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April 20, 2022

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2nd Floor Harrisburg, PA 17120 VIA ELECTRONIC FILING

RE: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company, for Approval of Their Default Service Programs; Docket Nos. P-2021-3030012; P-2021-3030013; P-2021-3030014; and P-2021-3030021

Dear Secretary Chiavetta:

Attached please find for filing with the Pennsylvania Public Utility Commission the electronic versions of the Met-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), and the West Penn Power Industrial Intervenors ("WPPII") Pre-Served Testimony in the above-referenced proceeding (as such Testimony has been accepted into the evidentiary record). The Testimony is as follows:

- Verification of Alex Fried
- Industrials Statement No. 1: Direct Testimony of Alex Fried
- Industrials Statement No. 1-S: Surrebuttal Testimony of Alex Fried

As shown by the attached Certificate of Service, all parties to these proceedings are being duly served with a copy of this filing. If you have any questions regarding the documents, please feel free to contact the undersigned. Thank you.

Sincerely,

Charis Mincavage

MCNEES WALLACE & NURICK LLC

Chair Mercange

Counsel to the Met-Ed Industrial Users Group, the Penelec Industrial Customer Alliance, and the West Penn Power Industrial Intervenors

Enclosures

c: Administrative Law Judge Jeffrey A. Watson (via E-Mail)

Nick Miskanic, Legal Assistant (via E-Mail)

Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the participants, listed below, in accordance with the requirements of Section 1.54 (relating to service by a participant).

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Dated this 20th day of April, 2022, in Harrisburg, Pennsylvania

Joint Petition of Metropolitan Edison :

Company, Pennsylvania Electric Company, Docket Nos. P-2021-3030012
Pennsylvania Power Company, and West : P-2021-3030013
Penn Power Company for Approval of : P-2021-3030014
Their Default Service Programs : P-2021-3030021

DIRECT TESTIMONY

OF

ALEX FRIED

OF

THE PROCTER & GAMBLE PAPER PRODUCTS CO.

ON BEHALF OF

THE MET-ED INDUSTRIAL USERS GROUP,
THE PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND
THE WEST PENN POWER INDUSTRIAL INTERVENORS

FEBRUARY 25, 2022

Joint Petition of Metropolitan Edison

Company, Pennsylvania Electric Company,
Pennsylvania Power Company, and West
Penn Power Company for Approval of
Their Default Service Programs

Docket Nos. P-2021-3030012
P-2021-3030013
P-2021-3030014
P-2021-3030021

DIRECT TESTIMONY OF ALEX FRIED OF THE PROCTER & GAMBLE PAPER PRODUCTS CO. ON BEHALF OF THE MET-ED INDUSTRIAL USERS GROUP, THE PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND THE WEST PENN POWER INDUSTRIAL INTERVENORS

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

- 2 A. My name is Alex Fried. My business address is P.O. Box 32, Mehoopany, Pennsylvania,
- 3 18629.
- 4 Q. By whom are you employed?
- 5 A. I am employed by The Procter & Gamble Paper Products Co. ("P&G").
- 6 Q. How long have you worked at P&G?
- 7 A. I have worked at P&G for 35 years.
- 8 Q. What is your current position with P&G?
- 9 A. I am Purchasing Senior Manager for the Mehoopany site, along with eight other P&G
- 10 locations in North America.
- 11 Q. What are your duties in your current position?
- 12 A. As a Purchasing Senior Manager, I am responsible for our facility's purchase of
- electricity and natural gas, including Electric Generation Supplier ("EGS") selection and
- tariff management.

