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

13 UNITED STATES BANKRUPTCY COURT
14 NORTHERN DISTRICT OF CALIFORNIA
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16 In re
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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

Date: October 9, 2001
Time: 9:30 a.m.
Place: 235 Pine Street, 22nd Floor
San Francisco, California

22 DECLARATION OF MICHAEL J. RUFFATTO
23 IN SUPPORT OF DEBTOR'S MOTION FOR ORDER APPROVING
24 SALE OF KERN FACILITY FREE AND CLEAR OF LIENS
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26 A001 Add: Kids & Co Mail Center
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DECLARATION OF MICHAEL J. RUFFATTO

1 I, Michael J. Ruffatto, declare as follows:

2 1. I am the President of North American Power Group, Ltd. ("NAPG"), a
3 privately held corporation with headquarters in Englewood, Colorado. I make this
4 declaration in support of the Debtor's Motion For Order Approving Sale of Kern Facility
5 Free and Clear of Liens. This declaration is based on my personal knowledge. If called as a
6 witness, I could and would testify competently to the facts stated herein.

7 2. NAPG entered into an agreement with Pacific Gas and Electric Company
8 ("PG&E") dated August 24, 2000, as amended, to purchase PG&E's Kern power plant
9 facility in Bakersfield, California. The sale was conditioned on, among other things,
10 approval by the California Public Utilities Commission ("CPUC") pursuant to applicable
11 provisions of the California Public Utilities Code.

12 3. I have reviewed and am familiar with Executive Order D-44-01, issued by
13 Governor Davis on July 30, 2001 (the "Executive Order"). In my opinion, NAPG will be
14 able to comply with the applicable requirements of the Executive Order.

15 4. As required by the Executive Order, NAPG intends to restore the Kern
16 facility and return it to operation as a power generation facility.

17 5. As also required by the Executive Order, NAPG intends to enter into one or
18 more contracts to sell power generated by the Kern facility and ancillary services to the
19 California Department of Water Resources ("DWR") or any other credit-worthy California
20 entity for distribution to California rate-payers on a cost-of-service basis for a term of not
21 less than five years.

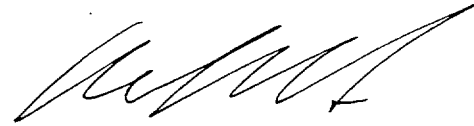
22 6. NAPG began negotiations with DWR some six months ago, but suspended
23 those negotiations after the CPUC's April 2001 decision failed to approve the sale of the
24 Kern facility to NAPG.

25 7. NAPG will resume negotiations with DWR and will begin negotiations
26 with other entities that meet the Executive Order's requirements promptly within 5 business
27 days after this court's order approving the sale of the Kern facility to NAPG. NAPG will use
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DECLARATION OF MICHAEL J. RUFFATTO

1 its best efforts to negotiate and execute contract(s) with such entity or entities that meets the
2 requirements of the Executive Order.

3 I declare under penalty of perjury under the laws of the United States of
4 America and the State of California that the foregoing is true and correct. Executed this 29th
5 day of August, 2001, at North American Power Group. Ltd., 8480 E. Orchard Road, Suite
6 4000, Greenwood Village, Colorado 80111.

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MICHAEL J. RUFFATTO

DECLARATION OF MICHAEL J. RUFFATTO