

1 JAMES L. LOPES (No. 63678)  
2 JANET A. NEXON (No. 104747)  
3 GARY M. KAPLAN (No. 155530)  
4 CEIDE ZAPPARONI (No. 200708)  
5 HOWARD, RICE, NEMEROVSKI, CANADY,  
6 FALK & RABKIN  
7 A Professional Corporation  
8 Three Embarcadero Center, 7th Floor  
9 San Francisco, California 94111-4065  
10 Telephone: 415/434-1600  
11 Facsimile: 415/217-5910

12 Attorneys for Debtor and Debtor in Possession  
13 PACIFIC GAS AND ELECTRIC COMPANY

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

17 In re

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

20 Debtor.

21 Federal I.D. No. 94-0742640

Case No. 01 30923 DM

Chapter 11 Case

Date: December 27, 2001

Time: 1:30 p.m.

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

22 DECLARATION OF KEVIN J. DOWD IN SUPPORT OF MOTION FOR  
23 ORDER (1) AUTHORIZING DEBTOR TO FILE CERTAIN PRELIMINARY  
24 OMNIBUS OBJECTIONS TO CLAIMS WITHOUT PREJUDICE TO RIGHT  
25 TO FILE SUBSEQUENT OBJECTIONS THERETO AND (2) WAIVING  
26 COMPLIANCE WITH FEDERAL RULES OF CIVIL PROCEDURE 26(a)  
27 AND (f) IN CERTAIN CLAIMS OBJECTION PROCEEDINGS

28 DOWD DECL. ISO OMNIBUS OBJECTIONS MOTION

HOWARD  
RICE  
NEMEROVSKI  
CANADY  
FALK  
& RABKIN  
A Professional Corporation

50-275/323

A001 Add: *[Signature]*  
Kids Og Mail Center

1 I, Kevin J. Dowd, declare as follows:

2 1. I am the Director of Purchasing for Pacific Gas and Electric Company  
3 ("PG&E"), a position I have held since September 1998. Furthermore, I am one of the  
4 managers of the claims resolution process in PG&E's bankruptcy case. I make this  
5 Declaration based upon my personal knowledge of PG&E's general operations, upon my  
6 review of PG&E's records concerning the matters stated herein, and upon information  
7 provided to me by consultants employed by PG&E to assist in the examination of proofs of  
8 claim filed in this case. If called as a witness, I could and would testify competently to the  
9 facts stated herein.

10 2. I make this Declaration in support of PG&E's Motion for an Order  
11 (1) Authorizing Debtor To File Certain Preliminary Omnibus Objections To Claims Without  
12 Prejudice To Right To File Subsequent Objections Thereto And (2) Waiving Compliance  
13 With Federal Rules Of Civil Procedure 26(a) And (f) In Certain Claims Objection  
14 Proceedings.

15 3. I have been informed and believe that over 12,800 proofs of claim have been  
16 filed in PG&E's bankruptcy case totaling many billions of dollars. PG&E's current analysis  
17 of the claims is not complete and is ongoing as of the date of this Declaration. However, I  
18 am informed that preliminary investigations done at my request show that billions of dollars  
19 of the claims filed against PG&E's estate are duplicative and unsubstantiated, for example,  
20 in the following categories of claims:<sup>1</sup>

- 21 • Identical duplicates. Over \$1 billion worth of claims are exact duplicates of  
22 other filed claims—identical in amount, claimant and supporting papers. All  
23 such claims are redundant.
- 24 • Amended or superseded claims. Certain claims are amendments to previously  
25

26 <sup>1</sup>All numbers cited in this Declaration are approximate and represent what I have been  
27 informed is PG&E's current understanding. I anticipate that these figures will be  
28 subsequently refined as PG&E's analysis of the very large number of claims filed against its  
estate continues.

1 filed claims, but the original and amended claim both appear on the claims  
2 register. The redundancy is over \$1 billion.

- 3 • Bondholders' claims. Indenture trustees under various indentures for holders  
4 of pollution control bonds, mortgage bonds, and medium term notes, among  
5 others, have filed billions of dollars in claims on behalf of the holders under  
6 such indentures. However, the individual bondholders and mortgage holders  
7 have, in many cases, also filed claims based on the same financial  
8 instruments. The redundancy is in excess of \$3 billion.

- 9 • Multiple Claimants Asserting Joint Claim in Separate Proofs of Claim.

10 Multiple proofs of claim have been filed by multiple claimants in respect of  
11 the same claim. For example, 33 claimants with an underlying claim of \$1  
12 million each individually filed claims each seeking \$33 million: the entire  
13 amount of the claim for all claimants. Thus, claims for \$33 million each were  
14 filed and have been acknowledged to be duplicative. In fact, counsel for these  
15 claimants has recently agreed to stipulate to the withdrawal of 32 of the 33  
16 claims, thereby reducing the total claim amount by over \$1 billion.

- 17 • Electric Generation Claims. The Independent System Operator ("ISO"), the  
18 California Power Exchange ("PX"), and many generators participating in  
19 those markets have filed billions of dollars in claims for electricity allegedly  
20 provided to PG&E pre- and post-petition. However, many of these claims are  
21 duplications—both multiple claims by the same entity and claims by the PX  
22 on behalf of generators, which also filed individual claims. The duplication is  
23 at least \$4 billion.

24 4. PG&E's analysis is in its preliminary stages. However, the examples above  
25 demonstrate that, at the very least, significant duplication exists in many categories of the  
26 claims filed with this Court. It is my belief that the proposed claims objection procedure  
27 would allow the efficient and rapid determination of certain preliminary objections, such as  
28 objections based on duplication and that the procedures proposed in this Motion would

1 facilitate the efficient resolution of claims aggregating many billions of dollars without the  
2 need for a lengthy hearing on the merits.

3 I declare under penalty of perjury under the laws of the United States of America  
4 that the foregoing is true and correct. Executed this 6 day of December 2001, at San  
5 Francisco, California.

6  
7 By: 

KEVIN J. DOWD

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