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Las Vegas, NV 89117

Public Utilities Commission of Nevada  
9075 West Diablo Dr. Suite 250  
Las Vegas, Nevada 89148

Subj: Docket # 12-05003 Trial NSMO

Attn: Commissioner Rebecca Wagner

Dear Ms. Wagner:

This letter is to serve as notice in writing that I wish to provide written comments about concerns on the NVE opt-out response submitted to the PUCN on May 2, 2012 under docket number 12-05003 related to the evidentiary hearing to be held on Wednesday October 3-5, 2012 at 10:00am at the PUCN Office, 9075 West Diablo Dr. Suite 250 Las Vegas, Nevada 89148.

### **Section I – Absorbent Fees Should Be Eliminated**

There should be no fees assessed by NVE for those who do not wish to opt in to the smart meter program initiated by NVE and approved by the PUCN under docket # 10-02009 in July of 2010. I have attached an exhibit detailing how much the NVE proposal will cost Nevada ratepayers and how much NVE will profit if this proposal is approved. The fees are staggering and the profits are astronomical. Enclosed is a spreadsheet created from a table in Appendix 1, 'Cost study Detailed' on page 10, from the NVE 5/2/2012, submittal for the tariff Description and Explanation – Trial Non-Standard Metering Option and the table that occurs in the section on page 9 called 'Total Costs Recovered Through Ongoing Fee.'

The first year of the trial NSMO would cost southern NVE customers 843,858 and 410,940 in the second year for a total of nearly \$1.3 million. The northern costs would be 746,267 in the first year, and 346,770 in the second year, for a total of just under \$1.2million. As a state, it will cost the NVE ratepayers over \$2.5 million. (See exhibit 1 based on 7,500 customers) This is a staggering burden on customers, paying electrical rates that are already the second highest on the west coast, behind California.

This number becomes even more staggering when you consider that per Laura Walsh's testimony, question 11, pg. 8 the program could be suspended in its entirety if NVE feels there are not enough customers to economically support the tariff. Now NVE customers have been forced to pay for something they don't want twice, i.e. the digital meter (non-communicating), and then after one year are forced to take the smart meter they wanted to avoid at the outset of the rollout in September 2010. Secondly, the testimony from the BCP's Dan Jacobson, ratepayers are being charged twice for something that NVE has already been reimbursed for and will stand to make a huge profit as fully evidenced by the figures in the second spread sheet. (See exhibit #2 based on 13,000 customers)

I'm asking the BCP and the PUCN to intervene and stop this nonsense. The systems that are in place now at NVE are working fine, and will continue to work until a new rate case can be addressed in approximately 1.5 years. In the last rate case cost recovery for smart meters was withdrawn. This is coupled with the fact that NVE states they will have a \$35 million surplus profit from the 1.4 million smart meters that will be deployed by the end of 2012 due to employee layoffs. Furthermore, this flies directly in the face of a huge double standard when NVE has marketed their entire smart meter program on the slogan that smart meters will "save both money and energy," yet we are forced to pay for an opt-out we do not want and which can be terminated at the whim of NVE, not to mention, is a program that saves us neither energy or money.

There are now 3 different states with cities that have 'no fee' opt out solutions in California, Vermont and Oregon. I feel that NVE and PUCN both need to be realistic here, and allow a no fee opt-out until any rate for a non-standard meter can be determined across the entire spectrum of ratepayers at the next rate case. For NVE to charge the ratepayers \$2.5 million dollars and then discard a system they did not need appears to be evidence of fraud.

