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PRESS RELEASE

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**GOVERNOR, ATTORNEY GENERAL, AND CPUC ANNOUNCE
\$400 MILLION ENERGY CRISIS SETTLEMENT WITH SEMPR ENERGY**

SAN FRANCISCO, April 28, 2010 – Governor Arnold Schwarzenegger, Attorney General Edmund G. Brown Jr., and the California Public Utilities Commission (CPUC) today announced a \$400 million settlement with San Diego-based Sempra Energy of litigation arising out of the Energy Crisis of 2000-2001. The settlement resolves a series of lawsuits and claims the Attorney General, the CPUC, and other California parties brought against Sempra before the courts and federal regulators.

“This settlement closes another chapter on California’s energy crisis,” said Governor Schwarzenegger, whose Administration has negotiated more than \$3.2 billion in settlements with various energy companies who reaped unjust profits during 2000 and 2001. “The people of California deserve affordable and reliable energy supplies. I will continue to fight to ensure lower prices for residents and businesses across California as we move forward with important policies, like the Renewables Portfolio Standard, that will create greater reliability and more sustainable energy supplies.”

“The settlements,” said Brown, “will put hundreds of millions of dollars back into the pockets of California energy consumers who suffered blackouts and great economic harm during the energy crisis.”

The Schwarzenegger Administration has worked with the California Attorney General’s Office, the CPUC, the California Electricity Oversight Board, the California Department of Water Resources, Pacific Gas and Electric Company, San Diego Gas and Electric Company, and Southern California Edison to recover excess electricity costs for California ratepayers.

“After nearly a decade of litigation, I am proud to announce this settlement with Sempra Energy. At a time when families in California are hurting from the economic recession, this settlement will help offset energy bills for consumers throughout the State,” said CPUC President Michael R. Peevey. “I appreciate Sempra’s cooperation in reaching this beneficial settlement.”

Sempra Energy is a diversified energy company. The settlement involves Sempra’s power plants and an energy trading company – Sempra Generation and Sempra Commodities. Both Sempra subsidiaries participated in the wholesale electricity markets in California during the Energy Crisis, when power prices spiked to record high levels. It is these two companies that will pay the \$400 million refund to California consumers. Sempra also owns San Diego Gas and Electric Company and Southern California Gas Company.

“Today’s settlement brings to \$700 million the total amount of compensation paid by Sempra to electricity consumers in California to settle claims against Sempra arising out of the Energy Crisis,” said President Peevey. “The proceeds of this all-cash settlement will flow to the customers of Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas and Electric Company.”

In an earlier 2005 settlement of a different lawsuit, Sempra gave approximately \$300 million in price concessions to California for its Energy Crisis power sales.

The parties to the Sempra settlement include the Attorney General, the CPUC, Southern California Edison, and Pacific Gas and Electric Company. The settlement requires the approval of the Federal Energy Regulatory Commission. The CPUC approved the settlement at its April 22, 2010, meeting.

“We are pleased to put this litigation behind us,” said Donald E. Felsing, Chairman and Chief Executive Officer of Sempra Energy. “We believe this is a fair and reasonable outcome for both our shareholders and the State of California.”

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

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