

1 JAMES L. LOPES (No. 63678)
JEFFREY L. SCHAFFER (No. 91404)
2 JANET A. NEXON (No. 104747)
HOWARD, RICE, NEMEROVSKI, CANADY,
3 FALK & RABKIN
A Professional Corporation
4 Three Embarcadero Center, 7th Floor
San Francisco, California 94111-4065
5 Telephone: 415/434-1600
Facsimile: 415/217-5910
6

7 Attorneys for Debtor and Debtor in Possession
PACIFIC GAS AND ELECTRIC COMPANY

8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 In re
12 PACIFIC GAS AND ELECTRIC
13 COMPANY, a California corporation,

14 Debtor.

No. 01-30923 DM

Chapter 11 Case

Date: May 16, 2001

Time: 9:30 a.m.

Place: 235 Pine Street, 22nd Floor
San Francisco, California

15 Federal I.D. No. 94-0742640

16
17 DECLARATION OF CHARLES M. MARRE IN SUPPORT OF
MOTION FOR AUTHORITY TO PAY PRE-PETITION PROPERTY TAXES

18 I, Charles M. Marre, declare as follows:

19 1. I am the Director of Capital Accounting of Pacific Gas and Electric Company
20 ("Debtor" or "PG&E"), a position I have held since June, 2000. I make this Declaration in
21 support of the Debtor's Motion for Authority to Pay Pre-Petition Property Taxes, filed herein.
22 This Declaration is based on my personal knowledge of PG&E's operations and certain
23 transactions involving taxes. If called as a witness, I could and would testify competently to
24 the facts stated herein.

25 2. PG&E owns real and personal property in 49 counties in California (each, a
26 "County," and collectively, the "Counties"). Each year, the California State Board of
27 Equalization determines the aggregate value of all real and personal property owned by
28 PG&E in the state and allocates that value among each of the Counties. The Counties

DECL. OF CHARLES M. MARRE ISO MOTION FOR AUTHOR. TO PAY PRE-PETITION PROPERTY TAXES

Accl
011 Add: Rids Ogc Mail Center

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN
A Professional Corporation

50-275/323

1 accordingly bill PG&E for taxes based on their allocated value. To the extent the taxes are
2 unpaid, each County obtains a statutory first priority lien against the real property of PG&E
3 located in such County.

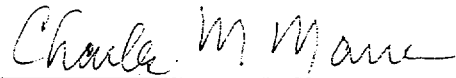
4 3. The taxes owed to the Counties are paid in two installments, the first of which
5 is due on December 10, and the second of which is due on April 10 of each year.

6 4. Following the filing of its Chapter 11 petition, PG&E divided the installment
7 due on April 10, 2001 into two portions—one based on the period from January 1 through
8 April 5 (the “Pre-Petition Taxes”), and the other based on the period from April 6 through
9 June 30, 2001 (the “Post-Petition Taxes”). PG&E paid the Post-Petition Taxes but has not
10 paid the Pre-Petition Taxes. Exhibit A hereto contains a true and correct list of the amounts
11 paid to the Counties, per County, and the amounts still owed on account of Pre-Petition
12 Taxes. As shown on Exhibit A, the amounts of Pre-Petition Taxes owed to the Counties
13 range from a low of \$14,690 to a high of \$7,329,994, and total \$41,224,488, in the aggregate,
14 exclusive of any penalties assessed for late payment.

15 5. Exhibit A hereto also contains a true and correct list of the assessed value of
16 the property in each County. As set forth therein, the real properties subject to the Pre-
17 Petition Taxes have an assessed value in excess of the amount of the Pre-Petition Taxes
18 attributable to such properties.

19 6. Based on my discussions with members of PG&E’s public affairs department,
20 who have had direct contact with County officials, and notifications received by PG&E from
21 tax assessors and other officials of various Counties, I am informed and believe and
22 thereupon allege that the failure to pay such claims may cause undue hardship on many of the
23 Counties. Many of the Counties depend on the property taxes paid by PG&E to finance the
24 delivery of essential goods and services to its residents. The Counties’ budgets assume the
25 timely receipt of the Pre-Petition Taxes.

1 I declare under penalty of perjury under the laws of the United States of America
2 and the State of California that the foregoing is true and correct. Executed this 26th day of
3 April, 2001, at San Francisco, California.

