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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

No. 01-30923 DM

Chapter 11 Case

NOTICE OF MOTION AND MOTION
FOR AUTHORITY TO ASSUME
POWER PURCHASE AGREEMENTS
BETWEEN PG&E AND CERTAIN
QUALIFYING FACILITIES

Date: August 3, 2001
Time: 1:30 p.m.
Place: 235 Pine Street, 22nd Floor
San Francisco, California
Judge: Hon. Dennis Montali

1 **NOTICE OF MOTION AND MOTION**

2 **PLEASE TAKE NOTICE** that, pursuant to an (oral) order shortening time,
3 issued by the Court on July 27, 2001, on August 3, 2001, at 1:30 p.m., or as soon thereafter
4 as the matter may be heard, in the Courtroom of the Honorable Dennis Montali, located at
5 235 Pine Street, 22nd Floor, San Francisco, California, Pacific Gas and Electric Company,
6 the debtor and debtor-in-possession in the above-captioned Chapter 11 case ("PG&E" or the
7 "Debtor"), will and hereby does move (the "Motion") the Court for entry of an order
8 granting PG&E authority, without need for further hearing or additional notice to creditors
9 or parties in interest (except the Official Committee of Unsecured Creditors), to (a) enter
10 into amendments of power purchase agreements ("PPAs") between PG&E and certain
11 "Qualifying Facilities" ("QFs"), and (b) assume such amended PPAs pursuant to sections
12 365(b)(1) and (d)(2) of the United States Bankruptcy Code, each on terms set forth in the
13 proposed form of "Amendment to Power Purchase Agreement" and "Agreement," true and
14 correct copies of which are attached as Exhibits "A" and "B" to the Declaration of Janos
15 Laszlo, which has been filed concurrently herewith. Please take further notice that while the
16 form of Agreement generally provides that the "cure" of any pre-petition claim under a PPA
17 will not commence until the earlier of (i) the occurrence of the "Effective Date" of a plan of
18 reorganization confirmed in this Chapter 11 case, or (ii) July 15, 2003, the form of
19 Agreement also includes a provision which would permit PG&E to pay immediately the
20 amount necessary to cure pre-petition defaults for any QF to which the pre-petition default is
21 equal or less than \$10,000.

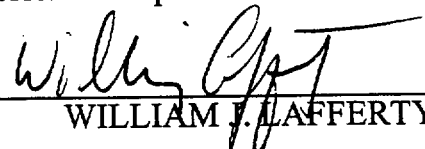
22 This Motion is based on the facts and law set forth in this Notice of Motion and
23 Motion, the Memorandum of Points and Authorities ("MPA") and Declaration of Janos
24 Laszlo filed concurrently herewith ("Laszlo Decl."), the record of this case and any other
25 evidence presented at or prior to the hearing on this Motion. Creditors and interested parties
26 may present any opposition or objection to this Motion at or prior to the hearing on the
27 Motion. Copies of the MPA and the Laszlo Decl. may be obtained from the Office of the
28 Clerk of the United States Bankruptcy Court for the Northern District of California, San

1 Francisco Division, located at 235 Pine Street, 19th Floor, San Francisco, California, or by
2 contacting the undersigned.

3
4 DATED: July 30, 2001.

5 Respectfully,

6 WILLIAM J. LAFFERTY
7 HOWARD, RICE, NEMEROVSKI, CANADY,
8 FALK & RABKIN
9 A Professional Corporation

10 By: 
11 WILLIAM J. LAFFERTY

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

14 WD 073001/1-1419920/Y11/934638/v1

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