

AEP Texas Report To
Senate Business and Commerce Committee
Regarding AMS Deployment

Good morning Mr. Chairman and senators. My name is Jeff Stracener and I am the Manager of Advanced Meter Infrastructure for AEP Texas.

This morning I would like to give you a brief overview of where my company currently stands with regard to our advanced meter deployment, our customer education efforts and answer any questions you may have.

AEP Texas is a transmission and distribution utility serving much of South and West Texas. Our service territory covers 97,000 square miles and is headquartered in Corpus Christi. Other larger communities we serve include McAllen, Laredo, Victoria, Abilene, San Angelo, Marfa and Vernon.

In the first quarter of 2010, AEP Texas began deployment of an advanced metering system across our service area. The deployment plan calls for the installation of over 1 million meters throughout the 373 cities and rural communities served by AEP Texas and is scheduled to be completed in the last quarter of 2013. To date, nearly 650,000 advanced meters have been installed across West and South Texas. Currently we are deploying meters in the areas of Childress and Vernon and the western half of the Rio Grande Valley. The advanced metering system deployed by AEP Texas was developed by Landis+Gyr and commonly referred to as Gridstream.

Gridstream utilizes a Radio Frequency (RF) Mesh Network consisting of a 900 MHz communication module in the advanced meter that communicates with neighboring advanced meters, routers and

collectors to create a mesh network. Within the RF Mesh network, the data communication payload is encrypted.

Prior to selecting a vendor, AEP Texas enlisted the help of an outside consultant, Plexus Research, along with subject matter experts from within our parent company, American Electric Power. Individuals with extensive experience in meters, networks and security were engaged to evaluate the vendors and ensure the technology chosen met the requirements set out by the PUCT, as well as industry standards as defined by such entities as the Federal Communications Commission and the American National Standards Institute.

Before we deploy in a particular area, AEP Texas undertakes an extensive customer education effort. We have a mobile demonstration vehicle (an 18 wheeler) that we take to our larger cities and towns prior to deployment to help educate our customers. We have held community meetings in some of our cities where we make every effort to answer customer questions. And we do significant outreach to the local media in advance of and during deployment.

Thank you for the opportunity to be here today and I would be happy to answer any questions that the members of the committee may have with regard to our deployment efforts.

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