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17 Counsel for the Official Committee of Unsecured
Creditors

18
19 **UNITED STATES BANKRUPTCY COURT**
NORTHERN DISTRICT OF CALIFORNIA
20 **SAN FRANCISCO DIVISION**

21 In re
22 PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,
23
24 Debtor.
25
26
27
28

Case No. SF 01-30923 DM

Chapter 11

**NOTICE OF FILING OF SUPPORT
AGREEMENT RE PG&E'S PLAN
OF REORGANIZATION**

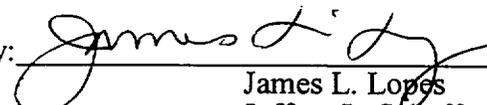
Date: [None Required]
Time: [None Required]
Place: 235 Pine Street, 22nd Floor
San Francisco, CA

Acc1 Add: Kids Ogc Mail Center

1 PLEASE TAKE NOTICE that the Support Agreement entered into by and among,
2 the Official Committee of Unsecured Creditors, Pacific Gas and Electric Company ("PG&E"),
3 and PG&E Corporation, in connection with PG&E's and PG&E Corporation's filed Plan of
4 Reorganization, is filed as Exhibit "A" to this Notice.

5 DATED: ^{October} ~~September~~ 2, 2001

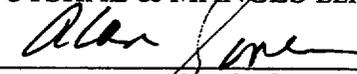
6 HOWARD, RICE, NEMEROVSKI, CANADY,
7 FALK & RABKIN

8 By: 
9 James L. Lopes
Jeffrey L. Schaffer
Janet A. Nexon

10 Counsel for Debtor and Debtor-In-Possession
11 PACIFIC GAS & ELECTRIC COMPANY

12 DATED: ^{Oct. 2} ~~September~~ 2, 2001

13 WEIL, GOTSHAL & MANGES LLP

14 By: 
15 Alan S. Gover
Michael P. Kessler
Oscar Cantu.

16 Counsel for PG&E Corporation

17 DATED: September 26 2001

18 MILBANK, TWEED, HADLEY & McCLOY LLP

19 By: 
20 Paul S. Aronson
Robert Jay Moore

21 Counsel for the Official Committee of Unsecured
22 Creditors

SUPPORT AGREEMENT

This Support Agreement ("Agreement"), dated as of September __, 2001, is entered into by and among the Official Committee of Unsecured Creditors ("Committee") in the Pacific Gas and Electric Company Chapter 11 bankruptcy case ("Case"), Pacific Gas and Electric Company, debtor and debtor in possession ("PG&E"), and PG&E Corporation ("Parent"). The Committee, PG&E and Parent and any subsequent person that becomes a party hereto in accordance with the terms hereof are referred to herein as the "Party" or the "Parties."

RECITALS

WHEREAS, on April 6, 2001, PG&E filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code ("Bankruptcy Code") and on April 10, 2001 the United States Trustee appointed the Committee in the Case.

WHEREAS, the Debtor and Parent (together, "Proponents") intend to jointly propose and file a Plan of Reorganization for the Debtor under section 1121(a) of the Bankruptcy Code, consistent with the terms set forth in this Agreement and the Term Sheet attached hereto as Exhibit "A" ("Plan"), which Exhibit is incorporated by reference as if set forth in full herein, and a related Disclosure Statement pursuant to section 1125 of the Bankruptcy Code (capitalized terms not otherwise described herein shall have the meanings given them in the Plan);

WHEREAS, the Committee represents the interests of unsecured creditors in the Case and with respect to the Plan, and the Committee, represented by attorneys and financial advisors, has actively participated in negotiation of and agreed (subject to the terms and conditions set forth herein) to fully support the Plan;

WHEREAS, the Committee, PG&E and the Parent have engaged in good faith negotiations concerning a reorganization for PG&E ("Restructuring"); and

WHEREAS, the Parties now desire to have the Disclosure Statement approved and the Plan confirmed by the United States Bankruptcy Court for the Northern District of California San Francisco Division ("Bankruptcy Court") in the Case as expeditiously as possible under the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure and to have all transactions related to the Restructuring consummated and the Plan become effective as soon as practical;

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Filing of PG&E's Plan and Disclosure Statement. PG&E shall file the Plan (and required Disclosure Statement) providing for the treatment of creditors' claims against PG&E ("Claims") no later than October 31, 2001.

2. Amendment or Modification of Plan. The Committee acknowledges that the Plan may be modified or amended by Proponents, and any such modification or amendment that does not constitute a material adverse change hereunder or a material adverse change in the treatment of an unsecured creditor class shall be deemed not to affect any obligations of the Committee hereunder. Should any modification or amendment to the Plan be necessary to obtain confirmation of the Plan or for the Restructuring to be consummated, each of the Parties agrees to negotiate in good faith any such amendments and modifications to the Plan.

3. Approval of the Disclosure Statement and Confirmation of the Plan. The Proponents shall use their commercially reasonable best efforts to obtain approval of the Disclosure Statement no later than January 30, 2002 and confirmation of the Plan no later than June 30, 2002 in accordance with the Bankruptcy Code and on terms consistent with the Plan and this Agreement. The Committee shall cooperate in the Plan filing and Plan confirmation process. The Parties shall take all commercially reasonable actions and use their respective best efforts to achieve timely confirmation and consummation of the Plan.

