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ORIGINAL

Warren Woodward

[REDACTED]
Sedona, Arizona 86336

REC-1007
AZ CORP COM
DOCKET CONTROL

February 26, 2013

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

2013 FEB 27 PM 2:41

Arizona Corporation Commission
DOCKETED

FEB 27 2013

Re: Docket # E-00000C-11-0328

DOCKETED BY [Signature]

Commissioners;

Your actions totally betray you. I catch the largest utility in the state flat out lying and you do nothing. Not one of you even post the information to the docket. Unbelievable!

The ACC has failed at regulating and is reminiscent of an incompetent third world bureaucracy. This is no idle accusation. Anything I say I can prove.

Cases in point:

A few months ago I noticed inconsistencies in docketing. Some items sent in to the ACC were being docketed; some not.

Trying to get a straight answer out of your staff as to why and how to post to the docket was impossible. Answers differed depending on with whom I spoke. Some said I needed to follow instructions at the ACC website which called for 14 hard copies; some did not.

After getting shunted around various ACC departments I ended up at the ACC's Legal Division where I was told by Janice Alword, "Chief Legal Counsel", that I could email mailmaster@azcc.gov and whatever I sent there would get posted to the docket.

I then sent an email to the mailmaster address to confirm what I had been told. As is usual with the ACC, I had to send another email to get a response because my first one was ignored. That response came from Connie Walczak in "Consumer Services". She confirmed that sending to mailmaster was an option for getting something posted to the docket. (See her enclosed email and note lines 3 to 5.)

Meanwhile, at around the same time I was making my inquiries, someone else I know was told by the ACC that anything sent to a commissioner would be posted to the docket. So it looked like we were covered – email in something to the commissioners and Cc mailmaster. Done and docketed.

However, with the passage of time, this has proved to be not true. Are any of you commissioners concerned that neither your high-sounding “Legal Division” nor your “Consumer Services” have any idea what they are talking about and are disseminating misinformation? Like I said, the whole situation is very “third world”.

Adding to the ACC's third world image is the docketing practice currently used. Commissioners arbitrarily deciding what to post and what not to post hardly represents impartiality, fairness or “equality under law”.

I and others had wondered why some items we sent were posted and some not. Now we know. It is whatever Your Excellencies wish. I can't believe it is up to me to point out how totally wrong that is.

But rule by whim is not only wrong, it is also very instructive to see what the whims reflect.

I have already noted you chose to not post my letter that exposed APS as liars. But you also chose to not post the Connecticut Attorney General's “smart” meter cost/benefit analysis that I sent you.

The cost/benefit analysis, which was based on thousands of real people using thousands of real “smart” meters, showed “smart” meters to be a total financial failure incurring millions of dollars in “stranded costs” and placing an unreasonable and unnecessary burden on ratepayers. In the Attorney General's own words, “...the costs associated with the full deployment of AMI [“smart”] meters are huge and cannot be justified by energy savings achieved.”

If you were hoping these issues would go away by not posting those related items to the docket you are mistaken. I am enclosing 14 copies of each with this letter and I am demanding they be posted to the docket along with this letter. Thus, in future lawsuits over the “smart” meter issue you may all be sued individually for having knowledge on which you refused to act.

I have also filed a complaint with the Arizona Attorney General for you not following A.A.C. Section R14-3-107, “Filing and service of formal documents“. What a pity that there is likely no fine or jail time for violating it. In my opinion, you've certainly earned both.

Getting back to my conversation of a few months ago with your Legal Division, I was told then that you were “working on” electronic docket posting. *Working on?* That sounds like a huge public works project when in reality if it was something you were sincerely interested in doing it would be done already!

As I told you last year, “your policy of requiring people to mail in 13 hard-copies plus the original for posting to a docket which is on-line anyway is antiquated, unecological, a barrier to

free speech and a burden to those who cannot afford it.”

Do tell us, you who tout “energy efficiency”, how efficient is it for us to make and snail-mail 14 hard copies? How efficient is it for you to receive and deal with 14 hard copies? Docketing can and should be done electronically, and it should have been set up years ago.

And how ecological is it? Or I should ask, how hypocritical is it for you to have mandated “renewable energy” and then tell us out of the other side of your mouths that you want 14 hard copies mailed?

And speaking of hypocrisy, isn't it absurdly hypocritical for the ACC to mandate "renewable energy" to, amongst other things, "create jobs", while at the same time the ACC enables utilities to do away with meter reader jobs in the name of "operational savings"? Or is this just some more of your dark humor, like preaching conservation then upping people's rates because APS didn't sell enough electricity?

Anyway, do explain to us how fair it is for people who cannot afford the cost of copying and postage to have to make and mail 14 copies? I have already spent \$36 of my own money so that someone who could not afford it could have their 14 hard copies made, delivered and have their voice heard.

Pricing people out of participation is sickeningly metaphoric of a system rigged to favor cash-rich monopolies over fixed-income ratepayers.

The docket runaround I got is also on a par with the month and four emails it took for you to answer a simple question – what percentage were utilities allowed to make on capital improvements? As I explained then, “Other Arizona government agencies that I have occasion to query, whether state or local, all respond in a very timely manner, usually by the following day if not sooner. I do not have to send multiple emails.”