4 

5 Charles M. Marre
6
7
8
9
10
11
12

13 HOWARD
14 RICE
NEMEROVSKI
CANADY
FALK
& RAEBIN

15 A Professional Corporation
16
17
18
19
20
21
22
23
24
25
26
27
28

WD 042601/1-1419903/42/911869/v2

DECL. OF CHARLES M. MARRE ISO MOTION FOR AUTHOR. TO PAY PRE-PETITION PROPERTY TAXES

**PACIFIC GAS AND ELECTRIC CO.
PROPERTY TAXES AND ASSESSMENTS
TAX YEAR 2000/01**

County	Allocated Assessment ⁽¹⁾	1st Installment Paid 12/11/00	Post Petition ⁽²⁾ Paid 4/10/01	Pre-Petition ⁽³⁾ Balance Due
Alameda County	\$ 918,015,907	\$ 5,958,011.70	\$ 2,830,055.56	\$ 3,127,956.14
Alpine County	5,575,763	27,981.29	13,291.11	14,690.18
Amador County	115,885,476	582,044.59	276,471.18	305,573.41
Butte County	368,805,892	1,963,250.99	932,544.22	1,030,706.77
Calaveras County	51,900,157	283,893.86	134,849.58	149,044.28
Colusa County	97,719,895	488,599.47	232,084.75	256,514.72
Contra Costa County	874,507,704	4,922,687.02	2,338,276.33	2,584,410.69
Del Norte County	90,304,620	489,530.78	232,527.12	257,003.66
Fresno County	1,145,367,193	6,341,648.44	3,012,283.01	3,329,365.43
Glenn County	68,044,001	351,116.52	166,780.35	184,336.17
Humboldt County	124,491,063	642,381.28	305,159.61	337,281.67
Kern County	370,646,699	2,033,410.67	965,870.03	1,067,540.56
Kings County	74,462,256	403,495.08	191,660.16	211,834.92
Lake County	52,211,918	269,592.08	128,056.24	141,535.84
Lassen County	7,264,964	37,559.86	17,840.93	19,718.93
Madera County	130,443,080	678,111.88	322,103.14	356,008.74
Marin County	172,242,328	906,237.46	430,462.79	475,774.67
Mariposa County	55,470,231	277,351.15	131,741.80	145,609.35
Mendocino County	83,649,516	461,241.74	219,089.83	242,151.91
Merced County	169,436,834	878,042.45	417,070.16	460,972.29
Modoc County	29,289,839	146,464.69	69,570.73	76,893.96
Monterey County	249,167,581	1,291,019.04	613,234.04	677,785.00
Napa County	90,745,653	499,752.64	237,382.50	262,370.14
Nevada County	123,168,853	616,382.62	292,781.74	323,600.88
Placer County	347,347,131	1,915,696.83	909,955.99	1,005,740.84
Plumas County	321,016,124	1,605,303.30	762,519.07	842,784.23
S F County	236,040,142	5,529,913.29	2,626,708.81	2,903,204.48
Sacramento County	59,434,178	1,279,566.89	607,794.25	671,772.60
San Benito County	66,967,733	305,022.27	144,885.58	160,136.69
San Bernardino County	973,576,284	367,967.70	174,784.64	193,183.03
San Joaquin County	589,256,137	2,969,253.12	1,410,395.23	1,558,857.89
San Mateo County	2,619,206,589	2,704,398.49	1,284,589.28	1,419,809.21
Santa Barbara County	497,714,453	357,868.37	169,987.49	187,880.90
Santa Clara County	67,934,798	5,694,950.58	2,705,101.53	2,989,849.05
Santa Cruz County	925,591,433	632,953.22	300,652.78	332,300.44
Shasta County	123,211,208	2,693,723.98	1,279,518.89	1,414,205.09
Sierra County	498,473,561	40,054.19	19,025.74	21,028.45
Siskiyou County	7,812,611	91,476.70	43,451.43	48,025.27
SLO County	18,087,336	13,961,892.87	6,631,899.11	7,329,993.76
Solano County	325,431,459	1,848,983.96	878,267.38	970,716.58
Sonoma County	335,290,676	1,989,987.29	945,243.96	1,044,743.33
Stanislaus County	109,523,715	598,547.84	284,310.22	314,237.62
Sutter County	88,376,568	448,484.99	213,030.37	235,454.62
Tehama County	117,899,221	595,698.23	282,956.66	312,741.57
Trinity County	12,028,941	60,559.70	28,765.86	31,793.84
Tulare County	34,973,726	184,290.94	87,538.20	96,752.74

EXHIBIT A

Tuolumne County	65,457,984	337,945.42	160,524.07	177,421.35
Yolo County	190,667,542	964,135.39	457,964.31	506,171.08
Yuba County	154,447,661	794,292.05	377,288.72	417,003.33
Total	<u>\$ 14,254,584,634</u>	<u>\$ 78,522,774.91</u>	<u>\$ 37,298,346.48</u>	<u>\$ 41,224,488.30</u>

Note:

- (1) Assessments are allocated by the SBE.
- (2) Post petition period covers the period Apr 6 thru June 30, 2001.
- (3) Pre-petition period covers the period Jan 1 thru Apr 5, 2001.