From: Prosper, Terrie D.

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Cc:

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Subject: CPUC Staff Enter Settlement Agreement of $37 Million With Southern California
          Edison Over 2007 Malibu Fire: CPUC Press Release

FOR IMMEDIATE RELEASE   **PRESS
RELEASE**

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov   Docket
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CPUC STAFF ENTER SETTLEMENT AGREEMENT OF $37 MILLION WITH SOUTHERN CALIFORNIA EDISON OVER 2007 MALIBU FIRE

SAN FRANCISCO, May 20, 2013 - The California Public Utilities Commission's (CPUC) Safety and Enforcement Division today filed for CPUC Commissioner consideration a $37 million settlement agreement with Southern California Edison (SCE) that would resolve all issues regarding the October 2007 Malibu Canyon Fire with respect to SCE. Of the $37 million in shareholder funds, $20 million would be a penalty paid to the State of California's General Fund and $17 million would be spent on pole loading assessments and resulting remediation work in Malibu Canyon and surrounding areas.

Under the settlement agreement, SCE admits it violated the law by not taking prompt action to prevent telecommunications company NextG from attaching fiber optic cable to joint poles in Malibu Canyon after an SCE planner determined in response to a Joint Pole Committee inquiry that NextG's proposed attachment would cause poles in Malibu Canyon to be overloaded. Further, SCE admits that one of its employees concluded that a replacement pole did not comply with the CPUC's safety regulations for new construction, which should have caused SCE to take steps as early as November 2007 to remedy the situation.

The proposed settlement agreement represents 75 percent of the Safety and

Enforcement Division's recommended penalty. "I am pleased to present this settlement agreement to the Commissioners for their consideration," said Brigadier General (CA) Jack Hagan, the Director of the Safety and Enforcement Division. "As part of the settlement SCE acknowledges its responsibility in a major incident. If the settlement is approved it will go a long way toward making SCE's system safer and more reliable."

The fire started on October 21, 2007, when Santa Ana winds swept through Malibu Canyon in Los Angeles County. Three utility poles located next to Malibu Canyon Road fell to the ground and ignited a fire. The fire burned 3,836 acres, destroyed 14 structures and 36 vehicles, and damaged 19 other structures. The CPUC opened a penalty consideration case on January 29, 2009, to determine if AT&T, NextG, SCE, Sprint, and Verizon Wireless violated any provisions of the California Public Utilities Code and/or CPUC decisions, rules, or General Orders with respect to their facilities that were involved in the ignition of the Malibu Canyon Fire, as the companies had facilities attached to the fallen poles, and several were joint owners of the fallen poles.

The proposed settlement with SCE is the third and last settlement regarding the fire. The first settlement for $12 million between the Safety and Enforcement Division and AT&T, Verizon, and Sprint, was approved by the CPUC in September 2012. The second settlement between NextG and the Safety and Enforcement Division is pending Commissioner approval. Assuming that the Commissioners approve the two pending settlements, the total amounts under all three settlements would be $63.5 million, of which $35.4 million would go to the General Fund and $28.1 million would go to remedial measures.

The proposed settlement agreement is expected to come before the CPUC's Commissioners for a vote later this year.

The proposed settlement agreement is available at
http://www.cpuc.ca.gov/NR/rdonlyres/BE491829-3C66-41A3-BEE9-D786744D62D3/0/I0901018SEDandSCEJointMotionforExpeditiousApprovalofSettlemer

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

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California Public Utilities Commission

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