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12 PACIFIC GAS AND ELECTRIC COMPANY

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

16 In re  
17 PACIFIC GAS AND ELECTRIC  
18 COMPANY, a California corporation,

19 Debtor.

20 Federal I.D. No. 94-0742640

21 Case No. 01-30923 DM

22 Chapter 11 Case

23 Date: June 13, 2002

24 Time: 1:30 p.m.

25 Place: 235 Pine Street, 22nd Floor  
26 San Francisco, California

27 DECLARATION OF STEPHANIE MAGGARD  
28 IN SUPPORT OF MOTION FOR AUTHORIZATION  
29 TO INCUR DATA MANAGEMENT EXPENSES

30 *Accr Add: Rids Cgo Mail Center*

HOWARD  
RICE  
NEMEROVSKI  
CANADY  
FALK  
& RABKIN  
A Professional Corporation

1 I, Stephanie Maggard, declare:

2 1. I am a project manager for Pacific Gas and Electric Company's ("PG&E")  
3 implementation of its proposed Plan of Reorganization (the "Plan"). This declaration is  
4 submitted in support of PG&E's Motion for Authorization to Incur Data Management  
5 Expenses (the "Motion"). Defined terms used herein shall have the meanings set forth in the  
6 Motion. I make this declaration from personal knowledge, except where otherwise noted,  
7 and if called as a witness, could and would testify competently to the matters set forth  
8 herein.

9 2. ZIA Information Analysis Group, Inc. ("ZIA") is an information  
10 management company that provides assistance with document and electronic data  
11 management, including creating and maintaining electronic databases and document  
12 repositories. ZIA has performed and continues to perform data management services for  
13 PG&E in the ordinary course of business. For a company as large as PG&E, with numerous  
14 business departments and complex business information and records, the development and  
15 maintenance of databases to track, store and retrieve document information is a substantial  
16 and necessary task. ZIA has the expertise and resources to handle complex data  
17 management and also has a proven track record with PG&E.

18 3. PG&E has decided that certain data management services are required in  
19 connection with the Plan and its implementation. The following is a description of the three  
20 Plan-related projects for which PG&E requires ZIA's services:

21 (a) Records, Maps and Drawings Database. In connection with implementation of  
22 the Plan, it will be necessary for the New Entities to possess certain records, maps and  
23 drawings ("RMD") that relate to their line of business. Examples of such RMD include:  
24 engineering and construction records, customer records, facility maps and drawings and  
25 financial records. ZIA will provide data management services with respect to the RMD to  
26 enable PG&E to identify the various RMD documents needed by the New Entities. ZIA will  
27 assist PG&E in identifying and compiling the anticipated millions of RMD documents, and  
28 will develop and maintain a database with the RMD data. As part of the database work, ZIA

DECLARATION OF STEPHANIE MAGGARD

1 will assist PG&E in determining the type and level of information required, will solicit the  
2 information from the various lines of business, and will review all information for accuracy  
3 and completeness in order to develop an accurate and usable database. ZIA will also  
4 continue to maintain and update the database. PG&E estimates that the total expenditure for  
5 this project will be approximately \$436,000 for the period beginning January 2002 (when  
6 limited work began) and continuing to the Effective Date (as defined in the Plan).

7 (b) Asset Database. The implementation of the Plan will involve extensive asset  
8 transfers from PG&E to the New Entities. PG&E requires ZIA's data management services  
9 in order to prepare the asset schedules and documentation required for these transfers. This  
10 work will include the compilation of information from various PG&E sources in order to  
11 create a centralized database, and ongoing maintenance and updating of the database as  
12 necessary. As part of the database work, ZIA will assist PG&E in determining the type and  
13 level of information required, will solicit the information needed from PG&E sources, and  
14 will review all information for accuracy and completion. ZIA will also continue to maintain  
15 and update the database. The primary purpose of this work is to assist PG&E in preparing  
16 the schedules of assets that will be required for the transactions contemplated by the Plan,  
17 including the preparation of the asset transfer assignment and assumption documentation.  
18 PG&E estimates that the total expenditure for this project will be approximately \$395,000  
19 for the period beginning April 2002 (when limited work began) and continuing to the  
20 Effective Date.

21 (c) Generation-Related Permit Database. As discussed in more detail in the  
22 Motion to Approve Additional Expenses related to Permits, filed concurrently herewith,  
23 PG&E holds tens of thousands of operating and land occupancy permits, licenses and related  
24 governmental entitlements (collectively, "Permits") from local, state and federal government  
25 agencies. Over 1,600 of these Permits relate to the electric generation line of business and  
26 must therefore be transferred or reissued to Electric Generation, LLC ("Gen") to enable Gen  
27 to conduct business operations in accordance with the law. ZIA previously developed a  
28 database for PG&E that included certain permits and licenses related to the electric

1 generation line of business. PG&E has requested that ZIA update and manage this database.  
2 This work will also include over 2,700 water rights documents related to the generation line  
3 of business, for which ZIA will develop and maintain a separate database. The purpose of  
4 this work is to provide PG&E with an accurate and complete Permits inventory along with a  
5 usable database to facilitate the process of applying to government agencies for the transfer  
6 or reissuance of the generation-related Permits to Gen.

7 ZIA's primary tasks will include: assisting PG&E in identifying the Permits that  
8 will be needed by Gen, updating the existing database (including adjusting the type and level  
9 of information to be included, collecting new and/or missing information, and identifying  
10 expired records), maintaining hard copy documentation for all relevant Permits, and  
11 continuing to update and maintain the document repository along with the database. PG&E  
12 estimates that the total expenditure for this project will be approximately \$234,000 for the  
13 period beginning May 2002 (when limited work began) and continuing to the Effective Date.

14 4. For each of the foregoing ZIA projects (collectively, the "Data Management  
15 Work"), PG&E will pay ZIA on a monthly basis as work is completed, based on monthly  
16 billings by ZIA. All work will be performed at the direction of and under the supervision of  
17 PG&E.

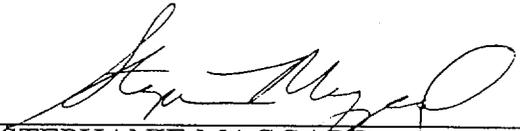
18 5. The Data Management Work is essential to the implementation of the Plan.  
19 This work is needed to prepare for substantial transactions to be completed in connection  
20 with Plan implementation. A substantial portion of the data management work must be  
21 completed in order to move forward with the underlying projects (including the preparation  
22 of necessary documentation in connection therewith), including the transfer of RMD and all  
23 assets to the New Entities, and the transfer of Permits to Gen. Therefore, it is critical that  
24 this work begin well in advance of Plan confirmation.

25 6. PG&E believes that the Data Management Work will be beneficial even if  
26 the separation of the business lines does not occur, as PG&E's records and data will be  
27 centralized for better organization and access, and updated for accuracy and completion.

28 7. To the extent that subsequent events demonstrate that the Data Management

1 Work will not be necessary, the work can be terminated immediately. PG&E's standard  
2 contractual provisions in place with ZIA do not guarantee future work or any minimum  
3 amount of revenue. PG&E also maintains the right to terminate the ZIA contracts at any  
4 time without cause, in which case PG&E is liable only for work performed to the date of  
5 termination plus costs reasonably incurred by ZIA in terminating any work in progress.

6 I declare under penalty of perjury of the laws of the United States that the  
7 foregoing is true and correct, and that this declaration was executed at San Francisco,  
8 California on May 23, 2002.

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12 STEPHANIE MAGGARD

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