

**DIRECT TESTIMONY OF
NORMAN W. LAMBE
NMPRC CASE NO. 15-00312-UT**

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Table of Exhibits for Norman Lambe (“NL”)

- CFRE NL 1. Resume of Norman Lambe
- CFRE NL 2. Protocol Insurance Services, Report, December 3, 2015 to Norman Lambe from Vincent Panko, Protocol Insurance Services. RE: Claim number 2015-2031-77A
- CFRE NL 3 a and CFRE NL 3 b. EFI Global Forensic Electric Engineering Reports, 100 Degrees Hot Pot, LLC, Claim number 77A5001263-00 (2015-1618-77A). CFRE 3 a - is dated September 18th 2015, the follow-up report, CFRE 3 b - is Dated June 6 2016.
- CFRE NL 4. San Diego Fire Department’s Incident Report number FS 14023257, regarding named insured Troy’s Greek Restaurant.
- CFRE NL 5. Policy, A & E Insurance for Architects & Engineers containing Lloyds of London’s Exclusion 32.
- CFRE NL 6. Squirrels, Grid Security and a Stuffed Rudd, Nick Hunn

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1 **Q. Please state your name, job title and business address.**

2 A. My name is Norman Lambe. I am a Senior Property Claims Examiner at Precision
3 Risk Management, PO Box 628, Cypress, CA 90630.

4

5 **Q. Please describe your professional background and experience.**

6 A. I have worked in property claims approximately 30 years. I have been involved in the
7 investigation, evaluation, and adjustment of insurance claims for property damage. This
8 encompasses the investigation of the destruction to the named insured's buildings,
9 structures and business or personal property. Since June 1, 2010, I have served as a
10 Senior Property Claims Examiner at Precision Risk Management, Inc., in Cypress,
11 California.

12

13 Prior to my current employment, I served as a Senior Property Claims Examiner for First
14 American Property and Casualty in Santa Ana, California, from 2003 -2010. My work
15 with this insurance carrier also involved the investigation, evaluation, and adjustment of
16 Homeowner and Commercial First Party Claims. I have been involved in the
17 investigation of fire losses to homes and businesses as well as the adjustment of the
18 building claims and the adjustment of personal property loss. I have experience in
19 adjusting losses that range from a destroyed sofa or the theft of a television set to claims
20 from 9/11 attacks to claims for damages and losses that resulted from fires caused by
21 "smart" meters. For further relevant work experience please see Exhibit CFRE NL 1.

22

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1 I have had first-hand experience in the following “smart” meter-caused fires cases:

2 2015-1369-77A—shopping center fire

3 2015-2031-77A---condominium complex fire

4 2013-9656-77A---apartment complex fire

5 2015-2156-77A---restaurant fire

6 2016-2692-77A--- hotel power surge

7

8 **Q. Have you testified previously before the New Mexico Public Regulation**
9 **Commission (“Commission”)?**

10 A. No.

11

12 **Q. What is the purpose of your testimony?**

13 A. I am concerned for the well-being of homeowners and business owners who purchase
14 or rent their facilities and then buy insurance policies to protect themselves from damage
15 and loss in the event of a catastrophe. I see submission of this testimony as part of my
16 job, to do what I can to spare people from pain and suffering. If there is something that I
17 can do to keep that from happening, to help prevent a home or business from burning,
18 then I want to do it.

19

20 I will testify to some of the challenges that have arisen from “smart” meter deployments.
21 Additionally, I am submitting evidence that “smart” meters have caused fires and that
22 these meters are sometimes removed by utility companies before a proper investigation

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1 can be conducted. On this subject I am submitting 4 reports, Exhibits CFRE NL 2, CFRE
2 NL 3 a and b, and CFRE NL 4.

3

4 I am also submitting Exhibit CFRE NL 5. This document includes an exclusion that
5 indicates that an insurance company that has Lloyds of London as its reinsurer, will not
6 pay for any physical illness that is directly related to the insured's exposure to radio
7 frequency radiation ("RFR"). "Smart" meters are one of the major appliances that
8 produce RFR.

9

10 I also submit CFRE NL 6, an article detailing the growing threat of cyber-attach, this is a
11 serious threat and problem associated with AMI deployment; It should not be taken
12 lightly.

13

14 **Q. What challenges do you face as a claims examiner?**

15 A. In the event of damage or loss to property, and usually after the insured person(s) are
16 reimbursed for damages, Claims Examiners are obligated to pursue the responsible party
17 for the recovery of the named insured's deductible, and for the money that the insurance
18 company dispersed for repair of the damage.

19

20 My job can be very unpopular at times, especially when the insured believes that they are
21 entitled to more than what the policy can provide. Although property claims
22 reimbursement is limited to the actual valuation of the property loss, I can see that in

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1 many cases the losses cause severe mental and emotional strain and hardship for the
2 claimant.