4. Committee Support of the Restructuring. So long as no Support Termination Event, as defined herein, has occurred, the Committee shall: (i) fully support the Plan, (ii) advocate in all material respects the Plan and the Restructuring, (iii) recommend that all parties-in-interest entitled to vote do so in favor of the Plan, (iv) advocate and support all approvals and required orders concerning the Plan or the Restructuring, (v) support the extension of PG&E's exclusivity under section 1121 of the Bankruptcy Code, and (vi) respond affirmatively to all inquiries from creditors or other parties-in-interest concerning the Plan and the Restructuring. In addition, except as permitted or contemplated by this Agreement, the Committee will not: (i) object to confirmation of the Plan or otherwise commence any proceeding to oppose, modify, amend or alter the Plan, the Disclosure Statement, the Bankruptcy Court orders to be prepared in connection therewith, or any other documents or agreements to be executed or implemented in connection therewith, each of which documents and agreements shall be consistent in all material respects with this Agreement (collectively, the "Restructuring Documents"), (ii) consent to, support or participate in the formulation of any plan of reorganization or liquidation other than the Plan, (iii) directly or indirectly seek, solicit, support or encourage any plan other than the Plan, or any sale, proposal or offer of dissolution, winding up, liquidation, reorganization, merger, reorganization or restructuring of PG&E or any of its affiliates that reasonably could be expected to prevent, delay or impede the successful implementation of the Restructuring contemplated by the Plan and the Restructuring Documents; or (iv) take

any other action not required by law that is inconsistent with, or that would materially delay, confirmation or consummation of the Plan or the Restructuring.

5. Among other provisions, the Plan will provide for the following:

a. Post-confirmation interest. Payment of all accrued interest, pre-petition and post-petition, on all allowed unsecured claims, within ten (10) days of confirmation of the Plan or as soon thereafter as a claim is allowed or otherwise as practicable. Thereafter, interest on all allowed unsecured claims, payable quarterly, in arrears, at the rate specified on Exhibit "B" hereto, which Exhibit is incorporated by reference as if set forth in full herein, through the earlier of a Support Termination Event or the Effective Date of the Plan.

All interest shall be calculated at the contract, non-default, rate or the Federal Judgment rate, as applicable and, unless otherwise specified in an existing agreement between the Company and a creditor, interest shall be compounded annually. The Company reserves the right to recharacterize, in its sole discretion, the amounts paid in the event of a Support Termination Event.

b. Assurances regarding debt securities. The Proponents shall take all commercially reasonable actions prior to the Issuance Date (hereinafter defined as the date upon which all debt securities issued or sold pursuant to the Plan are freely tradable) to ensure that the debt securities issued or sold under the Plan will be structured, marketed, priced and sold in such a manner to trade at par; provided, however, the assurances herein are not intended to protect against changes in market interest rates after the Issuance Date. At all times prior to the Issuance Date the Committee shall be given reasonable observation rights in the process of structuring, marketing, pricing and selling the debt securities.

c. Placement Fee. As further consideration for general unsecured claimants receiving newly issued debt securities, there shall be paid a \$40 million dollar placement fee at the Issuance Date.

6. Reservation of Rights, Claims, Remedies and Defenses. Each Party expressly acknowledges and agrees that, except as provided specifically herein, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of the Committee or each individual Committee member ("Committee Member") to protect and to preserve all of their rights, claims, remedies, defenses and interests, including, without limitation, with respect to claims against the Proponents, if any, or their full participation in the bankruptcy process and in any proceedings in the Case. Each Party further expressly acknowledges and agrees that by entering into this Agreement, the Committee and each individual Committee Member, does not waive any of their legal rights, claims or causes of action against the Proponents, if any, and any of their affiliates or any

defenses that the Committee or each individual Committee Member may have in connection with any claim objection, avoidance action, adversary proceeding or other action or legal proceeding that the Proponents or their affiliates may bring against the Committee or any one or more of the Committee Members. By execution of this Agreement, the Committee and the Committee Members do not make any admissions of any law or fact.

7. Individual Committee Members. This Agreement is not binding upon the individual members of the Committee and shall in no way be deemed or construed to limit, restrict, impair or preclude such Committee members from taking any and all action or positions, whether adverse to the Debtor or not, in the Case, including but not limited to, as concerns the Plan or the Plan Disclosure Statement.

8. Solicitation Acknowledgement. This Agreement is not and shall not be deemed to be a solicitation for consents to the Plan. The solicitation of votes concerning the Plan will not occur until parties entitled to vote on the Plan receive the Disclosure Statement and related ballots, as approved by the Bankruptcy Court. The Committee expressly reserves the right to object to the Disclosure Statement if, in the Committee's judgment, it contains inadequate disclosures.

9. Conditions. The Committee's obligations hereunder are conditioned upon the satisfaction or waiver of the following conditions:

a. By no later than October 31, 2001, the Proponents shall file a Plan and Disclosure Statement.

b. By no later than December 31, 2001, the Proponents shall file applications with the FERC for approval of the disaggregation of the Company, market-based rates, and the rates and terms of a bilateral supply agreement between Disco and Genco.

c. By no later than June 30, 2002, the Bankruptcy Court shall enter its order confirming the Plan.

d. By no later than November 30, 2002, the Proponents must obtain indicative ratings of investment grade by Standard and Poor's and Moody's Investor Services for all debt securities to be issued or sold pursuant to the Plan.

e. By no later than December 31, 2002, the Proponents shall receive all necessary regulatory approvals from the FERC, the NRC and the SEC.

f. By no later than December 31, 2002, the Proponents shall have resolved any tax issues raised by the Plan in a manner reasonably satisfactory to the Committee.

g. By no later than March 31, 2003, the Plan Effective Date must occur.

