

ILLINOIS COMMERCE COMMISSION

DOCKET No. 12-0244

REBUTTAL TESTIMONY ON REHEARING

OF

RYAN W. ELLEN

Submitted on Behalf Of

**AMEREN ILLINOIS COMPANY
d/b/a Ameren Illinois**

September 11, 2012

TABLE OF CONTENTS

	Page No.
I. INTRODUCTION.....	1
II. PURPOSE OF TESTIMONY AND IDENTIFICATION OF EXHIBITS	1
III. AMI PLAN - CORRECTIONS	2
IV. RESPONSE TO CUB/ELPC	2
V. CONCLUSION	7

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7 **I. INTRODUCTION**

8 **Q. Please state your name and business address.**

9 A. My name is Ryan W. Ellen. My business address is 1901 Chouteau Avenue, St. Louis,
10 MO 63103.

11 **Q. Are you the same Ryan W. Ellen who previously provided testimony in this**
12 **proceeding?**

13 A. Yes. I sponsored direct testimony in the rehearing phase of this proceeding.

14 **II. PURPOSE OF TESTIMONY AND IDENTIFICATION OF EXHIBITS**

15 **Q. What is the purpose of your rebuttal testimony on rehearing?**

16 A. The purpose of my rebuttal testimony on rehearing is to comment on and respond to
17 certain Intervenor witnesses' direct testimony. Specifically I am responding to certain
18 recommendations and positions taken by Citizens Utility Board ("CUB") witnesses Mr.
19 Christopher Thomas and Mr. Colin Meehan. I am also sponsoring minor corrections to the
20 Advanced Metering Infrastructure ("AMI") Plan that was attached to my direct testimony.

21 **Q. Are you sponsoring any exhibits with this testimony?**

22 A. Yes. Included with my testimony as Ameren Exhibit 7.1RH is the revised AMI Plan with
23 minor corrections.

24 **III. AMI PLAN - CORRECTIONS**

25 **Q. Please identify the corrections that have been made to the AMI Plan.**

26 A. Based on changes made to the Cost Benefit Analysis as sponsored in rebuttal testimony
27 on rehearing by Mr. Michael Abba, the AMI plan has been updated to include the revised net
28 present value and the revised costs of Ameren Illinois Company's ("AIC" or "Company") AMI
29 Plan.

30 **IV. RESPONSE TO CUB/ELPC**

31 **Q. In his direct testimony, Mr. Thomas recommends the Commission require AIC to**
32 **analyze "the effect of deployment to different operating centers than proposed on the basis**
33 **of criteria beyond the existence of AMR meters." What deployment sequence did Ameren**
34 **Illinois assume when preparing the AMI Plan and Cost/Benefit analysis?**

35 A. Ameren Illinois initially plans to install AMI in areas of its service territory that are not
36 currently covered by automated meter reading ("AMR"). In addition, Ameren Illinois will deploy
37 in a sequence in which operating centers receive AMI contiguous to other operating centers that
38 already have AMI, with the exception of our first AMI deployment in Hillsboro.

39 **Q. Why did AIC assume this particular deployment sequence?**

40 A. Ameren Illinois assumed this sequence for two reasons. The deployment of AMI to areas
41 that do not currently have AMR provides more benefits earlier than if AMI was deployed to
42 areas that currently have AMR. Furthermore, by deploying to contiguous operating centers,
43 network coverage will be enhanced because of meter proximity to previously deployed network
44 elements, allowing customers to receive AMI benefits earlier than if the network was deployed
45 in a fragmented manner.

46 **Q. Mr. Thomas suggests the Company did not consider the population density of**
47 **operating centers when choosing its meter deployment schedule. Is that correct?**

48 A. No. Ameren Illinois initially considered a deployment of AMI to areas of its service
49 territory that already had AMR. The areas already served by AMR have the densest population in
50 the service territory. The cost benefit analysis identifies that more than half of the benefits are
51 operational benefits derived from reduced cost of service. The AMR areas have already received
52 some of the operational benefits from the AMR deployment. Thus, deployment of AMI to non
53 AMR areas is the most cost beneficial for Ameren Illinois' customer population.

54 **Q. Would it be practical or efficient in your opinion to design a meter deployment for**
55 **AIC based on solely population density amongst the operating centers?**

56 A. No. Since Ameren Illinois' service territory is mostly rural with pockets of population
57 density, a fragmented network would have trouble reading all of the deployed meters. While I
58 understand Mr. Thomas' desire to involve our customers in AMI as soon as practical, the roll out
59 as currently planned and taking into account AMR deployment is the most cost effective course
60 of action.