As bad as these examples of third-world-style bureaucratic sloth and disrespect are, unfortunately they are nothing when compared with the gross dereliction of duty you have shown by allowing utilities to foist the costly, rights-violating and bio-hazardous technology known as “smart” meters on us.

Hearings – with parties under oath – should have been held long before the first “smart” meter was even installed. Health, privacy, security, property and financial issues should have been thoroughly examined before going ahead.

Indeed, in 2007 the ACC itself passed a requirement that “conservation of energy supplied by electric utilities, optimal efficiency of electric utility facilities and resources, and equitable rates for electric consumers” all be considered before “smart” installations began. That requirement has not been met.

Again referring to “smart” meters, that same 2007 ACC decision also said, “...both the

benefits and the costs of Advanced Metering and Communications should be considered before requiring full-scale implementation.” – again, another unmet requirement.

There seems to be a pattern of the ACC not being able to follow its own rules.

So what happened instead? Nothing but a couple of bogus “workshop” meetings (with no one under oath) to create the facade of transparent democracy. Meanwhile the utilities went on an unexamined, unauthorized, and unregulated “smart” meter installation binge. And remarkably, they still are.

We are witnessing a classic example of complete regulatory failure. The only real question left is: *Was this failure planned from the start and, if so, who got paid to ensure the failure?*

Here's how I see it: You pass some noble sounding requirements that are completely ignored. You feign concern and oversight with a couple of show meetings that some commissioners do not attend or leave early. The meetings accomplish nothing and liars are not liable for anything they say at them since they are not under oath. A docket is set up to lend some faux legitimacy but it's really part of the rope-a-dope technique being used on the concerned individuals who send in information which is ignored. Before you know it five years have gone by and “smart” meter installation is a done deal.

Is it incompetence or corruption? Either way, it looks like the public is damned.

Sincerely,

A handwritten signature in black ink, appearing to read "Warren Woodward". The signature is fluid and cursive, with a large initial "W".

Warren Woodward

Cc: Governor Jan Brewer, Attorney General Tom Horne

RE: 2nd email re docket filing - pls answer

Friday, November 23, 2012 8:33 AM

From:

"Connie Walczak" <CWalczak@azcc.gov>

[Add sender to Contacts](#)

To:

"w6345789@yahoo.com" <w6345789@yahoo.com>

Good morning Mr. Woodward,

I'm not sure what type of posting you are interested in filing in this docket. If you wish to file an opinion regarding smart meter issues you may utilize the form on our website found at <http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm.pdf>, email your comments to the Utilities Division Mailbox at mailmaster@azcc.gov which will be entered as an opinion on your behalf into the docket at your request or finally, you may use the Docket Control filing instructions included below and file directly into the docket for E-00000C-11-0328 comments or on-going postings.

If you have any further questions or concerns, please call and request to speak with a Consumer Service Analyst at 602-542-4251 or toll free 800-222-7000 (outside of the Phoenix metro area).

Thank you.

Connie Walczak

Manager Consumer Services

Utilities Division

Arizona Corporation Commission

602-542-0291

Documents to be filed with Docket Control may be filed during regular hours of operation in person at the Corporation Commission Buildings in Phoenix or Tucson. They may also be submitted through mail or delivery to our Phoenix office. WE ARE NOT ABLE TO ACCEPT ELECTRONIC FILINGS AT THIS TIME.

Filing Requirements:

Most filings require an Original plus 13 copies.

Two exceptions are:

- Line Siting Cases (Docket Numbers starting with an “L”) which require 25 copies; and
- Security Cases (Docket Numbers starting with an “S”) which require 10 copies.

The Docket Number must appear on the first page of the original and ALL copies of the filing, including a cover letter if provided. The only exception to this is a new Application, which will have a docket number assigned by Docket staff.

PLEASE NOTE: Some cases are consolidated and have more than one docket number. Filings in consolidated dockets must include all docket numbers. You can tell if a docket is consolidated by looking under “Special Instructions” on the “Docket” tab when you look up the docket in eDocket. Although some cases may seem to be related, only those docket numbers listed as consolidated should be on the filing. Docket numbers that are not required to be on the filing will cause the filing to be rejected. If you want to make a filing in several dockets that are not consolidated, you need to docket separate filings with the individual docket number listed. Please call Docket with any questions.

All copies must be properly collated. For example, do not include 13 copies of Section I, 13 copies of Section II, etc. Copies should be bound together in some manner (i.e. stapled, paper clipped).

All documents must be filed using 8-1/2” x 11” paper. (Copies for distribution in some cases may include larger maps for the purpose of clarity – please contact Docket Control for more information).

NO CONFIDENTIAL INFORMATION will be docketed. If you must provide confidential information, you must make prior arrangements with the Hearing or Legal Division. IT IS THE FILING PARTIES’ RESPONSIBILITY TO REMOVE OR REDACT ANY PERSONAL INFORMATION THAT WOULD NOT BE APPROPRIATE FOR PUBLIC VIEW.

If the filing is for an existing docket, the filing party must mail a copy of the filed document to all parties on the Service List (see eDocket for copy of Service List)

Please contact Docket Control at 602-542-3477 or help-edocket@azcc.gov with any questions.

