

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION,

Docket No. R-2014-2428745

METROPOLITAN EDISON COMPANY

**CITIZENS FOR PENNSYLVANIA'S FUTURE
AND ENVIRONMENTAL DEFENSE FUND**

SURREBUTTAL TESTIMONY OF DICK MUNSON

DATE: January 6, 2015

1 I INTRODUCTION

2
3 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

4 A. My name is Dick Munson. My business address is 18 S. Michigan Avenue, 12th Floor,
5 Chicago, IL 60603.

6 Q. ARE YOU THE SAME DICK MUNSON WHO PREVIOUSLY FILED
7 TESTIMONY IN THIS PROCEEDING?

8 A. Yes.

9 Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS
10 PROCEEDING?

11 A. The purpose of my surrebuttal testimony is to respond to rebuttal testimony by George L.
12 Fitzpatrick. My testimony first discusses access to energy usage data for customers and
13 their authorized third parties. Second, I discuss the use of environmental and performance
14 metrics that can measure utility performance.

15 II. ACCESS TO ENERGY USAGE DATA

16 Q. ARE YOU AWARE OF ANY MEETINGS ORGANIZED BY THE COMPANY
17 AND THE COMMISSION TO DISCUSS DATA ACCESS?

18 A. Yes. Mr. Fitzpatrick did a good job of outlining the various Commission proceedings
19 and Company meetings that discussed several smart meter related issues, including data
20 access. Unfortunately, that lengthy chronology provides little information on the
21 Company's actual plans to provide timely data to its customers.

22 Q. IS THE COMPANY'S PROPOSED INFORMATION SUFFICIENT TO ENABLE
23 A CUSTOMER TO CONTROL HER ENERGY USAGE?

1 A. No. Although Mr. Fitzpatrick claims the deployment of smart meters will resolve any
2 concerns associated with consumers having access to their energy data, the Company
3 intends to provide such information with a day's delay, making it impossible for any
4 customer to respond to their usage and rates in ways that save them money. In contrast,
5 my initial testimony recommends that customers obtain access to their retail electric
6 consumption data in as short an interval as possible, with 15-minute intervals
7 recommended, but never in intervals greater than one hour. In support of my
8 recommendation, I cited a study establishing that customers save significantly on their
9 energy usage when provided access to real-time information. Mr. Fitzpatrick provided no
10 studies or data to establish whether customers receive any benefits from the day-old
11 information he recommends.

12 **Q. IS THE COMPANY'S DEPLOYMENT PLAN PRUDENT?**

13 A. No. Mr. Fitzpatrick seems to suggest the benefits of smart meters should flow solely to
14 the Company, presumably, in part, from reduced meter-reading costs. Yet as a regulated
15 monopoly, the Company has an obligation to deploy smart meters in the most cost-
16 effective manner possible. The Company has an obligation to provide that information to
17 customers in a timely manner, to enable customers to adjust consumption and save
18 money, and obtain the full benefits of the smart meters which the customers are paying
19 for in their rates.

20 **Q. DID MR. FITZPATRICK EXPLAIN WHY ACCESS TO DATA IS IMPORTANT**
21 **TO CONSUMERS?**

22 A. No. Mr. Fitzpatrick, as noted before, focused on how smart meters will enhance the
23 Company's profits. He failed to acknowledge that smart meters also can provide

1 substantial benefits to consumers and the environment. Providing timely access to data,
2 for instance, leads to changes in customer behavior that provide quantifiable cost savings.
3 In my previous testimony, I attached a 2012 study by the American Council for an
4 Energy Efficiency Economy entitled “Results from Real-Time Feedback Studies.” That
5 report reviews a number of other studies where customers received rapid feedback about
6 their energy usage in the form of in-home displays, web portals, and prepaid metering
7 programs. The study found that when customers are provided such rapid access to their
8 energy-usage data, they reduce their energy consumption up to 12 percent, resulting in
9 cost savings and reduced pollution.

10 **Q. WOULD THE “OPEN DATA ACCESS FRAMEWORK” ADVANCE THOSE**
11 **BENEFITS?**

12 **A.** Yes. Adoption of the Open Data Access Framework would enable customers to receive
13 more value from smart meter deployment. The Framework recommends several
14 objectives that utilities should follow in order to make customer electricity usage data
15 available in a timely fashion to customers and their third-party contractors. The
16 Framework also builds on the Commission’s and Company’s proceedings to ensure
17 consumers are fully empowered to obtain their usage data in ways that save them money
18 on their electricity bills and to receive the full benefit from the Company’s investments in
19 smart meter deployments.

20 **Q. DO YOU AGREE WITH MR. FITZPATRICK’S ARGUMENT THAT THE**
21 **COMPANY SHOULD NOT SUBSCRIBE TO GREEN BUTTON?**

22 **A.** No. First of all, Green Button is a national standard that is adopted, not subscribed to.
23 Although Mr. Fitzpatrick suggests the Company will supply identical information, the

1 Company intends to wait a full day before making that data available to customers. Real
2 time is not a day delayed. Rather than adopt its own unique protocol that does not benefit
3 consumers, the Company should adopt the best practice, which is the national standard
4 embraced by other utilities, the U.S. Department of Energy, and a broad collection of
5 stakeholders.

