



Honduras' Empresa Nacional de Energía Eléctrica (ENEE) selects Elster's EnergyAxis® System to address non-technical losses

ENEE to install 35,000 smart meters for residential and C&I service over six months

Raleigh, North Carolina, U.S.A., November 8, 2006 – Elster Electricity, LLC announces that ENEE in Honduras is installing Elster's EnergyAxis System beginning in December 2006. ENEE expects to complete the deployment of 35,000 smart meters for residential, commercial and industrial applications in approximately six months. The first and largest part of the deployment will be in the urban area of San Pedro Sula in northwest Honduras. Smaller sites will be deployed in the urban areas of Tegucigalpa in the south and La Ceiba in the Atlantic region.

In their search for a smart metering system, ENEE found the EnergyAxis System best suited to meet their needs in reducing non-technical losses and dealing with delinquent accounts. ENEE also plans to use the system to perform energy audits and network balancing of the entire distribution system by using load profile and voltage information provided by the EnergyAxis System.

ENEE selected the EnergyAxis System because residential REX® meters, commercial A3 ALPHA® meters, and A3 ALPHA meter collectors have robust two-way communications built into the meter. Residential REX meters are equipped with an optional service control switch integrated inside the meter that allows ENEE to remotely connect and disconnect service. There are no external switches or antennas that potentially can be tampered with. The ability to make off-cycle meter reads directly from meters rather than using an external pulse collection device was another feature of the system that ENEE found desirable.

Jacobo Da Costa Gomez, northwestern region manager at ENEE comments, "Thanks to Elster's advanced metering infrastructure (AMI) we will be a cutting-edge electric utility in Latin America, able to face globalization with fast and high quality service to help satisfy our customers. For all these reasons we chose the EnergyAxis System."

Ronald B. Via, vice president at Elster Electricity stated, "We are pleased that ENEE has selected Elster's EnergyAxis System to provide state-of-the-art smart metering AMI technology to the citizens of Honduras. Many of our customers have realized the benefits of a complete system rollout. ENEE's decision is another example of how the EnergyAxis System has proven itself to be a very cost-effective solution for targeted needs today, and it gives users the flexibility to economically expand the system in the future. REX meters with the internal service control switch will give ENEE the flexibility to not only disconnect meters remotely and reduce non-technical losses, but also to reconnect service remotely from a central server and provide better and faster service to their customers."

About the EnergyAxis System

The EnergyAxis System uses powerful two-way RF communications to retrieve metering information directly from meters. The communication network uses a spread spectrum, frequency-hopping technology with self-registration to provide secure, reliable communications between meters and data collectors. This technology enables individual meters to act as repeaters, creating a dynamic communication path that optimizes signal strength of the RF and reliability of the communication link. With residential REX meters, A3 ALPHA meter collectors, and polyphase A3 ALPHA meters, the EnergyAxis System is a complete metering automation solution that enables utilities to deploy a system that provides thorough territorial coverage.

About ENEE

ENEE is a company owned by the Honduras government. It was founded to generate, transmit, distribute and commercialize electric energy in Honduras. Currently its power generation accounts for about 30 percent of the total consumption on the National Electric System, but it is the only transmission, distribution and commercialization company in the country. ENEE seeks to provide its customers with quality energy service by continuing to improve its business processes to protect the environment and contribute to the social and economic development of the country.

About Elster Electricity

Elster Electricity is a provider of AMI solutions to help utilities improve their revenue cycle services, customer service, delivery reliability and workforce utilization. Elster Electricity is located in Raleigh, North Carolina and is part of the world's largest multi-utility metering company for gas, electricity and water metering. For more information, visit www.elsterelectricity.com.

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