[Settlement of City's Lawsuit Against Defendants Reliant Energy Services, Inc., Reliant Energy, Inc. (f/k/a Reliant Resources, Inc.), and Mary Kathleen Zanaboni.]

Ordinance authorizing partial settlement of the lawsuit filed by the City and County of San Francisco against defendants Reliant Energy Services, Inc., Reliant Energy, Inc. (f/k/a Reliant Resources, Inc.), and Mary Kathleen Zanaboni ("Reliant"); the lawsuit entitled *City and County of San Francisco v. Sempra Energy, et al.* (JCCP No. 4221-00023) was filed on June 8, 2004, and has been coordinated as Natural Gas Anti-Trust Cases I, II, III & IV in the Superior Court of the State of California for the County of San Diego (JCCP Nos. 4221, 4224, 4226, and 4228); the settlement provides approximately \$297,500 to the City from the Reliant defendants.

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

Section 1. The City Attorney is hereby authorized to settle in part the action entitled City and County of San Francisco v. Sempra Energy, et al. in the Superior Court of the State of California for the County of San Diego (JCCP No. 4221-00023). The City Attorney may settle the claims of the City and County of San Francisco ("City") against defendants Reliant Energy Services, Inc., Reliant Energy, Inc. f/k/a Reliant Resources, Inc. and Mary Kathleen Zanaboni ("Reliant") by entering into a settlement agreement with Reliant. The City's litigation against the remaining defendants in Natural Gas Anti-Trust Cases I, II, III & IV will continue. The total amount of the settlement with Reliant is \$28,000,000. The City's pro rata share of the settlement, net of costs and attorney's fees, is expected to be approximately \$297,500.

Section 2. The above-named action was filed in the Superior Court for the State of California, County of San Francisco on June 8, 2004 and has been coordinated as Natural Gas Anti-Trust Cases I, II, III & IV in the Superior Court for the State of California, County of San Diego (JCCP Nos. 4221, 4224, 4226, and 4228). The following parties are plaintiffs in

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the coordinated lawsuits: City of San Diego, the Counties of Alameda, San Diego, San Mateo, Santa Clara, the Regents of the University of California, the Board of Trustees of the California State University, the Sacramento Municipal Utility District, the Association of Bay Area Governments Publicly Owned Energy Resources, and a number of private entities.

More than a dozen entities have been named as defendants, including Reliant.

Section 3. The City's share of the proceeds will be distributed to the San Francisco Public Utilities Commission ("SFPUC"). After payment of the City's costs to pursue this claim, the SFPUC will then determine how to use the proceeds to reimburse any other City departments that have already paid the SFPUC for their use of natural gas during the applicable time period

APPROVED AS TO FORM AND RECOMMENDED:

DENNIS J. HERRERA City Attorney

William K. Sanders Deputy City Attorney



## City and County of San Francisco

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

## Tails Ordinance

File Number:

080710

**Date Passed:** 

Ordinance authorizing partial settlement of the lawsuit filed by the City and County of San Francisco against defendants Reliant Energy Services, Inc., Reliant Energy, Inc. (f/k/a Reliant Resources, Inc.), and Mary Kathleen Zanaboni ("Reliant"); the lawsuit entitled City and County of San Francisco v. Sempra Energy, et al. (JCCP No. 4221-00023) was filed on June 8, 2004, and has been coordinated as Natural Gas Anti-Trust Cases I, II, III & IV in the Superior Court of the State of California for the County of San Diego (JCCP Nos. 4221, 4224, 4226, and 4228); the settlement provides approximately \$297,500 to the City from the Reliant defendants.

July 29, 2008 Board of Supervisors — PASSED ON FIRST READING

Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

August 5, 2008 Board of Supervisors — FINALLY PASSED

Ayes: 11 - Alioto-Pier, Ammiano, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 080710

I hereby certify that the foregoing Ordinance was FINALLY PASSED on August 5, 2008 by the Board of Supervisors of the City and County of San Francisco.

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Date Approved

Angela Calvillo Jerk of the Board

Mayor Gavin Newsom