3

4 **Q. What are some of the issues that have arisen from “smart” meter-caused fires?**

5 A. In cases of fire involving "smart" meters, by the time a representative from the
6 insurance company arrives at the scene, the utility has already responded, usually during
7 the course of the local fire department's fire suppression efforts. Utility companies
8 commonly remove the "smart" meter that had malfunctioned and/or ignited prior to
9 completion of the necessary investigation into the cause of the fire. This hampers my
10 ability to see that a proper investigation is performed for insurance purposes. This also
11 complicates the job of Fire Marshals and/or fire department investigators. This may
12 potentially also lead to a misdiagnosis by fire departments and insurance agencies and an
13 undercounting of the total number of “smart” meter caused fires.

14

15 Utility companies have kept the "smart" meters, claiming that they are the company's
16 property, and they can do with them as they please. It can take me several months, if not
17 years, to obtain *the* "smart" meter that is believed to be the same one involved in, and the
18 primary cause of a particular fire. Thus, the timeframe required to perform the requisite
19 analysis is substantially extended; consequently, fires caused by "smart" meters can be
20 extremely challenging to investigate and resolve.

21

22 **Q. Please describe the significance of Exhibit CFRE NL 2.**

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1 A. CFRE NL 2. Is a Report from Vincent Panko of Protocol Insurance Services, dated
2 December 3, 2015 to me, Norman Lambe, RE: Claim number 2015-2031-77A. This case
3 exemplifies the difficulty that we encounter when trying to obtain access to “smart”
4 meters in order to perform a proper investigation.

5 We still have not been permitted the opportunity to inspect the meter by Nevada Energy.
6 Residents stated that the “smart” meter exploded. The inability to access the meters in
7 “smart” meter fire cases is a consistent problem.

8 **Q. Please describe the significance of Exhibit CFRE NL 3 b.**

9 A. Exhibit CFRE NL 3 b is a forensic electric engineering investigation report for a loss
10 at 5600 Spring Mountain Road; Las Vegas, Nevada in 2015. The business is 100
11 Degrees Hot Pot LLC, claim number 77A5001263-00 (2015-1618-77A).

12
13 Exhibit CFRE NL 3 b is a follow-up report. CFRE NL 3 b details new findings on the
14 referenced loss that were revealed during the course of the joint destructive inspection of
15 the "smart" meters. These meters were the subject of an earlier report by this author,
16 dated September 18, 2015 which have also submitted, as CFRE NL 3 a. The joint
17 destructive inspection was conducted at NV Energy; 6226 W. Sahara Blvd.; Las Vegas,
18 NV, on April 21, 2016.

19

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1 CFRE NL 3 b reveals that the “smart” meters were removed from the scene prior to
2 completion of the fire investigation. This report indicates that the remote switching
3 mechanism in a “smart” meter was determined to be the cause of the fire.

4
5 Unlike analog meters, "smart" meters can turn power "on" or "off" remotely. Sometimes,
6 during activation of this remote switch, a tremendous burst of power can cause arcing in
7 the meter and result in fire. As noted in the report by EFI Global (CFRE NL 3 b p.4),
8 “All observed damage to the electrical panel and the meter itself is consistent with a fire
9 triggered by extreme heat at the defective switch contacts inside the meter. The heat
10 transferred to the metal clips, which were held in position by a resin-based insulator. The
11 extreme heat ignited the insulator. The ensuing fire burned upward inside the panel,
12 explaining the damage to the circuit breaker located directly above it. Open flame
13 conducts electricity, so the flame drew an arc between the two energized power rails in
14 the panel, explaining the unusual arc patterns in the center circuit on the panel, which was
15 not part of the ‘HP’ meter circuit.”

16
17 This fire occurred solely and directly as a result of the installation of a defective meter
18 into an existing and serviceable electrical panel by the utility company, NV Energy. The
19 fire originated in a locked and concealed area that is accessible only to employees of NV
20 Energy. The owners and occupants of the subject building did nothing wrong and were
21 powerless to prevent this fire. The employee(s) of NV Energy who installed the meter
22 were the last persons having the opportunity to inspect the subject meter and associated

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1 panel. The responsibility to identify and prevent electrical fires of this nature rests with
2 the utility provider and, by inference, the manufacturer of the defective meter.

3

4 **Q. Please describe the significance of your Exhibit CFRE NL 4.**

5 A. CFRE NL 4 is a San Diego Fire Department Incident Report, number FS 14023257.

6 On February 26, 2014, a fire broke out at Friars Village, a shopping mall located at 10450
7 Friars Road in San Diego, California, at Troy's Greek Restaurant.

8

9 Many entries from this report provide important independent accounts of what took place
10 at the Friars Village Shopping Mall. SDGE refers to San Diego Gas and Electric:

- 11 - At 18:21:14, the report states "have SDGE expedite, 2 elect boxes on fire."
12 - This is repeated at 18:21:42 "/ SDG expedite 2 elect boxes on fire"
13 - At 18:34:47 the report states that "...2 high voltage elec boxes smoldering at the
14 elec shut off for the strip mall... units standing by until SDGE arrives..."
15 - Another entry at 19:42:09: "2 SDGE meters on fire. 15 businesses evacuated and
16 w/o power."

