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MidAmerican Energy Proactively Manages Peak Energy Demand with Curtailment Program for Large Energy Users

Itron Solution Enables Pro-Active Demand Response

SPOKANE, WA — Sept 29, 2003 — Itron Inc. (NASDAQ: ITRI) reported today that MidAmerican Energy has successfully completed demand response events recently to reduce the peak demand of their electric system by 3 1/2 percent.

MidAmerican Energy is an electricity and natural gas provider to more than 1.3 million customers in four Midwestern states.

Facing temperatures soaring into the high 90s, MidAmerican administered three curtailment events in the last two weeks of August as the utility reduced its peak demand to maintain its regional capacity reserve obligation. Using Itron's Curtailment Manager product, MidAmerican interfaced with many of its large customers to reduce up to 140 MW of peak electric load over sustained six-hour periods.

Since the summer of 2000, MidAmerican Energy has relied on Itron's Curtailment Manager system to manage and administer their demand response events. MidAmerican originally purchased this Itron demand response solution due to a very active 1999 summer curtailment season and to more closely monitor real-time customer performance during curtailment events.

MidAmerican Energy's contract-based curtailment program includes 125 large commercial and industrial (C&I) energy users. When a curtailment alert is issued, usually on hot summer days when high electricity usage is expected, these customers agree to shed load in return for a capacity payment. The Itron load management solution enables MidAmerican to quickly interface with large energy user participants spanning industries such as heavy manufacturing, agricultural, health care and property management. MidAmerican relies on their contract-based C&I curtailment program to help reduce peak demand which limits their need to run higher-cost generation or buy additional power.

When MidAmerican's Electric Trading group forecasts load reaching the reserve margin threshold, MidAmerican's Curtailment Group takes action. The Curtailment Group, led by Rick Leuthauser, Energy Efficiency Manager, issues curtailment events using Itron's Curtailment Manager. With this load management solution, MidAmerican immediately notifies its contract-based program participants of the impending curtailment event via email, e-page and phone. These customers quickly respond to the curtailment notice by logging into a customized Web



page via the Internet and prepare for demand reduction by evaluating baseline and target levels established for the current event using their own load history.

Once the event begins, MidAmerican and its customers can monitor their performance in real-time, substantially enhancing customer compliance. MidAmerican is able to do so because it has linked Itron's MV-90 data collection system with Itron's Curtailment Manager software to gather meter data in real time. Once an event concludes, customers are able to quickly validate their performance through an array of standard reports.

"Both energy consultants and customers like to monitor their performance during a curtailment event," noted Leuthauser. "Using Itron's load management solution, each participating customer and our own curtailment operators can view their energy cost reductions and actual demand relative to baseline and target levels in real time and can also correct actions during the event. At the end of an event, both users and operators can immediately generate reports showing event performance. We value the interactivity that the software provides and the automation of processes that are otherwise manual, time-consuming and often time-delayed."

About MidAmerican Energy

MidAmerican Energy, Iowa's largest energy company, provides electric service to 681,000 customers and natural gas service to 660,000 customers in Iowa, Illinois, Nebraska and South Dakota. It is headquartered in Des Moines, Iowa, and is a subsidiary of MidAmerican Energy Holdings Company.

About Itron

Itron is a leading technology provider and critical source of knowledge to the global energy and water industries. Nearly 3,000 utilities worldwide rely on Itron's award-winning technology to provide the knowledge they require to optimize the delivery and use of energy and water. Itron creates value for its clients by providing industry-leading solutions for electricity metering; meter data collection; energy information management; demand response; load forecasting, analysis and consulting services; distribution system design and optimization; web-based workforce automation; and enterprise and residential energy management. To know more, start here: www.itron.com.

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