	**AUTOMATED METERING INFRASTRUCTURE AGREEMENT**
	EXHIBIT C1: **AMI MATERIALS STATEMENT OF WORK**

This Statement of Work ("**SOW**") is entered into as of the effective date of this Agreement ("**SOW Effective Date**") between Anixter, Inc. ("**Anixter**") and New Braunfels Utilities ("**NBU**" or "**Customer**") (collectively the "**Parties**"), and describes the Services that Anixter, itself and through its subcontractor Itron, Inc. ("Itron") and supplier Aclara Meters LLC ("Aclara") will provide to NBU for the materials needed to connect with Itron's Advanced Metering Infrastructure ("AMI") System. This SOW is subject to the terms of the Agreement between the Parties ("**Agreement**"). Unless otherwise defined in this SOW, the capitalized terms will have the same meaning as in the Agreement. If there is a conflict or inconsistency between this SOW and the Agreement, the terms of this SOW will control.

Summary

NBU and Anixter, having deployed a SmartGrid system with electric and water endpoints, wish to work together to continue to provide the additional materials needed to connect with said system, for the additional term as set forth in the Agreement. This SOW includes additional materials needed to install network equipment to cover the specified service territory, provide electric and water endpoints for maintenance and annual growth during the term of the agreement.

For Electric meters, NBU will obtain the Integrated Meters from Anixter and each will contain an Itron Communication Module integrated inside. For water meters, NBU will obtain IMUs and water meters from Anixter. NBU will obtain the quantities of Access Points, Relays, and Micro APs and all necessary accessories for mounting and operation required to connect the Electric and Water endpoints to the network.

Anixter will provide management support for deployment activities. Itron will manage and operate the AMI System which will be hosted by Itron. Aclara may act as a supplier for Anixter. Itron is a subcontractor of Anixter, and Anixter shall cause Itron to perform all tasks and responsibilities identified herein as Itron's responsibilities. Aclara is a subcontractor of Anixter.

Definitions

"Access Points" or **"APs"** means Equipment that acts as an interface between the Neighborhood Area Network ("NAN") and the Wide Area Network ("WAN") that allows UtilityIQ® software ("UIQ") to communicate with the Endpoint.

"Agreement" means the agreement referenced in the first paragraph of this SOW.

"AMI" or **"Advanced Metering Infrastructure"** means hardware and software that, along with communications services, enable automated meter reading and other capabilities.

"AMI Project" means NBU's full deployment AMI project completed previously under a separate SOW.

"**AMI System**" means the AMI products and technologies including: (1) the Back Office, (2) WAN connections to/from Access Points, and (3) the NAN, exclusive of eBridges.

"**Back Office**" means and includes the UIQ System.

"**Business Day**" means weekdays excluding Itron holidays as Itron will specify annually in advance.

"**Change Management Process**" means the process that Anixter and Itron use to obtain approvals in order to apply Updates to the AMI System. Anixter reserves the right to modify this process as needed with prior notice to NBU.

"**Communication Module**" means Itron's network interface card (sometimes also referred to a "NIC"), that is installed in Equipment and meters.

"**Endpoints**" means and includes Integrated Meters, Gas Internal Measuring Units ("IMUs"), Water IMUs, and any other device that the Parties agree in writing is an Endpoint.

"**Equipment**" means all Itron hardware and related accessories Anixter provides to NBU under the Agreement. Unless otherwise expressly designated as Equipment, Equipment does not include stand-alone third party hardware.

"**Fees**" means all amounts payable to Anixter by NBU under this SOW as shown in Exhibit A1 of the Agreement.

"Field Service Unit (FSU)" means a 900MHz Frequency Hopping Spread Spectrum ("FHSS") radio provided by Itron that works with a laptop or handheld computer to provide field service personnel the ability to wirelessly interrogate Itron's radio communication network devices.

"**Firmware**" means the object code version of Itron proprietary software that is embedded in Equipment.

"Firmware Support Services" means the maintenance and support services for Firmware, as described in this SOW that Itron provides upon payment of applicable Fees.

"**IMU**" means Internal Measuring Unit and refers to products that are attached to water meters to measure flow and other parameters. In the case of products delivered under this SOW, the products contain 900 MHz radios that communicate on the Itron mesh network

"**Incident**" means an event that is not a standard operation and causes or may cause a disruption to or reduction in the quality of a Service, system or NBU productivity.

