



SMART TEXAS
RETHINKING ENERGY



FOCUS ON: SMART METERS

A WORD FROM ...

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While smart grid initiatives continue to make their way across the country, Oncor's installation of new smart meters is not only one of the largest but also one of the fastest.

By the end of 2012, Oncor will replace more than 3 million existing meters in its service area with new smart meters. We began installing new smart meters in late 2008 and by June 2010 we had already installed more than 1 million. We continue to install 3,500 new meters each day.

The new smart meter rollout will empower consumers to rethink their energy use, leverage cost savings, and reduce their impact on the environment. You will not only reap the benefits of a smarter, more reliable grid, but you'll also, for the first time in history, have access to the information and tools needed to help you rethink your energy consumption.

The Dallas area has already seen a reported 10 percent reduction in overall energy consumption since the installation began in 2008.

To support the rollout of the new meters and show 7 million Texans how smart meters can help you rethink your energy use, Oncor launched an extensive consumer education campaign. The Smart Texas Mobile Experience Center (MEC), with its 1,000 square-foot interior and interactive teaching zones, travels around the state visiting festivals and events where consumers can learn the benefits of smart meters through interactive kiosks, videos and real-world demonstrations. In 2009, the MEC educated nearly 24,000 visitors.

We hope you will embrace these new tools and use them to rethink your energy use and play a more active role in managing your consumption.



RETHINKING ENERGY

As energy demand continues to grow, so does the need for investments in new technologies and equipment to enhance and transform our electric grid, making it smarter, greener, more efficient and more reliable.

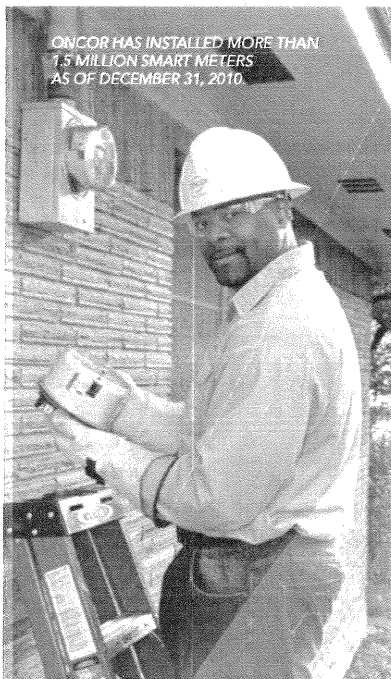
Oncor's investment in smart meters will give Texas one of the most technologically advanced grids in the nation.

Investing in new smart meters not only benefits customers, but also impacts our environment and our energy future.

PUTTING THE POWER IN YOUR HANDS

Smart meters have earned their name because they put the power in your hands to make smarter decisions about how you use energy that could help you lower your electricity costs. The new smart meters:

- Increase electricity reliability with instant power outage notification and power quality monitoring. You don't have to notify your provider, and Oncor can reroute power during an outage to minimize the number of customers affected.
- Communicate with in-home energy monitors so you see how much energy you're using at what rate in real-time – instead of waiting for a monthly bill. You can access your usage data online and start making changes to lower your costs.



