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12 PACIFIC GAS AND ELECTRIC COMPANY

13 UNITED STATES BANKRUPTCY COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN FRANCISCO DIVISION

16 In re

17 PACIFIC GAS AND ELECTRIC
18 COMPANY, a California corporation,

19 Debtor.

20 Federal I.D. No. 94-0742640

No. 01 30923 DM

Chapter 11 Case

Date: May 16, 2001

Time: 9:30 a.m.

Place: 235 Pine St., 22nd Floor
San Francisco, California

21 DEBTOR'S NOTICE OF MOTION AND MOTION FOR AUTHORITY
22 TO HONOR ITS OBLIGATIONS FOR PUBLIC PURPOSE PROGRAMS

23 [SUPPORTING MEMORANDUM OF POINTS AND AUTHORITIES
24 AND DECLARATION OF STEVEN J. MCCARTY
25 FILED SEPARATELY]

Acc'd
9/1
Add:
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1 TO ALL PARTIES IN INTEREST:

2 PLEASE TAKE NOTICE that on May 16, 2001 at 9:30 a.m., or as soon thereafter as
3 the matter may be heard, in the Courtroom of the Honorable Dennis Montali, located at 235
4 Pine Street, 22nd Floor, San Francisco, California, Pacific Gas and Electric Company, the
5 debtor and debtor in possession in the above-captioned Chapter 11 case (the "Debtor" or
6 "PG&E"), will and hereby does move the Court (the "Motion") for entry of an order
7 (i) determining that PG&E is merely a conduit of the funds collected by PG&E pursuant to
8 the Public Purpose Programs surcharge on all customers' bills, that such funds do not
9 constitute part of PG&E's bankruptcy estate pursuant to Section 541(d) of the Bankruptcy
10 Code (11 U.S.C. §541(d)), and that PG&E is therefore permitted to pay all outstanding pre-
11 petition obligations incurred in connection within the Public Purpose Programs that are
12 within such surcharged amounts for the Public Purpose Programs; or (ii) in the alternative,
13 pursuant to Section 105(a) of the Bankruptcy Code (11 U.S.C. §105(a)), authorizing PG&E
14 to continue the Public Purpose Programs uninterrupted, including, without limitation, the
15 payment of all outstanding pre-petition obligations incurred in connection with the Public
16 Purpose Programs that are within such surcharged amounts for the Public Purpose Programs.
17 If the Motion is granted, (i) PG&E will be permitted to pay approximately \$19.2 million in
18 pre-Chapter 11 petition invoices and another approximately \$17.9 million in anticipated
19 invoices not yet received, in each case either from vendors and contractors who supplied
20 goods and services pre-petition in connection with the Public Purpose Programs or from
21 customers who became entitled to rebates pre-petition in connection with the Public Purpose
22 Programs, and (ii) the approximately \$260 million currently booked in PG&E's balancing
23 accounts for energy efficiency programs that constitute a key component of the Public
24 Purpose Programs will continue to be used solely for payment of obligations incurred in
25 connection with such Public Purpose Programs.

26 The Motion is based on this Notice of Motion and Motion, the supporting
27 Memorandum of Points and Authorities and the Declaration of Steven J. McCarty filed
28 concurrently herewith, the record of this case, and any admissible evidence presented to the

1 Court at or prior to the hearing on this Motion.

2 **PLEASE TAKE FURTHER NOTICE** that pursuant to Rule 9014-1(c)(2) of the
3 Bankruptcy Local Rules for the United States District Court for the Northern District of
4 California, any written opposition to the Motion and the relief requested therein must be
5 filed with the Bankruptcy Court and served upon counsel for PG&E on or prior to May 11,
6 2001. If there is no timely objection to the requested relief, the Court may enter an order
7 granting such relief without further hearing.

8 DATED: April 24, 2001

9 Respectfully,

10 HOWARD, RICE, NEMEROVSKI, CANADY,
11 FALK & RABKIN
A Professional Corporation

12
13 By: 

JEFFREY L. SCHAFFER

14 Attorneys for Debtor and Debtor in Possession
15 PACIFIC GAS AND ELECTRIC COMPANY

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