"**Incident Management Process**" means the process that Itron uses to respond to Incidents as they are reported by NBU. Anixter reserve the right to modify this process as needed.

"**Instance**" means a copy of UIQ installed on an Itron server

"**Integrated Meter**" means an electricity metering endpoint into which the Communication Module has been integrated in accordance with applicable specifications.

"**IP**" means Internet Protocol.

"Major Release" means a new release of Software supported by Itron that adds features and functionality improving overall product performance, efficiency and usability. Major Releases are denoted by a change in the digit number of the release to the left of the decimal point (e.g., 1.5 to 2.0).

"Meter Data Management System (MDMS)" means a meter data management system provided by NBU.

"MicroAP" A Communications Module that includes a cellular modem that can be configured to act as a self-contained Access Point (AP). This is especially useful to connect isolated or hard-to-hear devices.

"Minor Release" means a new Software release supported by Itron that impacts overall product performance, efficiency and usability. Minor Releases are denoted by a change to the tenths decimal number of the release (e.g., 1.5 to 1.6).

"NAN" or "**Neighborhood Area Network**" means and includes Endpoints, Relays, Access Points and the wireless mesh network established as a result of such devices running UIQ.

"**NOC**" means Itron's network operations center.

"Parties" or "**Party**" means Anixter and NBU, as applicable.

"**Patch Release**" means a Software release that provides Error fixes, and is denoted by a change to the hundredths decimal number of the release (e.g., 1.5.2 to 1.5.3).

"**Preventive Maintenance**" means activities performed by Itron that are necessary or desirable for the continuous provision of Solution Services at their stated Service Levels, including, but not limited to, those activities that require the temporary cessation of one or more Solution Services.

"**Project Manager**" means the person each Party appoints to handle the day-to-day management of the Parties' respective Project responsibilities.

"**Provisioned**" means an Endpoint that is located in an area of the NAN and which is in any of the following operational states within the UIQ System: "active," "inactive," or "disconnected," and which has been Optimized,

but which is not: (1) in a "discovered," "installed," "initializing," "unreachable" or "init_failed" state; or (2) considered to be in the process of being deployed.

"**Relay**" means Itron's wireless receiver that routes and forwards information through the Itron mesh network.

"**RF**" means radio frequency.

"Secure FSU – (Secure Field Service Unit)" means a 900MHz Frequency Hopping Spread Spectrum ("FHSS") radio manufactured by Itron that works with a laptop or handheld computer to provide field service personnel the ability to wirelessly interrogate Itron's radio communication network devices.

"**Service Level**" means the measurement of the performance of UIQ or Services, as applicable, and is generally expressed as a percentage of a goal (e.g., the percentage of the time a network or system is operative or successful transactions are processed).

"**Service Point**" means a location where an Endpoint will be installed

"**Services**" means Project Management Services, Solution Services and Software Support Services.

"Software" means the software applications that enable the functionality delivered by the service

"**Software Support Services**" means the services that Itron provides upon payment of applicable Fees as further described in this SOW.

"**Solution Services**" means Itron's deployment and network management services for the UIQ System and the NAN

"**SOW Effective Date**" means the date when this SOW becomes effective, which is the last signature date on the signature page of this SOW after all Parties have signed.

"**Specifications**" means the technical specifications for the Product upon which the Parties mutually agree in writing.

"**System Change**" means any change or modification to any infrastructure components of the UIQ System and the NAN.

"**UIQ System**" or "**UIQ System**" means Itron's head end system, including without limitation, (1) Servers, Software and the following network and application components: (routers terminating IPSEC/RFC2893 tunnels; (2) VPN tunnel (or other circuit) connecting NBU to a UIQ environment; and (3) a data center infrastructure (including network, power and facilities).

"**Update(s)**" means a new release of Software supported by Itron that either (1) adds features and functionality improving overall product performance, efficiency and usability (a "Major Release"), or (2)impacts overall product performance, efficiency and usability (a "Minor Release"), or (3) provides Error fixes (a "Patch Release"). Updates do not include stand-alone, plug-in or add-on software products or modules licensed separately that contain new features and functionality for which Itron charges separate license and Software Support Services fees.

"**UtilityIQ Software**", "**UtilityIQ**" or "**UIQ**" means the object code version of Itron's UtilityIQ® software. The UIQ modules must be licensed individually.