10. Termination Events. The obligations of a Party hereunder shall terminate and be of no further force and effect if one of the following events occurs (each a "Support Termination Event") and such Party does not waive such Support Termination Event.

a. A breach of this Agreement by one or more of the other Parties to this Agreement, including but not limited to the failure to either satisfy or obtain the waiver of any condition set forth in paragraph 9, above.

b. A material adverse change in (i) the Company's prospects, business, assets, operations, liabilities or financial performance, (ii) the prospects for timely completion of the Company's reorganization as contemplated by the Plan, (iii) the prospects for the sale at par of all debt securities issued or sold under the Plan, or (iv) the Case

Upon termination of this Agreement, no Party shall have any continuing liability or liability for damages or any continuing obligation to any other Party hereunder. It is understood and agreed by each of the Parties hereto that money damages are waived and that such damages would not be a sufficient remedy for any material breach of any provision of this Agreement by any Party and each non-breaching Party shall be entitled to the sole and exclusive remedy of specific performance and injunctive or other equitable relief as a remedy for any such breach, without the necessity of securing or posting a bond or other security in connection with such remedy.

11. Representations and Warranties. Each of the Parties represents and warrants to each of the other Parties that the following statements are true, correct and complete as of the date hereof:

a. It has all requisite power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement.

b. The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary action on its part.

12. Effectiveness; Amendments. This Agreement shall not become effective and binding on a Party unless and until a counterpart signature page to this Agreement has been executed and delivered by such Party. Once effective, this Agreement may not be modified, amended or supplemented with respect to a Party except in a writing signed by such Party.

13. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California, without regard to any conflicts of law provision that would require the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees for itself that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement.

14. Notices. All notices and consents hereunder shall be in writing and shall be deemed to have been duly given upon receipt if personally delivered by courier service, messenger, telecopy, or by certified or registered mail, postage prepaid return receipt requested, to the following addresses, or such other addresses as may be furnished hereafter by notice in writing, to the following parties:

If to the Committee, to:

Milbank, Tweed, Hadley & McCloy LLP
601 S. Figueroa Street, 30th Floor
Los Angeles, CA 90017
Facsimile No.: (213) 629-5063
Attn: Paul S. Aronzon

If to PG&E:

Pacific Gas and Electric Company
77 Beale Street
San Francisco, CA 94105
Attn: Kent Harvey

with a copy to:

Howard Rice Nemerovski Canady Falk & Rabkin
Three Embarcadero Center
7th Floor
San Francisco, CA 94111-4065
Attn: James L. Lopes

If to Parent:

PG&E Corporation
One Market Plaza
San Francisco, CA 94105
Attn: Peter Darbee

with a copy to:

Weil, Gotshal & Manges
700 Louisiana, Suite 1600
Houston, TX 77002
Attn: Alan S. Gover

15. Representation by Counsel. Each Party acknowledges that it has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel, shall have no application and is expressly waived.

16. Headings. The headings of the paragraphs and subparagraphs of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

17. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective permitted successors, assigns, heirs, executors, administrators and representatives.

18. Several, Not Joint, Obligations. The agreements, representations and obligations of the Parties under this Agreement are, in all respects, several and not joint.

19. Prior Negotiations. This Agreement supersedes all prior negotiations with respect to the subject matter hereof but shall not supersede the Plan.

20. Counterparts. This Agreement (and any modifications, amendments, supplements or waivers in respect hereof) may be executed in one or more counterparts by manual or facsimile signature, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

21. No Third-Party Beneficiaries. Except for the Committee Members who are intended beneficiaries of paragraphs 6 and 7 of the Agreement, this Agreement shall be

solely for the benefit of the Parties, and no other person or entity shall be a third party beneficiary hereof.

22. Form of Documents. All materials, documents, instruments, notes, agreements, pleadings, Disclosure Statement, and orders relating to the Plan, debt securities issued or sold under the Plan or the Restructuring shall be substantially consistent with the Plan and in form and substance reasonably satisfactory to the Committee.

23. Disclosure. Until there has been public disclosure of this Agreement, (i) no disclosure of this Agreement shall be made by any Party hereto without the prior approval of the other Parties, and (ii) no Party shall make any public statement regarding the obligations hereunder without the prior approval of the other Parties; provided, however, Proponents may disclose the Committee support of the Restructuring, as set forth in paragraph 4 herein, without prior approval. Further, in any event, no written statement concerning the position of another Party to this Agreement, beyond the language of the Agreement, shall be made without the prior approval of the Party.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

PACIFIC GAS AND ELECTRIC COMPANY

By: _____

PG&E CORPORATION

By: _____

THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS

By: _____
Its Co-Chair

SEP 21 2001 16:18 FR SPG-LA m RightFAX * Pg 2/2 213 229 6004 TO 96924777 P.02/02

solely for the benefit of the Parties, and no other person or entity shall be a third party beneficiary hereof.

22. Form of Documents. All materials, documents, instruments, notes, agreements, pleadings, Disclosure Statement, and orders relating to the Plan, debt securities issued or sold under the Plan or the Restructuring shall be substantially consistent with the Plan and in form and substance reasonably satisfactory to the Committee.

