F I L E D
Clerk of the Superior Court
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[ADDITIONAL COUNSEL FOLLOW SIGNATURE BLOCK]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

Coordination Proceeding Special Title (Rule 1550(b))	J.C.C.P. Nos. 4221 *et al.*
NATURAL GAS ANTI-TRUST CASES, I, II, III, IV	**[~~PROPOSED~~] AMENDED ORDER CONDITIONALLY CERTIFYING SETTLEMENT CLASS; GRANTING MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT; AND SCHEDULING HEARING ON FINAL APPROVAL OF FINAL SETTLEMENT**
	Hearing Date: June 8, 2006 Hearing Time: 1:30 p.m. Department: 71
	Coordination Trial Judge: Hon. Ronald S. Prager

WHEREAS, this Court has presided over proceedings in the above-referenced actions and is familiar with the pleadings, records, and papers filed therein;

WHEREAS, Plaintiffs on the one hand and Defendant Sempra Energy, a California corporation ("SE"), Defendant Southern California Gas Company, a California corporation ("SoCalGas"), Defendant San Diego Gas & Electric Company, a California corporation ("SDG&E"), Sempra Generation (f/k/a Sempra Energy Resources), a California corporation ("Sempra Generation"), Sempra Energy Trading Corp., a Delaware corporation ("SET"), Sempra Energy Solutions, a California corporation ("SES"), Sempra Energy Power I, a California corporation ("SEP I"), and Sempra Energy Sales, L.L.C., a California limited liability company ("Sempra Energy Sales" and, collectively with SE, SoCalGas, SDG&E, Sempra Generation, SET, SES and SEP I, the ("Sempra Parties"), on the other hand, have entered a settlement (the "Settlement"), a copy of which is attached as Exhibit A;

WHEREAS, the Court has already certified a class for this case that include five subclasses as subsequently described below in paragraphs 5-9 (collectively, the "Existing Subclasses");

WHEREAS, three new settlement subclasses, as subsequently described in paragraphs 10-12, are necessary to carry out the terms of the Settlement (collectively, the "New Settlement Subclasses");

WHEREAS, the Court has reviewed the Settlement together with the exhibits thereto and has heard the attorneys for the parties with respect to the proposed Settlement of this action; and

WHEREAS, the Court has determined that a hearing should be held at which time the Court will consider whether the Settlement should be finally approved as fair, reasonable and adequate;

GOOD CAUSE APPEARING, the Court hereby finds and orders as follows:

1. Certification for settlement purposes only of a proposed settlement class, consisting of the Existing Subclasses and the New Settlement Subclasses (collectively, the "Settlement Class") is appropriate under section 382 of the Code of Civil Procedure and Rule

1859 of the Rules of Court. There is an ascertainable Settlement Class and a community of interest among the members of the Settlement Class. Certification of the Settlement Class for settlement purposes is the best means for protecting the interests of all of the Settlement Class members.

2. Specifically, the Court finds for the purposes of settlement that: (a) the Settlement Class is ascertainable; (b) the members of the Settlement Class are so numerous that joinder would be impractical; (c) there is a community of interest between the members of the Settlement Class; (d) there are questions of law and fact that are common to the Settlement Class, and those common questions predominate over individual questions; (e) the claims of the proposed representatives of the Settlement Class are typical of the claims of the absent members of the Settlement Class to which they belong; and (e) the proposed representatives of the Settlement Class and the proposed counsel for the Settlement Class will fairly and adequately represent the interests of the absent class members.

3. Accordingly, the Court hereby certifies, for settlement purposes only, a Settlement Class, which includes the Existing Subclasses and the New Settlement Subclasses, consisting of:

> All individuals and entities in California that purchased natural gas and/or electricity for use and not for resale or generation of electricity for the purpose of resale, between September 1, 1996 and January 4, 2006, inclusive. Excluded from the Class are Defendants, Defendants' predecessors, affiliates, subsidiaries, officers and directors, any and all judges and justices assigned to hear any aspect of this litigation, along with their spouses and any minor children residing in their households, and any persons within the third degree of relationship of any judge or justice assigned to hear any aspect of this litigation.

4. The following individuals and entities are appointed as representatives of the Settlement Class: Doug and Valerie Welch, Frank and Kathleen Stella, United Church

Retirement Homes, Long Beach Brethren Manor, Robert Lamond, John and Jennifer Frazee; Continental Forge Company; Andrew and Andrea Berg, John C. Molony, Gerald Marcil, and SierraPine, Ltd. The law firms of O'Donnell Shaeffer Mortimer; Girardi & Keese; and Engstrom, Lipscomb & Lack are appointed as lead counsel for the Settlement Class (collectively, "Lead Counsel"). The law firms of Baker, Burton & Lundy; Astrella and Rice, P.C.; M. Brian McMahon; J. Tynan Kelly, Michael J. Ponce, and Douglas A. Stacey are appointed as additional counsel for the Settlement Class (together with Lead Counsel, "Class Counsel").

