

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of the :
Dayton Power and Light Company for an : Case No. 15-1830-EL-AIR
Increase in its Electric Distribution Rates. :

In the Matter of the Application of the :
Dayton Power and Light Company for : Case No. 15-1831-EL-AAM
Accounting Authority. :

In the Matter of the Application of the :
Dayton Power and Light Company for : Case No. 15-1832-EL-ATA
Approval of Revised Tariffs. :

**PREFILED TESTIMONY
OF
Krystina Schaefer
Grid Modernization and Security Division
Rates and Analysis Department
Public Utilities Commission of Ohio**

Staff Exhibit _____

Date: July 16, 2018

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

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

4
5 2. Q. By whom are you employed and in what capacity?

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

9
10 3. Q. Would you briefly state your educational and work experience?

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

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

1 Department. Most recently, in February of 2017, I was promoted to my
2 current position.

3
4 4. Q. Have you testified previously before the Commission?

5 A. Yes, I have provided testimony in the following cases:

- 6 • Testimony in Response to Objections to The Staff Report on Behalf
7 of the Public Utilities Commission of Ohio, Case Nos. 17-32-EL-
8 AIR, 17-33-EL-AIR, 17-34-EL-AAM, et al., Public Utilities
9 Commission of Ohio (7/2/2018)
- 10 • Testimony in Support of The Stipulation on Behalf of the Public
11 Utilities Commission of Ohio, Case Nos. 17-32-EL-AIR, et al., 17-
12 872-EL-RDR, et al., 17-1263-EL-SSO, et al., and 16-1602-EL-ESS,
13 Public Utilities Commission of Ohio (6/25/2018)
- 14 • Testimony in Support of The Stipulation on Behalf of the Public
15 Utilities Commission of Ohio, Case Nos. 16-1852-EL-SSO and 16-
16 1853-EL-AAM, Public Utilities Commission of Ohio (9/13/2017)
- 17 • Testimony on Behalf of the Public Utilities Commission of Ohio,
18 Case No. 14-1297-EL-SSO, Public Utilities Commission of Ohio
19 (9/18/2015)
- 20 • Testimony on Behalf of the Public Utilities Commission of Ohio,
21 Case No. 13-2385-EL-SSO, Public Utilities Commission of Ohio
22 (5/20/2014)

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

2 A. The purpose of my testimony is to address the 4th and 9th objections made
3 by the Retail Energy Supply Association (“RESA”), regarding the proposed
4 modifications to the Energy Efficiency Rider (D38) and the Management &
5 Operations Review within the Staff Report.

6
7 6. Q. Please describe the objection made by RESA, regarding the Management &
8 Operations Review within the Staff Report.

9 A. In the Staff Letter filed in the current case, the Staff of the PUCO (Staff)
10 selected the following functional area as part of the scope for the
11 Management & Operations Review:

12 *Dayton Power and Light shall provide the Standard Filing*
13 *Requirements (SFR) information relating to corporate plans*
14 *and planning for major systems, (development, integration,*
15 *and retirement) pursuant to Ohio Adm.Code 4901-7, Chapter*
16 *II, Appendix A, (B)(9)(f), as well as provide information*
17 *related specifically to the planning assessment of the ability*
18 *of existing billing system(s) and/or customer information*
19 *system(s) to accommodate meter information from AMI/smart*
20 *meter deployment and customer energy usage data to*

1 *competitive electric supply providers, pursuant to Ohio Adm.*
2 *Code 4901-7, Chapter II, Appendix A, (B)(9)(f) (ii) and (iii).*¹

3 Later, within the Staff Report, Staff noted that it was premature to conduct
4 this review because the Dayton Power & Light Company (DP&L or the
5 Company) had not yet filed an application to deploy Advanced Metering
6 Infrastructure (AMI), including smart meters. Staff further noted that this
7 functionality would be reviewed within the context of an infrastructure
8 modernization plan filing for the provision of these technologies, once an
9 application is filed by the Company.²

10 RESA objected to this section of the Staff Report because Staff did not
11 review the Company’s ability to provide customer energy usage data to
12 competitive retail electric service (CRES) providers.³

13
14 7. Q. Does Staff agree with the objection made by RESA, regarding the
15 Management & Operations Review within the Staff Report?

16 A. No, Staff does not agree with the objection. Staff notes that since the
17 application in the current case was filed, the Company filed an application
18 for a Standard Service Offer in Case No. 16-0395-EL-SSO (DP&L SSO
19 case), which has since been ruled on by the Commission. Within the scope

¹ *In the Matter of the Application of The Dayton Power and Light Company for a Distribution Rate Increase*, Case No. 15-1830-EL-AIR, Staff Letter (Nov. 9, 2015) (*DP&L Rate Case*).

² *DP&L Rate Case*, Staff Report at 52 (March 12, 2018).

³ *DP&L Rate Case*, Objections to the Staff Report and Summary of Major Issues of Retail Energy Supply Association at 3 (April 11, 2018).

1 of the DP&L SSO case, the Commission directed the Company to file an
2 infrastructure modernization plan within three months after the
3 Commission's grid modernization proceeding, entitled PowerForward, or
4 by August 1, 2018, whichever is earlier.⁴ The infrastructure modernization
5 plan is required to include specific technology components, including but
6 not limited to: "advanced metering infrastructure (AMI), including smart
7 meters; meter data management systems capable of providing bill quality
8 data, i.e., data that has gone through the validation, estimation, and editing
9 "VEE" process, to CRES providers and authorized third parties; system-
10 wide distribution automation; and volt-VAR optimization."⁵

11 Staff believes that it is more appropriate to review the Company's ability to
12 provide customer energy usage data to CRES providers once the
13 infrastructure modernization plan has been filed, since the plan will detail
14 the proposed method for providing third parties, including CRES providers,
15 access to customer energy usage data.

