

50-275/323

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

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

12 In re
13 PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,
14 Debtor.
15 Federal I.D. No. 94-0742640

No. 01-30923 DM

Chapter 11 Case

Date: May 25, 2001
Time: 1:30 p.m.
Place: 235 Pine St., 22nd Floor
San Francisco, California
Judge: Hon. Dennis Montali

18 DECLARATION OF KEVIN H. GOISHI IN SUPPORT OF
19 MOTION FOR ORDER AUTHORIZING ASSUMPTION OF
20 EXECUTORY HYDROELECTRIC POWER PURCHASE CONTRACTS

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of
Add: Red's Ogc Mail Center*

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN
A Professional Corporation

1 I, Kevin H. Goishi, declare as follows:

2 1. I am a Principal Project Manager of Pacific Gas and Electric Company
3 (“PG&E”), a position I have held since September 1987. I make this Declaration in support
4 of PG&E’s Reply Brief In Support Of Motion For Order Authorizing Assumption Of
5 Executory Hydroelectric Power Purchase Contracts (the “Motion”). This Declaration is
6 based on my personal knowledge of PG&E’s operations and financial position. If called as a
7 witness, I could and would testify competently to the facts stated herein.

8 Ancillary Agreements

9 2. PG&E, in filing the Motion, moved the Court for an order authorizing
10 assumption of eight hydroelectric power purchase contracts and the ancillary agreements and
11 amendments thereto (collectively, the “HPP Contracts”). A list of the specific ancillary
12 agreements and amendments included in the Motion is attached hereto as Exhibit A.

13 Operation and Maintenance Payments

14 3. PG&E makes monthly operating and maintenance payments (“O&M
15 payments”) to pay for the day-to-day operating costs of the hydroelectric projects. Due to
16 the commencement of this Chapter 11 case on April 6, 2001 (the “Petition Date”), PG&E
17 was unable to issue the O&M payments which pertained to periods prior to the Petition Date
18 but fell due after April 5, 2001.

19 4. The O&M payments in arrears as of May 16, 2001 total \$1,376,633.94:
20 (1) Rollins Powerhouse Project — \$6,794.32; (2) Sly Creek Powerhouse Project — \$0;
21 (3) Yuba-Bear Project — \$170,428.93; (4) Yuba River Development Project —
22 \$325,606.77; (5) South Fork Project — \$284,146.04; (6) Merced River Development Project
23 — \$446,623.71; (7) Middle Fork Project — \$143,034.17. An updated schedule of the total
24 payments which fell due after the Petition Date but which were accrued during the pre-
25 petition period is attached hereto as Exhibit B. These figures vary to some extent from those
26 the Irrigation Districts have provided because PG&E has not included in its calculations
27 payments due which cover the post-petition period. PG&E is processing for payment such
28 post-petition amounts.

1 Semi-Annual Payments

2 5. PG&E makes semiannual payments under the HPP Contracts which provide
3 the agencies with a revenue stream for paying off revenue bonds issued to finance project
4 construction costs. The total amount of semiannual payments in arrears as of May 15, 2001
5 is \$2,462,830.80: (1) Merced Irrigation District — \$427,793.50; (2) Nevada Irrigation
6 District — \$716,226.05; and (3) Placer County Water Agency — \$1,318,811.25. These
7 amounts reflect the payments which fell due after the Petition Date but were accrued during
8 the pre-petition period. As with the O&M payments, PG&E has processed for payment the
9 amounts due which cover the post-petition period.

9 Cash Reserves and Revenue

10 6. PG&E has sufficient cash reserves to cure all arrearages. I am informed and
11 believe that, as of May 15, 2001, PG&E's cash accounts totaled \$31,916,861.65 and short-
12 term investments totaled \$2,572,704,083.78. A true and correct copy of the relevant section
13 of the Schedules And Statements Of Financial Affairs filed with the Court and containing
14 these facts is attached hereto as Exhibit C.

15 7. PG&E has sufficient gas and electric revenue to provide adequate assurance
16 of future performance under the HPP Contracts. I am informed and believe that PG&E's
17 revenues from January 1, 2001 to March 31, 2001 total \$2.5 billion. A true and correct copy
18 of the relevant section of the Schedules And Statements Of Financial Affairs filed with the
19 Court and containing this fact is attached hereto as Exhibit 3.

20 Lake Francis Dam Facility

21 8. PG&E and the Yuba County Water Agency ("YCWA") negotiated an
22 agreement that PG&E would pay YCWA \$860,000 in connection with the Lake Francis
23 Dam Facility upon the formal execution of an amendment to their HPP Contract. The
24 parties have not yet executed such an amendment.

1
2 I declare under penalty of perjury under the laws of the United States of America
3 and the State of California that the foregoing is true and correct. Executed this 18th day of
4 May 2001, at San Francisco, California.
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6 *Kevin H. Goishi*

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8 KEVIN H. GOISHI

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HOWARD
RICE
NEMEROWSKI
CANADY
PALK
& BARBIN
Attorneys at Law