## **Section II – The ITRON C1SR digital meter is an RF Producing 'smart meter'**

After doing my own independent study on the opt-out service panel meter proposed by NVE I have learned that the digital meter, the ITRON Centron C1SR that NVE is proposing in their May 2<sup>nd</sup> opt-out Proposal is actually a digital meter using RF (radio frequency) to send consumer consumption data similar to the original Sensus meter. It doesn't send the information to the power company like the Sensus meter does, but it does use RF at an even greater occurrence (every second) and this capability is confirmed in the May 2<sup>nd</sup> Opt-out proposal written testimony (page 5) given by James R. Christiansen, Director of Meter Services for Nevada Energy. Furthermore, this RF capability has raised other concerns with PUCN staff by their written testimony now available on the PUCN web site under docket #12-05003. Those concerns being 1.) lack of security encryption and 2.) the near-constant transmission of cumulative kWh data.

Mr. Christiansen further states in his testimony that when NVE asked the Firm "Exponent" to estimate the RF exposure for the NSMO, Exponent returned an evaluation of the transmitter's power at 0.000033 mW/cm<sup>2</sup>. This is also the same firm that said the Sensus smart meter only produced 0.000038 mW/cm<sup>2</sup> in docket #11-10007. Dr. Shkolnikov, with Exponent, made this claim despite the fact that the Sensus Company's own contract laboratory, ACS out of Buford, Ga, contradicted what he said based on their data-sheet putting the RF exposure at a much higher level, 0.204 which in reality is actually higher than the highest parameter in his own RF exposure continuum, where he placed the typical cell phone at 0.19 mW/cm<sup>2</sup>.

In essence what Exponent is saying is that the C1SR meter produces nearly the same amount of RF exposure, but occurs more frequently. Mr. Gary Smith, Director of Smart Meter Installation at NVE in the December 6<sup>th</sup> workshop said the Sensus meters only produced RF every 30 minutes or 48 times a day. Now Mr. Christiansen is saying that the C1SR, the proposed opt-out meter produces RF 86,400 times a day at a similar exposure as the Sensus meter.

This alarming information at best is also coupled with the disturbing evaluation of the Exponent Firm by David Michaels, author of *Doubt is their product, How Industry's Assault on Science Threatens Your Health*. Here is a quote from his troubling appraisal:

"Their business model is straightforward. They profit by helping corporations minimize public health and environmental protection and fight claims of injury and illness. In field after field, year after year, this same handful of individuals and companies comes up again and again."

"The range of their work is impressive. They have on their payrolls (or can bring in on a moment's notice) toxicologists, epidemiologists, biostatisticians, risk assessors, and any other professionally trained, media-savvy experts deemed necessary. They and the larger, wealthier industries for which they work go through the motions we expect of the scientific enterprise, salting the literature with their questionable reports and studies. Nevertheless, it is all a charade. The work has one overriding motivation: advocacy for the sponsor's position in civil court, the court of public opinion, and the regulatory arena. Often tailored to address issues that arise in litigation, they are more like legal pleadings than scientific papers. In the regulatory arena, the studies are useful not because they are good work that the regulatory agencies have to take seriously, but because they clog the machinery and slow down the process. Public health interests are beside the point. Follow the science wherever it leads? Not quite. This is science for hire, period, and it is extremely lucrative." [end quote pg. 46]

NVE is no exception in using Exponent to validate their purpose for the implementation of smart meters in this case.

Mr. Christianson goes on to say that ITRON will no longer support the current handheld reporting devices by December of 2012, which raises further questions about

the longevity of the C1SR meter itself. Dan Jacobsen reported in his testimony on page 9 that NVE estimates only 4,087 C1SR meters will be available to serve opt-out customers. His testimony further states on page 36 that there are some 13,786 potential customers on the delay list and this doesn't account for those customers currently with smart meters that want to opt-out also.

The unavoidable truth is that NVE doesn't have enough C1SR's for everybody on the current opt-out list per their current inventory levels on page 25 of Mr. Jacobsen's testimony. That being said it appears that new purchases of the C1SR are inevitable, which raises further concerns because the C1SR data sheet can no longer be found on the ITRON web page and appears to have been replaced with the C1SR R300. This makes the current data sheet in the opt-out proposal by NVE on May 2, completely obsolete. Perhaps this explains why NVE has never responded to the two certified USPS mail requests I made from them for this information.

