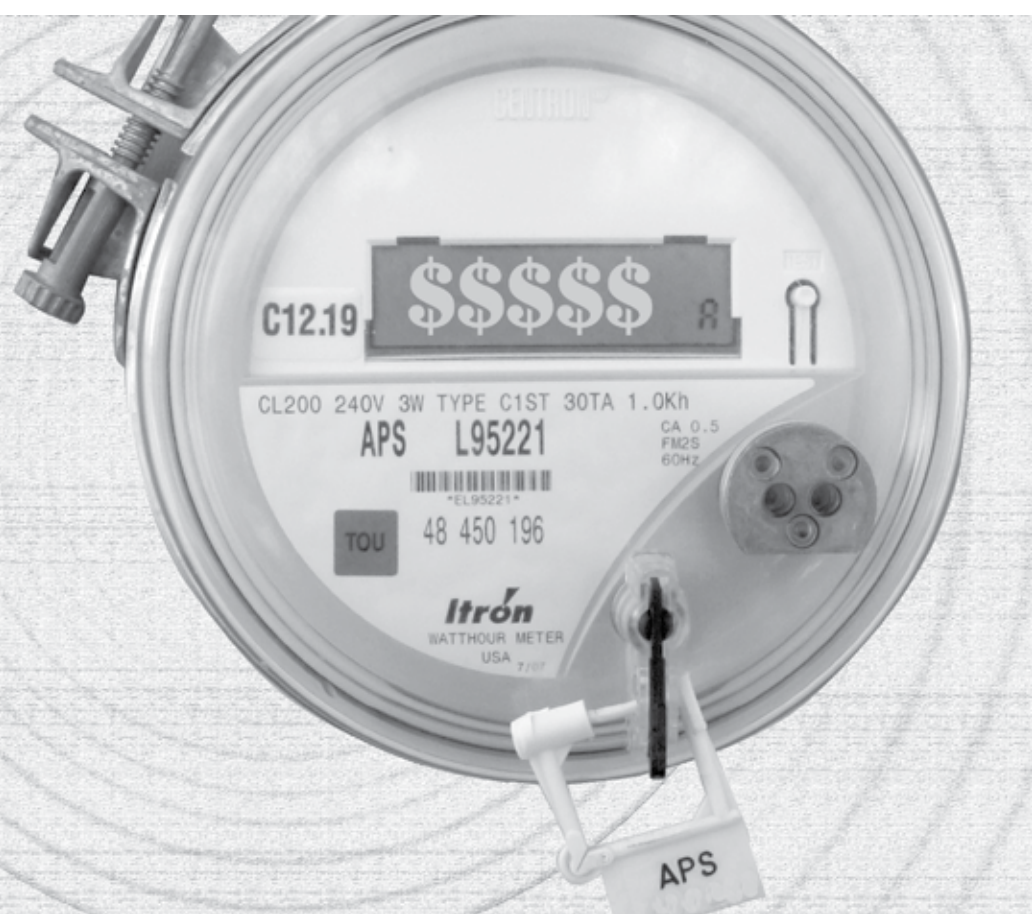


APS SMART METERS AND A COMPLICIT CORPORATION COMMISSION

BY WARREN WOODWARD
ILLUS MARIS CUMMINGS



I have been investigating so-called “smart” electric meters for the last two years. I poked around utility company **Arizona Public Service** and the state agency charged with regulating APS, the **Arizona Corporation Commission**. The experience has reminded me of the wooden deck at my house. The more I poked, the more I found rot I never knew existed.

In case you don’t know, a “smart” electric meter is a digital meter with cell phone technology. This enables two-way communication between the meter and electric company. “Smart” meters are capable of reporting your electrical usage to the company almost as soon as you’ve used it.

APS has been replacing the old mechanical analog meters (with the spinning wheel) with “smart” meters. Most of the APS service area has been switched out except for a few places like Sedona and Payson. Many claims have been made as to why these new meters are better but I have found all these claims to be lies.

“CAPITAL INVESTMENT” SCAM

One of the main claims is that because the meters communicate via radio transmissions, APS will save on “truck rolls” and on having to employ meter readers. But did anyone notice that APS still charges a “meter reading fee” to customers with “smart” meters? APS justifies this by saying they still have “infrastructure costs” associated with meter reading — a lame excuse for sure but there’s also a whole host of things that APS has not said.

For one thing, APS is allowed by the ACC to make back their initial expense on “capital investments” (such as “smart” meter installations) plus 8-10%. So not only does APS have a perverse economic incentive to install “smart” meters in the first place, APS is also able to make money twice, once on the “capital investment” and again on the “infrastructure costs.”