23. Disclosure. Until there has been public disclosure of this Agreement, (i) no disclosure of this Agreement shall be made by any Party hereto without the prior approval of the other Parties, and (ii) no Party shall make any public statement regarding the obligations hereunder without the prior approval of the other Parties; provided, however, Proponents may disclose the Committee support of the Restructuring, as set forth in paragraph 4 herein, without prior approval. Further, in any event, no written statement concerning the position of another Party to this Agreement, beyond the language of the Agreement, shall be made without the prior approval of the Party.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

PACIFIC GAS AND ELECTRIC COMPANY

By: [Signature]

PG&E CORPORATION

By: [Signature]

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: [Signature]
Its Co-Chair

Exhibit A

PACIFIC GAS & ELECTRIC COMPANY RESTRUCTURING

SUMMARY OF TERMS

September 17, 2001

Business Disaggregation

The Plan of Reorganization ("Plan") restructures Pacific Gas & Electric Company into 4 businesses as described below:

Retail gas and electric distribution company ("Reorganized Debtor"): Under the Plan, the utility distribution company, Pacific Gas & Electric Company, would become a local electric and gas distribution company (Reorganized Debtor) for retail customers in Northern and Central California, serving 3.8 million gas customers and 4.5 million retail electric customers. Approximately 16,000 of the 21,000 employees of Pacific Gas & Electric Company would remain employees of the reorganized company, and it would retain gas and electric assets, customer services, and appropriate "legacy" assets. Eventually, the Reorganized Debtor would be spun-off tax-free to shareholders. Reorganized Debtor will remain under California Public Utilities Commission ("CPUC") jurisdiction. Reorganized Debtor has a net plant of \$10.2 billion as of 12/31/00.

Electric generation company ("Gen"): Under the Plan, the generating assets of Pacific Gas & Electric Company would form an independent generating company (Gen). These assets would include: Helms Pumped Storage Plant, Diablo Canyon Nuclear Power Plant, the Nuclear Facilities Decommissioning Master Trust, and Irrigation District and Water Agency purchase contracts. In total these assets would deliver 7,000+ MW capacity, with 32,000 GWH annual average net energy production. Assets will be transferred to Federal Energy Regulatory Commission ("FERC") jurisdiction.

Electric transmission company ("ETrans"): Under the Plan, Pacific Gas & Electric Company would contribute to the electric transmission company (ETrans) the majority of the assets associated with its current electric transmission business. ETrans would provide open access transmission service to its customers under rates, terms, and conditions authorized by FERC. ETrans would also assume the continuing contractual obligations of Pacific Gas & Electric Company that are associated with electric transmission. In several orders previously issued, the FERC indicated a strong presence for a single Regional Transmission Organizations ("RTO") that encompasses most the Western U.S, including California. ETrans is prepared to withdraw its participation from the California Independent System Operator ("CAISO") for participation in a FERC-sanctioned RTO. Currently, ETrans has a net plant of \$1.4 billion as of 12/31/00. Assets will be transferred to FERC jurisdiction.

Interstate gas transmission company ("GTrans"): Under the Plan, Pacific Gas & Electric Company would contribute to the gas transmission company (GTrans) the majority of the assets associated with its backbone, storage, and local gas transmission business. Currently, GTrans has a net plant of \$1.2 billion as of 12/31/00. Under Section 7 of the Natural Gas Act ("NGA"), upon becoming inter-state, assets will be transferred to FERC jurisdiction.

Reorganized Debtor Procurement Obligations:

The Plan addresses each of the major components of procurement, as described below:

Remaining Net Open Position ("NOP"): The Reorganized Debtor will assume the NOP from the State of California if and only if: (i) the Reorganized Debtor establishes and maintains an investment grade credit rating from S&P and Moody's, (ii) the Reorganized Debtor receives assurances from S&P and Moody's that the Reorganized Debtor's credit rating shall not be downgraded as a result of the reassumption of the NOP based on the existence of conditions such as an objective retail rate recovery mechanism and/or objective standards in place regarding pre-approval of the procurement transactions, and (iii) going forward, the Reorganized Debtor's investment grade credit rating is not downgraded as a consequence of its reassumption of the NOP.

Former Utility Retained Generation ("URG"): The Reorganized Debtor and Gen will enter into a bilateral contract whereby the Reorganized Debtor shall purchase one hundred percent (100%) of the output generated by Gen's facilities and produced under its Power Purchase Agreements.

Qualifying Facilities ("QFs"): The QF contracts have already been or will be assumed pursuant to the Plan and will be performed in accordance with their terms.

Treatment of Creditor Payments:

Creditors will be repaid in a mixture of cash and notes as set forth below:

Claimants: (\$ in millions)	Administrative Claims & QFs	First Mortgage Bonds	Pollution Control	Senior Unsecured	QUIDS
Approximate Claim (subject to reconciliation)	\$1,968	\$3,033	\$1,613 ^(a)	\$6,128	\$300
%Cash/ % Debt	100%/ 0%	100%/ 0%	[to be determined]	60%/ 40%	0%/ 100%

- (a) [Includes mortgage-backed, MBIA-backed, LC-backed and drawn LC's of \$345, \$200, \$614 and \$212 million, respectively. Drawn LC's will receive cash and notes equal to unsecured ratio. Treatment of all other PC bonds and associated LC and MBIA-backed claims is subject to negotiation, but shall be no worse than the treatment provided other unsecured creditors.]

Pre and Post Petition Interest:

Interest on valid claims will be paid for both the pre and post- petition periods at the rates scheduled in Appendix A. Pre- petition interest and post- petition interest through confirmation will be paid no later than 10 days after the confirmation date. Post confirmation interest will be paid quarterly in arrears. Fixed rate interest will continue to be accrued and paid at the fixed rate. Floating rate interest will be paid based on the actual floating rate benchmark for all periods. The federal judgement rate will be reset at the beginning of each compounding period.