The new R300 comes with its own set of concerns when the data sheet clearly states, "The output level of the CENTRON R300 IDM High Power has been increased +20dBm above its predecessor, the R300 IDM." <https://www.itron.com> Further research reveals that there is a high power and a low power "bubble up" (RF emission) function on the C1SR utilized in conjunction with the mesh networking of the meter to allow the meter to stay calibrated. The high power "bubble up" (RF emission) occurs every 60 seconds and the low power occurs every 30 seconds. This happens whether there is a meter technician probing the meter or not. This further quote from the data sheet would also explain why NVE has chosen the C1SR: "The higher-powered R300 is designed for particularly hard-to-read installations such as basements and below-grade locations, as well as gated communities, airports, and military installations. An additional benefit of the higher-powered R300 is a lower infrastructure cost; greater transmission distance equates to fewer repeaters and collectors." [end quote]

After looking through the data sheet on the C1SR R300 I found this in the product description: "The R300 IDM High Power delivers the ERT (encoder , receiver, transmitter) standard consumption messages (SCM) to any of Itron's radio-based data collection technologies, including hand held computer, a vehicle-based mobile automated meter reading (AMR) unit such as the Mobile Collector, or a network data solution such as the Itron Fixed Network or MicroNetwork." [End quote] This description is indicative of a mesh network just like the Sensus smart meters and would explain why they have to "bubble up" (emit RF) every 30-60 seconds so they can stay calibrated.

The C1SR opt-out meter in reality is actually just another smart meter without the remote reporting capability but has the platform that could easily be converted to make it able to report remotely. All of these concerns lead me to query 4 electrical engineers and one Mechanical engineer that I have known for many years. Their findings confirm that the C1SR is really not an option at all for those ratepayers who have already given

ample testimony to the Commission that the RF emission of smart meters has produced numerous health implications all across Nevada and the C1SR will be no different. Furthermore, it continues to be a grossly demeaning concept as these smart meters remain a glaring violation of our Constitutional rights to force the installation of wireless surveillance devices upon utility customers.

Granting approval to the NVE opt-out proposal with the C1SR meter will represent a total rebuff of the relevant issues presented to the PUCN over months of testimony and would negatively reflect on the overall mission and authority of the Commission. It seems readily apparent that litigation would prove to be the only resolution to resolve this disregard for personal rights and overstepping of authority.

### **Section III – Conclusion – Restore the analog meters!**

“Smart Meters” are, by definition, surveillance devices, which violate Federal and State wiretapping laws by recording and storing databases of private and personal activities and behaviors without the consent or knowledge of those people who are monitored. Furthermore, smart meters are not mandatory per:

- **The US Federal Energy Act of 2005-** Title XII, Subtitle E, Section 1252, (a), (14), (C)
- **The Energy Independence and Security Act of 2007** -Title XIII, Smart Grid Section 1301 and 1304
- **The DOE Smart Grid Communications Requirements** - dated October 5<sup>th</sup> 2010 Section i. Technologies for On-premises Networking
- **The Demand Response for State Officials-** Fall 2008 FEDERAL DEMAND RESPONSE AND SMART METERING ACTIVITIES
- **The Public Utility Regulatory Policies Act of 1978** (PURPA).

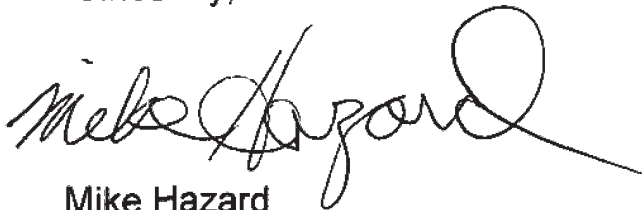
Additionally, Nevada Energy’s Associate General Counsel, Shawn M. Elicegui, publicly admitted in the PUCN hearing on December 6<sup>th</sup> under docket #11-10007 that NVE is aware that smart meters were not required by federal mandate. It therefore goes without saying that unless court orders are granted to law enforcement agencies or written permission is given by private property owners, US citizens have guaranteed protections against government sponsored intrusive search and surveillance systems on private property.