From: Warren Woodward [<mailto:w6345789@yahoo.com>]
Sent: Wednesday, November 21, 2012 2:11 PM

Warren Woodward
[REDACTED]
Sedona, Arizona 86336
[REDACTED]

February 6, 2013

Arizona Corporation Commission (ACC)
1200 West Washington Street
Phoenix, Arizona 85007

Re: Docket # E-00000C-11-0328

Commissioners,

I bring to your attention huge lies told by APS.

At your March 23, 2012 “smart” meter meeting, APS is on record as stating that their “smart” meters broadcast only once every 15 minutes, and additionally 14 times throughout the day – 8 times for “integral data” and 6 times for “register reads”.

You can witness that lie yourself starting at 5:08 pm in the video minutes of the meeting posted at your own ACC website. At the same time, the APS representative also brags about all the money and time that APS spent to supposedly verify these falsehoods.

Using a Gigahertz Solutions HF35C microwave analyzer, a top of the line piece of equipment perfect for measuring “smart” meter Radio Frequency (RF) emissions, I have spent 6 days measuring APS “smart” meters in Flagstaff, Prescott, Prescott Valley, Dewey-Humbolt and Phoenix. In all locations I have found “smart” meters broadcasting much more frequently than claimed by APS.

Additionally, APS presented their misinformation at your March, 2012 meeting in a way that implied an organized, clockwork-style pattern of “smart” meter broadcasts. Yet this is not how their system works in practice. I found that “smart” meters are broadcasting helter-skelter and pretty much non-stop.

For example, I might stand in front of a meter and nothing would happen for 3 minutes. Then it would broadcast twice in rapid succession. Then a minute or two would go by and it would broadcast again, then again after 5 minutes, etc. Sometimes I would find a meter that would broadcast 4 times in less than a minute.

There is no distinct pattern but one thing is for sure: APS has lied, big time. APS “smart” meters are broadcasting way, way more than what APS is on record as saying.

Something else is for sure too: You have not done your job. APS has gotten away with this lie while you fell asleep on duty.

I told you in person at your first “smart” meeting in September of 2011 that you could not take APS's word for anything, and that you needed to do your own research. I also strongly advised you to buy an analyzer and conduct your own tests. You did nothing.

I brought the subject up again at your March 2012 meeting only to be told by the head of your Utilities Division that he had measured a “smart” meter with a gauss analyzer and got no results. Of course he got no results! “Smart” meters broadcast via microwave. Gauss analyzers measure magnetic field. In short, the poor fellow in charge of the Utilities Division for the Corporation Commission of the State of Arizona had no idea what he was doing.

Since then I have brought his incompetence to your attention several times. And what have you done? “Nothing” would appear to be the answer once again.

After a year and a half of urging you to investigate APS's absurd claims – and making it easy for you by telling you how to do it – I finally concluded that you preferred to slumber and simply were not going to investigate. I realized that if anyone was going to check on APS that it would have to be me, and at my own expense and on my own time.

All of you should be terribly ashamed for being slackers and letting Arizonans down. You make \$79.5K (+ bennies) per year but can't buy a \$500 gadget to do some research? You make \$79.5K (+ bennies) to represent us and lead your staff yet you cannot ask your own staff to take a little money out of the roughly 5 million dollar Utilities Division budget to perform an independent test?

What the heck is wrong with you people? Don't you have any interest in truth? Have you no intellectual or professional curiosity? Don't you care about the people you were elected to represent?

For the umpteenth time, you are supposed to be representing us, not the monopoly utilities. Yet it is myself and other independent citizens who have done all the research on this issue, research that you should have done. Worse still, when repeatedly presented with the truth on every aspect of this issue you seem incapable of recognizing it and choose to believe a pack of corporate liars instead.

I knew APS was lying as soon as they spoke the words. I knew because, unlike you or your staff, I have spent literally hundreds of hours researching this issue. Because of my research, I knew that if APS's “smart” meters were broadcasting as infrequently as APS claimed then APS's “smart” meters would be the only “smart” meters in the world that were doing so.

And this is not APS's only lie. APS has told another whopper about RF.

In their “smart” meter “Myth vs. Fact” propaganda sheet, APS claims the RF of their “smart” meters to be .0009 milliwatts per square centimeter. Yet I found APS “smart” meters that were broadcasting more than 300% stronger than that – way more in fact than the RF I found while standing close to and measuring the RF of the 3 gigantic cell towers at Airport Mesa here in Sedona.

This is not the first time APS has lied to you.

They lied about analog meters being no longer available. And their CCST power point presentation given at your first meeting was filled with lies, their hired “scientist” exposed as a fraud. (Search the docket for corroboration of those points since they have all been substantiated many times over, both by myself and others.)

APS is an equal opportunity liar. They don't just lie to you; they also lie to their customers.

The previously mentioned “Myth vs. Fact” sheet that they mail out to customers is a preposterous conglomeration of lies.

One APS customer I know was blatantly lied to about a bi-directional analog meter she requested APS install for use in conjunction with her solar system. After stringing her along for months promising her one, APS installed a digital meter and had the audacity to insist the digital meter was analog. I would describe that type of blatant lying as deranged and pathological.

Another person I know was told by APS that “smart” meters emit no EMF. Nonsense, even a toaster does.

I can provide more reports of APS's lying upon request.

