

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio :
Edison Company, The Cleveland Electric : Case No. 14-1297-EL-SSO
Illuminating Company and The Toledo :
Edison Company for Authority to Provide :
for a Standard Service Offer Pursuant to :
R.C. 4928.143, in the Form of an Electric :
Security Plan. :

**PREFILED TESTIMONY
OF
KRYSTINA M. SCHAEFER
FORECASTING, MARKETS AND CORPORATE OVERSIGHT DIVISION
RATES AND ANALYSIS DEPARTMENT
PUBLIC UTILITIES COMMISSION OF OHIO**

Staff Exhibit _____

September 18, 2015

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

2 A. My name is Krystina M. Schaefer, and my business address is 180 East
3 Broad Street, Columbus OH 43215.
4

5 2. Q. By whom are you employed and what is your position?

6 A. I am employed by the Public Utilities Commission of Ohio (PUCO or
7 Commission) as a Public Utilities Administrator 2 in the Forecasting,
8 Markets, and Corporate Oversight Division of the Rates and Analysis
9 Department.
10

11 3. Q. Please summarize your educational background and work experience.

12 A. I received a Bachelor of Science in Political Science with a minor in Busi-
13 ness from The Ohio State University and a Master of City and Regional
14 Planning from The Ohio State University. Currently, I am enrolled in the
15 Master of Business Administration program at Capital University.
16

17 In July of 2009, I joined the Commission as an intern in the Facilities, Sit-
18 ing, and Environmental Analysis Division of the Energy and Environment
19 (E&E) Department. In September of 2010, I was hired full-time as a Utility
20 Analyst in the Efficiency and Renewables Division of the E&E Depart-
21 ment. In March of 2011, I was promoted to a Public Utilities Administrator
22 1 in the Facilities, Siting and Environmental Analysis Division of the E&E

1 Department. Most recently, in August of 2014, I was promoted to my cur-
2 rent position.

3
4 4. Q. Have you testified in prior proceedings before the Commission?

5 A. Yes, I provided written testimony in AEP Ohio's most recent ESP proceed-
6 ing, Case No. 13-2385-EL-SSO.¹

7
8 5. Q. What is the purpose of your testimony in this proceeding?

9 A. The purpose of my testimony is to propose that Ohio Edison Company, The
10 Cleveland Electric Illuminating Company, and The Toledo Edison Com-
11 pany (collectively, the "Companies") should provide advanced metering
12 infrastructure (AMI) customer energy usage data (CEUD) to competitive
13 retail electric service (CRES) providers. The testimony of Staff Witness
14 Timothy W. Benedict in this case recommends that the Commission order
15 the Companies to file a business case that seeks to expand their existing
16 smart grid program. The Companies should include the data detailed in my
17 testimony within the scope of the business case proposed by Staff Witness
18 Timothy W. Benedict.

¹ *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan* (Pre-filed Testimony Krystina M. Schaefer) (May 20, 2014).

1 In addition, my testimony will address the existing partial service tar-
2 iffs/riders, which include Partial Service Schedule (The Cleveland Electric
3 Illuminating Company), General Service Partial Service Rider (Ohio
4 Edison Company), and Partial Service Rate “GS-15” (The Toledo Edison
5 Company).

6
7 6. Q. Please describe the Commission’s findings related to AMI data access and
8 time-differentiated rates, In the Commission’s Investigation of Ohio’s
9 Retail Electric Service Market, Case No. 12-3151-EL-COI.

10 A. In the Finding and Order, the Commission concluded that “EDUs time-dif-
11 ferentiated rate pilot programs should be made available to SSO customers
12 until the market sufficiently develops for CRES providers to begin offering
13 this service.”² On Rehearing, the Commission clarified the requirement for
14 EDUs to provide access to AMI customer energy usage data finding that
15 “EDUs must provide interval CEUD to CRES providers, in a manner con-
16 sistent with the Commission’s rules, Ohio Adm. Code 4901:1-10-24, and
17 must file amended tariffs that specify the terms, conditions, and charges
18 associated with providing interval CEUD.”³

² *In the Matter of the Commission’s Investigation of Ohio’s Retail Electric Service Market*, Case No. 12-3151-EL-COI (Finding and Order at 38) (Mar. 26, 2014).

³ *In the Matter of the Commission’s Investigation of Ohio’s Retail Electric Service Market*, Case No. 12-3151-EL-COI (Entry on Rehearing at 19) (May 21, 2014).

