

ORIGINAL

FILED  
San Francisco County Superior Court

APR 15 2002

GORDON PARK-LI/ Clerk  
BY: [Signature]  
Deputy Clerk

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN FRANCISCO, UNLIMITED JURISDICTION  
DEPARTMENT NO. 514

SOUTH TAHOE PUBLIC UTILITY  
DISTRICT,

Plaintiff,

vs.

ATLANTIC RICHFIELD COMPANY,  
et al.,

Defendants.

CASE NO. 999128

SPECIAL VERDICT [PHASE I]

(3/4/02)

We, the jury in the above-entitled action, find as follows on the questions submitted to us:

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**Question No. 1:** Was gasoline containing MTBE manufactured, sold, or supplied by any of the following defendants defective in design because the risk of harm inherent in its design outweighed the benefits of that design?

Answer "yes" or "no" after the name of each such defendant. If you answer "yes" as to any defendant, during what time period was the gasoline containing MTBE manufactured, sold, or supplied by that defendant defective in design?

|                           | Yes                                 | No                       | If yes, time period          |
|---------------------------|-------------------------------------|--------------------------|------------------------------|
| Answer:                   |                                     |                          |                              |
| 11-1 Shell Oil Company    | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Fall/Winter 1990 to 12-31-97 |
| ✓ Equilon Enterprises LLC | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1-1-98 to Present            |
| ✓ Texaco, Inc.            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1988 to 12-31-1997           |
| Q-3 Tosco Corporation     | <input checked="" type="checkbox"/> | <input type="checkbox"/> | April 1992 to March 1996     |

If you answer "no" as to each defendant, then go to question No. 3. If you answer "yes" as to one or more defendants, then answer the next question only as to such defendants.

**Question No. 2:** As to each defendant for which you answered "yes" in Question No. 1, did the defect exist when the gasoline containing MTBE left the possession of such defendant?

Answer "yes" or "no" for each such defendant. If you answer "yes" as to any defendant, during what time period was the gasoline containing MTBE manufactured, sold, or supplied by that defendant defective in design?

|                           | Yes                                 | No                       | If yes, time period            |
|---------------------------|-------------------------------------|--------------------------|--------------------------------|
| Answer:                   |                                     |                          |                                |
| 11-1 Shell Oil Company    | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Fall/Winter 1990 to 12-31-1997 |
| ✓ Equilon Enterprises LLC | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1-1-1998 to Present            |
| ✓ Texaco, Inc.            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1988 to 12-31-1997             |
| Q-3 Tosco Corporation     | <input checked="" type="checkbox"/> | <input type="checkbox"/> | April 1992 to March 1996       |

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**Question No. 3:** Was gasoline containing MTBE manufactured, sold or supplied by any of the following defendants defective because of a failure to warn?

Answer "yes" or "no" after the name of each such defendant. If you answer "yes" as to any defendant, during what time period was the gasoline containing MTBE manufactured, sold, or supplied by that defendant defective due to a failure to warn?

|                           | Yes                                 | No                       | If yes, time period            |
|---------------------------|-------------------------------------|--------------------------|--------------------------------|
| Answer:                   |                                     |                          |                                |
| 12-0 Shell Oil Company    | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Fall/Winter 1990 to 12-31-1997 |
| ✓ Equilon Enterprises LLC | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1-1-1998 to Present            |
| ✓ Texaco, Inc.            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1992 to 12-31-1997             |
| 10-2 Tosco Corporation    | <input checked="" type="checkbox"/> | <input type="checkbox"/> | April 1996 to Present          |

**Question No. 4:** As to each defendant for whom you answered "yes" in Question No. 3, did the defect exist, because of a failure to warn, when the gasoline containing MTBE left the possession of such defendant?

Answer "yes" or "no" after the name of each such defendant. If you answer "yes" as to any defendant, during what time period was the gasoline containing MTBE manufactured, sold, or supplied by that defendant defective due to a failure to warn?

|                           | Yes                                 | No                       | If yes, time period            |
|---------------------------|-------------------------------------|--------------------------|--------------------------------|
| Answer:                   |                                     |                          |                                |
| 12-0 Shell Oil Company    | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Fall/Winter 1990 to 12-31-1997 |
| ✓ Equilon Enterprises LLC | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1-1-1998 to Present            |
| ✓ Texaco, Inc.            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1992 to 12-31-1997             |
| 10-2 Tosco Corporation    | <input checked="" type="checkbox"/> | <input type="checkbox"/> | April 1996 to Present          |

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**Question No. 5:** Were the risks involved in the transportation, storage and handling of MTBE recognized by all of Lyondell Chemical Company's (ARCO Chemical Company's) California refiner and distributor customers, who transported, stored and handled MTBE in bulk? If not, during what time period were the risks not recognized?