NVE has not adequately disclosed the particular recording and transmission capabilities of any non-analog meter they intend to use, or the extent of the data that will be recorded, stored and shared, or the purposes to which that data will or will not be used. Major changes to the basic meter functionality of any meter installed on a homeowner’s property granted under prior utility easements that allows reporting monthly consumption data transfer **MUST** be agreed to in writing by the pursuant property owners and ratepayers.

Accordingly, I am notifying the Commission and all concerned that I refuse to permit the use of "smart meters" or any RF producing device containing intrusive, dangerous, uneconomic and unhealthy networking capabilities from Electromagnetic and Radio Frequency energy contamination generated from service panel meters that exceeds allowable, safe and healthful limits. The only meter that eliminates those concerns is the traditional analog or digital analog meter.

I hereby reject permission for NVE to install any meter on this property other than to maintain the current analog meter and give notice to the Commission of my refusal to give consent to the surveillance of the above listed property using smart meter/ASMI components and ASD networks, which will result in criminal and civil charges if my constitutional rights are violated and subsequently disregarded.

Sincerely,

A handwritten signature in black ink that reads "Mike Hazard". The signature is fluid and cursive, with a large loop at the end of the last name.

Mike Hazard  
702-376-4859

## Breakdown of Initial Operating and Annual Fees

Revised 6/18/12 Based on 7,500 Customers

### Exhibit #1

#### Initial Start Up Costs\*

Cost Item	(South)	(North)	Total
Meter/Module	\$ 253,878	\$ 168,665	\$ 422,543
System Modifications	183,306	122,204	305,510
Mobil Collector Lite maintenance costs	1,152	1,152	2,304
Handheld acquisition and maintenance	21,944	93,536	115,480
Mobil Collector Lite costs	18,600	18,600	37,200
Total Initial Start Up	<u>478,880</u>	<u>404,157</u>	<u>883,037</u>
Monthly per NSMO	\$ 8.87	\$ 11.23	\$ 9.81

#### Annual Operating Costs\*\*

Annual Meter Reading Costs	215,456	216,218	\$ 431,674
Annual Route Analyst/Meter data specialist costs	101,558	84,356	\$ 185,914
Annual billing CSR costs	46,764	40,336	\$ 87,100
Annual Materials	1,200	1,200	\$ 2,400
Total Annual Operating Costs	<u>364,978</u>	<u>342,110</u>	<u>707,088</u>
Monthly per NSMO	\$ 6.76	\$ 9.50	\$ 7.86

#### First Year ISU\* and AOC\*\*

	<u>843,858</u>	<u>746,267</u>	<u>1,590,125</u>
Monthly per NSMO	\$ 15.63	\$ 20.73	\$ 17.67
Number of Trial NSMO Customers	4500	3000	7500

#### Year One Revenue Generated NPC (South)

Initial Start up Fees - (4500 * \$98.75)	\$ 444,375	
NSMO Monthly Fees - (4500 * \$7.61) * 12	410,940	
Total Revenue - Year One	<u>855,315</u>	
Net Operating Income Year One NPC		\$ 11,457

#### Year One Revenue Generated SPPC (North)

Initial Start up Fees - (3000 * \$107.66)	\$ 322,980	
NSMO Monthly Fees - (3000 * \$11.02) * 12	396,720	
Total Revenue - Year One	<u>719,700</u>	
Net Operating Income Year One SPCC		\$ (26,567)
Total Operating Income/(Loss) Year One		\$ (15,110)

#### Year Two Revenue Generated NPC (South)

NSMO Monthly Fees - (4500 * \$7.61) * 12	410,940	
Total Revenue - Year Two	<u>410,940</u>	
Net Operating Income Year Two NPC		\$ 45,962