1 In the Finding and Order and Entry on Rehearing in Case No. 12-3151-EL-
2 COI, Staff believes the Commission reinforced the state policy to encour-
3 age innovation and market access for cost-effective smart grid programs,
4 advanced metering infrastructure, and time-differentiated pricing
5 programs.⁴ Further, Staff believes that if the market for time-differentiated
6 rates is going to develop, then EDUs must provide AMI customer energy
7 usage data to CRES providers.

8
9 The Commission's findings related to time-differentiated rates were reiter-
10 ated in the Commission's approval of cost recovery to complete studies
11 related to the smart grid program, where the Companies were specifically
12 directed to continue to offer the voluntary two-part residential time-of-use
13 on- and off-peak Standard Service Offer (Rider RCP), until otherwise
14 directed by the Commission.⁵

15
16 7. Q. What directives have other states given the Companies, their parent corp-
17 oration, or their affiliates regarding the requirement to make customer
18 energy usage data available to energy service providers?

⁴ R.C. 4928.02(D).

⁵ *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Approval of Ohio Site Deployment of the Smart Grid Modernization Initiative and Timely Recovery of Associated Costs*, Case No. 09-1820-EL-ATA (Finding & Order at 3) (May 28, 2015).

1 A. Pursuant to Pennsylvania Act 129 of 2008, the FirstEnergy Pennsylvania
2 Companies (Metropolitan Edison Company, Pennsylvania Electric Com-
3 pany, Pennsylvania Power Company, and West Penn Power Company) are
4 required to “file a smart meter technology procurement and installation plan
5 with the Commission for approval” and “with customer consent, make
6 available direct meter access and electronic access to customer meter data
7 to third parties, including electric generation suppliers and providers of
8 conservation and load management services.”⁶

9
10 In the Opinion and Order approving the FirstEnergy Pennsylvania Com-
11 panies’ smart meter plan, the Pennsylvania Public Utility Commission
12 directed the FirstEnergy Pennsylvania Companies to file a report “that iden-
13 tifies expenditures on all components of their Plan that have the potential to
14 benefit their sister utilities in other states when they begin deploying smart
15 meters and that describes the method through which the Companies will
16 receive credit from FirstEnergy Service Company for those expenditures.”⁷

17

⁶ 66 Pa. C.S. §2807(f).

⁷ *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of Their Smart Meter Deployment Plan*, Docket Nos. M-2013-2341990, et al. (M-2013-2341991; M-2013-2341993; M-2013-2341994) (Opinion and Order at 45) (Mar. 6, 2014).

1 8. Q. Does Staff believe that the FirstEnergy Pennsylvania Companies' activities
2 in Pennsylvania are relevant to the Companies' activities in Ohio?

3 A. Yes. Staff believes there may be an opportunity to leverage smart grid
4 investments being made in Pennsylvania for greater efficiency. Further-
5 more, Staff believes that the Commission should Order the Companies to
6 prepare a report similar to the report required in Pennsylvania for Ohio.
7 Specifically, Staff envisions that such a report will identify expenditures on
8 all components of the Companies' expanded deployment plan that have the
9 potential to benefit their sister utilities in Pennsylvania and other states (if
10 applicable) and describe the method through which the Companies will
11 receive credit from FirstEnergy Service Company for those expenditures.
12

13 9. Q. Please describe the supplier web portal proposed by the Companies.

14 A. As described in the Direct Testimony of Marybeth Smialek, on behalf of
15 the Companies, the proposed supplier web portal is intended to support the
16 development of the CRES market by providing customer information to
17 CRES providers through a secure, web-based system, including: 20 Digit
18 Electronic Data Interchange (EDI) Enrollment Number; Account Number;
19 Meter Number; Customer Name; Customer Address, including Zip Code;
20 Billing Address, including Zip Code; Email Address (if available); Meter
21 Reading Cycle Dates; Meter Type; Interval Meter Indicator; Rate Code
22 Indicator; Load Profile Segment Indicator; Peak Load Contribution

1 (“PLC”) and Network Service Peak Load; (“NSPL”) Values; 12 months of
2 Consumption Data (in kWh) by Billing Period; 12 months of Demand Data
3 (in kW); 12 months of Interval Data (if applicable); SSO Customer Indi-
4 cator; Budget Billing Plan Indicator; Future PLC and NSPL Values; Smart
5 Meter Indicator; Interval Data for Interval Metered Customers; Net Meter-
6 ing Indicator; and Service Voltage.

7
8 The proposed Government Directives Rider (Rider GDR) is intended to
9 recover costs associated with establishing the proposed supplier web portal.

