

California Public Utilities Commission
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PRESS RELEASE

Docket #: A.08-09-023

**CPUC APPROVES ADVANCED METERING
INFRASTRUCTURE FOR SOCALGAS**

SAN FRANCISCO, April 8, 2010 - The California Public Utilities Commission (CPUC) today authorized Southern California Gas Company (SoCalGas) to develop and deploy a gas-only advanced metering infrastructure (AMI) system throughout its service territory. The advanced meter technology will enhance operational efficiencies, customer service and safety, and energy conservation.

The CPUC determined that the SoCalGas' advanced metering proposal is consistent with several of the state's energy objectives of increasing energy conservation and demand-side management, reducing greenhouse gas emissions, and providing customers with information and tools that allow them to manage and make educated decisions about their energy use.

Commissioner Dian M. Grueneich, author of the Alternate Proposed Decision approved today, made several modifications to SoCalGas's original plan to ensure that the project will return benefits to ratepayers in excess of its costs, including the reduction of certain elements of project costs and a requirement that company shareholders share equally with ratepayers the burden of any cost overruns.

"In addition to operating benefits, the SoCalGas AMI system holds the potential to generate additional benefits through a dramatic expansion in the available energy usage information, providing customers with meaningful and timely feedback about their natural gas consumption," Commissioner Grueneich said. "This information will give customers the ability and choice to make changes that reduce energy consumption and cost."

Added CPUC President Michael R. Peevey, “Advanced meters are being rolled out nationwide and internationally. Full implementation of SoCalGas’ AMI program will result in lower operating costs, which translates to lower rates for customers. In addition, they are an integral part of the state’s goal to give customers tools to reduce their energy usage in a given time period.”

SoCalGas must develop and present in a public workshop a plan for outreach and conservation support, and follow through with semiannual reporting on the gas conservation impacts of the project. It must also increase its funding for the transition and retraining of SoCalGas employees displaced by the project.

Said Commissioner Timothy Alan Simon, “It is crucial that we protect our public investment in gas AMI through a carefully coordinated customer outreach and education plan. This, to me, is without a doubt the most critically important part of this Decision. I believe that the customer benefits and the potential for behavioral change through innovations in information delivery will result in greater conservation.”

The data that advanced meters collect will help enhance customer service, security, and convenience. There no longer will be a need to access a customer’s property; instead, natural gas meters will be read automatically - sending information electronically from a customer’s gas meter to the utility. Once installed, advanced meters will eliminate close to seven million driving miles annually related to meter reading. It also will improve air quality by reducing greenhouse gas emissions each year due to energy savings and by removing vehicles from the road. In addition, advanced meters are also the first step toward creating a Smart Grid in California. With a Smart Grid, digital technologies are applied to every aspect of the industry, from generation, to transmission, to distribution, to the customer interface.

The CPUC already has approved advanced metering infrastructure programs for San Diego Gas and Electric Company, Southern California Edison, and Pacific Gas and Electric Company. The program supports the state’s energy policy of meeting California’s energy growth needs by first prioritizing energy conservation and resource efficiency.

The CPUC approved \$1.05 billion for the project from 2010 through 2017. SoCalGas plans to begin replacing and retrofitting an estimated six million natural gas meters with wireless communications modules throughout its service territory beginning in mid-2012.

The proposal voted on today is available at

http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_DECISION/115944.htm.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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