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May 7, 2013

Commissioner Robert Burns
Arizona Corporation Commission (ACC)
Docket Control Center
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED
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DOCKETED BY

Re: Docket # E-01345A-13-0069

Commissioner Robert Burns;

Your May 1st "Guest Perspective" article in the *Sedona Red Rock News* was both inappropriate and inaccurate.

It seems very improper for you to parrot APS propaganda while APS's so-called and misnamed "smart meter opt-out" fee request (AKA **attempted extortion**) is pending. In addition to improper, your comments may well be illegal but, as usual, it was very hard for me to get a straight answer out of anyone I contacted at the ACC regarding the rules of procedure. Indeed, one ACC staffer rudely blurted that she did not work for me – interesting news since I am both a ratepayer and a taxpayer.

Although you included a disclaimer in your remarks to the effect that you "have not reached any final conclusions", you also chose to present only one view – the APS view – so the implication and effect of your article was endorsement of that singular, APS view. I see your disclaimer as a lame attempt to hide behind impartiality while at the same time spreading APS's misinformation.

Amazingly, you reveal yourself to be more concerned about APS's bottom line than with people's health and privacy. In your article you mention a meeting you attended in Sedona in which people expressed health and privacy concerns regarding "smart" meters. Yet your response is that "... perhaps an important fact is getting lost in the discussion – namely, that the digital meters represent a significant cost savings to the utility, a savings, that, in turn, gets passed on to its customers."

"Significant cost savings"? Do tell us exactly how much ratepayers will save per month? Substantiate your claim. Show us some numbers based on real life, not APS propaganda. If the cost savings are "significant" as you claim, then it should be easy for

you to tell us specifically.

Since some locations in Arizona and elsewhere have had "smart" meters installed for years then it should be easy for you to point to examples of "significant cost savings" that have been passed on to customers already, and when and where that has occurred.

Wake up, Mr. Burns: There are no "cost savings". Besides, even if there were cost savings, what possible incentive does APS have to pass them on to customers? They have no competition. The APS CEO's compensation has gone from a bloated $5.66 million in 2010 to a piggish $7.9 million in 2011, and last year was a thoroughly obscene $11.5 million – this during a recession while many are struggling to pay APS rates! And while the APS CEO was making his multimillions, the ACC gave a rate increase to "poor" APS for not selling enough electricity. So don't make me laugh about any savings getting passed on to the customer. Neither the ACC nor APS has passed anything on to us except higher rates.

I have sent you reports by various state Attorneys General attesting to and actually proving what a financial scam "smart" grid implementation is. Yet you still parrot the APS line? Incredible.

How ironic that your article appeared alongside an editorial in which the *Sedona Red Rock News* insisted they only print letters from people who provide documentation of assertions which are presented as facts. Clearly neither you nor they fact-checked yours. Indeed, neither you nor the ACC have done any cost/benefit analysis of the "smart" grid even though an ACC decision called for one as far back as 2007. And yet you somehow feel qualified to lecture us about "significant cost savings"? Again, incredible.

Your article presents the myopic view that the only expense involved in the "smart" grid fiasco is meter reading. Do you read anything sent to you, anything posted to the docket? It certainly does not seem so since I have also previously sent you and the rest of the ACC a thorough debunking of every aspect of APS's preposterous fee request. I am resending it as an enclosure. Read it this time and quit scapegoating people who refuse "smart" meters as a financial burden on everyone else, and absurdly, to blame for APS meter reader traffic accidents!

The real financial burden is the one APS is placing on *all* ratepayers by ripping out and ruining about a million perfectly working analog meters and replacing them with ones that cost about 5 times more. And then there are all the rest of the "smart" grid expenses detailed in my enclosed and previously sent letter, expenses on which APS gets to make an 8 to 10% guaranteed return simply because you and the others at the ACC have been totally asleep on the job and essentially gave APS carte blanche.

In actual fact, people refusing "smart" meters are paying for the "smart" meters of others (plus installation, related equipment and infrastructure, etc.) and without getting a "smart" meter themselves. People who refuse "smart" meters should really be getting a refund!

Read the reports of the various Attorneys General which have all been sent to you by me.

- **Connecticut A.G.:** "...the costs associated with the full deployment of AMI ["smart"] meters are huge and cannot be justified by energy savings achieved.