#### Year Two Revenue Generated SPPC (North)

NSMO Monthly Fees - (3000 * \$11.02) * 12	396,720	
Total Revenue - Year Two	<u>396,720</u>	
Net Operating Income Year Two SPCC		\$ 54,610

Total Operating Income/(Loss) Year Two \$ 100,572

Two Year Net Gain/(Loss) \$ 85,462 \$ 11.39

**Breakdown of Initial Operating and Annual Fees**

Revised 6/18/12 Based on 13,000 customers

**Exhibit #2**

**Initial Start Up Costs\***

Cost Item	(South)	(North)	Total
Meter/Module	\$ 440,076	\$ 292,344	\$ 732,420
System Modifications	183,306	122,204	305,510
Mobil Collector Lite maintenance costs	1,728	1,728	3,456
Handheld acquisition and maintenance	21,944	87,776	109,720
Mobil Collector Lite costs	27,900	27,900	55,800
<b>Total Initial Start Up</b>	<b>674,954</b>	<b>531,952</b>	<b>1,206,906</b>
Monthly per NSMO	\$ 7.21	\$ 8.52	\$ 7.74

**Annual Operating Costs\*\***

Annual Meter Reading Costs	377,031	324,293	701,324
Annual Route Analyst/Meter data specialist cost:	101,558	84,356	185,914
Annual billing CSR costs	70,153	60,497	130,650
Annual Materials	2,100	1,800	3,900
<b>Total Annual Operating Costs</b>	<b>550,842</b>	<b>470,946</b>	<b>1,021,788</b>
Monthly per NSMO	\$ 5.89	\$ 7.55	\$ 6.55

**First Year ISU\* and AOC\*\***

	<u>1,225,796</u>	<u>1,002,898</u>	<u>2,228,694</u>
Monthly per NSMO	\$ 13.10	\$ 16.07	\$ 14.29

Number of Trial NSMO Customers	7800	5200	13000
Average Customers per FTE	2,229	1,733	2,000

FTE - Meter Reading	3.50	3.00	6.50
Hourly Labor Rate = 45.58/45.44			
Transportation Costs = 6.21/6.53			
Combined Rate - 51.79/51.97			

A

FTE - Route Analyst/Data Specialist	1.00	1.00	2.00
Hourly Labor Rate = 48.83/40.56			

B

FTE	0.75	0.75	1.50
Hourly Labor Rate = 44.97/38.78			

C

**Year One Revenue Generated NPC (South)**

Initial Start up Fees - (7800 * \$98.75)	\$ 770,250	
NSMO Monthly Fees - (7800 * \$7.61) * 12	712,296	
<b>Total Revenue - Year One</b>	<b>1,482,546</b>	
Net Operating Income Year One NPC		\$ 256,750

**Year One Revenue Generated SPPC (North)**

Initial Start up Fees - (5200 * \$107.66)	\$ 559,832	
NSMO Monthly Fees - (5200 * \$11.02) * 12	687,648	
<b>Total Revenue - Year One</b>	<b>1,247,480</b>	
Net Operating Income Year One SPCC		\$ 244,582
Total Operating Income/(Loss) Year One		\$ 501,332

**Year Two Revenue Generated NPC (South)**

NSMO Monthly Fees - (7800 * \$7.61) * 12	712,296	
<b>Total Revenue - Year Two</b>	<b>712,296</b>	
Net Operating Income Year Two NPC		\$ 161,454

**Year Two Revenue Generated SPPC (North)**

NSMO Monthly Fees - (5200 * \$11.02) * 12	687,648	
<b>Total Revenue - Year Two</b>	<b>687,648</b>	
Net Operating Income Year Two SPCC		\$ 216,702

Total Operating Income/(Loss) Year Two \$ 378,156

Two Year Net Gain/(Loss) \$ 879,487 \$ 67.65