

**Testimony Filed in APS Rate Case
Information & Perspective by Warren Woodward
Sedona, Arizona ~ December 22, 2016**

Yesterday I filed my direct testimony in APS's rate case. My testimony is on file at the Arizona Corporation Commission docket, here: <http://docket.images.azcc.gov/0000175878.pdf>.

It's 344 pages, but most are "Exhibits," proof of the points I make. My actual written testimony is the first 54 pages, double spaced -- still a lot, but worth reading if you are interested in the "smart" meter issue because, in addition to arguments I have been making for years, there's some new arguments (such as discrimination, for example). And even some of the old ones have been fleshed out with new information.

For example, based on data from other states I have always said APS's "smart" grid was a boondoggle that does not pencil out for anyone except APS and its shareholders. Now we have proof from APS's own numbers. From my testimony:

At page 20,728 of APS's Pre-Filed data, APS parent company Pinnacle West brags that APS "smart" meters saved \$19 million in operational costs in 5 years. That sounds impressive until one realizes what it cost to "save" \$19 million in 5 years (or \$3.8 million per year).

Using the numbers APS supplied in its Response to Woodward at 2.27, it can be deduced that for just meters -- *without* any of the many millions of dollars of ancillary "smart" grid equipment such as IT Infrastructure, Software/System integration, Field Area Network and Project Services, Data Storage, Cybersecurity, plus the \$120 million APS is going to blow on its new Customer Information System this year and next to "better take advantage of AMI data" (Lockwood direct testimony at P. 9) -- the cost is \$132.22 per meter, installed. At that price, "smart" metering all of APS's 1.25 million customers would amount to \$165,275,000. So, if \$3.8 million is saved by "smart" meters every year, then APS will break even on their "smart" meters in just 43 and 1/2 years! But the meters only last 5 to 7 years so the break-even point will never, ever come.

Because APS gets a guaranteed rate of return on its "smart" grid spending:

With its "smart" grid, APS has achieved an ever increasing rate base, a perpetual money machine system that guarantees APS rate increases (like the one APS is asking for now) from here to Kingdom Come.

I also debunk APS's proposed mandatory Demand and Time of Use rates as just another way for APS to bilk customers. Despite APS calling those proposals "rate design modernization," it turns out that over 30 years ago APS tried mandatory Demand rates for customers with air conditioning. It was a rip-off and there were so many complaints that the mandatory Demand rates were abandoned after 3 years.

Because I am an intervenor in the rate case, I get to ask APS written questions. Silly me, I actually thought APS would answer them. APS did answer some but also chose to blow off others,

calling them irrelevant. For example, several questions regarding their "smart" meter transmissions (which APS has repeatedly lied about over the years) were met with:

The number and duration of transmissions are not relevant to any matters at issue in APS's pending rate case. Accordingly, APS objects to this request as irrelevant and not likely to lead to the discovery of admissible evidence.

Questions about APS's "smart" meter related fires were met with:

The number of fires alleged to have been caused by AMI meters, and the protocols surrounding meter inspections, is not relevant to any matters at issue in APS's pending rate case. Accordingly, APS objects to this request as irrelevant and not likely to lead to the discovery of admissible evidence.

The problem with APS's above assertions is that they are in violation of ACC Decision # 75047 which put reviewing "smart" meter issues, including possible extortion fees for customers who refuse a "smart" meter, into this rate case. I know the Decision well since it was the result of my and Pat Ferre's successful appeals of extortion fees two years ago. So now I will have to file a "Motion to Compel" the incorrigibly lawless APS to obey the law and answer my questions.

All this legal mumbo-jumbo has led me to say **Merry Christmas & Happy New Year** to everyone with the following disclaimer:

Please accept with no obligation, implied or implicit, my best wishes for an environmentally conscious, socially responsible, low-stress, non-addictive, gender neutral, celebration of the winter solstice holiday, practiced within the most enjoyable traditions of the religious persuasion of your choice, or secular practices of your choice, with respect for the religious/secular persuasions and/or traditions of others, or their choice not to practice religious or secular traditions at all.

I also wish you a fiscally successful, personally fulfilling, and medically uncomplicated recognition of the onset of the generally accepted calendar year 2017, but not without due respect for the calendars of choice of other cultures whose contributions to society have helped make America great (not to imply that America is necessarily greater than any other country or is the only "AMERICA" in the western hemisphere), and without regard to the race, creed, color, age, physical ability, religious faith, or sexual preference of the wishee.

By accepting this greeting, you are accepting these terms:

- This greeting is subject to clarification or withdrawal.
- It is freely transferable with no alteration to the original greeting.
- It implies no promise by the wisher to actually implement any of the wishes for her/himself or others, and is void where prohibited by law, and is revocable at the sole discretion of the wisher.

This wish is warranted to perform as expected within the usual application of good tidings for a period of one year, or until the issuance of a subsequent holiday greeting, whichever comes first, and warranty is limited to replacement of this wish or issuance of a new wish at the

sole discretion of the wisher, Warren Woodward.