

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application and request of THE DETROIT EDISON COMPANY seeking Approval and authority to implement its proposed Advanced Metering Infrastructure Opt Out Program)))))	MPSC Case no. U-17053
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**RESPONSE TO THE DETROIT EDISON COMPANY'S APPLICATION FOR
APPROVAL OF ADVANCED METERING INFRASTRUCTURE
OPT-OUT PROGRAM TARIFF**

Intervenor, Sharon Schmidt, by and through her attorneys, CAROLAN & CAROLAN, P.C., responds to The Detroit Edison Company's ("DTE") application for approval of its Advanced Metering Infrastructure Opt-Out Program tariff, stating:

1. No tariff should be imposed on residential customers who elect to opt out of the Advanced Metering Infrastructure ("AMI"), for the reasons that:
 - a. As acknowledged by Robert E. Sitkauskas, manager of the AMI group in the Major Enterprise projects Organization of DTE, DTE will realize savings (i.e., net profit) from the implementation of the AMI, as "AMI uses proven technology to automatically read, monitor and control meters via wireless technology ..., instead of relying upon manual actions." He testified on cross examination on January 15, 2013 that no determination had been made whether and to what extent those savings would be passed on to customers. It would be inequitable for DTE to realize a **profit** from conversion to the AMI, yet to impose a **tariff (cost)** on any customers, in general, or any customers who opt out of the program, in particular.
 - b. In general, objection to the AMI, most if not all customers object on basis of adverse health effects associated with the transmissions from the meters. To impose a cost on those who suffer adverse effects from those transmissions is discriminatory,

violating Titles II and III of the Americans With Disabilities Act, 42 U.S.C. §§ 12101, et seq.

2. If it is determined that a tariff shall be allowed, the tariff requested by DTE is unreasonably excessive.

WHEREFORE, Intervenor, Sharon Schmidt, requests that the Commission:

- A. Accept this response to DTE's application for filing;
- B. Enter an order disallowing DTE's application and its attached tariff sheet.
- C. Grant Intervenor such further additional relief as it deems appropriate.

Respectfully submitted,

February 12, 2013

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In the matter of the application and request of THE DETROIT EDISON COMPANY seeking Approval and authority to implement its proposed Advanced Metering Infrastructure Opt Out Program)))))	MPSC Case no. U-17053
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BRIEF IN SUPPORT OF
RESPONSE TO THE DETROIT EDISON COMPANY'S APPLICATION FOR
APPROVAL OF ADVANCED METERING INFRASTRUCTURE
OPT-OUT PROGRAM TARIFF

The issue remaining for the Commission in connection with its consideration of the Advanced Metering Infrastructure (“AMI”) Opt Out Program is to determine what tariff that should be allowed to be imposed on residential customers who elect to opt out of the AMI. Intervenor, Sharon Schmidt, submits that no tariff should be allowed. In the alternative, if this Commission is inclined to allow any tariff, Intervenor submits that the tariff allowed should be markedly lower than suggested by The Detroit Edison Company (“DTE”).

Robert E. Sitkauskas, manager of the AMI group in the Major Enterprise projects Organization of DTE, acknowledges that DTE will realize savings (i.e., net profit) from the implementation of the AMI, as “AMI uses proven technology to automatically read, monitor and control meters via wireless technology ..., instead of relying upon manual actions.” He also testified on cross examination on January 15, 2013 that no determination had been made whether and to what extent those savings would be passed on to customers.

The cost associated with the meter reader(s) presently employed to read analogue meters is already covered by present rates. That cost remains the same for each meter reader who does not lose his or her job and continues to read non-transmitting digital meters. To characterize it as an increased cost (per consumer) is nothing more than a disingenuous attempt to create a new revenue

(i.e., **profit**) stream by increasing the cost of consumers who receive the same service for which they have been fully compensating DTE. A stark contrast is evident in DTE's own exhibit A1, schedule 1, where the present meter reading cost of 45¢ is replaced with "cost per special meter read" of \$8. The only way DTE can mischaracterize it as an increased cost is to change the measure from a per-meter-reader cost to a per-customer cost.

