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PRESS RELEASE

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**CPUC APPROVES \$12 MILLION SETTLEMENT WITH
TELECOMMUNICATIONS COMPANIES OVER 2007 MALIBU FIRE**

SAN FRANCISCO, September 13, 2012 - The California Public Utilities Commission (CPUC) today approved a \$12 million settlement agreement that resolves all issues regarding the involvement of three telecommunications companies with the Malibu Canyon Fire in October 2007.

The approved settlement agreement between the CPUC's Consumer Protection and Safety Division and AT&T Mobility LLC, Sprint Telephony PCS, L.P., and Verizon Wireless requires the companies to pay \$12 million, divided equally in one-third shares. Of this amount, \$6.9 million will be paid to the state's General Fund and \$5.1 million to an Enhanced Infrastructure and Inspection Fund (EIIIF) that will be established as part of the settlement agreement. The money paid to the EIIIF will be used to strengthen utility poles in Malibu Canyon and to conduct a statistically valid survey of joint-use poles in Southern California Edison's (SCE) service territory for compliance with General Order 95 safety factor requirements. Any money remaining in the EIIIF will go to the state's General Fund.

The approved settlement agreement does not include SCE and NextG Networks of California, Inc., and the CPUC's case remains open in order to resolve allegations that SCE and NextG violated the California Public Utilities Code and CPUC decisions, rules, and General Orders with respect to their involvement with the Malibu Canyon Fire.

Said Commissioner Timothy Alan Simon, "A settlement that included all the parties would have been desirable. Absent that, I view the requirement in this settlement to upgrade the safety factor of utility poles in Malibu Canyon to be essential for reducing the risk of a utility line-related fire in the region by strengthening and replacing electric poles."



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.

“This decision promotes public safety and the safety of our communications and electrical system,” said Commissioner Catherine J.K. Sandoval. “It is critical that all communications and electric facilities observe the rules about attaching their equipment and lines to utility poles. These rules protect the integrity of utility systems and the communications and electric service on which businesses and families depend.”

Added Commissioner Mark J. Ferron, “Malibu Canyon is a particularly high risk area, where the strong Santa Ana winds downed several utility poles and ignited the fire. This penalty serves as a deterrent to future violations and provides funding for important safety studies and improvement work.”

The proposal voted on today is available at

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M026/K216/26216108.PDF>.

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

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