

1 MICHAEL A. ROSENTHAL, TX SBN 17281490  
2 GIBSON, DUNN & CRUTCHER LLP  
3 2100 McKinney Avenue, Suite 1100  
4 Dallas, Texas 75201  
5 Telephone: (214) 698-3100  
6 Facsimile: (214) 698-3400

*50-295/323*

7 KATHRYN COLEMAN CA SBN 110937  
8 GIBSON, DUNN & CRUTCHER LLP  
9 One Montgomery Street  
10 San Francisco, California 94104  
11 Telephone: (415) 393-8200  
12 Facsimile: (415) 986-5309

13 CRAIG MILLET CA SBN 106027  
14 GIBSON, DUNN & CRUTCHER LLP  
15 Jamboree Center  
16 4 Park Plaza, Suite 1400  
17 Irvine, California 92614  
18 Telephone: (949) 451-3800  
19 Facsimile: (949) 451-4220

20 Attorneys for NRG ENERGY, INC. AND  
21 CERTAIN OF ITS AFFILIATES (INCLUDING  
22 CROCKETT COGENERATION LLP), MERRILL  
23 LYNCH, PIERCE, FENNER & SMITH, INC., and  
24 THE IRVINE COMPANY

25 UNITED STATES BANKRUPTCY COURT  
26 FOR THE NORTHERN DISTRICT OF CALIFORNIA

27 In re  
28 PACIFIC GAS & ELECTRIC COMPANY,  
Debtor.

CASE NO. 01-30923 DM

CHAPTER 11

**VERIFIED STATEMENT OF GIBSON,  
DUNN & CRUTCHER LLP PURSUANT TO  
FEDERAL RULE OF BANKRUPTCY  
PROCEDURE 2019**

29 Gibson, Dunn & Crutcher LLP ("Gibson, Dunn"), a law firm which maintains offices, among  
30 other places, at One Montgomery Street, San Francisco, California 94104, Jamboree Center, 4 Park  
31 Plaza, Suite 1400, Irvine, California 92614, and 2100 McKinney Avenue, Suite 1100, Dallas, Texas  
32 75201, makes this statement pursuant to Federal Rule of Bankruptcy Procedure 2019:

*A001 Add: Kids Oge mail Center*

1           1.       Gibson, Dunn represents (1) NRG Energy, Inc. ("NRG") and certain of its affiliates,  
2 including Crockett Cogeneration LLP ("Crockett"), (2) Merrill Lynch, Pierce, Fenner & Smith, Inc.  
3 ("Merrill Lynch"), and (3) The Irvine Company ("Irvine").

4           2.       NRG, through Crockett and other affiliated companies, is a party to a number of  
5 executory contracts with Pacific Gas and Electric Company (the "Debtor") pursuant to which  
6 Crockett and these other NRG-related entities provide electrical power to the Debtor. The primary  
7 Crockett related agreement was entered into between the Debtor and Pacific Thermonetics, Inc. on or  
8 about December 12, 1983 and was subsequently assigned to Crockett on May 15, 1986 (the "Crockett  
9 Contract"). Crockett has a pre-petition claim against the Debtor of approximately \$55,854,565 for  
10 energy and capacity delivered from December 2000 through April 6, 2001, and has filed a significant  
11 rejection damages claim in the event that the Crockett Contract is rejected. Crockett is in discussions  
12 with the Debtors to assume the Crockett Contract.

13           3.       Merrill Lynch is a holder of short-term commercial paper issued by the Debtor, as well  
14 as a beneficial holder of secured and unsecured bonds issued by the Debtor. Merrill Lynch is a  
15 member of the Official Unsecured Creditors Committee.

16           4.       Irvine currently has approximately \$800,000 in refundable deposits with PG&E made  
17 at various points in time to insure electric service to new real estate developments. Irvine contends  
18 that these deposits are held in trust by the Debtor and are not part of the Debtor's estate. This  
19 Statement is without prejudice to Irvine's claim to these deposits as property of Irvine held in trust by  
20 the Debtor.

21           5.       Each of Crockett, Merrill Lynch and Irvine retained Gibson, Dunn separately. Each of  
22 Crockett, Merrill Lynch and Irvine has been fully advised of Gibson, Dunn's concurrent  
23 representation of the others and has agreed to such concurrent representation.

24           6.       Gibson, Dunn does not hold any claims against or any equity interest in the Debtor.  
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1 I, Michael A. Rosenthal, after due inquiry declare under penalty of perjury that the facts set  
2 forth in this Verified Statement of Gibson, Dunn & Crutcher Pursuant to Federal Rule of Bankruptcy  
3 Procedure 2019 are true and correct to the best of my knowledge, information and belief.  
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5 DATED: October 2, 2001.

6 Respectfully submitted,

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8 By:   
MICHAEL A. ROSENTHAL

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