In the meantime, DTE realizes ongoing savings by firing meter readers who are no longer needed. It would be inequitable, at best, for DTE to realize **increased profit** from conversion to the AMI, yet to impose a **tariff (cost)** on any customers, in general, or any customers who opt out of the program, in particular.

Most, if not all, customers object to the AMI on basis of adverse health effects associated with the transmissions from the meters. Whether well founded or not, the concerns are genuine and may have legitimate basis in science that are not yet sufficiently realized. Intervenors in this proceeding have testified to their legitimate fears. Imposition of a tariff on those who suffer adverse effects from those transmissions is discriminatory, violating Titles II and III of the Americans With Disabilities Act, 42 U.S.C. §§ 12101, et seq.

If it is determined that a tariff shall be allowed, the tariff requested by DTE is unreasonably excessive. To reiterate the inconsistency contained in DTE's own Exhibit A1, Schedule 1, it seeks to impose a monthly cost of \$15 on those who presently pay 45¢ for the same service. Furthermore, the one time charge of disabling the transmission of digital meters is unwarranted. DTE tacitly admits that the installation cost is something it is willing to bear; no fee is being imposed on consumers for what is obviously a more costly effort – installing the meters themselves. To then impose a cost of \$87 for simply disabling the transmission is intuitively excessive.

At a minimum, the testimony of Steven McLean at pages 566-567 is instructive:

The Staff reviewed the Company's proposal and determined that apart from a few

19 alterations to the Company's tariff and charges, the proposal is consistent with
the
20 September 11, 2012 Commission Order in Case No. U-17000 requiring
MPSC21
regulated investor owned utilities to propose a cost based option for residential
22 customers to permit them to choose a non-transmitting meter as opposed to the
23 Company's standard transmitting AMI meter.

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DIRECT TESTIMONY OF STEVEN Q. MCLEAN

CASE NUMBER U-17053

PART II

5

1 Q. What are Staff's recommended alterations to the Company's proposed tariff
2 provision?

3 A. Staff recommends that the initial fee and monthly charge should be reduced
from

4 the Company proposed amounts of \$87.00 and \$15.00 to \$67.20 and \$9.80.

Staff

5 has also modified the tariff to make it clear that the customer is choosing a non
6 transmitting meter as opposed to a transmitting meter, which is the Company's
7 standard meter for residential customers. In addition, the tariff has been
modified

8 to make it clear when the charges apply for customers who choose a non
9 transmitting meter and live in areas that have not yet received transmitting
meters.

10 Q. Please describe Staff's alterations to the Company's proposed initial fee of
\$87.00

11 and monthly charge of \$15.00.

12 A. The Staff has reviewed the Company's cost estimates and determined that
they

13 are based on the Company's experiences and past practices with meter reading
14 and associated functions and are reasonable. Furthermore, the costs are
consistent

15 with other jurisdictions. However, Staff recommends that the resulting charges
be

16 reduced to reflect a higher projected customer participation rate. The charges
that

17 the Company has developed are based on a forecasted participation level of
4,000

18 customers. This participation level has a direct impact on the charges. Several
of

19 the costs associated with allowing residential customers to choose a non
20 transmitting meter are fixed. These fixed costs are spread to all participating
21 customers. By increasing the forecasted participation level, the cost per
customer

22 and resulting charges decrease.

His testimony undercuts even the method of computing the so-called “costs” associated with opting out.

For the reasons stated above, Intervenor Sharon Schmidt requests this Sharon Schmidt, requests that the Commission disallow any tariff associated with the Advanced Metering Infrastructure Opt-Out Program or, in the alternative, approve a lower tariff, no greater than a monthly fee of 45¢.

Respectfully submitted,

PROOF OF SERVICE

Richard J. Carolan that, on February 12, 2013, he did cause to be served by email attachment the instant pleading on the persons identified on the attached service list.

SERVICE LIST – PARTIES SERVED BY EMAIL ATTACHMENT CASE NO. U-17053

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