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10 Attorneys for U.S. Bank Trust National Association,
as Successor Trustee

12 UNITED STATES BANKRUPTCY COURT

13 NORTHERN DISTRICT OF CALIFORNIA

14 SAN FRANCISCO DIVISION

16 In re

17 PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation,

) Case No. 01-30923 DM

) Chapter 11 Case

) **DECLARATION OF KEITH R.
MARSHALL IN SUPPORT OF
U.S. BANK TRUST NATIONAL
ASSOCIATION'S NOTICE OF
MOTION AND MOTION FOR
RELIEF FROM THE
AUTOMATIC STAY**

) **[Notice of Motion and Motion filed
concurrently herewith]**

) Hearing:

) Date: July 27, 2001

) Time: 1:30 p.m.

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

) Judge: Hon. Dennis Montali

25 Debtor.

26 Federal I.D. No. 94-0742640

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28
A001
9/1 Add: Kids Age Mail Center

1 I, KEITH R. MARSHALL, declare as follows:

2 1. U.S. Bank Trust National Association ("U.S. Bank") is successor Trustee
3 pursuant to that certain Indenture of Trust dated as of November 1, 1991, as amended or
4 supplemented (the "Indenture") between Southern San Joaquin Valley Power Authority (the
5 "Authority") and Bank of America National Trust and Savings Association, as Trustee, in
6 connection with Transmission Capacity Revenue Bonds, Series 1991, issued by the Authority in
7 the aggregate principal amount of \$15,000,000 (the "Bonds").

8 2. Pursuant to Section 4.01 of the Indenture, certain funds were created and
9 established with U.S. Bank for the benefit of the holders of the Bonds (the "Bondholders").
10 Section 4.01 of the Indenture provides:

11 **SECTION 4.01. Establishment of Funds.** There is hereby
12 established with the Trustee and the Authority, and the Trustee and
13 the Authority hereby agree to maintain, the following special funds
14 for the Bonds, which the Trustee or the Authority, as the case may
15 be, shall keep separate and apart from all other funds and money
16 held by them, namely: the Southern San Joaquin Valley Power
17 Authority 1991 Transmission Capacity Acquisition and
18 Construction Fund, the Southern San Joaquin Valley Power
19 Authority 1991 Transmission Capacity Reimbursement Fund, the
20 Southern San Joaquin Valley Power Authority 1991 Transmission
21 Capacity Revenue Fund (and the Interest Account, the Redemption
22 Account, the Sinking Fund Account and the Bond Reserve
23 Account contained therein) and the Southern San Joaquin Valley
24 Power Authority 1991 Transmission Capacity Surplus Fund.

25 Indenture, § 4.01.

26 3. The Southern San Joaquin Valley Power Authority 1991 Transmission Capacity
27 Revenue Fund, listed above (the "Revenue Fund"), is comprised of four separate accounts: the
28 Interest Account, the Redemption Account, the Sinking Fund Account and the Bond Reserve
Account.

4. The Indenture contemplates regular transfers by U.S. Bank from the Revenue
Fund into the Bond Reserve Account:

1 **SECTION 4.04. Bond Reserve Account.** On or before the first
2 day of each January, April, July and October, beginning in
3 October, 1994, the Trustee shall deposit from the Revenue Fund
4 into the Bond Reserve Account such amount of Revenues as shall
5 be required to restore the Bond Reserve Account to an amount
6 equal to the Reserve Amount; provided, that no deposit need be
7 made into the Bond Reserve Account so long as there shall be in
8 the Bond Reserve Account a sum equal to at least the amount
9 required by this paragraph to be on deposit therein.

10 Indenture, § 4.04(4).

11 5. U.S. Bank is authorized to apply funds on deposit in the Bond Reserve Account
12 pursuant to Section 7.09 of the Indenture, including the payment of fees and expenses of the
13 Trustee, and principal, redemption premium, if any, and interest on the Series 1991 Certificates.

14 6. On or about July 8, 1997, U.S. Bank acknowledged the Agreement by and
15 between the Debtor and the Authority which provides, among other things, that the Debtor
16 agrees to make payments of principal and interest on the Bonds as and when due under the
17 Indenture, which the Debtor has failed to do for payments due on July 1, 2001. The Agreement
18 also provides that the Debtor agrees to assume the obligations of the Authority under Section
19 8.04 of the Indenture and that the Authority agrees that the Debtor shall have the right to exercise
20 the rights and options of the Authority under the Trust Agreement and that the Authority shall
21 not exercise any right or option under the Indenture except as directed by the Debtor. Such
22 rights exist only on a contingent basis depending on future developments, and are limited in
23 favor of U.S. Bank as Trustee, as provided in the Indenture provisions described above. The
24 Authority has not assigned or conveyed its interest in the Bond Funds to the Debtor, but instead
25 retained its rights under the Indenture and agreed to the exercise of its rights as the Debtor
26 determined or directed.

27 7. As of the date of preparation of this Declaration, the outstanding indebtedness to
28 the Bondholders is an amount no less than \$13,100,350, while the funds on deposit in the Bond
29 Reserve Account currently are less than \$1,517,501.42.

1 I declare under penalty of perjury under the laws of the United States of America that the
2 foregoing is true and correct.

3 Executed this 3rd day of July, 2001, at Los Angeles, California.

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5 KEITH R. MARSHALL
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UNITED STATES BANKRUPTCY COURT
Northern District of California

In re:)
Pacific Gas and)
Electric Company)
Debtor(s))
_____)

Bankruptcy No.: 01-30923 DM
R.S. No.:
Hearing Date: July 27, 2001
Time: 1:30 p.m.

Relief From Stay Cover Sheet

Instructions: Complete caption and Section A for all motions. Complete Section B for mobile homes, motor vehicles, and personal property. Complete Section C for real property. Utilize Section C as necessary. If moving party is not a secured creditor, briefly summarize the nature of the motion in Section D.

(A) Date Petition Filed: 4/6/01 Chapter:
Prior hearings on this obligation: None Last Day to File §523/§727 Complaints:

(B) Description of personal property collateral (e.g. 1983 Ford Taurus):

Funds in a Bond Reserve Account

Secured Creditor [] or lessor []

Fair market value: \$1,517,501.42

Source of value: _____

Contract Balance: \$ _____

Pre-Petition Default: \$ _____

Monthly Payment: \$ _____

No. of months: _____

Insurance Advance: \$ _____

Post-Petition Default: \$ _____

No. of months: _____

(C) Description of real property collateral (e.g. Single family residence, Oakland, CA): N/A

Fair market value: \$ _____ Source of value: _____ If appraisal, date: _____

Moving Party's position (first trust deed, second, abstract, etc.):

Approx. Bal. \$ _____

Pre-Petition Default: \$ _____

As of (date): _____

No. of months: _____

Mo. payment: \$ _____

Post-Petition Default: \$ _____

Notice of Default (date): _____

No. of months: _____

Notice of Trustee's Sale: _____

Advances Senior Liens: \$ _____

Specify name and status of other liens and encumbrances, if known (e.g. trust deeds, tax liens, etc.):

Position	Amount	Mo. Payment	Defaults
1 st Trust Deed: _____	\$ _____	\$ _____	\$ _____
2 nd Trust Deed: _____	\$ _____	\$ _____	\$ _____

(Total) \$ _____		\$ _____	\$ _____

(D) Other pertinent information:

Dated:

07/3/01

Amy Hallman Rice mlc
Signature

Amy Hallman Rice

Print or Type Name

Attorney for U.S. Bank Trust National Association