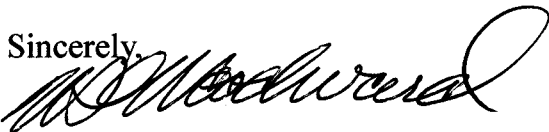
APS is so totally deceitful that their employees who answer the phone give out fake names and no last names. But they are such poor liars that in one instance I know of the APS employee on the phone could not remember which fake name she had given – “Sandy” became “Sue” in the same conversation!

Once someone lies to me their credibility is shot. How many more times does APS have to lie in order for you to wake up and get wise to them? How can you believe anything they tell you at this point?

In conclusion, it is way past the time for you to decide whose side you are on, the side of the public or the side of unprincipled, corporate liars whose only concern is money.

It is way past the time for you to wake up and realize that “smart” meters are a bio-hazard – a colossal mistake based totally on lies, and that they should be abandoned at once.

Sincerely,



Warren Woodward

PS – I want this posted to the docket as evidence that Commissioners were given the facts should that become necessary in any future lawsuits.

Cc: Governor Jan Brewer, Attorney General Tom Horne, State Representative Brenda Barton

**STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC UTILITY CONTROL**

APPLICATION OF THE	:	DOCKET NO. 05-10-03RE04
CONNECTICUT LIGHT AND POWER	:	
COMPANY TO IMPLEMENT TIME-	:	
OF-USE, INTERRUPTIBLE LOAD	:	
RESPONSE, AND SEASONAL RATES -	:	
REVIEW OF METER STUDY,	:	
DEPLOYMENT PLAN AND RATE	:	
PERIOD	:	FEBRUARY 8, 2011

**BRIEF OF GEORGE JEPSEN, ATTORNEY
GENERAL FOR THE STATE OF CONNECTICUT**

George Jepsen, Attorney General for the State of Connecticut (“Attorney General”), hereby submits his brief in the above-captioned proceeding. For the reasons stated herein, the Department of Public Utility Control (“DPUC” or “Department”) should reject the Connecticut Light and Power Company’s (“CL&P” or “Company”) proposed full deployment of Advanced Meter Infrastructure (“AMI”) from 2013-2016. CL&P’s proposal would force the Company’s ratepayers to spend at least \$500 million on new meters that are likely to provide few benefits in return.

Prudence demands that the DPUC adopt a more measured approach to advanced metering than the path proposed by CL&P. The DPUC has already recognized that CL&P’s existing AMR meters meet the requirements of Conn. Gen. Stat. § 16-243w(c), which generally requires metering systems that can support dynamic, time-of-use rates. Indeed, CL&P already offers time-based rates to its customers using the existing AMR meters. Therefore, the Department should not rush headlong into AMI meters as CL&P has proposed, but rather should continue to evaluate emerging meter system technologies as well as other conservation programs and only

approve the deployment of advanced metering systems at such a time and in such a manner that is cost-effective.

Should the Department choose to proceed in any fashion with AMI meters at this time, it should do so in a far more limited fashion than CL&P has proposed. Specifically, the DPUC should approve no more than a “surgical” deployment, which provides AMI meters only to those customers who request them – and are willing to pay for them. In the alternative, the DPUC could allow CL&P to gradually roll-out AMI meters by replacing obsolete AMR meters with AMI technology, perhaps coupled with a user-pays surgical deployment.

If the DPUC approves any sort of deployment of AMI meters in this case, however, it must reject CL&P’s proposed “presumption” of prudence and guaranteed cost recovery. The DPUC should treat any deployment of AMI technology as it should most any other utility plant addition. That is, the Department should require CL&P to install the technology at its own expense and then demonstrate during a full rate proceeding, once the technology is installed, the costs are known and measurable and the meters are used and useful, that its expenditure for this purpose was prudently incurred. Only then should the DPUC consider whether, and to what extent, those costs should be included in rates.

I. BACKGROUND

A. Procedural History

On March 30, 2007, CL&P submitted a metering plan in response to Order Number 7 of the Department’s decision in Docket No. 05-10-03, Application of the Connecticut Light and Power Company To Implement Time of Use, Interruptible of Load Response, and Seasonal Rates, dated December 21, 2006. On July 2, 2007, CL&P filed a revised metering plan as

required by Section 98 of Public Act 07-242, An Act Concerning Electricity and Energy Efficiency, codified at Conn. Gen. Stat. § 16-243w(c).¹ The Company's revised metering proposal included six options for the deployment of AMI meters.² These options ranged from a very limited deployment of the new meter technology on demand at a cost of \$0 to \$10 million to a full deployment of new AMI meters at a cost of \$264 million to \$274 million. DPUC Docket No. 05-10-03RE01, 9.

In a prior phase of this docket, the DPUC properly adopted a cautious approach, approving a 10,000 Meter Study to evaluate the technical capabilities and reliability of the OpenAMI metering system. DPUC Docket No. 05-10-03RE01, Application of the Connecticut Light and Power Company To Implement Time of Use, Interruptible of Load Response, and Seasonal Rates – Review of Metering Plan, dated December 19, 2007, 1 (“Docket No. 05-10-

¹ Conn. Gen. Stat. § 16-243w(c) states that:

(a) On or before July 1, 2007, each electric distribution company shall submit a plan to the Department of Public Utility Control to deploy an advanced metering system. In lieu of submitting a plan pursuant to this section, an electric distribution company may seek a determination by the department that such company's existing metering system meets the requirements of this section. Such metering systems shall support net metering and be capable of tracking hourly consumption to support proactive customer pricing signals through innovative rate design, such as time-of-day or real-time pricing of electric service for all customer classes.

