

50-275/323

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13 UNITED STATES BANKRUPTCY COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN FRANCISCO DIVISION

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN
A Professional Corporation

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
Date: October 29, 2001
Time: 9:30 a.m.
Place: 235 Pine Street, 22nd Floor
San Francisco, California
Judge: Hon. Dennis Montali

23 DECLARATION OF RUSSELL E. JORGENSEN IN SUPPORT OF PACIFIC GAS
24 AND ELECTRIC COMPANY'S MOTION REGARDING REQUEST BY CALIFORNIA
25 DEPARTMENT OF WATER RESOURCES AND ORDER BY CALIFORNIA PUBLIC
26 UTILITIES COMMISSION THAT PACIFIC GAS AND ELECTRIC COMPANY
27 ENTER INTO SERVICING AGREEMENT WITH THE
28 CALIFORNIA DEPARTMENT OF WATER RESOURCES

A001 Add: Pids Dyc Mail Center

HOWARD
RICE
NEMEROVSKI
CANADY
BALK
& RABKIN
A Professional Corporation

1 I, RUSSELL E. JORGENSEN, declare as follows:

2 1. I am Director of Billing and Revenue Operations at Pacific Gas and Electric
3 Company (PG&E), a position I have held since 1999. I have been with PG&E for 31 years.
4 I make this declaration in support of PG&E's "Motion Regarding Request By California
5 Department of Water Resources and Order By California Public Utilities Commission that
6 Pacific Gas and Electric Company Enter Into Servicing Agreement With The California
7 Department of Water Resources."

8 2. Based on my experience at PG&E and my observations of other utilities in
9 California, customers are capable of significant and sustained protests to rate increases and
10 proposed rate increases. A notable example of this occurred during the summer of 2000 in
11 the service territory of San Diego Gas & Electric Company upon the conclusion of the rate
12 freeze imposed by Assembly Bill 1890. When customers' bills increased, there were various
13 campaigns and multiple public demonstrations—some even led by elected officials—urging
14 customers to withhold payment of some portion or all of their electricity bills.


15 3. When customers protest their energy bills, it is not unusual for customers to target
16 certain charges for non-payment. For example, direct access customers in disputes with their
17 energy service provider (ESP) concerning the ESP portion of their bill have instructed PG&E
18 that they desire to pay only the PG&E-portion of their bill, withholding the ESP-portion of
19 their bill. Similarly, certain customers regularly instruct PG&E that they desire to withhold
20 payment on the portion of their bill corresponding to the utility user's tax. Under state law
21 and the terms of PG&E's electric tariffs, PG&E does not disconnect customers for such
22 withholding.

23 4. In the California Department of Water Resources' (DWR's) comments on the
24 proposed rate agreement between DWR and the California Public Utilities Commission
25 (CPUC), DWR suggested that PG&E should be responsible for DWR's share of local
26 government franchise fees under the proposed servicing agreement. If PG&E were to be
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responsible for such fees, the fees could cost PG&E tens of millions of dollars annually.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that this declaration was executed on September 24, 2001 at San Francisco, California.


Russell E. Jorgensen

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