- 1 Q. What was your educational and employment background prior to joining P&G?
- 2 A. I received a B.S. in Chemical Engineering from The Pennsylvania State University in
- 3 1987. I received an M.S. in Managerial Science from Marywood University in 1992. I
- began my career with P&G immediately after college graduation.
- 5 Q. Have you ever provided testimony before the Pennsylvania Public Utility
- 6 Commission ("PUC" or "Commission") or any other regulatory body?
- 7 A. Yes. I testified on behalf of the Industrial Customer Groups in three prior default service
- 8 plan ("DSP") proceedings involving Metropolitan Edison Company ("Met-Ed"),
- 9 Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn
- Power"), and West Penn Power Company ("West Penn") (collectively, the "Companies"
- or "Electric Distribution Companies ("EDCs")). I also provided testimony on behalf of
- the Industrial Customer Groups in the Companies' 2016 base rate proceeding.
- 13 Q. Does P&G have any plants in the Companies' service territories?
- 14 A. Yes. P&G has a plant in Mehoopany, Pennsylvania, which is in Pennsylvania Electric
- 15 Company's ("Penelec") service territory. The Mehoopany plant began operation in 1966,
- and has grown to be P&G's largest world-wide plant when measured by employment,
- energy use, and value of installed assets. The Mehoopany plant currently has over 90
- acres of facility, and its products are purchased by over one million consumers daily.
- 19 Q. Does P&G have any other facilities?
- 20 A. Yes. P&G has operations in over 80 countries worldwide. More specifically, P&G has
- 21 five additional plants across the United States that manufacture the same products that
- our facility does.

- 1 Q. What type of production occurs at the Mehoopany plant?
- 2 A. P&G is a manufacturer of various paper products, including Charmin bath tissue; Bounty
- 3 towels and napkins; and Luvs and Pampers disposable diapers.
- 4 Q. How large is the Mehoopany plant?
- 5 A. P&G's Mehoopany plant is situated on 1,100 acres and employs 2,000 people, as well as
- 6 2,000 associated contractors.
- 7 Q. What types of service does the Mehoopany plant receive from Penelec?
- 8 A. P&G currently receives distribution service from Penelec under Rate LP, as well as
- 9 Backup and Maintenance service via Penelec's Rider L Partial Services Rider.
- 10 Q. Are you familiar with the recent DSP filing by the Companies?
- 11 A. Yes. Through discussions with my counsel, I am generally familiar with certain aspects
- of the filing related to Large Commercial and Industrial ("C&I") customers.
- 13 Q. What is the purpose of your Direct Testimony?
- 14 A. My Direct Testimony will respond to the Companies' proposal to implement a process by
- which third party entities would have the ability to access individual and aggregate
- customer electric usage data from the EDCs. P&G is a member of the Penelec Industrial
- 17 Customer Alliance ("PICA"), which filed a Joint Petition to Intervene with the Met-Ed
- Industrial Users Group ("MEIUG") and the West Penn Power Industrial Intervenors
- 19 ("WPPII") (collectively, the "Industrial Customer Groups"). The Industrial Customer
- Groups are comprised of large commercial and industrial customers ("Large C&I"), many
- of whom, including P&G, consider their electric usage data to be extremely sensitive. As
- discussed in below, I have concerns that the Companies' proposal does not recognize the
- 23 sensitive nature of Large C&I usage data and does not provide sufficient safeguards to
- 24 protect this data.

- Q. Why do Large C&I customers like P&G consider customer usage data to be highly sensitive in nature?
- 3 A. P&G manufactures products for sale into the wholesale and retail markets. In doing so, 4 P&G must compete against other, similarly situated manufacturers. Often the margins 5 for such products are slim, and manufacturers must be competitive in all areas, including 6 energy procurement and capital asset utilization, which can be directly correlated to 7 current versus previous historical energy usage, in order to be successful. If a competitor was able to review P&G's electric usage data, the competitor would have additional 8 9 insight into P&G's manufacturing process which the competitor may then be able to use 10 in an effort to tighten the margin between the cost of the competitor's products and P&G's 11 products.

12 Q. What does P&G currently do to protect its usage data?

- 13 A. P&G, through its participation in various industry groups, has always sought protection 14 of Large C&I data as confidential. In addition, before P&G releases any energy data to 15 interested third parties (such as EGSs or natural gas wholesale suppliers), P&G requires 16 execution of a Confidentiality Disclosure Agreement ("CDA") to keep its energy usage 17 confidential. Without a CDA in place, the potential supplier cannot participate in any 18 Requests for Quotations to serve P&G, and P&G will not release any data.
- Q. What is your understanding of the Companies' proposal to allow third party entitiesaccess to customer data?
- A. Based upon my discussions with counsel, the Companies are planning to allow a thirdparty entity to access customer usage data if the entity, among other things, provides the EDC with an attestation indicating that the customer has consented to the release of this data. My understanding is that the third-party entity is expected to maintain this