(b) Each plan to implement an advanced metering system developed pursuant to subsection (a) of this section shall outline an implementation schedule whereby meters and any network necessary to support such meters are fully deployed on or before January 1, 2009. On or after January 1, 2009, any customer may obtain a meter on demand.

(c) The cost of the advanced metering system, including, but not limited to, the meters, the network to support the meters, software and vendor costs to obtain the required information from the metering system and administrative, installation, operation maintenance costs, shall be borne by the electric distribution company and shall be recoverable in rates. Any unrecovered cost of the current metering system shall continue to be reflected in rates.

(d) Not later than six months after June 4, 2007, electric distribution companies, competitive electric suppliers and aggregators shall offer time-of-use pricing options to all customer classes. These pricing options shall include, but not be limited to, hourly and real-time pricing options.

² Open advanced electric meters are intended to allow customers to monitor their electric usage on a continuous basis and also facilitate the use of “smart” appliances, which are appliances that can be programmed to run or not run at particular times of the day.

03RE01"). The DPUC also directed CL&P to conduct a rate pilot within that study to determine customer acceptance of and response to time-based rates. Docket No. 05-10-03RE01, 20. The Department made "no commitment" to move forward beyond the 10,000 Meter Study at that time. Docket No. 05-10-03RE01, 17.

On February 25, 2010, CL&P submitted the results of its rate pilot to the Department. It subsequently filed its cost-benefit analysis and its proposed deployment plan for smart meters and dynamic rates. The purpose of the present proceeding is to review the results of the Company's meter study and determine the appropriate next steps for "smart metering" and dynamic rates for CL&P's customers.

B. CL&P's Pilot Program

CL&P conducted its Plan-it Wise Energy Program Pilot (referred to herein as the "Pilot" or "Pilot Report") from June 1, 2009 through August 31, 2009. The Company tested three time-based rates on 2,437 customers; 1251 residential customers and 1186 small commercial and industrial ("C&I") customers. EL-5; Transcript ("Tr."), 2058-2060. Consistent with the DPUC's direction when it approved the pilot, participation in the study was voluntary and participating customers were allowed to choose their preferred time-based rate. Pilot Report, 2. Participants were paid for their participation. Residential customers received \$100 and C&I customers received \$200. Tr. 2022-2023.

CL&P offered three time-of-use rate options:

-Critical Peak Pricing (CPP) – increased prices up to \$1.60/kWh during peak hours, and provided a discount of up to \$0.05/kWh during off-peak hours;

-Peak Time Rebate (PTR) – retained normal tariff pricing during all hours but provided rebates of up to \$1.60/kWh during the peak hours if customers reduced their energy usage during that time; and

-Time of Use (TOU) – applied a substantially wider price differential for on-peak times, which were from noon to 8:00 p.m.

Pilot Report, 3-4.³

For the purposes of this pilot, “peak hours” were the ten critical peak day events called by CL&P from 2 p.m. to 6 p.m., which amounted to a total of over forty hours during the three month pilot study. Pilot Report, 5. Controlling technologies, such as smart thermostats, switches and new appliances, were used by some pilot participants but came at the customers’ own expense. Those customers that had purchased controlling technologies in their homes showed greater savings. Pilot Report, 4.

C. CL&P’s Proposed Deployment Plan

After the pilot, the Company proposed a full deployment to the Department which called for the installation of AMI meters for all 1.2 million of its customers over a four year period that begins by December 31, 2012. Deployment CBA, 4, 11; EL-38. CL&P argued that full deployment is the only cost-effective scenario because it provides the ability to achieve broad participation by all customers. Deployment CBA, 6. According to the Company’s deployment plan, every customer would receive an AMI meter, but enrollment in a dynamic pricing plan would be voluntary, done on an “opt-in” approach. Deployment CBA, 6; EL-75.

A critical aspect of the Company’s deployment plan is what it described as “conditional” DPUC approval. CL&P asked that the Department, in the present case, guaranty it full, up-front recovery of any and all costs that it may incur associated with its AMI deployment. Tr. 2163. According to the Company’s proposal, the only question for the DPUC that would remain after

³ The current rate is roughly \$.17/kWh. Tr. 2119.

installation was “how” the Company would collect the costs of this project, not “whether” all of those costs should be recovered from customers. Tr. 2164; 1880-1881. CL&P proposed to file a specific cost recovery plan by the end of July, 2012, claiming that the cost recovery proposal would be more appropriately designed once CL&P knows the final deployment plan and its costs. EL-45.

II. DISCUSSION

The DPUC should reject CL&P’s proposed full deployment of AMI meters. Full deployment is not required by law and is neither cost-effective nor prudent. If the Department is intent on approving the use of AMI meters, it should do so on a far more limited basis than the Company has proposed.

A. The DPUC need not approve AMI meters to comply with Conn. Gen. Stat. § 16-243w(c)

Conn. Gen. Stat. § 16-243w(c)⁴ does not require that the Department approve CL&P’s AMI meter proposal. The DPUC already noted in its final decision in Docket No. 05-10-03RE01, 16, that the existing AMR meters can meet the requirements of the Act.