17

18 Please note that as of the date of this testimony, more than two years later, we have not
19 yet been able to gain access to our insured's "smart" meter in order to perform the
20 requisite investigation.

21

22 **Q. Why have you not been able to gain access to the meter in this incident?**

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1 A. If the meter caused the fire, the utility would be responsible for the damages caused by
2 the fire, not my insurance company; therefore, I believe that the utility does not want my
3 company to inspect the meter.

4

5 **Q. How does not gaining access to the “smart” meter affect the insurance business?**

6 A. To meet our obligations, insurance providers must determine the cause of damage
7 that we insure. If another party is determined to be responsible for damage, then they
8 would be responsible for paying for damages. "Smart" meters cause fires. When utilities
9 do not let insurance companies investigate these meters, the cause of those fires, our
10 companies are left to pay for the damages inflicted upon our customers.

11

12 **Q. What do you believe to be the likely outcome of the threats posed by radio
13 frequency radiation and “smart” meter caused fires?**

14 A. I believe some of the problems associated with "smart" meters are coming to a
15 crescendo. Soon enough, one or more large property insurance companies will decide to
16 exclude any damage to a building, business or personal property directly related to the
17 malfunction of a "smart" meter, or more specifically, “smart” meter-caused fires. There
18 is already one significant development whereby Lloyd’s of London has issued an
19 exclusion; by this I mean that they have incorporated an exclusion into their policies to
20 exempt the company from paying for any “smart” meter or other radio frequency
21 radiation (“RFR”) related illnesses. Electric “smart” meters, or more specifically, an

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1 AMI system in whole is a particularly dangerous source because of the quantity,
2 frequency, and pulsing nature of the output of this sort of radiation.

3

4 Insurance companies were some of the earliest companies to recognize the threat of
5 global climate change posed by greenhouse gasses, which is now a thoroughly accepted
6 phenomenon. Now it appears that insurance companies will be amongst the first to
7 recognize the dangers associated with health issues that result from exposure to RFR such
8 as AMI systems and other RFR emitting devices.

9

10 **Q. Please be specific, how has Lloyds of London reacted to health damages caused**
11 **by exposure to electromagnetic or radio frequency radiation, including those from**
12 **“smart” meters?**

13 A. Lloyds of London, perhaps the world's largest reinsurance carrier, issued "Exclusion
14 32." This exclusion indicates to other insurance companies that has Lloyds of London as
15 its reinsurer (underwriter) will not pay for any physical illness that is directly related to
16 the insured's exposure to radiofrequencies (RFs). I am submitting a copy of Lloyds of
17 London's Exclusion 32 as contained within an A & E Insurance for Architects &
18 Engineers policy, Exhibit CFRE NL 5.

19

20 **Q. Would UL certification ensure that a meter is safe?**

21 A. Most "smart" meters have not been certified by any independent certification body,
22 such as Underwriters Laboratory (“UL”) or Canadian Standards Association (“CSA”).

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1 Instead “smart” meters are routinely certified by industry groups such as ANSI and IEEE.
2 All of the models of meters that have burned, and many have, have been certified by
3 these industry groups. UL has a new certification standard that is said to have been
4 developed to insure the safety of “smart” meters, UL Standard 2735. But, even this
5 certification is not sufficient. The very meters that have received this certification,
6 Sensus and Landis & Gyr, have caused fires.

7

8 **Q. What other concerns do you have about “smart” meters?**

9 "Smart" meters also pose a security risk. On May 3, 2016, Nick Hunn of WiForce
10 Consulting, Ltd. testified at the UK House of Commons' Science and Technology's
11 "evidence check" and inquiry into the country's "smart" metering initiative. Mr. Hunn
12 stated: "The concern I have is that every smart meter has an isolation switch so it can be
13 remotely connected from the supply . . . If somebody could hack into that or just by
14 mistake turn off very large numbers of meters, that sudden shock of taking them off the
15 grid, and even worse, be able to turn back on at the same time, would cause significant
16 damage. And to me that's an unnecessary risk." CFRE NL 6 is an article by Nick Hunn
17 that notes some recent cyber-attacks. This threat should not be trivialized.

18

19 **Q. What are your recommendations about PNM’s AMI Project Proposal?**

20 Installing “smart” meters is not a prudent investment. It is not fair for PNM to put
21 unnecessary risk onto the shoulders of its customers including the risk of “smart” meters
22 caused fires or health risks. Furthermore, how these AMI meters affect the electrical

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1 wiring systems of old homes and customer's appliances must be thoroughly studied.
2 Finally, the absolute safety of any and all meters should be proven *before* they are
3 installed, if ever they are installed.

4

5 **Q. Does this conclude your Direct Testimony?**

6 A. Yes, it does.