- customer consent on file but is not required to present this authorization to the EDC in order to receive access to the data.
- 3 Q. What are your concerns regarding this proposal?
- 4 A. My biggest concern is that the Companies seem to be allowing any third-party entity to
- 5 request customer usage data with nothing more than an attestation from this entity that it
- 6 has received customer consent.
- 7 Q. The Companies have indicated that this proposal is very similar to the process used
- 8 for EGSs to access customer usage data. Would you agree?
- 9 A. No. In order to obtain an EGS license, an entity must receive approval from the 10 Pennsylvania Public Utility Commission ("PUC"), and the approval process requires that the EGS meet certain technical and financial fitness requirements. Once that license is 11 12 granted, the EGS must adhere to certain PUC regulations or the EGS's license may be 13 revoked. While I understand from counsel that the Companies permit EGSs to use 14 attestations to obtain access to customer usage data, the EGSs have already been vetted 15 by the PUC. Moreover, if an EGS were to provide an attestation without actually having 16 a signed customer authorization, the EGS would possibly lose its license. Conversely, 17 the Companies' proposal would allow any third party to seek customer usage data with no 18 apparent retribution if such an entity did not actually obtain customer consent.
- Q. Do you have similar concerns regarding the Companies' proposal for the release of
 aggregate customer usage data?
- A. No. When aggregate customer data is released, an entity is not able to tie specific usage data to an individual customer. In such an instance, an entity would not be able to glean competitive information regarding P&G's manufacturing process.

- Q. Do you believe the Companies' proposal to allow third party access to customer usage data should be addressed in this proceeding?
- 3 No. I understand from counsel that the PUC recently issued a Secretarial Letter initiating A. 4 a proceeding to review potential avenues for third parties to obtain customer usage data 5 from EDCs. Because of the numerous issues this process raises, including whether any 6 and all third parties should be permitted to access such data; whether third parties should 7 be required to provide a customer authorization form rather than merely an attestation; and whether a third party who obtains customer data without the appropriate customer 8 9 authorization should face some type of reprimand, I believe this proposal would be more 10 appropriately addressed via the PUC's statewide proceeding rather than in this, more 11 limited proceeding.
 - Q. If the PUC determines that the Companies' proposal for third party access to customer usage data should be addressed in this proceeding, do you have any thoughts on how the Companies' proposal could be modified in order to more adequately protect Large C&I customer usage data?
- 16 A. Yes. I believe any third-party entity seeking access to individual customer usage data
 17 should be required to provide a signed customer authorization form rather than merely an
 18 attestation. I would also suggest that the Companies be required to include some type of
 19 penalty to be applied for any third party that provides a fraudulently obtained customer
 20 authorization. Finally, I would prefer that Large C&I customers be given the opportunity
 21 to "opt-in" to any process by which a third party would seek access to their customer
 22 usage data.
- 23 Q. Does this conclude your testimony?
- 24 A. Yes.

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Joint Petition of Metropolitan Edison :

Company, Pennsylvania Electric Company, Docket Nos. P-2021-3030012
Pennsylvania Power Company, and West : P-2021-3030013
Penn Power Company for Approval of : P-2021-3030014
Their Default Service Programs : P-2021-3030021

SURREBUTTAL TESTIMONY

OF

ALEX FRIED

OF

THE PROCTER & GAMBLE PAPER PRODUCTS CO.

ON BEHALF OF

THE MET-ED INDUSTRIAL USERS GROUP,
THE PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND
THE WEST PENN POWER INDUSTRIAL INTERVENORS

APRIL 7, 2022

Joint Petition of Metropolitan Edison

Company, Pennsylvania Electric Company,
Pennsylvania Power Company, and West
Penn Power Company for Approval of
Their Default Service Programs

Docket Nos. P-2021-3030012
P-2021-3030013
P-2021-3030014
P-2021-3030021

SURREBUTTAL TESTIMONY OF ALEX FRIED OF THE PROCTER & GAMBLE PAPER PRODUCTS CO. ON BEHALF OF THE MET-ED INDUSTRIAL USERS GROUP, THE PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND THE WEST PENN POWER INDUSTRIAL INTERVENORS

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| 1 / | ,. | i icase state your manie and business address. | |

