

1 [Approval of Settlement Agreement before the Federal Energy Regulatory Commission.]

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3 **Ordinance approving a settlement agreement related to the electricity crisis of 2000-**
4 **2001 in proceedings before the Federal Energy Regulatory Commission and accepting**
5 **distribution of settlement funds collected by FERC.**

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7 Note: Additions are *single-underline italics Times New Roman*;
8 deletions are *strikethrough italics Times New Roman*.
9 Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

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

11 Section 1. The City Attorney and the General Manager of the San Francisco Public
12 Utilities Commission (PUC) are hereby authorized to accept a Settlement Agreement in
13 proceedings before the Federal Energy Regulatory Commission (FERC), consolidated in
14 Docket Nos. EL03-152 *et al.*, related to the electricity crisis of 2000-2001. The Board of
15 Supervisors hereby approves the City's acceptance of its share of funds collected by FERC
16 through settlement and administrative penalties, currently expected to total approximately
17 \$35,000.

18 Section 2. Background to the Settlement Agreement.

19 A. The central issue of the Settlement Agreement is the distribution of a pool of
20 money paid to FERC in accordance with various settlements or administrative penalties
21 related to the electricity crisis of 2000-01. In November 2007, FERC staff initiated negotiations
22 to reach an agreement on distribution of the funds FERC holds. FERC staff held settlement
23 conferences and facilitated extensive negotiations.

1 C. On November 29, 2007, San Francisco moved to intervene in the phase of the
2 proceedings addressing the distribution of funds. San Francisco submitted a claim based on
3 the City's electricity sales and purchases during the 2000-2001 time period.

4 D. On July 11, 2008, parties reached a Settlement Agreement providing for
5 distribution of settlement funds collected by FERC.

6 Section 3. Funds received by the City from this settlement shall be appropriated to
7 the PUC.
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9 APPROVED AS TO FORM AND
10 RECOMMENDED:

11 DENNIS J. HERRERA
12 City Attorney

RECOMMENDED:

PUBLIC UTILITIES COMMISSION

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Theresa L. Mueller
Deputy City Attorney

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Edward Harrington
General Manager