

1 [Settlement Of Lawsuit]
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3 **Ordinance authorizing settlement of the lawsuit filed by the City and County of San**
4 **Francisco, on behalf of the People of California, against the Williams Energy**
5 **Companies; the lawsuit entitled People v. Dynegy, et al. was filed on January 18, 2001,**
6 **and has been consolidated as Wholesale Electricity Antitrust Cases I & II in the United**
7 **States District Court, Southern District of California, Case Nos. 02 CV 0990-RHW, CV**
8 **02-1000-RHW, 02 CV-1001 RHW; which settlement provides a modification of the long-**
9 **term contracts between the State of California and Williams, transfer to the City and**
10 **County of San Francisco of four electric generating turbines for use within the City,**
11 **payment of approximately \$19 million to assist with siting and developing electric**
12 **generating equipment in San Francisco and elsewhere; and payment to City and**
13 **County of San Francisco of \$500,000 for attorney's fees and other expenses of**
14 **litigation.**

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

17 Section 1. The City Attorney is hereby authorized to settle the action entitled "Wholesale
18 Electricity Antitrust Cases I & II," United States District Court, Southern District of California,
19 Case Nos. 02 CV 0990-RHW, CV 02-1000-RHW, 02 CV-1001 RHW against the Williams
20 Energy Companies (Williams) by entering the Settlement Agreement with Williams negotiated
21 by the State of California through the Governor and the Attorney General. San Francisco's
22 litigation against all other defendants in the Wholesale Electricity Antitrust Case will continue.
23 The primary benefits to the City and County of San Francisco from the settlement include the
24 following: (1) Williams will transfer to San Francisco four natural gas turbines for generating
25 electricity; (2) San Francisco will receive funding from a state administered fund to assist with

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1 the costs of siting and permitting the peakers in San Francisco; (3) San Francisco will receive
2 \$500,000 to pay its costs of litigating and settling this action;(4) Williams will pay \$15 million to
3 pay for litigation against other generators in the wholesale electricity antitrust cases and will
4 cooperate in the prosecution of that litigation; (5) Williams will restructure its long term energy
5 contracts with the State to provide significant savings to San Francisco residents and other
6 consumers.

7 Section 2. The above-named action was filed in the Superior Court in the County of
8 San Francisco on January 18, 2001 and has been consolidated as Wholesale Electricity
9 Antitrust Cases I & II in the United States District Court, Southern District of California. The
10 following parties were named in the lawsuit: the People of the State of California, by and
11 through the San Francisco City Attorney, Plaintiffs, and more than one dozen defendants,
12 including the Williams Energy Companies.

13 APPROVED AS TO FORM AND
14 RECOMMENDED:

15 DENNIS J. HERRERA
16 City Attorney

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Theresa L. Mueller
19 Deputy City Attorney

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