B. The Results of CL&P’s Pilot Program Do Not Support Full Deployment At the Present Time

The Company’s rate pilot simply does not support full deployment of AMI meters. First, the rate pilot consisted of 2,437 customers, less than 0.2% of the Company’s 1.2 million customers. Moreover, this group consisted entirely of customers who were motivated to try the new technology and the associated time-based rates, and they were paid for their participation in the pilot. This self-selected subset of the Company’s customers cannot be considered

⁴ See footnote 1, supra.

representative of the average CL&P customer. As the Company admitted during the hearings in this case, the average CL&P customer is likely far less motivated to consider time-of-use rates and install the associated advanced technologies that are required to improve their savings than those that participated in the pilot. See EL-4. Tr. 1943-1944.

Second, despite the fact that the pilot group had much more motivation to embrace the new time-of-use rate technology, the pilot results showed no beneficial impact on total energy usage. Specifically:

-for CPP, total energy usage increased by 0.2% for residential customers and there was no change for C&I customers;

-for PTR, total energy usage decreased by 0.2% for residential customers and there was no change for C&I customers; and

-for TOU, total energy usage decreased by 0.1% for residential customers and there was no change for C&I customers.

Pilot Report, 4.

With regard to the time of usage and savings in the pilot, according to CL&P's Pilot Report, residential customers on the CPP and PTR pilots reduced peak usage by modest amounts; 11% to 16% without controlling technologies and 18% to 23% with controlling technologies. Id. The savings associated with these reductions, however, were limited to certain classes of customers. While residential customers in the pilot saved an average of \$15.21 and low and limited income residential customers saved \$8.07, C&I customers' costs actually *increased* \$15.45. Id.

Even these modest savings, however, are vastly overstated. When calculating these "savings" in the pilot, CL&P did not reflect any of the costs associated with purchasing and installing the new AMI meters themselves. The Company also did not include the stranded costs

that would result from replacing the existing AMR meters before they had reached the end of their “useful lives.” Tr. 2043-2044. The Company’s “base case” scenario projects the cost of the new AMI meters and the attendant technology to be \$493 million and the stranded costs could add an additional cost of more than \$40 million. Tr. 2049-50.

Third, the pilot took place during an unusually cool summer. Pilot Report, 4; Tr. 1887. These moderate weather conditions likely skewed the results of the pilot by making participation in the pilot much less burdensome on its participants and leaving them with a far more positive impression of the program than they would have had under more typical weather conditions. Pilot participants never confronted the sometimes difficult choices that must be faced customers on dynamic rates, such as whether to use their air conditioners during extended periods of hot and humid weather. Tr. 2038-2040. See also EL-73. The mild weather, coupled with the fact that customers were paid for their participation in the pilot and were therefore finically insulated from any penalties that may have resulted from their failure to shift the times of their electricity usage, likely explains the positive reaction from those pilot participants that responded to the post-pilot survey.

Fourth, the costs associated with the full deployment of AMI meters are huge and cannot be justified by energy savings achieved. The Company’s deployment plan calls for the replacement of fully functioning AMR meters with new AMI meters. Many customers do not want or cannot use the new AMI meters. Under the Company’s plan, however, these customers will nonetheless be forced to subsidize the cost of the meters for the few customers who will use them.

The Company's base case scenario carries an estimated cost of just under \$500 million for these new meters, on a net present value basis. When spread over the Company's 1.2 million customers, this price tag comes to roughly \$411 per meter/customer. Tr. 2083. Moreover, as noted herein, this estimate is understated in that it does not include the more than \$40 million in stranded costs associated with replacing the existing AMR meters before they reach the ends of their useful lives. This staggering cost produced savings of just \$11 for residential customers over a twenty-year period, tr. 1965; 2060-2061, and the total energy usage in the pilot did not change for residential or C&I customers. Pilot Report, 4. In light of the State's high cost of electricity and lagging economy, CL&P's consumers simply cannot afford this experiment at the present time.

In addition, the cost of these new meters has increased by a staggering amount just since this case began. CL&P's initial meter proposal in this proceeding, presented in 2007, carried a projected cost of \$264 million to \$274 million for full deployment. Docket No. 05-10-03RE01, 9. That cost has since doubled.

Fifth, it is important to bear in mind that CL&P currently offers voluntary time-based rates, and these rates have attracted very few participants. While the Company argued that the low level of current participation indicates that the DPUC should increase the rate differentials between the peak and non-peak times in these rates, tr. 2113, the Department should remain skeptical. The DPUC should not force customers to purchase expensive AMI meters to facilitate rates that many customers have shown they do not want and are not likely to use, especially when it is those customers who do not or cannot take advantage of the dynamic rates (because the full benefit of AMI meters can only be achieved if the customers use them in conjunction

with other “smart” technology in their homes) will likely be forced to subsidize the savings of the few customers that can afford to use them. Tr. 1968-1970.⁵

C. CL&P’s Cost-Benefit Analysis Fails to Support Full AMI Deployment

After the conclusion of CL&P’s pilot program, the Company performed a cost benefit analysis by extrapolating the results of the pilot across its entire customer base. (Deployment Cost Benefit Analysis, submitted in Docket No. 05-10-03RE01, Order No. 4 (“Deployment CBA”)). CL&P’s cost-benefit analysis, however, is severely flawed, rendering the results inherently unreliable. A dispassionate analysis of the pilot results shows that the costs of CL&P’s smart metering plan far outweigh the benefits. The facts simply do not justify full deployment at the present time.