- **Illinois A.G.:** "The utilities have shown no evidence of billions of dollars in benefits to consumers from these new meters, but they have shown they know how to profit."

- **Michigan A.G.:** "A net economic benefit to electric utility ratepayers from ... smart meter programs has yet to be established."

It is also astonishing that you completely ignore the total, utter and complete violation of private property that "smart" meters are. As I have pointed out repeatedly, APS does <u>not</u> have easement for what is essentially networking equipment. APS does <u>not</u> have easement to site microwave broadcasting antennas on people's property. Period. That APS wants to charge people who do not allow APS to take and use their property for APS's antennas and networking equipment is well beyond audacious; it is attempted extortion.

What is wrong with you? I remember when real Republicans (of which there are too few today) *revered* private property. Now it seems that "significant cost savings to the utility" – and corporate greed in general – take precedence over individual rights and property rights with you Republicans. I can't believe we are even having a discussion about payment to avoid such a property rights violation, not to mention payment to avoid having pulsed microwave 24/7/365 at one's own home.

About a third of your article was a hymn of praise to Arizona's Investor Owner Utility system. You mentioned that it is a "'regulated monopoly' structure", but where on Arizona earth has the regulatory part of the structure been all these years while APS has gone on a "smart" meter installation binge? There have been <u>no</u> hearings, <u>no</u> examination of facts or costs, <u>no</u> oversight of "smart" meters whatever by the ACC.

Arizona Revised Statutes and Arizona Administrative Code have been ignored and violated, including:

- **A.R.S. 40-361.B** – Every public service corporation shall furnish and maintain

such service, equipment and facilities as will promote the safety, health, comfort and convenience of its patrons, employees and the public, and as will be in all respects adequate, efficient and reasonable.

- **A.R.S. 40-321.A** – When the commission finds that the equipment, appliances, facilities or service of any public service corporation, or the methods of manufacture, distribution, transmission, storage or supply employed by it, are unjust, unreasonable, unsafe, improper, inadequate or insufficient, the commission shall determine what is just, reasonable, safe, proper, adequate or sufficient, and shall enforce its determination by order or regulation.

- **A.R.S. 40-202.C.1** – Protect the public against deceptive, unfair and abusive business practices, practices related to deposit requirements and reconnection fees, intrusive and abusive marketing, deceptive or untrue advertising practices and practices prohibited under subsection H of this section.

- **A.A.C. R14-2-209.A.1** – Each utility, billing entity, or Meter Reading Service Provider may at its discretion allow for customer reading of meters.

With your pathetic repetition of APS propaganda, you insult the people you supposedly represent. I find you a disgrace to the system you laud, a system which could in fact work well if – *if* – regulators such as yourself did their homework, their jobs, and some genuine regulating.

In conclusion, from the article you wrote it seems clear you are at sea on this issue, in way over your head. Others and I have done all the research on this issue yet you seem incapable of grasping any of it. You ought to be ashamed of yourself. In fact you ought to resign.

Sincerely,

Warren Woodward

Cc: Commissioners Brenda Burns, Gary Pierce, Susan Bitter Smith, Bob Stump, Governor Jan Brewer, Attorney General Tom Horne

PS – I am sending an additional copy of this letter, including enclosure, to the other "smart" meter docket # E-00000C-11-0328 as well so that in the future, when the lawsuits start, courts may have no doubt or question that you had knowledge upon which you refused to act and were therefore derelict in your duty.

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April 6, 2013

Arizona Corporation Commission (ACC)
Docket Control Center
1200 West Washington Street
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Re: Docket # E-01345A-13-0069

Commissioners;

In support of their recent request to the Arizona Corporation Commission (ACC) to be able to charge so-called "opt out fees" to people not consenting to APS's microwave radio broadcasting networking equipment (AKA "smart" meters) being left on their property, APS has put together an incredible collection of lies.

Taking what seems like every possible opportunity to deceive, APS starts out their proposal by selectively quoting – *and actually misquoting* – ACC Decision # 69736:

> "each electric distribution utility shall investigate advanced metering infrastructure for its service territory and shall begin implementing the technology...."

