

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates.)	Case No. 17-32-EL-AIR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.)	Case No. 17-33-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.)	Case No. 17-34-EL-AAM
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Modify Rider PSR.)	Case No. 17-872-EL-RDR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Amend Rider PSR.)	Case No. 17-873-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.)	Case No. 17-874-EL-AAM
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service.)	Case No. 17-1263-EL-SSO
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Amend its Certified Supplier Tariff, P.U.C.O. No. 20.)	Case No. 17-1264-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Defer Vegetation Management Costs.)	Case No. 17-1265-EL-AAM
)	

In the Matter of the Application of Duke)
Energy Ohio, Inc., to Establish) Case No. 16-1602-EL-ESS
Minimum Reliability Performance)
Standards Pursuant to Chapter 4901:1-)
10, Ohio Administrative Code.

PREFILED TESTIMONY IN SUPPORT OF THE STIPULATION

OF

KRYSTINA SCHAEFER
GRID MODERNIZATION AND SECURITY DIVISION
RATES AND ANALYSIS DEPARTMENT
PUBLIC UTILITIES COMMISSION OF OHIO

STAFF EXHIBIT____

June 25, 2018

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1. Q. Please state your name and your business address.

A. My name is Krystina Schaefer. My business address is 180 East Broad Street, Columbus, Ohio 43215.

2. Q. By whom are you employed and in what capacity?

A. I am employed by the Public Utilities Commission of Ohio (PUCO) as Chief of the Grid Modernization and Security Division of the Rates and Analysis Department.

3. Q. Would you briefly state your educational and work experience?

A. I received a Bachelor of Science degree in Political Science with a minor in Business from The Ohio State University, a Master of City and Regional Planning degree from The Ohio State University, and a Master of Business Administration degree from Capital University.

In September of 2010, I joined the PUCO full-time as a Utility Analyst in the Efficiency and Renewables Division of the Energy and Environment (E&E) Department. In March of 2011, I was promoted to a Public Utilities Administrator 1 position in the Facilities, Siting and Environmental Analysis Division of the E&E Department. In August of 2014, I was promoted to a Public Utilities Administrator 2 position in the Forecasting,

1 Markets and Corporate Oversight Division of the Rates and Analysis
2 Department. Most recently, in February of 2017, I was promoted to my
3 current position.
4

5 4. Q. What is the purpose of your testimony?

6 A. On April 13, 2018, Duke Energy Ohio (the Company) filed a Stipulation
7 proposing resolution on a number of issues raised in proceedings through
8 the Applications filed by the Company in Case Nos. 17-32-EL-AIR, *et al.*,
9 17-872-EL-RDR, *et al.*, 17-1263-EL-SSO, *et al.*, and 16-1602-EL-ESS,
10 which Staff signed (hereinafter, the Stipulation). Per the Stipulation, the
11 Company will implement a new non-bypassable rider, called Rider PF.
12 The purpose of my testimony is to address how the establishment of Rider
13 PF helps to carry out the policy of the state, as defined in the Ohio Revised
14 Code, and provides benefits to the overall Stipulation.
15

16 5. Q. Please provide an overview of Rider PF.

17 A. Per the Stipulation, Rider PF is a new non-bypassable rider intended to
18 support the modernization of energy delivery infrastructure, along with the
19 development of innovative products and services for retail electric
20 customers. There are three components of Rider PF:

- 21 ■ The first component is a placeholder to recover costs associated with
22 the implementation of directives resulting from PowerForward, the

1 Commission's initiative to review the latest in technological and
2 regulatory innovation that could serve to enhance the customer
3 electricity experience. Cost recovery for component one will be
4 subject to a hearing in a separate proceeding, following an
5 application by the Company.

- 6 ■ The second component will recover costs associated with the
7 communications infrastructure needed to support the Company's
8 AMI transition and enhancements to the ability of competitive retail
9 electric service (CRES) providers, and potentially other third parties,
10 to access and utilize customer energy usage data (CEUD) made
11 available through smart meters. The scope and functionality of each
12 of the enhancements to data access and utilization are detailed in
13 Attachment F of the Stipulation. Both the communications
14 infrastructure and individual phases of data access enhancements are
15 subject to cost caps. Recovery of prudently incurred costs associated
16 with each individual phase of data access enhancements will not be
17 made available until the functionality detailed in Attachment F is
18 successfully implemented. Staff also has an opportunity to hire a
19 consultant to assist in the review of the functionality of the data
20 access enhancements.

- 21 ■ The third component is a placeholder to recover costs associated
22 with an infrastructure modernization plan to be filed by the

1 Company in a future case. The plan will include a proposal to
2 upgrade the Company's Customer Information System (CIS). Like
3 component one of Rider PF, cost recovery for component three will
4 be subject to a hearing in a separate proceeding, following an
5 application by the Company.
6

7 6. Q. Please describe how the establishment of Rider PF will further state policy
8 and provides benefits to the overall Stipulation.

9 A. ORC 4828.02(D) states it is the policy of the state to: *encourage innovation*
10 *and market access for cost-effective supply- and demand-side retail electric*
11 *service including, but not limited to, demand-side management, time-*
12 *differentiated pricing, waste energy recovery systems, smart grid programs,*
13 *and implementation of advanced metering infrastructure.*¹ The
14 implementation of Rider PF furthers that objective by supporting the
15 development of innovative products and services and giving Ohio
16 customers more control over their energy usage. Specifically, the
17 implementation of Rider PF will make granular CEUD available to CRES
18 providers and update the settlement systems and processes for wholesale
19 market data, so it can be monetized in the provision of retail electric
20 service. This includes calculating and settling individual total hourly

¹ ORC 4928.02 (D)

1 energy obligation (THEO), peak load contribution (PLC) and network
2 service peak load (NSPL) values for each customer, instead of relying on
3 generic load profiles. This customer-specific data will give customers more
4 control over their energy consumption, so they can save money. Finally,
5 while the first and third components of Rider PF are currently placeholders,
6 they provide future opportunities for the Commission to examine proposals
7 that would further state policy objectives through grid modernization and
8 enhancements to the customer experience.

9
10 7. Q. Does this conclude your testimony?

11 A. Yes. However, I reserve the right to submit supplemental testimony, as
12 new information subsequently becomes available.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Pre-filed Testimony of Krystina Schaefer in Support of the Stipulation has been served upon the below-named counsel via electronic mail, this 25th day of June, 2018.

/s/ Steven L. Beeler

Steven L. Beeler

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Summary: Testimony in Support of the Stipulation of Krystina Schaefer electronically filed by
Ms. Tonna Scott on behalf of PUC