Description of Notes:

New Money Notes

- Standard investment-grade terms, and investment grade rating
- Maturities averaging 10 years or longer
- Not cross-defaulted or cross-collateralized among issuers

Restructured Notes

- Placed directly with creditors
- Substantially the same terms as New Money Notes, including investment grade rating.
- Pricing will be based on pricing of New Money Notes
- Trading will be restricted to occur only through certain designated broker-dealers (i.e., the lead managers of the cash offering) for the first 10 trading days to help create an orderly market.

Source and Use of Funds:

Collective debt capacity of the restructured entities plus existing cash and some planned asset sales is sufficient to fully repay all valid claims as shown below:

<i>(\$ in millions)</i>			
Sources:		Uses:	
Cash on hand	\$3,300	Administrative claims	\$ 911
Cash from asset sales	85	Cash to creditors	8,085
New money financing	5,611	Notes to creditors	4,523
Restructured notes	2,933		
Assumed notes	1,159		
Preferred stock	431		
Total Sources	\$13,519	Total Uses	\$13,519

PACIFIC GAS AND ELECTRIC COMPANY
UNSECURED CREDITOR POST- PETITION INTEREST SCHEDULE

EXHIBIT B

Dated 9/28/01 10:54 AM- PRIVILEGED AND CONFIDENTIAL
PREPARED AT DIRECTION OF COUNSEL

Debt Type	Principal Outstanding	Accrued Pre-Petition Interest	Adjusted Principal Outstanding	Days Of Pre-Petition (1)	Rate	Compounding	Issue Date	Maturity Date	2001					Next Payment Rate	
									April	May	June	July	August		
Financial Debt															
Medium-Term Notes															
MTN-B	1	\$20,000,000	\$159,056	\$20,159,056	35	Fixed	semi-annual (3/1 and 9/1)	11/13/91	11/15/01					8.180%	8.180%
MTN-B	2	\$10,000,000	\$79,722	\$10,079,722	35	Fixed	semi-annual (3/1 and 9/1)	11/14/91	11/15/01					8.200%	8.200%
MTN-B	3	\$1,500,000	\$11,842	\$1,511,842	35	Fixed	semi-annual (3/1 and 9/1)	12/04/91	12/04/01					8.120%	8.120%
MTN-B	4	\$3,000,000	\$23,713	\$3,023,713	35	Fixed	semi-annual (3/1 and 9/1)	12/04/91	12/04/01					8.130%	8.130%
MTN-B	5	\$2,350,000	\$18,552	\$2,368,552	35	Fixed	semi-annual (3/1 and 9/1)	12/05/91	12/05/01					8.120%	8.120%
MTN-B	6	\$10,000,000	\$77,292	\$10,077,292	35	Fixed	semi-annual (3/1 and 9/1)	12/12/91	12/12/01					7.950%	7.950%
MTN-B	7	\$4,150,000	\$31,995	\$4,181,995	35	Fixed	semi-annual (3/1 and 9/1)	12/13/91	12/13/01					7.930%	7.930%
MTN-B	8	\$30,000,000	\$232,167	\$30,232,167	35	Fixed	semi-annual (3/1 and 9/1)	12/19/91	12/19/01					7.960%	7.960%
MTN-B	9	\$10,500,000	\$81,667	\$10,581,667	35	Fixed	semi-annual (3/1 and 9/1)	12/20/91	12/20/01					8.000%	8.000%
MTN-B	10	\$1,000,000	\$7,739	\$1,007,739	35	Fixed	semi-annual (3/1 and 9/1)	12/23/91	12/24/01					7.960%	7.960%
MTN-B	11	\$2,000,000	\$15,497	\$2,015,497	35	Fixed	semi-annual (3/1 and 9/1)	12/23/91	12/24/01					7.970%	7.970%
MTN-B	12	\$10,000,000	\$77,389	\$10,077,389	35	Fixed	semi-annual (3/1 and 9/1)	12/24/91	12/24/01					7.960%	7.960%
MTN-B	13	\$1,000,000	\$7,749	\$1,007,749	35	Fixed	semi-annual (3/1 and 9/1)	12/24/91	12/20/02					7.970%	7.970%
MTN-B	14	\$5,000,000	\$41,076	\$5,041,076	35	Fixed	semi-annual (3/1 and 9/1)	12/24/91	12/26/11					8.450%	8.450%
MTN-B	15	\$10,000,000	\$75,347	\$10,075,347	35	Fixed	semi-annual (3/1 and 9/1)	06/30/92	06/30/04					7.750%	7.750%
MTN-B	16	\$10,000,000	\$72,917	\$10,072,917	35	Fixed	semi-annual (3/1 and 9/1)	07/01/92	07/01/04					7.500%	7.500%