5. The Court hereby includes in the Settlement Class the following previously certified Core Natural Gas Subclass that consists of:

> All core natural gas customers in Northern and Southern California, excluding Southwest Gas customers located in Southeastern California, but including the retail customers of SoCalGas, SDG&E, or PG&E who purchased natural gas during the class period from July 1, 2000 to July 31, 2001.

The following individuals previously appointed as class representatives for the previously certified Core Natural Gas Subclass are appointed as representatives of the Core Natural Gas Subclass: Frank and Kathleen Stella. The law firm of Astrella & Rice P.C. is appointed as lead counsel for the Core Natural Gas Subclass.

6. The Court hereby includes in the Settlement Class the following previously certified Non-Core Natural Gas Subclass that consists of:

> All non-core public utility customers of SoCal Gas, SDG&E, Sempra and PG&E in California who, for the period July 1, 2000 to July 31, 2001: (i) purchased natural gas supplies in the Southern California border market; (ii) purchased gas supplies under price formulas that incorporate, in whole or in part, published index prices for natural gas supplies a the Southern California border; or (iii) purchased natural gas supplies in

> California (including at a point where gas is received into the SoCal Gas or PG&E systems, or in the PG&E city-gate market where gas is delivered from PG&E's main pipelines into its local transmission and distribution pipelines) at prices determined by or linked to published index prices for natural gas supplies at the Southern California border. Excluded from the class are marketers of natural gas and purchasers of natural gas for generation of electricity for the sole purpose of resale.

Continental Forge Company, who was previously appointed class representative for the existing, certified Non-Core Natural Gas Subclass, is appointed as the representative of the Non-Core Natural Gas Subclass. The law firm of Engstrom, Lipscomb & Lack is appointed as lead counsel for the Non-Core Natural Gas Subclass.

7. The Court hereby includes in the Settlement Class the following previously certified Electricity Subclass that consists of:

> All residential, business, and wholesale purchasers of electricity from July 1, 2000 to August 6, 2003 in California from either SDG&E, Southern California Edison and/or PG&E who were not protected by the rate freeze described in CPUC Decision No. 001-01-018 dated January 4, 2001, as well as those who were purchasers of electricity who were surcharged as a result of the same CPUC decision. This sub-class does not include any California municipalities or utility districts and/or the ratepayers served by those municipalities or utility districts.

The following individuals who were previously appointed class representatives for the existing, certified Electricity Subclass are appointed as representatives of the Electricity Subclass: John C. Molony and Gerald Marcil. O'Donnell Shaeffer Mortimer, LLP are appointed as lead counsel for the Electricity Subclass.

8. The Court hereby includes in the Settlement Class the following previously certified Direct Access Electricity Subclass that consists of:

> All residential, commercial, industrial, and wholesale purchasers of electricity who purchased through a direct access electric market other than through the California Power Exchange from July 1, 2000 to August 6, 2003.

SierraPine, Ltd., which was previously appointed as class representative for the Direct Access Electricity Subclass, is appointed as representatives of the Direct Access Electricity Subclass: The law firm of Baker, Burton & Lundy is appointed as lead counsel for the Direct Access Subclass.

9. The Court hereby includes in the Settlement Class the following previously certified Long Beach Subclass that consists of:

> All customers, residential and business, of Long Beach's gas utility from July 1, 2000 to July 31, 2001.

The following individuals and entities who were previously appointed representatives of the existing, certified Long Beach Subclass are appointed as representatives of Long Beach Subclass: United Church Retirement Homes, Long Beach Brethren Manor, and Robert Lamond. M. Brian McMahon is appointed as lead counsel for the Long Beach Subclass.

10. The Court hereby certifies for settlement purposes only a new Municipality Ratepayer Settlement Subclass that consists of

> All individuals and entities who purchased electricity in California for their own use and not for resale between July 1, 2000 to August 6, 2003, from a municipality or utility district.

The following individuals and entities are appointed as representatives of the Municipality Ratepayer Subclass: Doug and Valerie Welch. The law firm of Douglas Stacey is appointed as lead counsel for the Municipality Ratepayer Settlement Subclass.

