

1 [Settlement of City's Lawsuit Against Dynegy, Inc., Dynegy Marketing and Trade and West  
2 Coast Power LLC.]

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4 **Ordinance authorizing partial settlement of the lawsuit filed by the City and County of**  
5 **San Francisco against defendant Sempra Energy and other companies; 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 **\$480,000 to the City from defendants Dynegy, Inc. and its affiliates Dynegy Marketing**  
11 **and Trade and West Coast Power LLC.**

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

14 Section 1. The City Attorney is hereby authorized to settle in part the action entitled  
15 *City and County of San Francisco v. Sempra Energy, et al.* in the Superior Court of the State  
16 of California for the County of San Diego (JCCP No. 4221-00023). The City Attorney may  
17 settle the claims of the City and County of San Francisco ("City") against defendants Dynegy,  
18 Inc. and its affiliates Dynegy Marketing and Trade and West Coast Power LLC (hereinafter  
19 "Dynegy") by entering into a settlement agreement with Dynegy. The City's litigation against  
20 the remaining defendants in Natural Gas Anti-Trust Cases I, II, III & IV will continue. The total  
21 amount of the settlement with Dynegy is \$20,000,000. The City's pro rata share of the  
22 settlement is \$706,000. After the City's retained outside counsel (Cotchett, Pitre & McCarthy)  
23 is reimbursed for its costs and deducts its attorney's fees, the City's proceeds from the  
24 settlement will be approximately \$480,000.

1           Section 2. The above-named action was filed in the Superior Court for the State of  
2 California, County of San Francisco on June 8, 2004 and has been coordinated as Natural  
3 Gas Anti-Trust Cases I, II, III & IV in the Superior Court for the State of California, County of  
4 San Diego (JCCP Nos. 4221, 4224, 4226, and 4228). The following parties are plaintiffs in  
5 the coordinated lawsuits: City of San Diego, the Counties of Alameda, San Diego, San Mateo,  
6 Santa Clara, the Regents of the University of California, the Board of Trustees of the  
7 California State University, the Sacramento Municipal Utility District, the Association of Bay  
8 Area Governments Publicly Owned Energy Resources, and a number of private entities.  
9 More than a dozen entities have been named as defendants, including Dynegy.

10           Section 3. The City's share of the proceeds will be distributed to the San Francisco  
11 Public Utilities Commission ("SFPUC"). The SFPUC will then determine whether and how to  
12 use some of those proceeds to reimburse any other City departments that have already paid  
13 the SFPUC for their use of natural gas during the applicable time period.

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15 APPROVED AS TO FORM AND  
16 RECOMMENDED:

17 DENNIS J. HERRERA  
18 City Attorney

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20 William K. Sanders  
21 Deputy City Attorney

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