

1 [Settlement of City's Lawsuit Against Aquila, Inc. and Aquila Merchant Services, Inc.]

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3 **Ordinance authorizing partial settlement of the lawsuit filed by the City and County of**  
4 **San Francisco against defendant Sempra Energy and other companies; the lawsuit**  
5 **entitled *City and County of San Francisco v. Sempra Energy, et al.* (JCCP No. 4221-**  
6 **00023) was filed on June 8, 2004, and has been coordinated as Natural Gas Anti-Trust**  
7 **Cases I, II, III & IV in the Superior Court of the State of California for the County of San**  
8 **Diego (JCCP Nos. 4221, 4224, 4226, and 4228); the settlement provides \$1,500,000 from**  
9 **defendants Aquila, Inc. and Aquila Merchant Services, Inc. to the City and County of**  
10 **San Francisco and the other plaintiffs, which will be used to prosecute the cases**  
11 **against the remaining defendants.**

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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 and retained outside counsel Cotchett, Pitre & McCarthy  
15 (the "Cotchett Firm") are hereby authorized to settle in part the action entitled *City and County*  
16 *of San Francisco v. Sempra Energy, et al.* in the Superior Court of the State of California for  
17 the County of San Diego (JCCP No. 4221-00023). The City Attorney and the Cotchett Firm  
18 may settle the claims of the City and County of San Francisco ("City") against defendants  
19 Aquila, Inc. ("Aquila") and Aquila Merchant Services, Inc. ("AMS") by entering into a  
20 settlement agreement with Aquila and AMS. The City's litigation against the remaining  
21 defendants in Natural Gas Anti-Trust Cases I, II, III & IV will continue. The City will not  
22 receive any of the settlement funds. The primary benefit to the City from the settlement will be  
23 to provide funds to enable the City and the other plaintiffs to continue to prosecute these  
24 cases against the other defendants.

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 the  
5 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 defendants Aquila and  
10 AMS.

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12 APPROVED AS TO FORM AND  
RECOMMENDED:

13 DENNIS J. HERRERA  
14 City Attorney

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William K. Sanders  
17 Deputy City Attorney

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