6 **Q. WHAT DO YOU PROPOSE THE COMMISSION DO IN THIS RATE CASE**
7 **WITH THE OPEN ACCESS DATA FRAMEWORK?**

8 **A.** Although Mr. Fitzpatrick would like to limit rate cases to the Company's revenue-
9 enhancement requests, the Commission has recognized the importance of data access
10 issues. I propose the Commission expand on its past work in this area and launch a
11 stakeholder process, with clear deadlines, to review, amend, and adopt a document that
12 addresses the issues within the proposed Open Data Access Framework.

13 **Q. DO YOU AGREE WITH MR. FITZPATRICK'S ASSERTION THAT A DATA**
14 **ACCESS FRAMEWORK SHOULD BE ADOPTED BY ALL EDCs?**

15 **A.** Yes, and FirstEnergy is the best utility to start. Metropolitan Edison, Pennsylvania
16 Electric, Pennsylvania Power, and West Penn Power Company can demonstrate
17 leadership within the Commonwealth by ensuring their smart grid investments – which
18 are paid for by consumers – provide quantifiable benefits to those consumers.

19 **III. ENVIRONMENTAL AND PERFORMANCE METRICS**

20 **Q. ARE YOU AWARE OF THE COMPANY REPORTING ON PERFORMANCE**
21 **METRICS?**

22 **A.** Yes. In its response to Interrogatory #52, the Company notes that its Executive
23 Leadership Team monitors performance metrics associated with safety, reliability, and

1 financial performance. The Company admits the importance of metrics by stating, “If
2 performance is not being met, the Company will develop and act upon plans to close
3 performance gaps.”

4 **Q. ARE SUCH METRICS SUFFICIENT FOR THE COMMISSION AND**
5 **STAKEHOLDERS TO JUDGE THE VALUE OF THE COMPANY’S SMART**
6 **METER INVESTMENTS?**

7 A. No. As he did with data access, Mr. Fitzpatrick views the value of metrics solely from
8 the Company’s perspective, providing its leadership with feedback in order to enhance its
9 bottom line. Yet smart-meter investments also offer consumer and environmental
10 benefits, and the Commission and stakeholders (as well as the Company) would gain by
11 being able to evaluate progress toward those benefits through the establishment and
12 monitoring of relevant performance metrics. Only if you believe the Company has no
13 regulatory obligation to advance consumer and environmental benefits would you agree
14 with Mr. Fitzpatrick’s assertions that such reporting is “of little value” and “simply a
15 waste of time.”

16 **Q. DO YOU HAVE ANY RECOMMENDATION FOR ADDITIONAL**
17 **PERFORMANCE METRICS?**

18 A. Yes. In my previous testimony, I outlined a series of some 20 metrics, which are similar
19 to what utilities in other states are reporting on in order to evaluate their smart meter and
20 smart grid deployments. Mr. Fitzpatrick notes the Company already provides
21 information to the Commission on several of the suggested metrics in its Annual Net
22 Metering/Interconnection report, Annual Progress Report, and Annual Resource Planning
23 Report. My suggestion is the Commission direct the Company to integrate those metric

1 reports – and add suggested others that measure consumer and environmental benefits –
2 into an annual smart-grid performance evaluation.

3 **Q. ARE YOU AWARE OF THE COMPANY REPORTS ON SMART-GRID**
4 **PERFORMANCE METRICS TO THE DEPARTMENT OF ENERGY?**

5 A. Yes. Since FirstEnergy received a \$57.4-million smart-grid grant from the Department of
6 Energy, it is required to report on a variety of performance metrics, including greenhouse
7 gas emission reductions. As a result, the Company already has the IT and management
8 processes in place to report on such metrics. Mr. Fitzpatrick may not appreciate how
9 metrics accomplish the goal of evaluating the management of smart-grid investments and
10 operations, but the Company already is providing that information to the federal
11 government, and numerous utilities in other states already are submitting similar reports
12 to the DOE and their state regulators.

13 **Q. WHY SHOULD METRICS BE INCLUDED WITHIN THIS DOCKET?**

14 A. Mr. Fitzpatrick, as mentioned before, would like this rate case to be limited in scope. Yet
15 since the Commission acknowledges the importance of being able to evaluate the
16 Company's performance, metrics are relevant to this docket.

17 **Q. ARE THERE ENVIRONMENTAL BENEFITS FROM EVALUATING**
18 **PERFORMANCE METRICS?**

19 A. Yes. Smart meters can enable the Company to reduce meter-reading vehicle trips,
20 advance load shifting, and reduce system peak in ways that substantially reduce
21 greenhouse-gas emissions. As noted in my previous testimony, moreover, such reporting
22 can help the Company, the Commission, and the State track carbon emission reductions

1 arising from the transmission and distribution investment plan that could be used for
2 compliance with the U.S. Environmental Protection Agency's Clean Power Plan.

3 **Q. DOES THIS CONCLUDE YOUR SUBUTTAL TESTIMONY?**

4 **A.** Yes.

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