APS’s \$1.86 meter reading fee might not seem like much but do the math. With 1.1 million customers, APS makes over \$2 million per month just on this scam alone. Add in the previously mentioned 8-10% guaranteed

return, and it’s no wonder the APS CEO makes \$5.66 million per year.

But wait — there’s more!

YOUR OWN PERSONAL CELL TOWER

APS has easement to your property for a meter. They do not have easement for microwave radio networking equipment which is what the new meters really are.

Suppose AT&T or Verizon wanted to install a cell tower on your property. Wouldn’t you expect compensation? Wouldn’t you expect them to at least ask permission first?

APS dismisses this by saying that the meters only broadcast for a second or two once every 15 minutes and an additional 14 times per day — so what’s the fuss?

In addition to having private property used and taken without permission or compensation — which is trespass and theft — the fuss is this: APS is lying about how often and how strongly their “smart” meters broadcast.

I bought an HF35C microwave analyzer and spent 6 days measuring the microwave broadcasts of APS “smart” meters throughout Arizona. I found that APS “smart” meters were broadcasting once every minute or two, and at strengths greater than what I measured coming off cell towers — cell towers, not cell phones.

Having a “smart” meter is like having your own personal cell tower broadcasting at your house 24/7/365. Some people with “smart” meters have already become sick from the microwave overexposure received. Having their own personal cell tower in addition to the wireless microwave environment in which all of us already live has proved more than some can withstand.

COMPLETE REGULATORY FAILURE & NOBODY CARES

I presented my finding that APS was lying to the ACC, the Arizona Attorney General, the Governor, all state legislators, the Residential Utility Consumer Office, and 47 newspapers and TV stations in the APS service area. Nobody cares that the state’s largest utility — the same utility entrusted to run a nuclear

power plant — is lying!

Two small papers have picked up my story. And this magazine asked me to write this article. What we are witnessing is complete regulatory failure.

I’ll leave it to you to decide if APS advertising money has anything to do with the lack of media response. I’ll leave it to you to decide if APS parent company PinnacleWest’s generous political donations have anything to do with politicians’ lack of response.

Ancillary unanswered questions are: *Why should a regulated public monopoly have to advertise in the first place? Why should a regulated public monopoly be allowed to influence elections?*

ACC CAN’T DEFINE “METER”!

Recently I was told by a staff member at the ACC that they could not regulate meters because they could not legally define what a meter was. The staffer said it was up to the legislature to define “meter.” He put on a great telephone performance and was very convincing, even as outrageous as his claim was.

Astonished by this news, I was also curious enough to phone one of the representatives of my legislative district, **Brenda Barton**, to get her opinion on what seemed like a new and bizarre legislative power. Representative Barton seemed intrigued by the news. She said she would be meeting with an ACC commissioner soon, would find out what’s up and get back to me.

Ms. Barton never did. Despite probably more than a dozen follow-ups from me — by email, phone and even snail-mail over the course of at least a month — Ms. Barton never got back to me like she said she would.

Suspicious, I checked **followthemoney.org** to see who was financing Ms. Barton. Pinnacle West, the APS parent company, is Ms. Barton’s most generous campaign donor.

Anyway, there’s just one problem with the ACC’s blatant evasion of their responsibility to regulate meters, the Law.

ARS 40-321.A states:

“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.”

PATTERN OF LAWLESSNESS AT THE ACC

This not the first time I have noticed the ACC ignoring the law. They have also violated **AAC Section R14-3-107**, “Filing and service of formal documents.”

There is a docket at the ACC (#E-00000C-11-0328) to which citizens can post information about “smart” meters. The docket is important as a repository of information because in any future lawsuits commissioners can be sued as individuals if it can be proved they had prior knowledge upon which they did not act.

I found the ACC was not following proper procedure. In short, the ACC was picking and choosing what to post. Interestingly, one of the things they chose not to post was my finding that APS had lied about “smart” meter broadcasts.

The ACC has also broken a rule they voted for in 2007 which was that “...both the benefits and the costs of Advanced Metering and Communications [“smart” meters] should be considered”

ACC – LAWBREAKERS WITH IMPUNITY

I filed a couple complaints regarding the ACC violations with the civil rights division of the Arizona Attorney General’s office. They replied saying they only get involved in fair housing or ADA type violations. In fact, they said they actually represent state agencies like the ACC so could not represent me. I asked what I was supposed to do. They suggested I sue the ACC. So I am supposed to spend my own money to bring suit against lawbreakers who then get to defend themselves with my tax money!

I tried the **US Department of Justice**. I received the same response from three different people there, including the FBI.

They can't help. Apparently discrimination and lawbreaking is only worth bothering about when done by the private sector.

