangers were distributed to retail electric consumers who received an advanced meter during the month, and another 80,000 were distributed to customers who were scheduled to receive advanced meters in the following month.

MISCELLANEOUS

(16) Status of Network Operations Center (NOC).

Report: The Network Operations Center (NOC) continues to provide important insights into the performance and reliability of the Advanced Metering System including such information as the status of real time communications and operation of remotely controlled devices, etc. The NOC is in the process of being moved to its permanent location and should be operational there by February 2012.

(17) Status of AMS Meter Upgrade Project

Report: In June 2011, CEHE began replacement of 70,000 of its earliest vintage meters with a more current version of the meter hardware. As of the end of December 2011, approximately 68,289 of these meters have been replaced. Replacement of the remaining meters is scheduled to be completed by the middle of January 2012.