California Public Utilities Commission

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CPUC APPROVES WITCH, RICE, AND GUEJITO FIRE SETTLEMENTS

SAN FRANCISCO, April 22, 2010 - The California Public Utilities Commission (CPUC) today approved two settlement agreements that resolve its investigations into the Witch, Rice, and Guejito fires of October 2007 in the San Diego area.

The CPUC approved a settlement between its Consumer Protection and Safety Division (CPSD) and San Diego Gas and Electric Company (SDG&E) under which SDG&E will pay \$14.4 million to the state's General Fund. SDG&E will also reimburse CPSD up to an additional \$400,000 in order to implement a computer work module to assist CPSD. SDG&E will remit any unused balance of the \$400,000 to the General Fund. Further, SDG&E will undertake a series of remedial measures, including conducting additional training regarding vegetation management to ensure familiarity with tree inspection/trimming and vegetation management processes, and conducting additional training regarding identification and repair of safety hazards, including clearance violations and broken lashing wires.

Under the second settlement, CoxCom Inc. and Cox California Telcom LLC will pay \$2 million to the General Fund. Cox will also develop and implement further enhanced inspection policies and practices, including additional patrol inspections throughout its service territories in California.

"I am pleased to see an agreement has been reached between all parties," said Commissioner Timothy Alan Simon, the Commissioner assigned to the two proceedings resolved today. "In addition to the monetary settlement to the State, the public will also benefit in the form of system fire-prevention improvements and additional training to employees at SDG&E, while Cox will implement enhanced inspection, maintenance, documentation, and reporting measures."

CPUC President Michael R. Peevey agreed, saying, "I am pleased that we've reached an uncontested settlement in these investigations and that in addition to monetary penalties, this settlement includes lasting benefits to the state in the form of enhanced training and inspections by both SDG&E and Cox."

In October 2007, several severe fires occurred in the San Diego area. The Rice Fire ignited in Fallbrook, the Witch Fire ignited in southern San Diego County near State Highway 78 and Santa Ysabel, and the Guejito Fire started in the San Pasqual area of the county. On November 12, 2008, the CPUC opened its two investigations into the fires.

The proposal voted on today is available at:

http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_DECISION/116353.htm.

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

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