- 2 A. My name is Alex Fried. My business address is P.O. Box 32, Mehoopany, Pennsylvania,
- 3 18629.
- 4 Q. Are you the same Alex Fried, of The Procter & Gamble Paper Products Co.
- 5 ("P&G"), who previously submitted Direct Testimony in this proceeding on behalf
- of the Met-Ed Industrial Users Group ("MEIUG"), The Penelec Industrial
- 7 Customer Alliance ("PICA") and the West Penn Power Industrial Intervenors
- 8 ("**WPPII**").
- 9 A. Yes.
- 10 Q. What is the purpose of your Surrebuttal Testimony?
- 11 A. The purpose of my testimony is to respond to certain parties' Rebuttal Testimony
- regarding: (1) third party access to customer data; and (2) the collection of Network
- Integration Transmission Service ("NITS") costs. Specifically, I will respond to the
- 14 Rebuttal Testimony of Metropolitan Edison Company, Pennsylvania Electric Company,
- West Penn Power Company, and Pennsylvania Power Company (collectively, "FE

| | | r age 2 |
|----|----|---|
| 1 | | Companies"); and Enerwise Global Technologies, LLC d/b/a CPower Energy |
| 2 | | Management ("CPower"). |
| 3 | Q. | CPower claims that the FE Companies' proposed third party data access tariff does |
| 4 | | not give rise to your concerns regarding confidentiality. Would you agree? |
| 5 | A. | No. CPower seems to suggest that the benefits of streamlining the process for providing |
| 6 | | third parties access to customer data outweighs the detriments that could occur if a |
| 7 | | customer's highly sensitive usage data is released without the customer's consent. |
| 8 | | Moreover, CPower seems to shift the burden to customers by suggesting that any |
| 9 | | customer who suffers a data breach could consider civil or criminal action. |
| 10 | | Unfortunately, such actions would not "put the genie back into the bottle" in terms of a |
| 11 | | customer having their sensitive data released. |
| 12 | Q. | CPower also disagrees with removing this issue to the Pennsylvania Public Utility |
| 13 | | Commission's ("PUC" or "Commission") generic proceeding. Do you agree? |
| 14 | A. | No. As CPower correctly states, PUC proceedings are an important venue to discuss a |
| 15 | | broad range of issues. Because of the many concerns raised in this proceeding regarding |
| 16 | | third party access to customer data, the PUC proceeding seems to be the better process by |
| 17 | | which to review and consider all of these issues. |
| 18 | Q. | The FE Companies also address your concerns regarding confidentiality of |
| 19 | | customer data by noting that, to obtain a customer's data, a third party would first |
| 20 | | need to acquire the twenty digit customer number that is unique to the customer |
| 21 | | and can only be provided by the customer. Does this assuage your concerns? |

No. While the use of a customer number does take an initial step towards limiting the

pool of third parties with an ability to access customer data, it does not eliminate my

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A.

concerns altogether.

- 1 Q. Can you provide an example as to why it does not completely resolve your concerns?
- 2 A. Yes. A customer could enter into a one-year contract with a curtailment service provider
- 3 ("CSP"). As part of that contract, the customer would provide the CSP with its customer
- 4 number so the CSP could obtain the customer's data. When that contract ends, the
- 5 customer could enter into a new contract with a different CSP; however, the previous
- 6 CSP would still retain the ability to access the customer's data, as the customer's customer
- 7 number never changes.
- 8 Q. Turning to the FE Companies' Rebuttal Testimony regarding NITS collection, do
- 9 you agree with the FE Companies that NITS collection is a well settled issue?
- 10 A. Yes. I understand from counsel that Constellation Energy Generation, LLC
- 11 ("Constellation") discussed NITS collection in its Direct Testimony; however,
- 12 Constellation did not make any proposal to change the status quo in this proceeding. For
- that reason, I did not address this issue in Rebuttal Testimony. If, however, the PUC
- determines that review of this issue is appropriate in the current proceeding, I agree with
- the arguments set forth in the Rebuttal Testimony provided by The Pennsylvania State
- University ("PSU") that no change should be made to the current collection of NITS on
- 17 the FE Companies' systems.
- 18 Q. Does this conclude your testimony?
- 19 A. Yes.