In its Deployment CBA, CL&P developed three cost scenarios, a best case, worst case and base case, for its full meter deployment strategy, with the Company asserting that the base case was the most likely to occur. Tr. 2006-2008. Each of these scenarios applied different inputs for the following variables:

- AMI meter costs;
- average lives of the AMI meters;
- forward capacity market prices through 2020;
- percentage of conservation achieved; and

⁵ After the completion of the pilot test period, CL&P conducted a survey to measure the participants’ satisfaction with the pilot. Although the survey results were favorable, they cannot be relied upon to predict customer satisfaction with CL&P’s metering plan across the Company’s entire customer base. According to CL&P’s survey, 92% of the residential participants and 74% of C&I participants said they would participate again. Pilot Rpt 4. The survey, however, was completed by a small subset of the rather small number of customers that volunteered for the pilot. Just 205 residential and 55 C&I customers actually responded to the survey. EL-79; Tr. 2037. Their views are not likely reflective of the views of the vast majority of CL&P customers who had no interest in the pilot program (despite the chance to be paid for participation), or may have participated in the program but declined to complete the survey.

-percentage of customer participation in dynamic pricing.

Deployment CBA, 3.

According to CL&P's conclusions, the best case scenario produced a positive net present value (measured over a twenty-year period) of \$791 million and the worst case scenario produced a negative net present value of \$392 million. The Company's base case scenario initially produced a positive net present value of \$87 million, which the Company revised upward during the hearing to \$154 million, again on a net present value basis. EL-15; LF-1.

Review of the Company's analysis shows that it has consistently understated the costs associated with AMI deployment. For example, CL&P did not include "stranded" costs that it would seek to collect from ratepayers associated with the existing AMR meters which would be replaced long before they reached the end of their useful lives. EL-37. The existing AMR meters were deployed by CL&P between 1994 and 2005 and have a useful life of twenty years. EL-38. The average remaining life of the existing AMR meters is 14 years. LF-17; Tr. 2140. In other words, many are just five or six years old.⁶

As of September 30, 2010, the net book value of the existing AMR meters was \$58.9 million. Tr. 2142, 2149. Thus, if the DPUC approved CL&P's full deployment AMI proposal, the stranded costs associated with the existing AMR meters would be \$41 to \$44 million. EL-38; Tr. 2042. These stranded costs, however, could be reduced substantially if the DPUC approved a surgical deployment of AMI or approved a strategy in which AMI meters were

⁶ Moreover, it does not appear that CL&P replaces its existing AMR meters immediately after they have been in service 20 years. In 2009, for example, the Company replaced only 646 meters because of their age or because they had exceeded their useful lives. LF-3.

installed only after an AMR meter reached the end of its useful life, or a combination of the two.

Tr. 2142.

Other factors not appropriately considered in CL&P's analysis include the costs inherent in the roll-out of new advanced technology on a wide-spread basis and the related increase in customer inquiries and problems with the new meters and their functionality. EL-22. Note that these costs will be imposed on all of CL&P's customers under the Company's plan, including those who do not want and cannot use the AMI meters' capabilities.

While the costs that CL&P applied in its analysis were relatively known, the benefits were much more speculative because they depended on assumptions concerning a variety of critical external variables, such as future electric prices, the elasticity of demand for electricity and calculating the benefits of peak-time energy usage reductions. Deployment CBA, 8-9. For example, CL&P assumed that the level of participation across its entire customer base would match the levels of participation experienced in its rate pilot. This assumption, however, is unreasonably optimistic. As discussed herein, the pilot consisted exclusively of customers who chose to participate, and those customers were paid for their participation. In addition, CL&P will be unable to recreate the conditions of the pilot for all of its 1.2 million customers across the State. For instance, customers who participated in the rate pilot were given a high level of direct care and attention by Company employees to guide them through the process. It is highly unlikely, if not impossible, that CL&P could give the same sort of cash incentive payments and direct customer care to every one of their customers. See OCC PFT, 26-27.

Even with all of its flaws, CL&P's own overly optimistic cost-benefit analysis showed that the financial benefits associated with CL&P's proposed full AMI deployment are small.

According to the Company, residential customers would save just \$11 over a twenty-year period with the new AMI meters, while C&I customers would save \$96.35. EL-64; Deployment CBA 10. For residential customers, those savings come to roughly 55 cents per year.

Finally, CL&P's remaining arguments simply do not support full AMI deployment. CL&P claimed that the use of AMI meters would provide other system benefits, such as a reduction in transmission and distribution capital costs. EL-27. The Company, however, based this assumption on an existing energy conservation study and did not adequately explain why the results of that conservation study would apply in the present case. Id. The Company further asserted that the use of AMI meters will reduce uncollectibles by facilitating more and more timely shut-offs because the new meters would allow CL&P to could shut-off remotely. EL-55. CL&P, however, has already begun remote shut-offs using its existing AMR meter technology. Tr. 2157-2158; CL&P Notice to DPUC dated November 18, 2010 in DPUC Docket No. 98-01-02 (in which the Company announced the beginning of its remote shut-off program). Clearly, any benefits associated with remote shut-offs cannot be attributed solely to AMI technology.

