



Tony Tartaglia
*Regional Public Affairs Manager
Northern Region*

**Southern California
Gas Company**
9400 Oakdale Avenue
Chatsworth, CA 91311

Ph. No. (818) 701-4571

Fax. No. (818) 701-3387

ttartaglia@semprautilities.com

February 29, 2016

Mona Miyasato
Chief Executive Officer
Santa Barbara County
105 East Anapamu Street
Santa Barbara, California 93101

Re: Installation of Southern California Gas Company's Advanced Metering
Infrastructure Data Collector Units

Dear Ms. Miyasato:

I am writing concerning Southern California Gas Company's planned installation of Data Collector Units ("DCU") in Santa Barbara County necessary to complete the company's Advanced Metering Infrastructure ("AMI") program.

SoCalGas has appreciated working with you and your staff over the past several months on these issues and we look forward to continuing to work with the County to implement this important CPUC-approved safety and efficiency program. We write today to offer suggested revisions to the County's Telecommunications Facilities Ordinance ("Ordinance") to avoid confusion regarding the Ordinance's application to this program and to ensure efficient and expeditious installation of the DCUs so that the County's residents can benefit from the safety and efficiency benefits that the program brings.

The installation of AMI technology is a critical component of California's and the California Public Utilities Commission's long term goals to develop more efficient delivery of electricity and gas and improved customer-side management that will enable greater conservation and efficiency. In 2003, the CPUC directed investor-owned utilities, like SoCalGas, to design and implement a pilot program for deploying advanced metering and demand response technologies. SoCalGas' AMI program is one of those programs.

SoCalGas' AMI program will automatically read and securely transmit hourly gas usage information to SoCalGas. This information may then be accessed by customers to better manage energy use and costs. The DCUs will also be used to



monitor the operations and safety of the natural gas pipeline system and to quickly determine if a leak or loss of pressure occurs. For example, this monitoring will allow SoCalGas and customers to identify sudden usage spikes that could indicate a leak or other unusual gas consumption.

To collect and transmit this information, the AMI program requires the installation of: (1) gas meters with communication modules, and (2) DCUs. Installation of AMI facilities in SoCalGas service territory began in October 2012. These DCUs may be attached to existing light poles or be freestanding units. Attached is a photograph showing a unit as installed and a diagram illustrating how the AMI system works.

We understand that there continues to be disagreement over whether the Ordinance applies to these DCUs. As we've discussed, it is SoCalGas' position that the Ordinance does not apply to the DCUs and that no discretionary permits are required for the installation of the DCUs because of the CPUC's exclusive jurisdiction over utility systems.

SoCalGas separately possesses the right to locate and construct DCUs by virtue of the company's franchise agreement with the County. The franchise agreement expressly allows SoCalGas to install "a gas and transmission system" and "appurtenances" within the County in exchange for the payment of an annual franchise fee to the County. The DCUs are "appurtenances" to SoCalGas' gas system, as the DCUs will be used to monitor the operations and safety of the natural gas pipeline system and have no capacity or capability to be used for non-utility telecommunications systems. Accordingly, further discretionary permits would unreasonably interfere with the company's contractual rights to install appurtenances, as set forth in the franchise agreement.

In light of these considerations, we recently discussed the possibility of amending the Ordinance to clearly exempt the DCUs from it. We are concerned that the Ordinance, as applied, could hinder SoCalGas' ability to install and maintain the necessary DCUs and conflict with the rights and obligations set forth in SoCalGas' franchise agreement. DCUs are not traditional telecommunications facilities, which it appears the Ordinance was intended to regulate, but are key components of the existing natural gas distribution system that the CPUC has directed SoCalGas to install. Given their purpose, method of operation, and limited numbers, DCUs operate as merely an extension of SoCalGas' existing infrastructure.

Confirming that DCUs are clearly exempt from the Ordinance will ensure that SoCalGas will be able to install the units quickly and efficiently and in compliance with the CPUC's direction. We propose the following modification to Section 35.44.010 of the Santa Barbara County Code:



Affected facilities and equipment. The provisions of this Section shall apply to commercial telecommunications facilities that transmit or receive electromagnetic signals (e.g., radio, television, and wireless communications services including personal communication, cellular, and paging). This Section shall not be construed to apply to handheld, vehicular, or other portable transmitters or transceivers, including cellular phones, CB radios, emergency services radio, and other similar devices, or to natural gas and appurtenant communications facilities that have been approved pursuant to the California Public Utilities Commission's exclusive jurisdiction.

Note that this amendment would be exempt from environmental review under the California Environmental Quality Act pursuant to the Class 3 exemption for small new equipment and facilities in small structures. *See CEQA Guidelines § 15303.* This exemption has been used successfully for the installation of utility cabinets in other jurisdictions and we would be happy to discuss this issue with you further.

Notwithstanding the CPUC's exclusive jurisdiction and SoCalGas' contractual rights conferred by the franchise agreement, SoCalGas appreciates the County's interest in the time, manner, and place of installation for SoCalGas' DCUs. SoCalGas will, of course, secure all applicable ministerial permits and abide by the County's reasonable time, manner, and place requirements for installing DCUs.

Thank you for your assistance in this matter. We look forward to speaking with you soon about this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Tartaglia".

Tony Tartaglia
Regional Affairs Manager, SoCalGas

cc: Renee Bahl, Assistant County Executive Officer
Rachel VanMullem, Esq.
Albert Garcia, Esq., SoCalGas

