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9 Attorneys for Creditor
10 CALPINE CORPORATION and its
QF Affiliates

11 UNITED STATES BANKRUPTCY COURT
12 FOR THE NORTHERN DISTRICT OF CALIFORNIA
13

14 In re:

15 PACIFIC GAS & ELECTRIC COMPANY,
16 Debtor.

Chapter 11

Case No.: 01-30923-DM

17 NOTICE OF MOTION AND MOTION
18 BY CALPINE CORPORATION TO
19 COMPEL DEBTOR TO TIMELY
20 DECIDE WHETHER TO ASSUME OR
21 REJECT CALPINE'S QF CONTRACTS
OR, IN THE ALTERNATIVE, ALLOW
CALPINE TO SUSPEND
PERFORMANCE UNDER ITS QF
CONTRACTS

22 DATE: June 4, 2001
23 TIME: 10:00 a.m.
24 PLACE: 235 Pine Street, 22nd Floor

ADD

25 PLEASE TAKE NOTICE that Calpine Corporation, Calpine Gilroy Cogen LP, Calpine
26 Monterey Cogeneration, Inc., Calpine Greenleaf Holdings, Inc., Calpine King City Cogen, LLC,
27 Calpine Agnews, Inc., Geysers Power Company, LLC, Cloverdale Geothermal Partners, L.P., and
28 Calpine Pittsburg LLC, (collectively "Calpine") by and through its counsel of record, Thelen Reid

1 & Priest LLP, hereby move the Court, pursuant to 11 U.S.C. section 365(d)(2) and Rule 6006 of
2 the Federal Rules of Bankruptcy Procedure, for an order requiring the debtor Pacific Gas and
3 Electric Company (the "Debtor") to determine whether to assume or reject eleven (11) Qualifying
4 Facility contracts ("QF Contracts") within thirty (30) days or, in the alternative, to allow Calpine to
5 suspend performance under the QF Contracts.

6 **PLEASE TAKE FURTHER NOTICE** that on June 4, 2001, at 10:00 a.m., in the
7 courtroom of the Honorable Dennis Montali, located at 235 Pine Street, 22rd Floor, San Francisco,
8 California, a hearing will be held to consider Calpine's Motion to Compel Debtor to Timely
9 Decide Whether to Assume or Reject Calpine's QF Contracts or, in the Alternative, Allow Calpine
10 to Suspend Performance Under its QF Contracts (the "Motion").

11 Pursuant to Bankruptcy Local Rule 9014-1(c), any opposition to the Motion shall be served
12 on Calpine's undersigned counsel of record and the Office of the United States Trustee no later
13 than fourteen (14) days prior to the scheduled hearing date. Any interested party may obtain a full
14 set of the papers in support of the Motion by requesting copies from Thelen Reid & Priest LLP, by
15 contacting Michelle Harrison in writing at the above address or via e-mail at
16 mharrison@thelenreid.com.

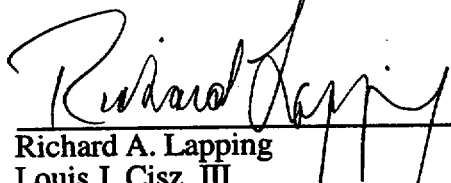
17 **PLEASE TAKE FURTHER NOTICE** that Calpine seeks relief under sections 105 and
18 365(d) of the Bankruptcy Code. Calpine and its affiliates have a total prepetition claim against
19 PG&E of approximately \$335,000,000. Approximately \$267,000,000 of Calpine's claim is for
20 electric power delivered by eleven (11) of Calpine's operating plants known as qualifying facilities
21 ("QFs"), which amount is presently due and payable by PG&E. Calpine stands by its QF
22 Contracts and prefers assumption over other available remedies. Consistent with its commitment
23 to deliver clean and reliable energy to California, Calpine is similarly committed to perform under
24 the QF Contracts. PG&E should be no less committed. Indeed, Calpine believes assumption of
25 the QF Contracts is in the best interests of all parties-in-interest, including the Debtor, its
26 unsecured creditors, and the ratepayers of California. By its Motion, Calpine seeks relief from this
27 Court in order to operate the QFs at full capacity and maximize the energy Calpine can generate
28 for California.

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2 The Motion will be based on this Notice of Motion and Motion, the Memorandum
3 of Points and Authorities in support of the Motion, the Declaration of E. James Macias, and a
4 Request For Judicial Notice, all filed herewith, and upon the other pleadings and papers on file in
5 this case and such additional argument and evidence as may be presented at the hearing.

6 Dated: May 2, 2001

7 THELEN REID & PRIEST LLP

8
9 By


Richard A. Lapping
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Martin G. Bunin
Craig E. Freeman
Attorneys for Creditor
Calpine Corporation and its QF Affiliates