

1 [Settlement of Claims.]

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3 **Ordinance approving the partial settlement of claims asserted by the City and County**
4 **of San Francisco in the bankruptcy proceeding entitled *In Re Pacific Gas & Electric***
5 ***Company*, United States Bankruptcy Court, Northern District of California, Case**
6 **No. 01-30923-DM, and by Pacific Gas & Electric Company against the City and County**
7 **of San Francisco in that same proceeding.**

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

10 Section 1. The City Attorney, the General Manager of the Public Utilities Commission
11 (“PUC”), the Director of the Department of Public Works (“DPW”), the Director of
12 Transportation of the Municipal Transportation Agency (“MTA”), the Chief of the San
13 Francisco Police Department (“SFPD”), and the Acting General Manager of the Recreation
14 and Park Department (“RPD”) are hereby authorized to settle certain claims filed by the City
15 and County San Francisco in the bankruptcy proceeding entitled *In Re Pacific Gas and*
16 *Electric Company*, United States Bankruptcy Court, Northern District of California, Case No.
17 01-30923-DM (“PG&E Bankruptcy”). The PUC is also authorized to settle certain claims in
18 the PG&E Bankruptcy asserted against the PUC by Pacific Gas and Electric Company
19 (“PG&E”). The terms and conditions of the settlement are set forth in the Settlement
20 Agreement on file with the Clerk of the Board of Supervisors in File No. _____,
21 which is hereby declared to be part of this ordinance as if set forth fully herein. The City
22 Attorney, the General Manager of the PUC, the Director of DPW, the Director of the MTA, and
23 the Chief of the SFPD are authorized to execute any documents that are necessary to
24 effectuate this settlement.

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1 Section 2. As part of the settlement, the City and County of San Francisco will receive
2 a payment from PG&E in the amount of \$7,200,512.19. Funds received by the City from this
3 settlement shall be appropriated to departments in accordance with the terms and conditions
4 set forth herein. The \$7,200,512.19 shall be appropriated as follows:

5 I. As settlement of certain claims for their full amount: (a) \$5,816,025.00 to the PUC to
6 settle a claim for money owed by PG&E to the City under the 1997 Master Agreement
7 between the City and PG&E; (b) \$5,102.72 to the PUC to settle a claim for damages to a
8 sewer line at Laguna Honda; (c) \$4,894.00 to the PUC to settle a claim for unpaid permit
9 access fees to PUC property; (d) \$27,693.62 to the PUC to settle a claim for unpaid water
10 charges; (e) \$160.82 to the MTA to settle a claim for damage to a bus; (f) \$40,558.24 to the
11 MTA to settle a claim for a check that was dishonored; (g) \$76,521.00 to the MTA to settle a
12 claim for PG&E's share of the design fees for a duct bank at Mission Creek; (h) \$23,077.31 to
13 the SFPD to settle a claim for unpaid traffic control charges; (i) \$1,000.00 to RPD to settle a
14 claim for damage to a fence on Mt. Davidson; and (j) \$236,622.55 to DPW to settle a claim for
15 unpaid permit fees and penalties.

16 II. The sum of \$418,856.93 to DPW to settle DPW's claim in the amount of \$806,000
17 for damages due to PG&E's failure to timely complete a 42-mile undergrounding project in the
18 City by January 1, 2002 as required under terms of the 1997 Master Agreement between the
19 parties, which agreement was approved by the Board of Supervisors in Ordinance No. 304-97
20 (File No. 45-97-50). DPW's claim asserted that DPW incurred additional expenses for staff
21 time to administer the undergrounding project, attorney's fees, streetlight installation,
22 inspection of streetlights installed by PG&E, and that the City lost certain tax revenues as a
23 result of the delay. DPW may use these funds for the sole purpose of administering the 42-
24 mile undergrounding project.

1 III. The sum of \$100,000.00 to DPW to settle DPW's claim in the amount of
2 \$200,000.00, which sum would indemnify DPW in part for the amount DPW paid to settle an
3 action entitled *A. Ruiz Construction Co. v. City and County of San Francisco*, San Francisco
4 Superior Court No. 312-041.

5 IV. The sum of \$450,000.00 to the PUC to settle the PUC's claim in the amount of
6 \$6,509,078.00 for overcharges related to PG&E's installation of special facilities needed to
7 serve City loads.

8 Section 3. Consistent with the terms and conditions of the 1997 Master Agreement,
9 the PUC will use the sum of \$5,816,025.00 to install new streetlights in the underground
10 districts in the 42-mile undergrounding project established in the 1997 Master Agreement and
11 to administer the undergrounding project.

12 Section 4. The City Attorney and the PUC are also authorized to settle certain claims
13 filed against the City by PG&E for the full amount of the claims. Those claims consist of a
14 claim for: (a) \$79,593.16 for electricity delivered by PG&E to Treasure Island through and
15 including December 31, 2004; and (b) \$205,919.03 for PG&E's design and construction of
16 transformers, transmission and distribution equipment in connection with the expansion of the
17 San Francisco International Airport, provided that PG&E dismisses those claims against the
18 City.

19 APPROVED AS TO FORM
20 AND RECOMMENDED:
21 DENNIS J. HERRERA, City Attorney

22 By: _____
23 William K. Sanders
24 Deputy City Attorney