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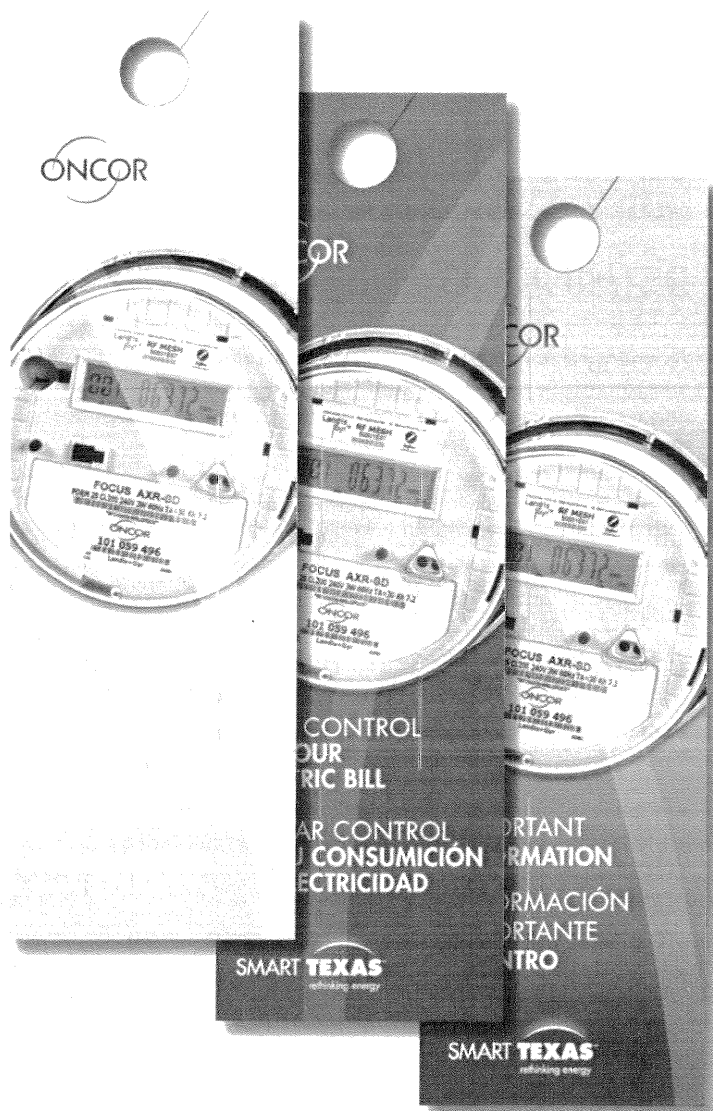
DOOR HANGER HUES NOTIFY RESIDENTS OF SMART METER STATUS

By 2012, Oncor expects to install more than 3 million smart meters in its service area. To ensure you know when you'll receive your new meter, Oncor will notify you by leaving one of three door hangers at your home:

YELLOW DOOR HANGERS let you know that your new smart meter will soon be installed and provides information about the smart meters and potential savings benefits.

RED DOOR HANGERS inform you that your new smart meter has been installed and includes helpful tips on how to control your electricity consumption and reduce your electricity costs.

BLUE DOOR HANGERS indicate that Oncor was unable to gain access to your existing electric meter to replace it with a new smart meter and lists potential situations that need to be resolved before your new meter can be installed.



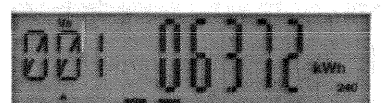
HOW TO READ THE SMART METER DISPLAY

The images below explain what the numbers on the smart meter display represent when going through its cycles. There are four cycles total: Segment Check, Total kWh, Max kW and Service Switch Status.



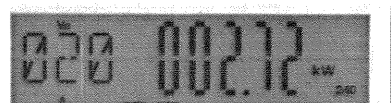
000 000000 – SEGMENT CHECK

When the left 3 digits on the display show 000, and the large digits to the right show 000000, this is a "Segment Check." The meter is checking to make sure that LCD segments in the display are working properly, and if not, then an error message will appear.



001 – TOTAL kWh

When the left 3 digits on the display show 001, this is the "Total kWh." This is the total kilowatt hours used since the meter was installed.



020 – MAX kW

When the left 3 digits on the display show 020, this is the "Max kW." This is the maximum amount of kilowatts used at one time.



ELS or OPN – Service Switch Status

When the left 3 digits on the display show ELS or OPN, this is the "Service Switch Status." ELS indicates that the switch is in the closed position and power is being delivered to the customer. OPN indicates that the switch is in the open position and power is not being delivered to the customer.



WEB PORTAL PUTS THE POWER IN YOUR HANDS

A web portal, sponsored by a consortium of electric transmission and distribution service providers in Texas, allows you to make smarter and more immediate decisions by managing your energy consumption online. You can monitor your use and identify changes and patterns in your energy consumption.