MTN-B	17	\$10,000,000	\$71,701	\$10,071,701	35	Fixed	semi-annual (3/1 and 9/1)	07/09/92	07/15/04					7.375%	7.375%
MTN-B	18	\$750,000	\$5,593	\$755,593	35	Fixed	semi-annual (3/1 and 9/1)	11/10/92	11/15/04					7.670%	7.670%
MTN-B	19	\$1,000,000	\$7,438	\$1,007,438	35	Fixed	semi-annual (3/1 and 9/1)	11/19/92	11/19/04					7.650%	7.650%
MTN-B	20	\$5,000,000	\$39,569	\$5,039,569	35	Fixed	semi-annual (3/1 and 9/1)	11/27/92	11/27/12					8.140%	8.140%
MTN-C	1	\$2,000,000	\$14,894	\$2,014,894	35	Fixed	semi-annual (3/1 and 9/1)	11/30/92	11/30/04					7.660%	7.660%
MTN-C	2	\$3,000,000	\$22,313	\$3,022,313	35	Fixed	semi-annual (3/1 and 9/1)	12/01/92	12/01/04					7.650%	7.650%
MTN-C	3	\$5,000,000	\$39,569	\$5,039,569	35	Fixed	semi-annual (3/1 and 9/1)	12/07/92	11/27/12					8.140%	8.140%
MTN-C	4	\$1,000,000	\$7,515	\$1,007,515	35	Fixed	semi-annual (3/1 and 9/1)	12/09/92	11/03/04					7.730%	7.730%
MTN-C	5	\$2,000,000	\$16,081	\$2,016,081	35	Fixed	semi-annual (3/1 and 9/1)	12/10/92	11/30/12					8.270%	8.270%
MTN-C	6	\$1,000,000	\$7,350	\$1,007,350	35	Fixed	semi-annual (3/1 and 9/1)	12/23/92	11/30/04					7.560%	7.560%
MTN-C	7	\$1,000,000	\$7,817	\$1,007,817	35	Fixed	semi-annual (3/1 and 9/1)	12/23/92	06/01/12					8.040%	8.040%
MTN-C	8	\$5,000,000	\$30,576	\$5,030,576	35	Fixed	semi-annual (3/1 and 9/1)	03/11/93	03/11/03					6.290%	6.290%
MTN-C	9	\$10,000,000	\$64,944	\$10,064,944	35	Fixed	semi-annual (3/1 and 9/1)	03/19/93	03/19/03					6.680%	6.680%
MTN-C	10	\$12,500,000	\$91,997	\$12,591,997	35	Fixed	semi-annual (3/1 and 9/1)	05/25/93	05/28/13					7.570%	7.570%
MTN-C	11	\$12,500,000	\$91,997	\$12,591,997	35	Fixed	semi-annual (3/1 and 9/1)	05/25/93	05/28/13					7.570%	7.570%
MTN-C	12	\$5,000,000	\$28,875	\$5,028,875	35	Fixed	semi-annual (3/1 and 9/1)	10/07/93	10/07/03					5.940%	5.940%
MTN-C	13	\$5,000,000	\$32,618	\$5,032,618	35	Fixed	semi-annual (3/1 and 9/1)	10/07/93	10/07/13					6.710%	6.710%
MTN-C	14	\$1,000,000	\$5,649	\$1,005,649	35	Fixed	semi-annual (3/1 and 9/1)	10/08/93	10/09/01					5.810%	5.810%
MTN-C	15	\$9,500,000	\$54,770	\$9,554,770	35	Fixed	semi-annual (3/1 and 9/1)	10/08/93	10/08/03					5.930%	5.930%
MTN-C	16	\$500,000	\$2,931	\$502,931	35	Fixed	semi-annual (3/1 and 9/1)	10/08/93	10/10/05					6.030%	6.030%
MTN-D	1	\$10,000,000	\$61,056	\$10,061,056	35	Fixed	semi-annual (3/1 and 9/1)	12/07/93	12/07/01					6.280%	6.280%
MTN-D	2	\$7,500,000	\$45,354	\$7,545,354	35	Fixed	semi-annual (3/1 and 9/1)	12/08/93	01/08/02					6.220%	6.220%
MTN-D	3	\$7,500,000	\$46,302	\$7,546,302	35	Fixed	semi-annual (3/1 and 9/1)	12/08/93	01/08/03					6.350%	6.350%
MTN-D	4	\$15,000,000	\$95,521	\$15,095,521	35	Fixed	semi-annual (3/1 and 9/1)	12/08/93	12/08/05					6.550%	6.550%
MTN-D	5	\$2,000,000	\$12,600	\$2,012,600	35	Fixed	semi-annual (3/1 and 9/1)	12/09/93	12/09/04					6.480%	6.480%
MTN-D	6	\$7,000,000	\$42,467	\$7,042,467	35	Fixed	semi-annual (3/1 and 9/1)	12/10/93	12/10/01					6.240%	6.240%
MTN-D	7	\$1,000,000	\$6,242	\$1,006,242	35	Fixed	semi-annual (3/1 and 9/1)	12/10/93	12/10/03					6.420%	6.420%
MTN-D	8	\$7,000,000	\$50,361	\$7,050,361	35	Fixed	semi-annual (3/1 and 9/1)	04/08/94	04/08/04					7.400%	7.400%
MTN-D	9	\$3,000,000	\$21,583	\$3,021,583	35	Fixed	semi-annual (3/1 and 9/1)	04/08/94	04/08/04					7.400%	7.400%
MTN-D	10	\$4,000,000	\$30,644	\$4,030,644	35	Fixed	semi-annual (3/1 and 9/1)	04/08/94	04/08/14					7.880%	7.880%
Subtotal - MTN		\$287,250,000	\$2,070,045	\$289,320,045											

