

Response to the People of the State of Illinois'  
First Set of Data Requests to Staff  
Docket No. 12-0298  
Response of Staff Witness Dr. David Brightwell

ICC Person Responsible: Dr. David Brightwell  
Title: Economic Analyst  
Address: Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL. 62701

AG 1.01 Please identify the time horizon used in Dr. Brightwell's analyses of whether ComEd's AMI Deployment is cost beneficial.

Response:

Dr. Brightwell's opinion is that the definition of cost-beneficial used in Section 16-108.6 of the Public Utilities Act makes no reference to a time horizon under which deployment of AMI meters needs to be cost-beneficial. ComEd used a 20-year horizon for measuring costs and benefits but also reported a 30- year horizon in the work papers provided in response to AG DR 1.04. In determining that the plan was cost beneficial with any applied discount rate below 23.5%-24%, Dr. Brightwell used the 30 year horizon. If a 20-year horizon is used, the net present value of benefits exceeds the net present value of costs until a discount rate between 22.0% - 22.5% is applied.

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I.C.C. DOCKET NO. 12-0298  
ComEd Cx Exhibit No. 9  
Witness Noraby  
Date 5-24-12 Reporter CC

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AG 1.03 In ICC Docket No. 12-0244, Dr. Brightwell stated at page 15, lines 326 through 333, of his testimony that the AMI Deployment plan should be cost-beneficial over its 10 year deployment time horizon. Is it Dr Brightwell's position that ComEd should be required to demonstrate that its AMI Deployment is cost beneficial over its 10 year deployment time horizon in order for the commission to approve its application? If not, please reconcile the difference between Dr. Brightwell's position in the Ameren proceeding and his position in this proceeding.

Response:

The summary of Dr. Brightwell's testimony presented in AG 1.03 mischaracterizes Dr. Brightwell's testimony in Docket No. 12-0244. Lines 326-333 of the cited testimony is provided below:

**Q. The 15-Year Plans were also cost-effective. Why didn't you recommend one of those?**

A. It is my non-legal opinion that Section 16-08.6 [sic] only authorizes the Commission to approve an AMI deployment within 10 years. The proposal I presented is the only option Ameren offered that falls within the 10-year deployment period that may be cost-effective for both gas and electric customers. It also puts Ameren in a position that it can deploy AMI meters to its remaining customers after this 10 year period is complete.

In Docket 12-0244, Ameren provided an AMI Plan that called for AMI deployment to 62% of electric customers in 10 years and 100% of electric customers with 15 years. However, the deployment of AMI meters to the additional 38% of customers in years 11-15 appeared to be outside the scope of the Commission's authority under Section 16-108.6 of the Public Utilities Act ("Act") and the net present value of benefits from the deployment of AMI meters to 62% of customers that were planned for the 10-year period did not exceed the net present value of costs over the 20-year horizon Ameren used in its analysis.

Dr. Brightwell does not believe the law requires deployment to be cost beneficial within 10 years. It is Dr. Brightwell's opinion that if the net present value of benefits from a deployment that is completed within 10 years exceeds the net present values of the costs of that deployment

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over the life of the meters then the Plan meets the definition of cost-beneficial provided in Section 16-108.6(a) of the Act.