Log on at www.smartmetertexas.com to:

- **View your usage to date** – instead of waiting for your monthly bill to arrive, track your electricity use in 15-minute increments.
- **Check your monthly electrical usage history report** – download or view a chart and report that graphically shows your electricity use for the past 12 months so you can track your electricity consumption pattern.
- **Receive support faster** – retail electric providers can access your data and communicate with you through the web portal.



FAQs

Q. What is AMS?

A. AMS stands for Advanced Metering System. Meters measure electrical energy that is used by a home or business. The analog meters used today at most homes and businesses are based on technology that is more than 50 years old. While these meters are reliable and accurately measure the amount of electricity consumed, they do not provide the kind of information needed by consumers today to enable them to be smarter about how they use electricity.

Q. Why is having an Advanced Metering System important?

A. Advanced metering is important because it will enable you to have greater control over your energy usage. Today, most consumers don't fully understand how much electricity they have used until they get their monthly bill – too late for them to take action and make a difference. By having access to near real-time information on how you consume energy, you can begin to make smarter decisions and change behaviors to help you reduce your consumption, or modify your usage patterns.

Q. When will I receive my new smart meter?

A. Oncor's deployment plan is available online at www.smarttexas.com. To find out when you can expect to receive your new meter, enter your ESI ID found on your electric bill.

Q. Do I have to pay for the new meter?

A. The monthly surcharge is \$2.19 per residential customer to be paid once a month over the next 10 years. Other monthly surcharges apply to non-residential customers. The amount was based on a recommendation from the Public Utility Commission of Texas (PUCT), which considered three areas when determining the surcharge: estimated capital costs, estimated operating and maintenance costs and estimated savings to be realized over the surcharge period.

Q. How secure are the smart meters?

A. Oncor takes system security very seriously and is committed to providing end-to-end security for the smart meter. We work with our vendors and outside security experts to ensure reliable and safe service for all Oncor customers. This includes customer information safeguards and protecting the reliability of the electric distribution system. Oncor is constantly making improvements to the security system with each system update. Parts of the security system installed in Oncor's new advanced metering system were designed by the same security experts with some of the same technology that is used to protect billions of electronic banking transactions that occur around the globe every day.

Q. What is an in-home energy monitor?

A. An in-home energy monitor is a wireless device that you can easily install anywhere in your home. It communicates with the smart meter and displays how much electricity is being consumed in the home and converts that usage into a dollar amount to show how much you are spending with the click of a button. It can also show your carbon footprint based on your current electricity usage. In-home energy monitors will soon be available for purchase through your Retail Electric Provider or at retail home specialty stores. Prices could range from \$40 to \$150 depending on functionality.

RETHINKING ENERGY (CONTINUED FROM FRONT PAGE)

- Enable home area networks, which will allow you to remotely connect and control digital devices in your home. For example, you could turn your lights, appliances or heating on or off using a cell phone or computer.

BENEFITING THE ENVIRONMENT

When you rethink your energy use and have tools such as the new smart meter to help control that use, you reduce energy demand and shrink your carbon footprint. As a result you:

- Reduce emissions from decreased power generation
- Enjoy better air quality
- Enable increased use of renewable energy sources
- Decrease the need to build more power plants

A recent Brattle Group study found that just a 5 percent drop in peak demand nationally would eliminate the need for installing and running some 625 infrequently used – and highest emissions-emitting – power plants, translating into annual savings of approximately \$3 billion along with all the environmental benefits.

IMPACTING THE FUTURE TODAY

Investing in a smart grid creates the foundation for a sustainable energy future and is critical to economic growth. Sustainable energy solutions for the future – such as renewable energy sources, plug-in electric cars and energy efficiency – all depend on a smarter grid.

We all have the power to help shape our energy future by taking small steps and making simple changes today.

Today's smart meter investment combined with reduced demand will result in a more reliable and sustainable energy future for Texas and its citizens.



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