

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 Reliant Energy, Inc. and other**  
5 **Reliant Companies; the lawsuit entitled People v. Dynegy, et al. was filed on January**  
6 **18, 2001, and has been coordinated as Wholesale Electricity Antitrust Cases I & II in the**  
7 **Superior Court of the State of California for the County of San Diego, JCCP Nos. 4204**  
8 **and 4205; the settlement provides \$666,666.66 to San Francisco and \$430 million in**  
9 **benefits to California electric ratepayers, among other provisions.**

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

12 Section 1. The City Attorney is hereby authorized to settle in part the action entitled People v.  
13 Dynegy, coordinated as Wholesale Electricity Antitrust Cases I & II, in the Superior Court for  
14 the State of California, County of San Diego, JCCP Nos. 4204 and 4205, against the Reliant  
15 Energy Companies (Reliant) by entering the settlement agreement with Reliant negotiated by  
16 the State of California through the Attorney General. The settlement agreement is on file with  
17 the Clerk of the Board of Supervisors in File No. \_\_\_\_.

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19 San Francisco's litigation against the remaining defendants in the Wholesale Electricity  
20 Antitrust Case will continue. The primary benefits to San Francisco from the settlement  
21 include the following: (1) San Francisco will receive a cash payment of \$666,666.66; (2)  
22 California electric ratepayers will receive approximately \$430 million in benefits from the  
23 settlement, of which approximately \$94 million is expected to benefit PG&E's customers,  
24 including San Francisco residents and businesses; (3) Reliant will pay approximately

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1 \$3,342,857.00 in attorney fees, which will be allocated among the attorneys representing  
2 private plaintiffs and local governments, including those representing San Francisco.

3 Section 2. The above-named action was filed in the Superior Court in the County of  
4 San Francisco on January 18, 2001 and has been coordinated as Wholesale Electricity  
5 Antitrust Cases I & II in the Superior Court for the State of California, County of San Diego,  
6 JCCP Nos. 4204 and 4205. The following parties were named in the lawsuit: the People of  
7 the State of California, by and through the San Francisco City Attorney, Plaintiffs, and more  
8 than one dozen defendants, including Reliant.

9 Section 3. The Attorney General believes that there must be a nexus between the  
10 purpose of the litigation and the use of the settlement funds. The City may allocate these  
11 funds to the general fund as long as it also spends at least the same amount on new energy-  
12 related projects.

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14 APPROVED AS TO FORM AND  
15 RECOMMENDED:

16 DENNIS J. HERRERA  
17 City Attorney

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Theresa L. Mueller  
20 Deputy City Attorney

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