PACIFIC GAS AND ELECTRIC COMPANY
UNSECURED CREDITOR POST- PETITION INTEREST SCHEDULE

EXHIBIT B

Dated 9/28/01 10:54 AM- PRIVILEGED AND CONFIDENTIAL
PREPARED AT DIRECTION OF COUNSEL

Debt Type	Principal Outstanding	Accrued Pre-Petition Interest	Adjusted Principal Outstanding	Days Of Pre-Petition (1)	Rate	Compounding	Issue Date	Maturity Date	2001					Next Payment Rate	
									April	May	June	July	August		
Financial Debt															
NOTE: Floating interest rates are calculated based on the applicable index rate two days prior to the beginning of the interest period, except PC bonds.															
(1) Principal balance has been adjusted to include unpaid pre-petition interest. Assumes pre-petition interest from last interest payment through and including April 5, 2001. Excludes bonds held in treasury. \$296,125,000															
Pollution Control Bonds - Tax Exempt (2)															
PC96A	\$200,000,000	\$1,040,278	\$201,040,278	35	Fixed	semi-annual (6/1 and 12/1)	05/23/96	12/01/16			5.350%				5.350%
PC96B-Redeemed	\$160,000,000	\$136,805	\$160,136,805	5		Monthly	05/23/96	12/01/16							
PC Bond Rate					Floating				6.190%	5.450%					
Letter of Credit Rate					Fixed				0.850%	0.850%					
Drawn Letter of Credit Rate					Prime + 1.5%				9.000%	8.500%	8.500%	8.250%	8.000%		8.000%
PC96C	\$200,000,000	\$181,468	\$200,181,468	5		Monthly	05/23/96	11/01/26							
PC Bond Rate					Floating				6.398%	4.168%	3.774%	3.415%	3.032%		TBD
Letter of Credit Rate					Fixed				1.000%	1.000%	1.000%	1.000%	1.000%		1.000%
Drawn Letter of Credit Rate					Prime + 1.5%				9.000%	8.500%	8.500%	8.250%	8.000%		8.000%
PC96D-Redeemed	\$100,000,000	\$85,279	\$100,085,279	5		Monthly	05/23/96	11/01/26							
PC Bond Rate					Floating				6.350%	4.742%					
Letter of Credit Rate					Fixed				0.800%	0.800%					
Drawn Letter of Credit Rate					Prime + 1.5%				9.000%	8.500%	8.500%	8.250%	8.000%		8.000%
PC96E	\$165,000,000	\$129,018	\$165,129,018	5		Monthly	05/23/96	11/01/26							
PC Bond Rate					Floating				6.543%	4.089%	3.729%	3.453%	3.221%		TBD
Letter of Credit Rate					Fixed				0.300%	0.300%	0.300%	0.300%	0.300%		0.300%
Drawn Letter of Credit Rate					Prime + 1.5%				9.000%	8.500%	8.500%	8.250%	8.000%		8.000%
PC96F	\$100,000,000	\$78,120	\$100,078,120	5		Monthly	05/23/96	11/01/26							
PC Bond Rate					Floating				6.233%	4.077%	3.729%	3.453%	3.221%		TBD
Letter of Credit Rate					Fixed				0.250%	0.250%	0.250%	0.250%	0.250%		0.250%
Drawn Letter of Credit Rate					Prime + 1.5%				9.000%	8.500%	8.500%	8.250%	8.000%		8.000%
PC97A-Redeemed	\$45,000,000	\$35,470	\$45,035,470	5		Monthly	05/22/97	12/01/18							
PC Bond Rate					Floating				6.233%	4.486%					
Letter of Credit Rate					Fixed				0.300%	0.300%					
Drawn Letter of Credit Rate					Prime + 1.5%				9.000%	8.500%	8.500%	8.250%	8.000%		8.000%
PC97B	\$148,550,000	\$126,873	\$148,676,873	5		Monthly	09/16/97	11/01/26							
PC Bond Rate					Floating				6.159%	4.123%	3.760%	3.415%	3.032%		TBD
Letter of Credit Rate					Fixed				0.800%	0.800%	0.800%	0.800%	0.800%		0.800%
Drawn Letter of Credit Rate					Prime + 1.5%				9.000%	8.500%	8.500%	8.250%	8.000%		8.000%
PC97C-Redeemed	\$148,550,000	\$110,833	\$148,660,833	5		Monthly	09/16/97	11/01/26							
PC Bond Rate					Floating				6.330%	6.500%					
Letter of Credit Rate					Fixed				0.800%	0.800%					
Drawn Letter of Credit Rate					Prime + 1.5%				9.000%	8.500%	8.500%	8.250%	8.000%		8.000%
Subtotal - PC Bonds	\$1,267,100,000	\$1,924,144	\$1,269,024,144												
San Joaquin Valley Bonds (3)															
SJV5	\$575,000	\$0	\$575,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/01			12.000%				12.000%
SJV6	\$625,000	\$0	\$625,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/02			9.000%				9.000%
SJV7	\$675,000	\$0	\$675,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/03			9.150%				9.150%
SJV8	\$725,000	\$0	\$725,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/04			9.300%				9.300%
SJV9	\$775,000	\$0	\$775,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/05			9.400%				9.400%
SJV10	\$850,000	\$0	\$850,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/06			9.450%				9.450%
SJV11	\$875,000	\$0	\$875,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/07			9.450%				9.450%
SJV12	\$925,000	\$0	\$925,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/08			9.600%				9.600%
SJV12	\$1,000,000	\$0	\$1,000,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/09			9.600%				9.600%
SJV12	\$1,025,000	\$0	\$1,025,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/10			9.600%				9.600%
SJV12	\$1,075,000	\$0	\$1,075,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/11			9.600%				9.600%
SJV12	\$1,125,000	\$0	\$1,125,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/12			9.600%				9.600%
SJV12	\$2,250,000	\$0	\$2,250,000	95	Fixed	semi-annual (1/1 and 7/1)	11/13/91	07/01/13			9.600%				9.600%

