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David Gould (Bar No. 37947)  
Daniel J. Turner (Bar No. 207654)  
McDERMOTT, WILL & EMERY  
2049 Century Park East, 34th Floor  
Los Angeles, CA 90067-3208  
Telephone: 310-277-4110

Attorneys for Morgan Stanley  
Capital Group Inc.

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re  
PACIFIC GAS ELECTRIC COMPANY,  
a California corporation,

Debtor,

Federal I.D. No. 94-0742640,

CASE NO. 01-30923 DM

Chapter 11

**DECLARATION OF DANIEL J. TURNER**

Date: September 10, 2001  
Dept: 235 Pine Street, 22nd Flr.  
San Francisco, CA  
Judge: Hon. Dennis Montali

**SUPPLEMENTAL DECLARATION OF DANIEL J. TURNER IN  
SUPPORT OF MORGAN STANLEY CAPITAL GROUP INC.'S REQUEST  
TO DISCLOSE RESPONSIVE INFORMATION TO KEY PERSONNEL**

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I, Daniel J. Turner declare as follows:

1. I am over the age of eighteen years of age and an attorney admitted to practice law before the Courts of the State of California. I am an associate in the law firm of McDermott, Will & Emery ("MWE"), working at the direction of the attorney named above the caption herein. MWE represents Morgan Stanley Capital Group Inc. ("MSCG") in the above-entitled matter. I have personal knowledge of the facts set forth below and, if called as a witness, I could and would testify competently thereto based upon such personal knowledge.

2. This supplemental declaration is submitted pursuant to the applicable provisions of the August 30, 2001 [Proposed] Order Re Disclosure of Documents by Market Participants to Key Personnel (the "Order"). Words or terms used herein that are either capitalized or in quotation marks are intended to be defined as set forth in the Order.

3. On August 15, 2001, MSCG identified William F. McCoy, Esq., Edward Zabrocki, Esq., Mary Lou Peters, Esq., Robert Kinney and Brian Armstrong as "Key Personnel" in accordance with the July 11, 2001 Order Directing Production of Documents to ISO/PX Market Participants Pursuant to Federal Bankruptcy Rule 2004 and Protective Order Respecting Confidentiality of Documents. See Declaration of Jonathan D. Twombly at pg. 3.

4. On August 24, 2001, the California Independent Systems Operator Corporation (the "ISO") filed its Opposition to Certain Applications for Disclosure ("Opposition"). In its Opposition and at the August 30, 2001, hearing before Judge Montali (the "Hearing"), the ISO objected to several of the Market Participants' applications for disclosure, including MSCG's.

5. At the Hearing, Norma G. Formanek, counsel for the ISO, stated that the ISO would withdraw its Opposition provided that none of the Key Personnel is involved in trading in the wholesale electricity markets, involved in competitive decision-making in those markets nor is involved in the competitive business of the ISO markets.

6. On September 5, 2001, I spoke to Edward Zabrocki, Esq., Vice Principal

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and Counsel for MSCG. Mr. Zabrocki confirmed that none of the Key Personnel is involved in trading in wholesale electricity markets, involved in competitive decision-making in those markets nor is involved in the competitive business of the ISO markets.

7. On September 7, 2001, I confirmed the above in writing to Ms. Formanek. A true and correct copy of the September 7, 2001 letter from Daniel J. Turner to Ms. Formanek ("September 7 Letter") is attached hereto as Exhibit A.


8. On September 7, 2001, I spoke directly with Ms. Formanek regarding the contents of the September 7 Letter. Ms. Formanek stated that the September 7 Letter was sufficient for the ISO to withdraw its Opposition to MSCG's Key Personnel.

9. On September 10, 2001, I received a letter from Ms. Formanek confirming that the ISO was withdrawing its Opposition to MSCG's Key Personnel. A true and correct copy of the September 10, 2001 letter is attached hereto as Exhibit B.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 10th day of September, 2001.

Dated: September 10, 2001

McDERMOTT, WILL & EMERY

By:   
DANIEL J. TURNER  
Attorneys for Morgan  
Stanley Capital Group Inc.

**EXHIBIT "A"**

A Partnership Including  
Professional Corporations  
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Orange County  
St. Petersburg  
Silicon Valley  
Vilnius  
Washington, D.C.

**MCDERMOTT, WILL & EMERY**

September 7, 2001

**VIA FACSMILE**

Norma G. Formanek, Esq.  
Farella Braun & Martel LLP  
235 Montgomery Street, 30th Floor  
San Francisco, CA 94104

Re: In Re Pacific Gas & Electric Company  
Case No. 01-30923-DM

Dear Norma:

It was a pleasure speaking with you regarding the supplemental declarations that Morgan Stanley Capital Group Inc. will file on Monday, September 10, 2001, on behalf of William McCoy, Esq., Edward Zabrocki, Esq., Mary Lou Peters, Esq., Robert Kinney and Brian Armstrong ("Key Personnel"). I have confirmed that none of the Key Personnel is involved in trading in wholesale electricity markets, involved in competitive decision-making in those markets nor involved in the competitive business of the ISO markets. In addition, each of the Key Personnel will execute a Certificate Regarding Treatment of Responsive Information as required by the July 11 and August 30, 2001 Court Orders.

If the above is not sufficient for the California Independent Systems Operator Corporation to withdraw its objection to disclosure of the responsive information to the Key Personnel, please do not hesitate to contact me directly at (310) 551-9364.

Very truly yours,



Daniel J. Turner

/djt

**EXHIBIT "B"**



FARELLA BRAUN + MARTEL LLP

NORMA G. FORMANEK  
DIRECT DIAL: (415) 954-4497  
FAX: normarek@fbm.com

September 10, 2001

*Via Facsimile*

Daniel J. Turner  
McDermott, Will & Emery  
2049 Century Park East  
Los Angeles, CA 90067-3208

Re: In re Pacific Gas and Electric Company  
Case No. 01-30923-DM

Dear Dan:

This will acknowledge my receipt of your letter dated September 7, which makes additional representations about the Key Personnel to whom Morgan Stanley Capital Group wishes to disclose Responsive Information produced by the California ISO in response to the Order Directing Production of Documents to ISO/PX Market Participants etc., filed July 11, 2001.

Based on the representations contained in your letter, the ISO withdraws its objections to such disclosure, except that the ISO continues to object to disclosure to Key Personnel for any Market Participant, including Morgan Stanley, of documents labeled CAISO 349-375. As we discussed, you have my permission to attach a copy of this letter to a supplemental declaration you intend to file with the Court.

Sincerely,

Norma G. Formanek

NGF:ll

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