

1 [Settlement of City's Lawsuit Against Defendants Reliant Energy Services, Inc., Reliant
2 Energy, Inc. (f/k/a Reliant Resources, Inc.), and Mary Kathleen Zanaboni.]

3 **Ordinance authorizing partial settlement of the lawsuit filed by the City and County of**
4 **San Francisco against defendants Reliant Energy Services, Inc., Reliant Energy, Inc.**
5 **(f/k/a Reliant Resources, Inc.), and Mary Kathleen Zanaboni ("Reliant"); the lawsuit**
6 **entitled *City and County of San Francisco v. Sempra Energy, et al.* (JCCP No. 4221-**
7 **00023) was filed on June 8, 2004, and has been coordinated as Natural Gas Anti-Trust**
8 **Cases I, II, III & IV in the Superior Court of the State of California for the County of San**
9 **Diego (JCCP Nos. 4221, 4224, 4226, and 4228); the settlement provides approximately**
10 **\$297,500 to the City from the Reliant defendants.**

11
12 Be it ordained by the People of the City and County of San Francisco:

13 Section 1. The City Attorney is hereby authorized to settle in part the action entitled
14 *City and County of San Francisco v. Sempra Energy, et al.* in the Superior Court of the State
15 of California for the County of San Diego (JCCP No. 4221-00023). The City Attorney may
16 settle the claims of the City and County of San Francisco ("City") against defendants Reliant
17 Energy Services, Inc., Reliant Energy, Inc. f/k/a Reliant Resources, Inc. and Mary Kathleen
18 Zanaboni ("Reliant") by entering into a settlement agreement with Reliant. The City's litigation
19 against the remaining defendants in Natural Gas Anti-Trust Cases I, II, III & IV will continue.
20 The total amount of the settlement with Reliant is \$28,000,000. The City's pro rata share of
21 the settlement, net of costs and attorney's fees, is expected to be approximately \$297,500.

22 Section 2. The above-named action was filed in the Superior Court for the State of
23 California, County of San Francisco on June 8, 2004 and has been coordinated as Natural
24 Gas Anti-Trust Cases I, II, III & IV in the Superior Court for the State of California, County of
25 San Diego (JCCP Nos. 4221, 4224, 4226, and 4228). The following parties are plaintiffs in

1 the coordinated lawsuits: City of San Diego, the Counties of Alameda, San Diego, San Mateo,
2 Santa Clara, the Regents of the University of California, the Board of Trustees of the
3 California State University, the Sacramento Municipal Utility District, the Association of Bay
4 Area Governments Publicly Owned Energy Resources, and a number of private entities.
5 More than a dozen entities have been named as defendants, including Reliant.

6 Section 3. The City's share of the proceeds will be distributed to the San Francisco
7 Public Utilities Commission ("SFPUC"). After payment of the City's costs to pursue this claim,
8 the SFPUC will then determine how to use the proceeds to reimburse any other City
9 departments that have already paid the SFPUC for their use of natural gas during the
10 applicable time period.

11
12 APPROVED AS TO FORM AND
RECOMMENDED:

13 DENNIS J. HERRERA
14 City Attorney

15
16 _____
William K. Sanders
17 Deputy City Attorney

18
19
20
21
22
23
24
25