"**VPN**" means a Virtual Private Network, which is a secure LAN-to-LAN tunnel based on the IPsec protocol, used to connect NBU corporate locations to the Itron data centers hosting the UtilityIQ system.

"**WAN**" means a Wide Area Network, which is the network supporting communications between the Access Points and the UIQ System.

"**Water IMU**" means Itron's water interface management unit.

Equipment

For the deployment of additional equipment needed to connect to the AMI System, NBU will purchase from Anixter for the Fees and quantities specified in Exhibit A1 of the Agreement.

Anixter recommends that NBU maintain an inventory of spare Equipment. Failure of NBU to maintain such spare Equipment shall have no effect on the terms and conditions of the Agreement, this SOW, or any other agreement between the Parties, and such failure will not be considered when construing such documents.

Services

For the deployment of the AMI Project, NBU will purchase from Anixter, for the Fees specified in Exhibit A1 of the Agreement, the Services outlined in this SOW. The Parties will perform the respective tasks described below.

Task 1 - Field Network Deployment

1.1. Field Network Installation**.**

1.1.1. The NBU Field Network has been previously deployed under a previous SOW.

1.1.2. **NBU Responsibilities.** NBU shall perform each of the following tasks.

1.1.2.1. Use an electronic work order system that collects barcode data and x, y coordinates for each location where the Integrated Meter, Access Points, Relays, and MicroAPs are installed.

1.1.2.2. Perform all field investigations and remediation of Networked Devices (To include Integrated Meters, Water Modules, Access Points, Relays, and MicroAPs).

1.1.2.3. Load device information files for meters, water modules Access Points, Relays, and MicroAPs into UIQ.

1.1.2.4. Create and load into UIQ, the location information for installed Integrated Meters, Access Points, Relays, and MicroAPs including those that are relocated or replaced after initial installation. This location information will contain the data and must be in a format consistent with Itron's specifications (file load or via system to system integration).

1.1.2.5. Complete all tasks necessary to inventory and warehouse all Equipment.

1.1.2.6. Replace any failed Access Points or Relays identified by installation troubleshooting procedures.

1.1.2.7. Provide Anixter with electronic updates to the following information at the frequency noted below, and cumulative lists of the same information upon Anixter's reasonable request:

a. A non-binding Equipment purchase forecast for the next twelve (12) months (to be revised quarterly and provided by the last day of each calendar quarter). The Equipment purchase forecast must include expected purchase rates for Access Points, Relays and Integrated Meters for the upcoming twelve (12) months.

b. The location of all newly installed or relocated Access Points or Relays, including whether the Access Point or Relay was installed at or relocated to a site not suggested by Itron, and any special conditions noted at the time of installation or relocation that may affect proper functioning of the mesh or WAN networks.

c. List of facilities with previously installed Access Points or Relays that will no longer be available. Itron will use this information to determine the appropriate location and site for replacement Access Points or Relays, if required to maintain NAN performance. NBU shall pay for the costs to remove and re-install these devices.

1.1.2.8. Compile as-built data for Access Points, Relays, and MicroAPs, that includes pertinent information about the location of each device, including but not limited to global positioning system ("GPS") coordinates, AC power source, device height, inventory control information for the object to which the Access Point or Relay will be attached (e.g., inventory control tag on a utility pole, transformer tag on a pad-mount transformer, asset tag for a street light or pole

belonging to an entity other than NBU, etc.), and any other relevant site-specific information. GPS Latitude and Longitude coordinates must not be truncated to fewer than 5 places after the decimal point; for example 37.46668 rather than 37.466.

1.1.2.9. Provide any 'make-ready' components and consumable supplies needed for completion of the mutually approved installation (e.g., transformers, arms, miscellaneous wire and raceways, wiring connectors for secondary voltage connections on utility poles, and through bolts, lag screws, and/or stainless steel banding to mount RF pole-top devices to wood or metal poles)

General Assumptions

A. NBU will continually work with Anixter to make all processes as efficient as commercially reasonable.

B. All Itron hardware, software and support services shall be purchased through Anixter unless agreed upon in writing by Anixter.

C. Unless otherwise stated, Itron team members other than Customer Support staff will be available during normal local business hours for that specific resource. Itron North America Customer Support hours are 5:00am – 6:00pm (PT).

D. This SOW covers support of NBU's AMI System only. Support for planning or deployment beyond basic AMI will be covered under a separate SOW.