The exact quote minus APS editing is:

> "... each electric distribution utility shall investigate **the feasibility and cost-effectiveness of implementing** advanced metering infrastructure for its service territory and shall begin implementing the technology **if feasible and cost effective.**" I have placed what APS left out in **bold**. (Quote is on page 7, here: 0000075595)

By law, APS is able to make back their up-front costs plus 8 to 10 percent on "capital investments". So how could APS ***not*** come to the conclusion that blowing millions of dollars on a "smart" grid was "cost-effective"? Under APS' perverse "capital investment" incentive how can they lose? An 8 to 10 percent return on many millions is extremely "cost-effective" – for APS! Throw in getting rid of meter readers and it's a cinch.

But ACC Decision #69736 also said,

> "Utilities should investigate their needs and those of their customers to determine if the benefits of AMI outweigh the costs...."

APS never asked me what my needs are. APS never asked anyone I know what their needs are. Indeed, I have found no evidence that APS investigated anyone's needs but their own.

ACC Decision #69736 also required the ACC to consider:

> "conservation of energy supplied by electric utilities, optimal efficiency of electric utility facilities and resources, and equitable rates for electric consumers."

That was never done, nor was a cost/benefit analysis despite the fact that the Decision stated,

> "However, both the benefits and the costs of Advanced Metering and Communications should be considered before requiring full-scale implementation."

In ignoring their own decision, the ACC has totally shirked their responsibility to look out for and protect ratepayers. Had the ACC done a proper, independent, forensic cost/benefit analysis then this entire wasteful, toxic and discriminatory boondoggle would have come to a screeching halt.

The Connecticut Attorney General did such an analysis and found that the "smart" grid would cost each residential ratepayer roughly $411 ($444 with "stranded costs" included) in order to save about $11 over 20 years. That's a whopping 55 cents per year per customer in savings. His 18 page report is here:
http://www.w4ar.com/ATTY_GENERAL_CONN_05-10-03RE04_Brief.pdf

The Connecticut Attorney General's report is a "must" read since it is based on the results of thousands of real people using thousands of real "smart" meters. It also addresses costs associated with a power company very similar in size to APS.

In asking for extra fees, APS attempts to scapegoat people who want to keep their analog meters as financial burdens to APS and other ratepayers. The Connecticut Attorney General's analysis shows clearly that the opposite is true. Customers who do not want or cannot use "smart" meters are subsidizing the others. That is discriminatory

and punishing. He reports:

> Certain types of customers, due to no fault of their own, simply cannot shift their electricity usage to off peak times. These customers include many elderly, those with sick or young children at home, as well as those customers who work second or third shifts. Also, many businesses simply cannot change the times that they use electricity. Forcing these customers to purchase AMI meters is punitive. First, these customers cannot take advantage of the time-based rates that the AMI meters are intended to facilitate. Second, these customers will not only be forced to pay for their own meters, but they will also be required to subsidize any savings achieved by those customers that can benefit from time-of-use rates. Third, even if they could shift the times of their electric usage, many of these customers cannot afford the associated controlling technologies that are required to make the AMI meters truly effective.

To this I will add an anecdote that shows how, under APS's "smart" grid scheme, people with lower incomes are subsidizing the more well-to-do. My wife recently bought a modest, "non-luxury" duplex rental. When signing up for electrical service, APS told her that Time Of Use rates would probably not be cost effective for either her one bedroom unit or the two bedroom one. APS said that larger dwellings were needed for savings to be achieved with Time Of Use plans. In short, her tenants have no use for "smart" meters yet will be subsidizing those in larger homes who might want them.

Additionally, there is no need for "smart" or even digital meters to implement Time Of Use rate plans. Such plans were available in the past via analog meters that had time switches built in. APS flat out lied in their fee request when they said,

> "Customers with analog metering will be unable to take service under time-of-use ("TOU") rate schedules due to the relatively limited technology of these meters...."

APS lied again when they said,

> "...a customer who elects an analog meter will not be able to track, analyze, and manage energy usage to the same extent available to customers with automated metering."

There are plenty of reasonably priced devices that anyone can buy to monitor their electrical use. Some gadgets will even do it in real time, not with a delay as with the APS system. Here is one example of an energy monitor: Black & Decker EM100B Energy Saver Series Power Monitor .

The vast majority of people know when they are using electricity anyway, and they should not have to subsidize the few who feel the need to scrutinize their every watt. Electrical usage is not a mystery that needs solving by APS "smart" meters. Most adults know when the meter's running. APS is touting an "advantage" few have asked for or need. In short, APS is engaging in hype and we are being scammed.