61 **Q. Mr. Thomas also suggests the Company "should consider the relative presence or**
62 **absence of particular consumer segments in the operating centers they choose for**
63 **deployment to maximize opportunities for customer benefit and the overall cost-**
64 **effectiveness of the deployment." Does Mr. Thomas identify the "customer segments" he**
65 **considers relevant for deployment sequence for AMI?**

66 A. No.

67 **Q. Does AIC track customer segment data by operating center?**

68 A. No. At this time, Ameren Illinois has not segmented customers by operating center.
69 What we mean or intend by "customer segmentation" is categorizing Ameren Illinois' customers
70 based on how they may use Ameren Illinois' energy products. I do not know if this is what Mr.
71 Thomas meant. In any event, as part of its ongoing customer strategy, Ameren Illinois plans to
72 perform customer segmentation across its service territory and use that information to inform
73 consumer education initiatives on a system wide basis.

74 **Q. Was the deployment sequence assumed for purposes of the AMI Plan shown to be**
75 **cost beneficial?**

76 A. Yes.

77 **Q. Mr. Thomas believes AIC "should be required to demonstrate that [its] chosen**
78 **deployment scenario maximizes the customer benefits the Company identifies." Should**
79 **AIC be required to prove its proposed deployment "maximizes" customer benefits?**

80 A. No. Although I am not a lawyer, I don't believe the Commission is required to modify a
81 proposed AMI Plan to derive a projected maximum customer benefit. However, Ameren
82 Illinois' analysis showed that the most benefits will be derived the quickest from deploying AMI
83 to non- AMR areas first.

84 **Q. Should the Commission require AIC "to analyze, whether as a formal sensitivity**
85 **analysis to its Cost-Benefits Analysis or otherwise, the effect of deployment to different**
86 **operating centers than proposed on the basis of criteria beyond the existence of AMR**
87 **meters"?**

88 A. No. The EIMA legislation does not require a sensitivity of a deployment plan to different
89 operating centers for the Cost Benefit Analysis. Again, I am not a lawyer; however it is my
90 understanding such an analysis would not be required under the EIMA. EIMA only requires
91 implementation of the Plan with the deployment proposed to be cost beneficial. It is also unclear
92 what benefits might be realized from such an analysis based on the criteria suggested by Mr.
93 Thomas.

94 **Q. Mr. Thomas and Mr. Meehan also contend the AMI Plan lacks detail on how AIC**
95 **or other entities will spend its consumer education budget. Did the Commission rule upon**
96 **this informational requirement in its May 29, 2012 order?**

97 A. Yes. The Commission approved the Company's consumer education plan:

98 In regard to the last information requirement, the Commission notes the statute
99 states that an AMI Plan must contain a plan for the consumer education to be
100 implemented by the utility. The Commission agrees that Ameren has provided
101 sufficient detail in its AMI Plan to indicate that its consumer education will be
102 consistent with Section 16-108.6(c)(5); however, the Commission feels that
103 Ameren, as with the other criteria, should be able to provide more information
104 about its educational plan at this time than it has. It was not simply to have set out
105 an amount to be spent, but how that money is to be spent, and maximized to
106 achieve desired outcomes. The Commission notes that, as with any other facet of
107 the AMI Plan, the Commission will have the opportunity to review updates to the
108 Plan in Ameren's annual reports regarding progress in implementation of the AMI
109 Plan, and will have the opportunity to assess Ameren's spending on consumer
110 education in annual updates to its formula rates. The Commission believes that
111 had the legislature wanted Ameren to file an AMI Plan meticulously detailing
112 every facet of their strategy, it would have indicated that in the Act, and the
113 Commission trusts it would have allowed more than 60 days for review and
114 approval of the AMI Plan. Order, May 29, 2012, p.25.

115 **Q. Did AIC make changes to the Consumer Education section of the AMI Plan it filed**
116 **with its rehearing application to provide the Commission with even more detail?**

117 A. Yes. Please see lines 168 through 189 of my direct testimony on rehearing in Ameren
118 Exhibit 2.0 RH.

119 **Q. Did these changes provide more detail on how AIC intends to use its budgeted**
120 **consumer education dollars?**

121 A. Yes. Ameren Illinois will develop different messaging strategies on the benefits of AMI
122 to its customers and stakeholders based on the category type a customer may be. The messaging
123 plan will be tailored to target the different customer segments. This should help to ensure the
124 message is received by the customer and the customer takes to the appropriate action in using
125 AMI to its fullest benefit.

126 **Q. Does AIC plan to keep the Commission and the Smart Grid Advisory Council**
127 **("SGAC") informed as to its customer education programs related to AMI?**

128 **A. Yes.** As part of the annual AMI filing to the Commission and participation in SGAC
129 meetings as required by the EIMA legislation, Ameren Illinois will report on the status of the
130 customer education plan. This is consistent with the Commission's directives noted above.

131 **V. CONCLUSION**

132 **Q. Does this conclude your rebuttal testimony on rehearing?**

133 **A. Yes, it does.**