

PUC PROJECT NO. 36699

**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 §**

**BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

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**MONTHLY PROGRESS REPORT OF CENTERPOINT ENERGY
HOUSTON ELECTRIC, LLC FOR PERIOD ENDING JULY 31, 2010**

CenterPoint Energy Houston Electric, LLC (“CEHE” or the “Company”) files this monthly progress report (“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 July 2010, the Company had installed 527,771 advanced meters out of the approximately 2.2 million installed meters expected by mid 2012. To date CEHE has received \$42,482,005 of the \$150 million DOE Smart Grid Investment Grant award to offset the costs of the accelerated AMS deployment.

During July 2010, the Company received the report of the independent AMS meter accuracy testing performed by Navigant Consulting LLC. The report confirms the accuracy of CenterPoint Houston’s smart meters as well as the effectiveness of the Company’s meter data management and data transfer process and controls. All of the Company smart meters tested were found to be accurate by American National Standards Institute (ANSI) standards. The full independent report is available on the Company’s website at www.CenterPointEnergy.com/EnergyInSight.

Respectfully submitted,



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REPORT

SUMMARY

- (1) **527,771 advanced meters had been installed as of July 31, 2010. During the month of July, CEHE received \$9,418,201 under its DOE Smart Grid Investment Grant¹ award for reimbursement of AMS costs.**

METERS

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

Report: 71,947 advanced meters were installed during the month of July 2010. 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: 724 meters were replaced under warranty during the month of July 2010.

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

Report: See answer to Question 3 above.

¹ Acknowledgment: "This material is based upon work supported by the Department of Energy under Award Number [DE-OE0000210]"

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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 July 2010, there were no significant delays or deviations from the plan described in the April 2010 report.

- (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 July 2010, CEHE experienced no significant problems with AMS.

FUNCTIONALITY

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

Report: During the month of July 2010, there were no material changes in the features identified in the Plan or the deployment of those features.

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

Report: CEHE timely completed deployment of the systems supporting prepaid service for customers and is providing the functionality set forth in the Company's "Revised Statement of AMS Functionality." This includes 15-minute interval registration, the ability to reconnect properly equipped meters within one hour of receipt of the reconnect request during normal business hours, and the ability to

deliver messages to provisioned HAN display devices through interfaces with the Smart Meter Texas (SMT) Portal. See Order Exhibit B.

- (9) Status of achieving the ability to support Home Area Network (“HAN”) functionality 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; however, work on support for tiered pricing is ongoing.

- (10) Status of achieving the ability to support 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: During July 2010, CEHE, together with Oncor and AEP, continued User Acceptance Testing of the SMT Summer Release functionality.

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

Report: During June 2010, a third-party security firm completed a pre-launch cyber security audit of the new SMT Portal functionality to be released in mid-August. No concerns were identified.

LOW-INCOME IN-HOME MONITORS

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

Report: CEHE continues to work with PUCT Staff on the implementation of this program. The Joint TDUs, Commission Staff, the Office of Public Utility Counsel, and the Texas Ratepayers' Organization to Save Energy (collectively, the "RFP Review Team") have decided to postpone making a decision on a potential vendor(s) for the in-home monitoring device for a period of three to six months, pending the outcome of the general customer pilot.

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: During July, CEHE received an additional \$9,418,201 for reimbursement of AMS costs under its Smart Grid Investment Grant award. To date, CEHE has received \$42,482,005 of the \$150 million DOE Smart Grid Investment Grant award to offset the costs of the accelerated AMS deployment.

CUSTOMER EDUCATION

- (15) Status of customer education efforts.

Report: In July 2010, the Company continued its customer education advertising campaign to all consumers throughout the greater Houston area. The campaign includes the following elements:

- (i) Broadcast television and radio ads in English and in Spanish**
- (ii) English- and Spanish-language billboards on major thoroughfares in 2010 deployment areas**
- (iii) Internet ads presented to computers throughout greater Houston as well as paid ads on computer search engines**

The ads, all of which direct customers to the Company's AMS web site at <http://www.CenterPointEnergy.com/EnergyInSight>, enumerate potential consumer and environmental benefits of AMS. The Company's AMS web site reflects the design and messaging of the advertising campaign, with information and resources including FAQs, videos, deployment maps, energy efficiency tips, a link to the Smart Meter Texas portal, and more.

During July 2010, the Company continued to distribute door hangers, also reflecting the design of the advertising campaign, to retail customers both before installation of AMS meters, to alert customers to the coming installation, and immediately upon installation of the AMS meter outlining the potential benefits of advanced meters. Approximately 60,000 door hangers were distributed to customers who received advanced meters in July, and another 80,000 were distributed to customers who will receive advanced meters in August.