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Joint Exhibit No. 1

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Complaint of)

The Office of the Ohio Consumers' Counsel)

10 West Broad Street, Suite 1800)

Columbus, Ohio 43215)

Complainant,)

v.)

The Toledo Edison Company, Ohio Edison)

Company, and The Cleveland Electric)

Illuminating Company)

76 South Main Street)

Akron, Ohio 44308)

Respondents.)

Case No. 10-1128-EL-CSS

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**DIRECT TESTIMONY IN SUPPORT OF THE STIPULATION AND
RECOMMENDATION
OF
WILSON GONZALEZ**

Jointly Submitted

On Behalf of

The Toledo Edison Company, Ohio Edison Company, and

The Cleveland Electric Illuminating Company

76 South Main Street

Akron Ohio 44308

and

The Office of the Ohio Consumers' Counsel

10 West Broad Street, Suite 1800

Columbus, Ohio 43215-3485

November 10, 2011

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I. INTRODUCTION

Q1. PLEASE STATE YOUR NAME, ADDRESS AND POSITION.

A1. My name is Wilson Gonzalez. My business address is 10 West Broad Street, Suite 1800, Columbus, Ohio, 43215-3485. I am employed by the Office of the Ohio Consumers' Counsel ("OCC") as a Principal Regulatory Analyst.

Q2. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A2. I have a Bachelor of Arts degree in Economics from Yale University and a Master of Arts degree in Economics from the University of Massachusetts at Amherst. I have also completed coursework and passed my comprehensive exams towards a Ph.D. in Economics at the University of Massachusetts at Amherst. I have been employed in the energy industry since 1986, first with the Connecticut Energy Office (Senior Economist, 1986-1992), then Columbia Gas Distribution Companies ("Columbia Gas") (Integrated Resource Planning Coordinator, 1992-1996) and American Electric Power ("AEP") (Marketing Profitability Coordinator and Market Research Consultant, 1996-2002). I have been leading the Resource Planning activities within OCC since 2004, and have been involved in numerous electric industry cases before the Public Utilities Commission of Ohio ("PUCO" or "Commission").

Q3. WHAT HAS BEEN YOUR EXPERIENCE REGARDING INTERCONNECTION-RELATED ISSUES IN OHIO?

A3. I have attended PUCO technical conferences and assisted in drafting comments for the OCC on issues raised in Case No. 05-1500-EL-COI (i.e. the Ohio proceeding related to implementation of the Energy Policy Act of 2005) and related PUCO rulemaking. I have also testified on net-metering and interconnection issues in a previous case.¹

Q4. WHAT OTHER REGULATORY EXPERIENCE HAVE YOU HAD?

A4. I have been involved with many aspects of electric and natural gas utility regulation since 1986, including (but not limited to) rate design and integrated resource planning. While at the Connecticut Energy Office, I represented the office in one of the first demand side management ("DSM") collaborative processes in the country (Connecticut Department of the Public Utilities Commission ("DPUC") Docket No. 87-07-01). I analyzed the performance and cost-effectiveness of many efficiency programs for Connecticut's electric and gas utilities that led to demonstration projects, policy recommendations, DSM programs (including rate design recommendations), and energy efficiency standards. I also performed all the analytical modeling for United Illuminating's first integrated resource plan filed before the DPUC in 1990. At Columbia Gas, I was responsible for coordinating that company's Integrated Resource Plan within the corporate planning department and DSM program development activities in the marketing department. I designed and managed residential DSM programs in Maryland and Virginia. At AEP, I conducted numerous cost-benefit analyses of programs being

¹ FirstEnergy Distribution Rate Case, Case Nos. 07-551-EL-AIR, et al.

1 sponsored by AEP's corporate marketing department, including their residential load
2 control water heater program.

3
4 For the past seven years at the OCC, I have (among other matters):

- 5 • Been involved in DSM negotiations resulting in over \$300 million
6 in energy efficiency programs with Ohio's investor-owned utilities;
- 7 • Prepared DSM testimony in numerous Commission cases;
- 8 • Testified before the Ohio House Alternative Energy Committee in
9 support of energy efficiency and demand response requirements;
- 10 • Assisted in the preparation of energy efficiency and renewable
11 energy testimony and amendments for S.B. 221, H.B. 357, and
12 H.B. 487;
- 13 • Testified before the PUCO on rate design issues; and
- 14 • Worked extensively on a range of topics regarding FirstEnergy's
15 standard service offer ("SSO") proposals.

16
17 ***Q5. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE PUBLIC***
18 ***UTILITIES COMMISSION OF OHIO?***

19 ***A5.*** Yes. I submitted testimony in the following cases before the Commission: Vectren
20 Energy Delivery of Ohio, Case No. 04-571-GA-AIR; Dominion East Ohio, Case No. 05-
21 474-GA-ATA; Dominion East Ohio, Case No. 07-829-GA-AIR; Vectren Energy
22 Delivery of Ohio, Case No. 05-1444-GA-UNC; Columbus Southern Company/Ohio
23 Power Company, Case No. 06-222-EL-SLF; Duke Energy of Ohio, Case No. 07-589-

GA-AIR, FirstEnergy Companies, Case Nos. 07-551-EL-AIR, et al.; Vectren Energy Delivery of Ohio, Case No. 07-1080-GA-AIR; FirstEnergy Companies, Case No. 08-935-EL-SSO; FirstEnergy Companies, Case No. 08-936-EL-SSO, Duke Energy of Ohio, Case No. 08-920-EL-SSO; AEP Case No. 08-917-EL-SSO, DPL, Case No. 08-1094-EL-SSO; FirstEnergy Companies, Cases Nos. 09-906-EL-SSO and 10-388-EL-SSO; and Duke, Case No. 10-1999-EL-POR.