10
11 10. Q. Please describe the Commission’s findings related to supplier web portals,
12 as stated in the Commission’s Investigation of Ohio’s Retail Electric
13 Service Market, Case No. 12-3151-EL-COI.⁸

14 A. In the Commission’s Investigation of Ohio’s Retail Electric Service
15 Market, Case No. 12-3151-EL-COI, the Commission did not explicitly
16 address supplier web portals, or direct the Companies to establish a supplier
17 web portal, in either the Finding and Order or the Entry on Rehearing.

18
19

⁸ *In the Matter of the Commission’s Investigation of Ohio’s Retail Electric Service Market*, Case No. 12-3151-EL-COI (Finding and Order) (Mar. 26, 2014).

1 11. Q. Does Staff support the development of the proposed supplier web portal?

2 A. Staff supports the general concept of the supplier web portal but has con-
3 cerns that the Companies may be missing an opportunity to “provide inter-
4 val CEUD to CRES providers, in a manner consistent with the Commis-
5 sion’s rules, Ohio Adm. Code 4901:1-10-24,”⁹ in support of the Commis-
6 sion’s directives in Case No. 12-3151-EL-COI.

7
8 In response to a Data Request (PUCO DR-032) issued by Staff, the Com-
9 panies stated that of the interval data provided through the proposed sup-
10 plier web portal, interval data from the existing 34,711 smart meters that
11 are operational as part of the Companies’ smart grid pilot program would
12 not be made available through the proposed supplier web portal. Staff
13 assumes that this means that the only interval data the Companies would be
14 providing through the proposed supplier web portal would be data from
15 interval data recorder meters, since data from smart meters is not included.

16
17 If the Commission adopts the recommendation of Staff Witness Timothy
18 W. Benedict, Staff believes the Companies should amend the proposed sup-
19 plier web portal to include the functionality to provide access to AMI inter-
20 val data, including AMI interval data from future smart meter deployments,

⁹ *In the Matter of the Commission’s Investigation of Ohio’s Retail Electric Service Market*, Case No. 12-3151-EL-COI (Entry on Rehearing at 19) (May 21, 2014).

1 while leveraging any applicable investments being made in other states.

2 The Companies modified proposal should be included in the business case
3 for their expanded smart grid program(s).

4
5 Staff Witness Doris McCarter is addressing the proposed establishment of
6 Rider GDR, which seeks to recover costs associated with the proposed sup-
7 plier web portal, and is recommending that the Commission deny the crea-
8 tion of Rider GDR.

9
10 If the Commission does not adopt the recommendation of Staff Witness
11 Timothy W. Benedict but chooses to adopt the recommendation of Staff
12 Witness Doris McCarter, Staff does not contest the Company's proposed
13 supplier web portal, as is, but believes the costs should be recovered
14 through the existing Rider AMI (Advanced Metering Infrastructure / Mod-
15 ern Grid Rider). In this instance, the recovery of costs associated with the
16 development of the proposed supplier web portal should not exceed the
17 Companies' estimated costs of \$210,000 provided in response to Staff's
18 Data Request (PUCO DR-011).

19
20 12. Q. Please describe Staff's position regarding partial service tariffs/riders.

21 A. Staff believes that the existing partial service tariffs/riders are outdated, as
22 they contain generation-related charges that were not developed based on

1 the results of the Competitive Bidding Process (“CBP”) and appear to
2 reflect the cost of providing generation services when the Companies still
3 owned generation assets (PUCO DR-017), *i.e.* generation charges for
4 capacity reservation, energy charges for back-up power or maintenance
5 power, energy charge for emergency power service, and daily backup
6 power for generation and ancillary services.

7
8 Since the Companies are currently using “competitive procurements for
9 100 percent of the energy and capacity for SSO service... and propose to
10 acquire generation to serve their SSO load for the ESP IV period through a
11 CBP”¹⁰, Staff recommends the Companies file amended partial service tar-
12 iffs/riders, which use the results of the CBP to set generation charges for
13 partial service customers within 60 days of a Commission issued Opinion
14 and Order in this case.

15
16 13. Q. Does this conclude your testimony?

17 A. Yes, it does. However, I reserve the right to submit supplemental testi-
18 mony as described herein, as new information becomes available or in
19 response to positions taken by other parties.

¹⁰ *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan*, Case No. 14-1297-EL-SSO (Application at 6) (Aug. 4, 2014).

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Prefiled Testimony of Krystina M. Schaefer**, submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, hand-delivered, and/or delivered via electronic mail, upon the following parties of record, this 18th day of September 2015.

/s/ Steven L. Beeler

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Summary: Testimony Prefiled Testimony of Krystina M. Schaefer submitted by Assistant Attorney General Steven Beeler on behalf of the Staff of the Public Utilities Commission of Ohio. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio