

June 17, 2015

Report and recommendations on an alternative to the rate changes proposed by the general manager.
submitted by Mark Graham, SMUD customer-owner

This alternative rate proposal for the Board of Directors to consider at the rate hearing according to Public Utilities Code, Section 14403.5 is directly relevant to the CEO and GM's Report and Recommendation on Rates and Services, dated April 2, 2015 ("Report") and it should be made available to the public on SMUD's web site. See Ordinance 15-1, Section 2(i).

Paragraph

A) Amount to raise rates

SMUD shall raise rates an amount that is equal to the sum of the rate increase proposed by the CEO and GM in his Report and Recommendation on Rates and Services, dated April 2, 2015, and the amount of money sufficient to purchase and install a new analog electric meter for each customer that SMUD expects will request one after SMUD provides to SMUD customers via the channels, media and communication methods in Paragraph B) the information in Paragraph C).

Paragraph

B) Channels, media and communication methods that SMUD shall use to provide information to its customers

The "Connections" newsletter that SMUD sends to all or most of its customers along with every or nearly every electric bill and the following:
Mass media, Direct mail, Email, Outbound calling, Door hangers, Microsites, Facebook groups, Pinterest and YouTube. SMUD shall provide the information described below through these channels, media and communication methods for comparable amounts of time as shown in Table 2 on page 21 and thereabouts of the SPO * to all SMUD customers rather than only some of them as was done in the SPO.

* "SPO" refers to the report titled "SmartPricing Options Final Evaluation: The final report on pilot design, implementation, and evaluation of the Sacramento Municipal Utility District's Consumer Behavior Study, prepared for U.S. Department of Energy, prepared by Jennifer M. Potter, SMUD, Stephon S. George, PhD., Nexant, and Lupe R. Jimenez, SMUD", dated September 5, 2014.

Paragraph

C) Information that SMUD shall provide to its customers

The purpose of the communication described herein is to provide to ALL SMUD customers, consistent with SMUD's obligations and Board Policies on Strategic Direction 1B, 5, 6, 11, 12 and 15, sufficient accurate information, and no false or misleading information, so that each customer can make an informed decision on whether to request that SMUD remove the smart meter from their home and replace it with an analog electric meter.

The information SMUD shall provide to customers shall be:

#1) Information including an accurate and complete description of Resolutions 12-03-09, 13-03-08 and Attachment C, and 13-08-11 and Attachment I, the Board's purpose in approving each of those Resolutions, and the date on which the Board approved each one.

#2) A plain language description of current SMUD policy as contained in the latest Resolution approved by the Board of Directors on the subject of the opt out policy, which as of this date includes the analog meter option. The plain language description shall include, but need not be limited to, the following statement or one very similar to this: "Any residential SMUD customer, regardless of the type of residence, who does not want to continue to have a smart electric meter on his or her house and who wishes for SMUD to remove that meter and replace it with a safe, reliable and accurate analog electric meter has the right to do so. Customers should call SMUD at (888) 742-SMUD (7683) to make this request."

#3) A brief statement that many peer reviewed scientific studies have been published on the health effects of wireless radiation, including but not limited to the BioInitiative 2012 (<http://www.bioinitiative.org/>) and the International Electromagnetic Field Scientist Appeal dated May 11, 2015 (<http://emfscientist.org/>) which statement shall include the links shown in this paragraph, and that these studies show that wireless radiation causes multiple serious health effects including heart palpitations, insomnia, ringing in the ears, and fatigue.

Also, the following:

- “. . . there is a significant body of peer reviewed, high quality science that directly and clearly demonstrates that all forms of electromagnetic radiation – including non-ionizing radiation – have observable effects on biological systems.”
- “Biological reactions can be affected by exposure to all parts of the spectrum - even in the very low frequency ELF range. All EMF is bioactive.” (Emphasis in original.)

Overpowered: What Science Tells Us About the Dangers of Cell Phones and other Wifi-Age Devices, Martin Blank, PhD, Seven Stories Press, 2014.

#4) A statement that despite SMUD customers asking the SMUD Board of Directors several times in 2012, 2013, 2014 and 2015 for any peer reviewed scientific studies on wireless radiation showing or purporting to show that such radiation at levels emitted by SMUD's smart meters is safe for humans SMUD does not have and is not aware of any such scientific studies. Not even one.

#5) A statement that there is currently no biological safety standard for wireless radiation either by the federal government or the State of California, and that the maximum exposure limit for radiation created by the Federal Communications Commission and currently applicable to smart meters was created in 1996 using industry data and is based solely on the heating of body tissue by wireless radiation ("thermal effect"), and that the FCC wrote in 1999:

"In general, while the possibility of 'non-thermal' biological effects may exist, whether or not such effects might indicate a human health hazard is not presently known. Further research is needed to determine the generality of such effects and their possible relevance, if any, to human health."

"Questions and Answers about Biological Effects and Potential Hazards of Radiofrequency Electromagnetic Fields",
Federal Communications Commission, Office of Engineering & Technology, August, 1999,
OET BULLETIN 56, Fourth Edition, page 8

#6) A statement that former California Public Utilities Commission President Michael R. Peevey wrote to Pacific Gas & Electric Vice President Brian K Cherry in an email dated September 3, 2010:

"One thought for the company: If it were my decision I would let anyone who wants to keep their old meter keep it, if they claim they suffer from EMF and / or related electronic related illnesses and they can produce a doctor's letter say so (or expressing concern about the likelihood of suffering same). I would institute such a policy quietly and solely on an individual basis. There really are people who feel pain, etc., related to EMF, etc., and rather than have them becoming hysterical, etc., I would quietly leave them alone. Kick it around."

#7) A statement describing **and quantifying** the benefits to SMUD customers of having a smart meter on their home. In the case of customer benefits that SMUD cannot quantify, the statement shall so state.

Paragraph

D) Notification to customers

The 2016 and subsequent editions of the Residential Rate Guide shall include information on the rates and fees SMUD charges for customers who wish to participate in the opt out program, which currently includes the analog meter option and shall include a link to a page on the SMUD website where customers can find information about the opt out program and the information in paragraph C).

SMUD shall place a brief notice on the home page of the SMUD website (www.SMUD.org) which will be hyperlinked to a different page on its website, which different page will include a copy of this alternative to the rate changes proposed by the general manager and the information described herein. The purpose of the brief notice on the home page will be to make SMUD customers who are NOT looking for this information but who are on the SMUD website aware that this information exists, and to easily enable them to reach the different page containing this information. The brief notice shall be designed and located on the home page with this purpose in mind.

Paragraph

E) Implementation.

SMUD shall estimate the number of customers who, when given the information described in paragraph C, SMUD expects will request an analog meter. SMUD shall multiply that number by the actual cost to SMUD of purchasing that many new analog electric meters and shall calculate by what percentage it must raise rates in 2016 and 2017, in addition to the proposed 2.5% increase in each year, to pay for said analog meters. SMUD shall continue to make the analog meters available to all customers living in single family homes and shall begin to make such meters available to customers living in all other types of residences immediately.

SMUD shall begin the outreach and communication described in paragraph B) immediately. SMUD may conduct (a) survey(s) and / or focus group(s) to help it estimate the percentage of SMUD customers who will request an analog electric meter. If SMUD determines that SMUD has underestimated the number of customers who request an analog electric meter then SMUD shall pay for the analog meters whose cost is not provided for by the rate increase proposed herein from its operating profits, that is, the excess of revenues over expenses.

On page 3 the GM's Report says, "Staff also proposes a modification to the current option residential time-of-use (TOU) rates. Staff recommends discontinuing two existing TOU rates, Option 1 (TOU1) and Option 2 (TOU2). Both continue to have very low enrollment, approximately 300 customers in total."

SMUD first made the TOU rates available to its customers in 1984. It follows that since 1984 SMUD has had TOU rates that were available to customers with an analog electric meter. Analog meters were the industry standard since the beginning of electric service, about 120 years. Every electric utility customer had an analog meter. My alternative is to keep TOU rate for customers who currently have, or who will soon have if this alternative is approved, an analog meter.

Paragraph

F) Conflict with existing policy, severability.

In case this alternative to the rate changes proposed by the general manager conflicts with existing SMUD policy, SMUD shall do one of two things: either change the existing policy (such as the opt out / analog meter option, making them available to all residential customers regardless of the type of their residence) so as to eliminate the conflict or shall delete the portion(s) of this proposal that so conflict, and SMUD shall consider the remainder of this proposal as if the deleted portions did not exist.

End of this report and recommendations on an alternative to the rate changes proposed by the general manager.