APS lied again when they said people's health concerns about being bombarded with "smart" meter microwaves 24/7/365 were "proven unfounded" because their paid scientist, Leeka Kheifets, said so. Kheifets is well known as an "industry scientist". Her and her "methods" have been exposed as a fraud in *The Real Junk Science of EMFs* and elsewhere. http://www.microwavenews.com/junkscience.html

APS touts Kheifets' presentation at the ACC's first "smart" meter meeting in September of 2011, but that presentation has been thoroughly debunked by numerous independent studies posted at ACC Docket # E-00000C-11-0328.

APS lied again when they said that customers with analog meters would not be able to participate in "pre-pay billing". Long before "smart" meters and long before auto-pay billing arrangements with banks, if going out of town for long periods I would "pre-pay" my electricity and other regular bills with a check hefty enough to cover the expenses incurred while away. This claim by APS is shear nonsense.

APS lied again (notice a pattern yet?) when they said customers with solar would not be able to have an analog meter because,

> "...an analog meter is not able to record the bi-directional electricity flow necessary to support certain distributed generation programs."

More complete nonsense! Metering solar with analog electrical meters was (and is still) done in one of two ways: 1) with a bi-directional analog meter that can spin in either direction depending on whether the system is using or producing power, and 2) metering is done with two analogs in tandem – one meter records power in and one records power generated and returned to the grid. There are probably thousands of systems like this since grid-tie solar systems have been around much longer than "smart" meters.

APS is so completely over the top with greed in their current fee request that they are delusional. APS has the audacity to say,

> "Customers who create increased costs due to participation in an automated meter opt-out program should bear responsibility for those increased costs

or a portion thereof."

What about power companies "who create increased costs"?!

The reality is APS has removed and likely ruined about a million perfectly good analog meters – meters that currently cost about $32 retail – and replaced them with meters that cost about $150, or about 5 times more. Add in all the "smart" grid extras: field equipment such as collectors and routers (basically APS has had to build their own cellular network) plus software, plus contractors to figure it all out and install it. Then add in the ongoing costs – operating and maintaining the network, managing the data, back office software, servers and cybersecurity costs – and it is pretty clear why, in their request for added fees, APS did not provide any concrete, real world examples of other companies that have reduced rates as a result of implementing the "smart" greed, I mean "grid". And the reason APS did not provide any examples is because there aren't any!

APS wants $75 upfront for anyone not wanting a radio broadcasting networking station (AKA "smart" meter) at their house. This is unbelievable audacity for many reasons. Briefly,

- If APS wants to site a radio antenna on people's private property then APS should pay for that.
- If APS wants to site networking equipment on people's private property then APS should pay for that.
- People harmed by the Radio Frequency of APS's networking equipment should not have to pay APS to avoid harm (commonly called extortion).
- People wanting to avoid the surveillance capabilities of "smart" meters should not have to pay APS to avoid that (commonly called extortion).
- People wanting to avoid known risks of "smart" meters such as over-billing, house fires, appliance failure, medical implant shutdowns, GFI interference, etc. should not have to pay APS to avoid that (again, commonly called extortion)
- There are no "installation" or "set-up" costs for people who already have analog meters.
- There are only "installation" or "set-up" costs for people who do not have analog meters because APS removed those people's analog meters. Such costs belong to APS. "You broke it; you bought it."
- People not wanting a "smart" meter are still paying for the cost of the "smart" meters of others (plus installation, related equipment, etc.) and without getting one themselves. They should actually get a refund.
- There are no "higher infrastructure costs" involved with analog. For one thing, as previously mentioned, the analog meters themselves are 5 times

cheaper.

- If meter reading is such a huge expense then people can get a reduction on their bills for self-reading.
- APS lists "refurbishment of analog meters" as an associated cost. Is that a joke?
- APS also lists "development and administration of an opt-out program" as a cost. Is that another joke? What kind of system did they have for, say, the last 100 years?

As part of their proposed extortion racket, APS also wants $30 a month from people with analog meters. All the reasons listed above apply again to that greed-crazed idea.

