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13 PACIFIC GAS AND ELECTRIC COMPANY

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

17 HOWARD
18 RICE
19 NEMEROVSKI
20 CANADY
21 FALK
22 & RABKIN
23 A Professional Corporation

24 In re
25 PACIFIC GAS AND ELECTRIC
26 COMPANY, a California corporation,

27 Debtor.

28 Federal I.D. No. 94-0742640

Case No. 01 30923 DM

Chapter 11 Case

Date: December 27, 2001
Time: 1:30 p.m.
Place: 235 Pine Street, 22nd Floor
San Francisco, California

19 DECLARATION OF KEVIN J. DOWD IN SUPPORT OF MOTION FOR
20 ORDER (1) AUTHORIZING DEBTOR TO FILE CERTAIN PRELIMINARY
21 OMNIBUS OBJECTIONS TO CLAIMS WITHOUT PREJUDICE TO RIGHT
22 TO FILE SUBSEQUENT OBJECTIONS THERETO AND (2) WAIVING
23 COMPLIANCE WITH FEDERAL RULES OF CIVIL PROCEDURE 26(a)
24 AND (f) IN CERTAIN CLAIMS OBJECTION PROCEEDINGS

25
26
27 A001 Add: *[Signature]*
28 KidsOg.com Center

1 I, Kevin J. Dowd, declare as follows:

2 1. I am the Director of Purchasing for Pacific Gas and Electric Company
3 ("PG&E"), a position I have held since September 1998. Furthermore, I am one of the
4 managers of the claims resolution process in PG&E's bankruptcy case. I make this
5 Declaration based upon my personal knowledge of PG&E's general operations, upon my
6 review of PG&E's records concerning the matters stated herein, and upon information
7 provided to me by consultants employed by PG&E to assist in the examination of proofs of
8 claim filed in this case. If called as a witness, I could and would testify competently to the
9 facts stated herein.

10 2. I make this Declaration in support of PG&E's Motion for an Order
11 (1) Authorizing Debtor To File Certain Preliminary Omnibus Objections To Claims Without
12 Prejudice To Right To File Subsequent Objections Thereto And (2) Waiving Compliance
13 With Federal Rules Of Civil Procedure 26(a) And (f) In Certain Claims Objection
14 Proceedings.

15 3. I have been informed and believe that over 12,800 proofs of claim have been
16 filed in PG&E's bankruptcy case totaling many billions of dollars. PG&E's current analysis
17 of the claims is not complete and is ongoing as of the date of this Declaration. However, I
18 am informed that preliminary investigations done at my request show that billions of dollars
19 of the claims filed against PG&E's estate are duplicative and unsubstantiated, for example,
20 in the following categories of claims:¹

- 21 • Identical duplicates. Over \$1 billion worth of claims are exact duplicates of
22 other filed claims—identical in amount, claimant and supporting papers. All
23 such claims are redundant.
- 24 • Amended or superseded claims. Certain claims are amendments to previously
25

26 ¹All numbers cited in this Declaration are approximate and represent what I have been
27 informed is PG&E's current understanding. I anticipate that these figures will be
28 subsequently refined as PG&E's analysis of the very large number of claims filed against its
estate continues.

1 filed claims, but the original and amended claim both appear on the claims
2 register. The redundancy is over \$1 billion.

3 • Bondholders' claims. Indenture trustees under various indentures for holders
4 of pollution control bonds, mortgage bonds, and medium term notes, among
5 others, have filed billions of dollars in claims on behalf of the holders under
6 such indentures. However, the individual bondholders and mortgage holders
7 have, in many cases, also filed claims based on the same financial
8 instruments. The redundancy is in excess of \$3 billion.

9 • Multiple Claimants Asserting Joint Claim in Separate Proofs of Claim.

10 Multiple proofs of claim have been filed by multiple claimants in respect of
11 the same claim. For example, 33 claimants with an underlying claim of \$1
12 million each individually filed claims each seeking \$33 million: the entire
13 amount of the claim for all claimants. Thus, claims for \$33 million each were
14 filed and have been acknowledged to be duplicative. In fact, counsel for these
15 claimants has recently agreed to stipulate to the withdrawal of 32 of the 33
16 claims, thereby reducing the total claim amount by over \$1 billion.

17 • Electric Generation Claims. The Independent System Operator ("ISO"), the
18 California Power Exchange ("PX"), and many generators participating in
19 those markets have filed billions of dollars in claims for electricity allegedly
20 provided to PG&E pre- and post-petition. However, many of these claims are
21 duplications—both multiple claims by the same entity and claims by the PX
22 on behalf of generators, which also filed individual claims. The duplication is
23 at least \$4 billion.

24 4. PG&E's analysis is in its preliminary stages. However, the examples above
25 demonstrate that, at the very least, significant duplication exists in many categories of the
26 claims filed with this Court. It is my belief that the proposed claims objection procedure
27 would allow the efficient and rapid determination of certain preliminary objections, such as
28 objections based on duplication and that the procedures proposed in this Motion would

1 facilitate the efficient resolution of claims aggregating many billions of dollars without the
2 need for a lengthy hearing on the merits.

3 I declare under penalty of perjury under the laws of the United States of America
4 that the foregoing is true and correct. Executed this 6 day of December 2001, at San
5 Francisco, California.

6
7 By: 

8 KEVIN J. DOWD

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