Similarly, CL&P claimed that AMI meters will produce customer benefits because they will help detect service outages. But, existing AMR meters can also detect outages. Tr. 2136-2137. CL&P further stated that the new AMI meters would assist in theft protection. Again, however, the existing AMR meters already have tamper flags that serve that very purpose. Tr. 2098. Moreover, the Company did not produce any studies to indicate or support the correlation between AMR meters and theft of service. LF-10. Finally, CL&P could not provide examples of other companies that have saved money or reduced rates by installing these new meters. EL-61.

D. Dynamic Rates Are Punitive to Certain Types of Customers

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. OCC PFT, 17-18. 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. While time-based rates should remain an option for electric customers, they should not be forced on customers to their economic detriment.

Further, designing rate differentials in dynamic rates will prove to be a very difficult task that could, in the end, ultimately defeat the purpose of installing AMI meters altogether. CL&P asserted that the rate differentials in the dynamic rates offered with AMI meters must be significant enough to encourage customers to shift their usage to off-peak periods. Participation in dynamic rates, however, will be entirely voluntary. CL&P's customers will not be required to use the Company's dynamic rates, and indeed can switch to alternate generation providers who tend to offer flat rates. EL-76. As a result, the majority of any savings achieved by those customers who do switch their usage will likely be subsidized by those customers who do not shift their usage and do not switch from the standard offer.

E. Expected Advances in Technology Could Eliminate Some of the Costs Associated with CL&P's Proposal

As CL&P acknowledged during these proceedings, AMI technology is still maturing. Tr. 1903. Indeed, the Company is “monitoring” new technology that would allow compatibility to read AMI and AMR meters. EL-38. Tr. 1973; 2154-2155. This technology, which CL&P is now testing and should be commercially available by the end of 2011, would allow the deployment of AMI meters along side of existing AMR meters, thereby eliminating the need to replace AMR meters before they reach the end of their useful lives and the associated \$40 million in stranded costs of doing so. EL-38; LF-19; Tr. 2155. Other advances in technology could produce more profound results and may address the privacy and cyber-security issues presented by smart meter technology. See OCC PFT 14.

The Department has the time to be patient and see if new technology or innovative approaches provide a superior and more cost-effective alternative to the Company's AMI deployment proposal. CL&P's existing AMR meters have plenty of life remaining. The average remaining life of the existing AMR meters is 14 years. Moreover, CL&P tends to replace only three percent of its AMR meters per year. For example, from July 2009 to June 2010, CL&P replaced just 6,464 of its 1.2 million AMR meters, and of that amount replaced only 646 were replaced because their age exceeded their expected lives. LF-3.⁷

A wait-and-see approach is also supported by the Company's one year pilot “Home Energy Reporting Program,” which began this month. The 24,000 CL&P customers that participate in this program will receive customized detailed information about their electricity

⁷ CL&P testified during the late file hearings that these numbers are typical and fairly represent its meter replacements over recent years.

use, along with an anonymous comparison to similarly situated customers and personalized tips concerning how to increase the efficiency of their energy usage. The Company believes that this program, which does not require new meters or time-of-use rates, could save customers as much as three percent on their monthly electric bills. The Department should evaluate the results of this program before requiring customers to pay more than \$500 million on new meters and rates that are basically intended to serve the same purpose.

F. At Most, the DPUC Should Approve a Surgical Deployment

If the Department determines that it should approve the deployment of AMI meters in this case, it should authorize only a surgical deployment. That is, it should allow any CL&P customer that wants an AMI meter to receive one upon request, so long as the costs of those meters are assigned only to the customers who ask for them. Such a deployment strategy has been used in New York and protects customers who do not want or cannot afford to use AMI meters from subsidizing meters and rates that benefit other customers. LF-21. In the alternative, the Department could couple a surgical AMI deployment with a meter replacement strategy whereby the Company would replace obsolete AMR meters with new AMI technology. This would allow for a more gradual roll-out of AMI meters system-wide, which not only eliminates stranded costs but also allows time to work out problems or flaws with the new system and incorporate advances in technology. As CL&P testified, new meter reading technology has emerged that allows it to read AMR and AMI systems at the same time, which would allow the two metering systems to be deployed simultaneously. LF-19.

G. The DPUC Must Reject CL&P's Proposed "Conditional Approval"

In the event that the DPUC approves any sort of deployment of AMI meters in this case, it must reject the Company's proposal of assured cost recovery up-front. Instead, the Department should only approve cost recovery for the new meters in a full rate case proceeding after the meters are installed and considered "used and useful." In such a rate proceeding, the DPUC could properly review the prudence of the costs associated with this program, rather than writing the Company a blank check, paid for by customers, up front as CL&P has proposed. See OCC PFT, 30. As noted by the OCC in its testimony, there is a reason that the Company wants to be assured of full cost recovery in advance and place all of the risk of this investment on its customers -- because the Company is not willing to assume this risk itself. OCC PFT, 38-39. If the Company is unwilling to assume this risk, the DPUC should not place it on CL&P's customers, especially when the total projected residential savings associated with the project is just \$11 for residential customers over twenty years.

WHEREFORE, the Attorney General respectfully submits this brief in this proceeding.

Respectfully Submitted,

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