Here's some simple math to show how totally outrageous $30 a month is. There are no "smart" meters in Sedona. APS currently charges the 6,500 residences there $1.86 per month each for meter reading. This adds up to $145,080 per year to read all the residences. If no one in Sedona wanted a "smart" meter then APS's $145,080 would jump to $2,340,000. The individual residence yearly meter reading charge would go from $22.32 to $360. Isn't it is safe to say that APS has lost their minds in hubris and greed?

APS says that

> "...to date, less than one-half of one percent of the Company's overall customer base has requested non-transmitting analog meters."

This should not be a surprise when APS is allowed to deceive the public with lies that seem unending. This should not be a surprise when most media either do not understand this issue, do not deem it "newsworthy" or are on the receiving end of APS advertising money.

Indeed, I proved APS was lying about how often and how strongly their "smart" meters were broadcasting. I brought my findings to 47 newspapers and TV stations in the APS service area and only 3 small independent papers picked up the story.

I proved APS to be lying about the surveillance capabilities of their "smart" meters and the same thing happened. APS runs a nuke plant and no one cares they are serial liars?!

If by chance there is ever a mainstream media story about "smart" meters, APS are presented as "officials" and those against as a minority of oddballs and Luddites. The

recent news story about this APS fee request read like it was an APS press release. So when APS claims less than half of one percent do not want a "smart" meter it should come as no surprise.

As long as public monopolies such as APS are allowed to lie with impunity what else should we expect? As long as public monopolies such as APS are allowed to influence media through advertising dollars and to influence elections and politicians via campaign contributions what else should we expect?

APS's $7.8 million per year "charitable giving" is also a form of advertising and influence peddling. A city council member of one Arizona town confided to me that he did not expect others on his council to go against APS on the "smart" meter issue because of "all" that APS did for the community. Isn't it a downright sickening disgrace when charity corrupts?

APS can add belligerent to their list of character flaws. As if throwing down a gauntlet, APS says that one must "qualify" to pay protection: "...customers must meet certain eligibility requirements to qualify for service...." APS then admonishes that we "must provide unassisted access" to the meter. Like we don't have to do that already?

As though we were a pack of total troublemakers, and as though this was not already the law, APS further states in their request that,

> "...customers who in any way alter the accurate measurement of energy or otherwise engage in energy theft, or have exhibited threatening behavior to APS meter readers or other Company employees, will become ineligible and will be automatically removed from the program by the Company."

Wow, better snap-to all you analogers. And no making faces either.

Finally, let's be clear that we are involved in word game with APS and have been from the start. All along APS has been attempting to control the debate, manipulate perception and bamboozle people by using deceptive language.

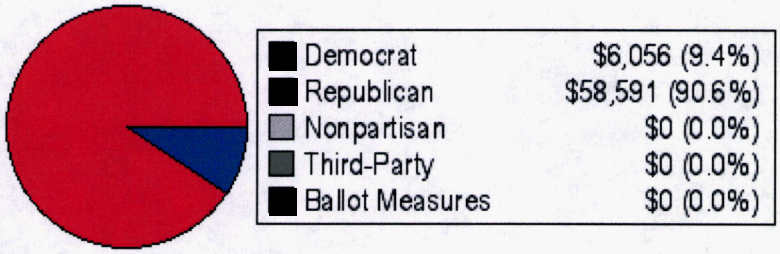
What they call "opt out fees" is really extortion. What they call "AMI" or "smart" meters are really microwave radio broadcasting networking equipment. Yes, these devices have a metering capability but in actuality they function as much more than a "meter".

APS needs to keep calling their networking equipment "meters" in order to skirt the fact that they are violating the ratepayers' current easement agreement and are engaging in trespass and theft by parking their networking equipment on private

property without permission, payment or legal authority.

Republicans who beat their chests and bellow in defense of "private property", "individual rights" and "rule of law", where are you? Oh that's right, you comprise the entire ACC, have a majority in both legislative houses and hold the Governor's office. So why so quiet? Is it that G.O.P. soft spot for big business and big donors?

APS parent company Pinnacle West contributions by Political Affiliation in 2012:



http://www.followthemoney.org/database/topcontributor.phtml?u=8481&y=2012&incy=0&ince=0&incs=0&incf=0

As good as the money is, Republicans should start living up to their beloved "values" and distance themselves from APS. Indeed, Republicans should find the spine to stand up to APS because their big business/big donor is also a big liar and a big bully.

Sincerely,

Warren Woodward

Cc: Governor Jan Brewer, Attorney General Tom Horne