- 16
17 8. Q. Please describe the objection made by RESA, regarding the proposed
18 modifications to the Energy Efficiency Rider (D38).

⁴ *In the Matter of the Application of The Dayton Power and Light Company to Establish a Standard Service Offer in the Form of an Electric Security Plan*, Case No. 16-395-EL-SSO, et al., Opinion and Order at 33 (Oct. 20, 2017) (DP&L SSO Case).

⁵ DP&L SSO Case, Amended Stipulation and Recommendation at 7 (March 14, 2017).

1 A. Within the Staff Report, Staff recommended the approval of the Company’s
2 proposed addition of tariff language incorporating Light Emitting Diode
3 (LED) lighting service for Private Outdoor Lighting customers.⁶ RESA
4 objected to Staff’s recommendations because it believes the tariff changes
5 provide an inappropriate subsidy to these LED customers.⁷ RESA further
6 alluded to issues with the Company offering Private Outdoor Street
7 Lighting but the basis for the objection was vague, so Staff is unable to
8 respond further to the objection at this time.

9
10 9. Q. Please provide some context, regarding the proposed modifications to the
11 Electric Distribution Service Energy Efficiency Rider.

12 A. Company witness Kathryn N. Storm described the Company’s proposed
13 changes to the Private Outdoor Lighting Tariff (D23).⁸ As proposed, only
14 LED lighting options would be offered to new customers taking service
15 under the tariff. Existing lighting technologies would be grandfathered
16 under the tariff, i.e., existing customers would not be required to replace
17 their fixture with a LED fixture, but new customers or customers with an
18 existing fixture that fails would be required to install a LED lighting
19 fixture.

⁶*DP&L Rate Case*, Staff Report at 27 (March 12, 2018).

⁷*DP&L Rate Case*, Objections to the Staff Report and Summary of Major Issues of Retail Energy Supply Association at 2 (April 11, 2018).

⁸*DP&L Rate Case*, Application of the Dayton Power and Light Company to Increase Its Rates for Electric Distribution, Book III – Testimony Volume 4 of 4, Direct Testimony of Kathryn N. Storm at 11 (Nov. 30, 2015).

1 The Company also proposed modifications to several other riders in order
2 to reflect applicable distribution service charges for the new category of
3 LED lighting under Private Outdoor Lighting.⁹ Within all applicable riders,
4 charges were established for Private Outdoor Lighting LED customers
5 except for the Energy Efficiency Rider (D38). In the Energy Efficiency
6 Rider (D38), the Company proposes to maintain existing charges for all
7 other categories of Private Outdoor Lighting (High Pressure Sodium,
8 Mercury, Incandescent, Fluorescent, and PT Mercury), but the Company
9 did not propose new charges for LED customers. Specifically, the
10 proposed charges (per lamp/month) are \$0.4236648 for 9,500 Lumens High
11 Pressure Sodium, \$1.0428672 for 28,000 Lumens High Pressure Sodium,
12 \$0.8147400 for 7,000 Lumens Mercury, \$1.6729328 for 21,000 Lumens
13 Mercury, \$0.6952448 for 2,500 Lumens Incandescent, \$0.7169712 for
14 7,000 Lumens Fluorescent, and \$0.4671176 for 4,000 Lumens PT Mercury.
15 However, the proposed charges (per lamp/month) are \$0.0000000 for 3,600
16 Lumens LED and \$0.0000000 for 8,400 Lumens LED.¹⁰

17
18 10. Q. Does Staff agree with the objection RESA made regarding the proposed
19 modifications to the Electric Distribution Service Energy Efficiency Rider?

⁹ These include: Uncollectible Rider (D27), Reconciliation Rider Nonbypassable (D29), Excise Tax Surcharge Rider (D33), Energy Efficiency Rider (D38), and Economic Development Rider (D39).

¹⁰ *DP&L Rate Case*, Application, Book II – Schedules, Volume 2 of 4, P.U.C.O. No. 18 Electric Distribution Service Private Outdoor Lighting at 79 (Nov. 30, 2015).

1 A. No. It is unclear why Private Outdoor Lighting customers with LED
2 fixtures would be exempt from paying the Energy Efficiency Rider (D38)
3 while customers with existing lighting fixtures would be required to pay,
4 since it is not explicitly referenced in any of the Company’s testimony in
5 this rate case. However, since that time the Company has updated its
6 Energy Efficiency Rider (D38) within its most recent portfolio plan case, so
7 the issue is no longer relevant.¹¹

8
9 11. Q. Does this conclude your testimony?

10 A. Yes. However, I reserve the right to submit supplemental testimony, as
11 new information subsequently becomes available or in response to
12 positions taken by other parties.

¹¹ Case No. 16-0649-EL-POR, et al., P.U.C.O. No. 17 Electric Distribution Service Energy Efficiency Rider at Sheet No. D38 (Nov. 30, 2017).

PROOF OF SERVICE

I hereby certify that a true copy of the foregoing Testimony of Krystina Schaefer submitted on behalf of the Staff of the Public Utilities Commission of Ohio via electronic mail upon the following parties of record, this 16th day of July, 2018.

/s/Thomas W. McNamee

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Case No(s). 15-1830-EL-AIR, 15-1831-EL-AAM, 15-1832-EL-ATA

Summary: Testimony of Krystina Schaefer electronically filed by Ms. Tonnetta Scott on behalf of PUC