II. PURPOSE OF TESTIMONY

Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A6. I recommend that the Commission adopt the Stipulation and Recommendation (“Stipulation”) executed by the parties to this case -- Complainant OCC and Respondent FirstEnergy Electric Distribution Utilities (“FE EDUs,” comprised of Ohio Edison Company, The Toledo Edison Company, and The Cleveland Electric Illuminating Company). The Stipulation resolves the matters in dispute between these two parties in this proceeding that was initiated by the filing of a Complaint on August 12, 2010.

Q7. WHAT IS THE GENERAL NATURE OF THE COMPLAINT?

A7. The Complaint addressed concerns over arrangements for customer deployment of distributed generation equipment according to interconnection and net metering rules and tariffs, especially whether these arrangements were made unduly burdensome by the FE EDUs.

III. EVALUATION OF THE STIPULATION

**Q8. DO YOU BELIEVE THE STIPULATION FILED IN THIS CASE IS THE
PRODUCT OF SERIOUS BARGAINING AMONG KNOWLEDGEABLE PARTIES?**

A8. Yes. The Stipulation is the product of negotiations in which the parties to this case were represented by able counsel and technical experts. Negotiations and analysis occurred on details of the interconnection process for adding customer-owned, distributed generation resources to the region served by the FE EDUs. The Stipulation is a compromise between the parties who had divergent interests, yet they have agreed in the Stipulation to coordinate their activities to make changes to facilitate the interconnection process for customers and provide for a procedure to determine if other changes should be made to the interconnection process. I believe that the Stipulation presents a fair and reasonable result.

**Q9. DOES THE STIPULATION PROVIDE BENEFITS TO CUSTOMERS AND
PROMOTE THE PUBLIC INTEREST?**

A9. Yes. The Stipulation provides for changes to the FE EDUs' web site that will provide additional information to persons who are interested in the interconnection of distributed generation resources. Those changes permit a more immediate, direct link for visitors to the web site to rules that govern the utilities' responsibilities in the interconnection application process.

1 The Stipulation also provides for a workshop that will be conducted by the FE EDUs at
2 which their interconnection application process will be explained and the utilities will
3 take comments and questions from a range of invitees. Those invited are certified
4 installers listed on the Green Energy Ohio web site, members of the OCC and invitees of
5 the OCC, and the PUCO Staff. OCC staff members are interested in further review of the
6 FE EDUs' interconnection process, and I anticipate that the other invitees to the
7 workshop will also be interested. The invitees to the workshop may offer useful
8 suggestions to make improvements to that process. The certified installers may provide
9 insights from, among other areas, a technical point of view and may offer a business
10 perspective to the difficulties faced when interconnecting. In the Stipulation, the FE
11 EDUs agree to respond to questions and comments in a written report. No improvements
12 in the interconnection process are guaranteed as the result of the workshop, but a first and
13 important step in determining the means by which the process may be improved is to
14 facilitate greater communication amongst persons interested in the interconnection
15 process.

16
17 ***Q10. DOES THE STIPULATION VIOLATE ANY IMPORTANT REGULATORY***
18 ***PRINCIPLE?***

19 ***A10.*** No. The Stipulation furthers the policy of the State of Ohio. That policy, as stated in
20 4928.02(C), Revised Code, provides that Ohio will "[e]nsure diversity of electricity
21 supplies and suppliers, by giving consumers effective choices over the selection of those

1 supplies and suppliers and by encouraging the development of distributed and small
2 generation facilities.”²

3
4 I also believe that improved communication regarding the interconnection process will
5 support the State’s policy under 4928.02(K), Revised Code, to “[e]ncourage
6 implementation of distributed generation across customer classes through regular review
7 and updating of administrative rules governing critical issues such as . . . interconnection
8 standards, standby charges, and net metering.” Persons who participate in the workshop
9 are likely participants in future activities regarding the review of interconnection,
10 standby, and net metering rules.

11
12 ***Q11. WHAT DO YOU RECOMMEND REGARDING THE STIPULATION?***

13 ***A11.*** I recommend that the Commission adopt the Stipulation as a resolution of this case. The
14 Stipulation is a fair and reasonable compromise of divergent interests and provides a fair
15 result for customers of the FE EDUs.

² All references to the Revised Code are the result of my consultation with counsel, but also reflect my understanding of source material that is important for the PUCO’s regulation of electric utilities.

1 **IV. CONCLUSION**

2

3 ***Q12. DOES THIS CONCLUDE YOUR TESTIMONY?***

4 ***A12.*** Yes.