PACIFIC GAS AND ELECTRIC COMPANY
UNSECURED CREDITOR POST- PETITION INTEREST SCHEDULE

EXHIBIT B

Dated 9/28/01 10:54 AM- PRIVILEGED AND CONFIDENTIAL
PREPARED AT DIRECTION OF COUNSEL

Debt Type	Principal Outstanding	Accrued Pre-Petition Interest	Adjusted Principal Outstanding	Days Of Pre-Petition (1)	Rate	Compounding	Issue Date	Maturity Date	2001					Next Payment Rate	
									April	May	June	July	August		
Financial Debt															
Subtotal - SJV	\$12,500,000	\$0	\$12,500,000												
<p>NOTE: Floating interest rates are calculated based on the applicable Index rate two days prior to the beginning of the interest period, except PC bonds.</p> <p>(1) Principal balance has been adjusted to include unpaid pre-petition interest. Assumes pre-petition interest from last interest payment through and including April 5, 2001. Excludes bonds held in treasury: \$296,125,000</p> <p>(2) All PC Bonds (except MBIA) will pay interest on principal (PC Bond Rate), outstanding LC fee, and interest on drawn LC (Prime + 1.50%). Excludes bonds held in treasury: \$80,770,000.</p> <p>(3) SJV Bonds interest is currently being paid from the payment reserve account. Approximately \$1.5 million reserve account balance at bankruptcy filing.</p>															
Department of Water Resources Bonds (2)	\$7,667,755	\$0	\$7,667,755	0	--	Monthly		12/31/04							--
Floating Rate Notes	\$1,240,000,000	\$16,973,017	\$1,256,973,017	65	LIBOR + 2.05%	Quarterly- (2/1, 5/1, 8/1 and 11/1)	11/01/00	10/31/01	7.581%			6.363%			5.738%
Senior Notes	\$680,000,000	\$28,179,861	\$708,179,861	155	Fixed	semi-annual (5/1 and 11/1)	11/01/00	11/01/05	9.625%						9.625%
Bank Credit Lines	\$938,461,000	\$1,042,734	\$939,503,734	5	Prime Rate	Quarterly- (3/31, 6/30, 9/30 and 12/31)	Various	Various			8.000%				7.000%
Commercial Paper	\$873,114,000	\$594,930	\$873,708,930	5	LIBOR	Quarterly- (3/31, 6/30, 9/30 and 12/31)	Various	Various			4.906%				3.688%
QUIDS	\$300,000,000	\$6,254,167	\$306,254,167	95	Fixed	Quarterly- (3/31, 6/30, 9/30 and 12/31)	11/28/95	12/31/25			7.900%				7.900%
Financial Debt Creditors	\$5,606,092,755	\$57,038,898	\$5,663,131,653												
QF Payables	\$1,057,000,000	\$0	\$1,057,000,000	0	Federal Judgement Rate	Annual- (3/31)									4.190%
Unsecured Non-Financial	\$407,653,120	\$0	\$407,653,120	0	Federal Judgement Rate	Annual- (3/31)									4.190%
ESP Claims	\$421,000,000	\$0	\$421,000,000	0	Federal Judgement Rate	Annual- (3/31)									4.190%
Generator Claims (3)	\$1,060,000,000	\$7,612,616	\$1,067,612,616	5, 35, 65	LIBOR + 2.0%	Annual- (3/31)									6.719%
ISDA Agreement (4)	\$128,346,880	\$352,629	\$128,699,509	0	LIBOR + 2.0%	Annual- (3/31)									6.719%
Total	\$8,680,092,755	\$65,004,143	\$8,745,096,898												
Rates									Mar	Apr	May	June	July	Aug	
Prime Rate									8.000%	7.500%	7.000%	7.000%	6.750%	6.500%	
1 Month LIBOR									5.063%	4.469%	4.063%	3.719%	3.781%	3.594%	
3 Month LIBOR									4.906%	4.313%	4.000%	3.688%	3.688%	3.531%	
6 Month LIBOR									4.749%	4.259%	3.990%	3.710%	3.716%	3.495%	
12 Month LIBOR									4.719%	4.344%	4.250%	3.938%	3.844%	3.688%	
Federal Judgement Rate									4.190%	3.820%	3.780%	3.600%	3.590%	3.440%	

PACIFIC GAS AND ELECTRIC COMPANY
 UNSECURED CREDITOR POST-PETITION INTEREST SCHEDULE

EXHIBIT B

Dated 9/28/01 10:54 AM- PRIVILEGED AND CONFIDENTIAL
 PREPARED AT DIRECTION OF COUNSEL

Debt Type	Principal Outstanding	Accrued Pre-Petition Interest	Adjusted Principal Outstanding	Days Of Pre-Petition (1)	Rate	Compounding	Issue Date	Maturity Date	2001					Next Payment Rate
									April	May	June	July	August	
<u>Financial Debt</u>														

NOTE: Floating interest rates are calculated based on the applicable index rate two days prior to the beginning of the interest period, except PC bonds.

- (1) Principal balance has been adjusted to include unpaid pre-petition interest. Assumes pre-petition interest from last interest payment through and including April 5, 2001 except PC bonds. Excludes bonds held in treasury: \$296,125,000
- (2) E/WK Bonds netting interest against current invoices and being paid out of cash flow.
- (3) Days pre-petition assumes 33% of the claim for 65 days, 33% of the claim for 35 days, and 33% of the claim for 5 days.
- (4) Days pre-petition assumes \$6.6 million for 85 days, \$6.97 million for 77 days, and \$13.1 million for 91 days since agreement termination date.