11. The Court hereby certifies for settlement purposes only a Southwest Gas Settlement Subclass that consists of

All individuals and entities who purchased natural gas in California for their own use and not for resale and not for generation of electricity between July 1, 2000 and July 31, 2001 and are customers of Southwest Gas Company in the Southeast portion of California.

The following individuals and entities are appointed as representatives of the Southwest Gas Subclass: John and Jennifer Frazee. Michael J. Ponce is appointed as lead counsel for the Southwest Gas Subclass.

12. The Court hereby certifies for settlement purposes only a new Natural Gas and Electricity Settlement Subclass that consists of:

All individuals and entities who purchased natural gas and/or electricity in California for their own use and not for resale, and, with respect to natural gas, not for generation of electricity, from September 1, 1996 through January 4, 2006 .

The following individuals and entities are appointed as representatives of the Natural Gas and Electricity Settlement Subclass: Andrew and Andrea Berg. Girardi & Keese is appointed as counsel for the Natural Gas and Electricity Subclass.

13. Membership in the eight subclasses is subject to the same limitations and exclusions as the Settlement Class as set forth in paragraph 3.

14. The Settlement is the product of arms-length, serious, informed, and non-collusive negotiations between experienced and knowledgeable counsel who have ably prosecuted and contested this litigation. The Settlement therefore enjoys a presumption of fairness, and meets that standards of preliminary approval. Accordingly, the Court grants preliminary approval of the Settlement.

15. The form and content of the proposed summary notice for publication attached hereto as Exhibit B satisfies the requirements of Rules 1856(d) and 1859(f) of the California Rules of Court and is hereby approved for dissemination to the Settlement Class. The Court understands and expects that Lead Counsel will shortly submit a proposed long-form notice

for dissemination to the Non-Core Natural Gas Subclass and the Court will consider that notice at that time.

16. The proposed plan for dissemination of the notices is similar to the plan approved by the Court with respect to the prior settlement in this action involving other defendants. The proposed plan for disseminating the notices is reasonably calculated to reach a substantial percentage of class members and satisfies the requirements of due process. Concurrent with the filing of their motion for preliminary approval, Lead Counsel filed a declaration from Poorman Douglas supporting the reasonableness of notice along with supporting exhibits. Pursuant to Rule 1856(e) of the Rules of Court, the Court finds that personal notification of the Settlement Class other than the Non-Core Natural Gas Subclass – which would include almost every household and business in the State of California – would be unreasonably expensive, especially in light of the fact that subclass members will receive the benefits of the Settlement without the necessity of filing claims, and that publication of a summary notice is therefore an appropriate means of notifying these subclass members of the proposed Settlement. Pursuant to Rule 1856(e) of the Rules of Court, the Court finds that mailed notices to the Non-Core Natural Gas Subclass members is appropriate, in light of the much smaller number of such subclass members, the much greater size of their potential claims, and the fact that members of this subclass must submit claims in order to receive their share of the proceeds of the Settlement.

17. On or before January 16, 2006, the summary notice for publication substantially in the form attached here to as Exhibit B shall be disseminated for publication in the newspapers and magazines listed in Exhibit C to this order. Proof of publication of the summary notice shall be filed by Lead Counsel at, or prior to the final approval hearing.

18. On or before January 23, 2006, the final long-form notice substantially in a form approved by the Court following Lead Counsel's submission of such notice to the Court shall be disseminated by mailing it to the member of the Non-Core Natural Gas Subclass. Proof of publication of the long-form notice shall be filed by Lead Counsel at, or prior to the final approval hearing.

19. The long-form notice shall also be posed on the website www.naturalgasantitrustlitigation.com and shall be mailed to any Settlement Class member who requests a copy by calling the toll-free telephone number provided on the summary publication notice. Lead counsel for the Settlement Class shall also post a copy of this Order, the Settlement Agreement with its Exhibits, and papers filed in support of final approval of the Settlement on the website, and may post such additional documents and information on the website as they see fit, subject to approval by counsel for the Settling Defendants. The expenses of printing, mailing, and publishing the notices, the expenses associated with maintaining and staffing the toll-free number, and the expenses of creating and maintaining the website, shall be paid by the Plaintiffs' class counsel, subject to reimbursement as an expense as part of any fee petition, as provided in the Settlement Agreement.

20. Any member of the New Settlement Subclasses, who is not a member of the Existing Subclasses, may request exclusion from the Settlement Class by personally signing and mailing such request, postmarked on or before April 13, 2006 (the "Opt-Out Deadline"), to:

Sempra Exclusions
c/o Brad Baker, Esq.
BAKER, BURTON & LUNDY
515 Pier Avenue
Hermosa Beach, CA 90254

All members of the Existing Subclasses previously received notice and were given an opportunity to request exclusion from the Existing Subclasses. No member of the Existing Subclasses has the right to be excluded from the Settlement Class.

