

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio)
Power Company to Initiate Phase 2 of Its) Case No. 13-1939-EL-RDR
gridSMART Project and to Establish the)
gridSMART Phase 2 Rider.)

**REVISIONS TO THE DIRECT TESTIMONY OF WILSON GONZALEZ
BY
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL**

On July 22, 2016, the Office of the Ohio Consumers' Counsel ("OCC") filed the Direct Testimony of Wilson Gonzalez in the above-captioned proceeding. OCC hereby files the attached revisions to Mr. Gonzalez' testimony, which will be placed into the record as an exhibit at the hearing.

Respectfully submitted,

BRUCE J. WESTON (0016973)
OHIO CONSUMERS' COUNSEL

/s/ Terry L. Etter

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REVISIONS TO THE

July 22, 2016

PREPARED TESTIMONY

of

Wilson Gonzalez

*ON BEHALF OF THE**OFFICE OF THE OHIO CONSUMERS' COUNSEL*

Page	Line	Change
13	13	“12” is now “11” due to Updated Table 3 because of Ohio Power Company’s corrected response to OCC INT-3-062
14		Footnote 18 should be deleted and replaced by Paul Alvarez, “Smart Grid Hype and Reality,” Wired Group Publishing, 2014, page 258.”
18	13	“\$560 million” should be “\$516 million”
20	4	“\$560 million” should be “\$516 million”
20	6	“43” is now “46” due to Updated Table 3 because of Ohio Power Company’s corrected response to OCC INT-3-062
20		Footnote 36 should be deleted and replaced by “\$3.6 million/\$238 million equals 1.5 percent. It should also be noted that a survey of 30 smart meter business cases worldwide estimated that operational cost savings averaged 70 percent of smart meter project costs (63 percent for U. S. cases), eMeter list of worldwide SG deployment benefit-cost results, the original table can be found at http://www.emeter.com/smart-grid-watch/2012/building-a-business-case-for-smart-meters/ See Attachment WG-1. The estimated operational cost savings for gridSmart Phase 2 is approximately 39% (\$200 million/\$516 million) of project costs.”
21	6	“\$2.9” should be “\$2.8” due to Updated Table 3 because of Ohio Power Company’s corrected response to OCC INT-3-062
21		In Footnote 37, “\$2.9” should be “\$2.8” and “\$11.6” should be “\$11.1”
22		“Table 3” should be replaced by “Updated Table 3”, attached on next page, and reflects Ohio Power Company’s corrected response to OCC INT-3-062

Updated Table 3

AEP Ohio					
Levelize Meter Reading, Meter Operations, Credit and Collections Cost Savings and Revenue Enhancements (Years 1 through 4)					
	2017	2018	2019	2020	Total
Electric 2017-2020 SG Operational Cost savings Credit					
Phase 2 Meter Reading & Operations (Nominal Dollars)	\$545,250	\$2,529,960	\$4,514,670	\$6,499,380	\$14,089,260
Phase 1 Meter Reading & Operations (Nominal Dollars)	\$1,030,920	\$1,030,920	\$1,030,920	\$1,030,920	\$4,123,680
Phase 2 Credit, Collections and Revenue Enhancements (Nominal Dollars)	\$2,000,000	\$4,000,000	\$6,000,000	\$8,000,000	\$20,000,000
Phase 1 Credit, Collections and Revenue Enhancements (Nominal Dollars)	\$ 1,181,208	\$ 1,181,208	\$ 1,181,208	\$ 1,181,208	\$ 4,724,832
PV (2015 \$)	\$4,757,378	\$8,298,925	\$12,081,639	\$15,864,352	\$41,002,294
Levelized					
PV of Levelized	\$11,063,787	\$11,063,787	\$11,063,787	\$11,063,787	\$44,255,148
	\$11,063,787	\$10,502,930	\$9,970,506	\$9,465,071	\$41,002,294
Additional Savings/(Added Rev) Nominal	\$10,518,537	\$8,533,827	\$6,549,117	\$4,564,407	\$30,165,888
Additional Savings/(Added Rev) (2015 \$)	\$6,306,409	\$2,204,005	(\$2,111,133)	(\$6,399,281)	\$0.000
Inputs					
Discount at Rate used for All Other Deferrals	5.34%				
<i>(Long-Term Debt Rate from 11-351-EL-AIR Case)</i>					
Phase 1 annual per meter benefits#	\$ 7.81				
Phase 2 Average annual meter benefits (\$6.71-7.83/meter)*	\$ 7.27				
Phase 1 Meters already Installed	132,000				
Phase 2 Meters Installed**	75,000	273,000	273,000	273,000	894,000
Phase 2 Credit, collections and revenue enhancements (\$ annual)*	\$ 2,000,000				
Phase 1 Credit et al value prorated for # of phase one meters installed.	\$ 1,181,208				
* From Osterholt Testimony, Company Updated Business Case at 5.					
# AEP Ohio gridSmart Demonstration Project, Final Technical Report, June 2014, page 346.					
** Corrected response to OCC INT-3-062 part a. Used average of annual installations estimated.					

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Revisions to the Direct Testimony of Wilson Gonzalez was served on the persons stated below via electronic transmission this 29th day of July 2016.

/s/ Terry L. Etter
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in

Case No(s). 13-1939-EL-RDR

Summary: Testimony Revisions to the Direct Testimony of Wilson Gonzalez by the Office of the Ohio Consumers' Counsel electronically filed by Ms. Deb J. Bingham on behalf of Etter, Terry L.