Answer "yes" or "no." If you answer is "no," state the time period.

Yes No If no, time period

Answer: 12-0  1992 to 1996

If you answered "no" to Question No. 5, then answer Question No. 6. If you answered "yes" to Question No. 5, then answer Question No. 9.

**Question No. 6:** Was MTBE manufactured, sold or supplied by defendant Lyondell Chemical Company (ARCO Chemical Company) defective because of a failure to warn?

Answer "yes" or "no." If you answer "yes", during what time period was the MTBE manufactured, sold or supplied by the defendant defective due to a failure to warn?

Yes No If yes, time period

Answer: 11-1  1992 to 1996

If you answered Question No. 6 "yes", answer Question No. 7. If you answered Question No. 6 "no", answer question No. 9.

**Question No. 7:** Did the defect exist, because of a failure to warn, when the MTBE left the possession of defendant Lyondell Chemical Company (ARCO Chemical Company)?

Answer "yes" or "no." If you answer "yes", during what time period was the MTBE manufactured, sold or supplied by the defendant defective due to a failure to warn?

Yes No If yes, time period

Answer: 11-1  1992 to 1996

If you answered Question No. 7 "yes", answer Question No. 8. If you answered Question

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No. 7 "no", answer question No. 9.

**Question No. 8:** Were the warnings of defendant Lyondell Chemical Company (ARCO Chemical Company) to all of its customers, as described in Question No. 5, above, adequate to make those customers aware of the risks and how to avoid or reduce such risks? If not, during what time period were such warnings of Lyondell Chemical Company (ARCO Chemical Company) inadequate?

Answer "yes" or "no." If you answer "no," state the time period.

Yes                      No                      If no,  
time  
period

Answer:

11-1 \_\_\_\_\_

1987 to 1996

**Question No. 9:** If you answered "yes" to both Question No. 1 and Question No. 2 as to defendant Shell Oil Company, answer the question below. If you did not answer "yes" to both Question No. 1 and Question No. 2 as to Shell Oil Company, then go to Question No. 10.

Do you find by clear and convincing evidence that defendant Shell Oil Company acted with malice in selling gasoline containing MTBE that was defective in design because the risk of harm inherent in the design outweighed the benefits of that design?

Answer "yes" or "no". If you answer "yes," state the time period.

Yes                      No                      If yes, time  
period

Answer:

11-1

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Full/whisk 1990 to 12-1997

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**Question No. 10:** If you answered "yes" to both Question No. 3 and Question No. 4 as to defendant Shell Oil Company, answer the question below. If you did not answer "yes" to both Question No. 3 and Question No. 4 as to Shell Oil Company, then go to Question No. 11.

Do you find by clear and convincing evidence that defendant Shell Oil Company acted with malice in selling gasoline containing MTBE that was defective in design because of a failure to warn?

Answer "yes" or "no." If you answer "yes," state the time period.  
Yes                      No                      If yes, time period

Answer:                      11-1 ✓                      \_\_\_\_\_                      Fall/Winter 1990 to 12-1997

**Question No. 11:** If you answered "yes" to both Question No. 6 and Question No. 7 and "no" to both Question No. 5 and Question No. 8, answer the question below. If you did not answer "yes" to both Question No. 6 and Question No. 7 and "no" to both Question No. 5 and Question No. 8, please sign and return this form.

Do you find by clear and convincing evidence that defendant Lyondell Chemical Company (ARCO Chemical Company) acted with malice in selling MTBE that was defective in design because of a failure to warn?

Answer "yes" or "no." If you answer "yes," state the time period.  
Yes                      No                      If yes, time period

Answer:                      11-1 ✓                      \_\_\_\_\_                      1987 to 1996

DATED: April 15, 2002

Michael S. [Signature]  
JURY FOREPERSON