21. A request for exclusion shall state the name and address of the class member requesting exclusion, and, in substance, that the class member elects to be excluded from the Settlement Class. Any member of the New Settlement Subclasses, who is not a member of the Existing Subclasses, who timely exclude themselves in this manner will not be bound by any judgment entered in connection with this settlement. Members of the Settlement Class who cannot or do not timely exclude themselves in this manner will be bound by the terms of this Settlement, if it is finally approved by the Court, and by any judgment entered pursuant

thereto. Copies of any exclusions received pursuant to this paragraph shall be provided to counsel for Sempra Parties not more than ten (10) calendar days after the Opt-Out Deadline.

22. Members of the Settlement Class who cannot or do not exclude themselves from the Settlement Class may, but need not, enter an appearance in these coordinated actions through their own attorney. Class members who do not enter an appearance through their own attorneys will be represented by counsel appointed to represent the Settlement Class.

23. Pursuant to California Rule of Court 1859(g), on June 8, 2006, at 1:30 p.m. a hearing will be held in the Courtroom of the undersigned, San Diego Superior Court, Department 71, 330 W. Broadway, San Diego, California 92101, to determine whether the proposed Settlement is fair, reasonable, and adequate, and whether it should be finally approved by the Court and the claims against the Sempra Parties dismissed on the merits, with prejudice and without costs as to the Sempra Parties, except as provided in the Settlement Agreement. At the same time, the Court shall hold a hearing on the application(s) of Class Counsel for an award of attorneys' fees and expenses, which shall be paid exclusively out of the Settlement consideration provided by the Sempra Parties. The hearing may be continued from time to time without further notice to the Settlement Class, except that any change in the date, time, or location of the hearing shall be promptly posted on the website.

24. Briefs in support of final approval of the proposed Settlement and Class Counsel's application(s) for attorneys' fees and expenses shall be filed on or before May 8, 2006.

25. Any member of the Settlement Class who cannot or has not timely requested exclusion may appear at the final approval hearing and show cause why the Court should not approve this Settlement, and dismiss the actions, with prejudice, as to the Sempra Parties, and may appear at the hearing to support or oppose class counsel's application for attorneys' fees and expenses. For a member of the Settlement Class to have any objections considered at the hearing, the class member must file, no later than April 13, 2006, with the Clerk of the San Diego Superior Court, 330 W. Broadway, Room 225, San Diego, CA 92101, a statement which includes (a) the name and number of this coordination proceeding, NATURAL GAS

ANTI-TRUST CASES I, II, III & IV, J.C.C.P. No. 4221, *et al.*; (b) the class member's complete name and residence or business address (giving the address of any lawyer who represents the class member is not sufficient); (c) that the class member purchased natural gas or electricity in California during the period September 1, 1996, through January 4, 2006 inclusive; and (d) each ground for comment or objection and any supporting papers the class member desires the Court to consider. Copies of this statement must also be sent by first-class mail to:

Walter Lack, Esq.
ENGSTROM, LIPSCOMB & LACK
10100 Santa Monica Boulevard, 16th Floor
Los Angeles, CA 90067-4107

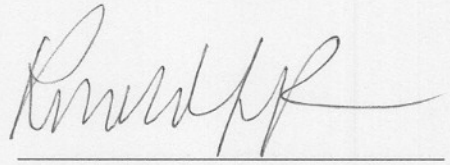
Robert Berry
GIBSON, DUNN & CRUTCHER LLP
333 South Grand Ave.
Los Angeles, CA 90071

and must be postmarked not later than April 15, 2006. The filing of any objection shall not extend the time within which a class member may file a request for exclusion from the Settlement Class.

26. If the Settlement Agreement is not approved by the Court or does not become effective for any reason, the Settlement Agreement and certification of the Settlement Class herein shall be terminated. This shall have no effect on the Court's prior order granting certification of the Existing Subclasses in this matter. The Sempra Defendats deny any wrongdoing or liability and nothing is the Settlement Agreement or this order shall be considered an admission of wrongdoing by any Sempra Defendant or a finding of wrongdoing by this Court.

IT IS SO ORDERED.

Dated: January 19, 2006



HON. RONALD S. PRAGER
Coordination Trial Judge
Superior Court of the State of California
County of San Diego

Respectfully submitted,

DATE: January 18, 2006

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