I tried the **Arizona Governor's** office. They replied they have no jurisdiction over any other elected officials and suggested I contact the USDOJ even though I made it clear the USDOJ was useless. The Governor's office even suggested I "continue ... direct communication with the Commissioners." Great idea! They always listen to me!

I also presented the ACC's lawlessness to all state legislators, the Residential Utility Consumer Office, and 47 newspapers and TV stations in the APS service area.

Just like when I caught APS lying, nobody cares except for a few alternative media outlets. So it looks like the ACC gets to lie and break the law with impunity.

ALL COST / NO BENEFIT

A cost/benefit analysis of "smart" meters has never been undertaken by the ACC. I sent the ACC a thorough cost/benefit analysis compiled by the Connecticut Attorney General. The analysis — which the ACC also chose not to post to their "smart" meter docket — was based on thousands of real people using thousands of real "smart" meters. It showed "smart" meters to be a total financial failure incurring millions of dollars in "stranded costs" and placing an unnecessary burden on ratepayers.

As the Connecticut Attorney General summarized, "the costs associated with the full deployment of AMI ["smart"] meters are huge and cannot be justified by energy savings achieved."

In Illinois, that state's Attorney General came to the same conclusion saying the utilities "have failed to prove there's an urgent need for this excessive spending."

ACC "WORKSHOP" SCAM

The ACC held two "workshop meetings" on "smart" meters. Some commissioners did not attend or left early. The meetings were not "hearings." At hearings people are under oath. At "workshops" they are not. So lies were told without repercussions.

Hearings — with parties under oath — should have been held before the first "smart" meter was ever installed. Health, privacy, property, security and financial issues should have been thoroughly examined before proceeding.

SEEING INTO YOUR HOUSE VIA "SMART" METERS

In light of the foregoing, the ACC appears complicit in a scheme to deceive and defraud ratepayers. I also contend the ACC appears complicit in depriving Arizonans of their 4th Amendment rights in what amounts to probably the most massive invasion of privacy in the history of the United States.

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated...."

~ 4th Amendment, US Constitution

A detailed report from the **Congressional Research Service** entitled "Smart Meter Data: Privacy and Cybersecurity" found "smart" meters to be capable of determining exactly what appliances ratepayers are using and when they are using them.

APS denies their meters have this capability. Technically they are right. The new meters cannot determine appliance usage. But software used to analyze the data broadcast from "smart" meters can!

The CRS report explains: "By examining smart meter data, it is possible to identify which appliances a consumer is using and at what times of the day, because each type of appliance generates a unique electric load 'signature.'" Think about the implications.

The CRS has. Smart meters may be able to reveal occupants' "daily schedules (including times when they are at or away from home or asleep), whether their homes are equipped with alarm systems, whether they own expensive electronic equipment ... and whether they use certain types of medical equipment."

Couple this with the fact that the information is broadcast to the world over a wireless network. Add in this from Microsoft: "There is no way to guarantee complete security on a wireless network." The result is the end of your privacy.

The CRS details how government agencies will be able to utilize your personal information against you. The report also lists other possible scenarios, none of them good, all of them because your 4th Amendment rights have been violated. The report states that "data that reveals which appliances a person is using could permit health insurance companies to determine whether a household uses certain medical devices, and appliance manufacturers to establish whether a warranty has been violated. Marketers could use it to make targeted advertisements. Criminals could use it to time a burglary and figure out which appliances they would like to steal. If a consumer owned a plug-in electric vehicle, data about where the vehicle has been charged could permit someone to identify a person's location and travel history."

ACC - CORRUPT OR INCOMPETENT?

All this and more has been brought to the ACC's and many other politicians' and state agencies' attention for two years. Their lack of response has made me wonder if they are corrupt or just incompetent.

Our system of regulatory democracy is completely broken at the ACC, and "working through the proper channels" seems impossible when the channels are blocked by those who have the incentive and the means to block them.

WHAT YOU CAN DO

Contact the ACC (azcc.gov) and your local and state reps. Tell them in no uncertain terms that you do not want a "smart" meter. Demand hearings. Ask for an independent investigation. Ask for a safety recall. Demand they protect your privacy!

APS plans to ask the ACC permission to charge people added fees if they do not want a "smart" meter. Payment to avoid harm is called extortion. Tell the ACC extortion is a crime. No "opt-out" fees!

Call APS and demand "smart" meter removal if you already have one. If you still have the old meter, tell APS you do not consent to a "smart" meter. Tell APS they do not have easement for their microwave radio networking and surveillance equipment.

Tell everyone you know about "smart" meters. It may be the only way they will find out.

| Warren Woodward welcomes any questions about the foregoing story. w6345789@yahoo.com

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