

GARY M. COHEN, SBN 117215  
AROCLES AGUILAR, SBN 94753  
MICHAEL M. EDSON, SBN 177858  
CALIFORNIA PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco, California 94102  
Telephone: (415) 703-2015  
Facsimile: (415) 703-2262

ALAN W. KORNBERG  
BRIAN S. HERMANN  
MARC F SKAPOF  
PAUL, WEISS, RIFKIND, WHARTON & GARRISON  
1285 Avenue of the Americas  
New York, New York 10019-6064  
Telephone: (212) 373-3000  
Facsimile: (212) 757-3990

Attorneys for California Public Utilities Commission

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation,

Debtor.

Federal I.D. No. 94-0742640

Case No. 01-30923 DM

Chapter 11 Case

Date: [To Be Set]

Time: [To Be Set]

Place: 235 Pine Street, 22<sup>nd</sup> Floor,  
San Francisco, California

**CALIFORNIA PUBLIC UTILITIES COMMISSION'S APPLICATION FOR  
PERMISSION TO FILE AN OVERSIZED MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT OF MOTION FOR AN ORDER REQUIRING THE  
DEBTOR TO (1) PAY ALL AMOUNTS PAYABLE TO UBS WARBURG LLC, AS  
ARRANGER OF THE FINANCING REQUIRED UNDER THE COMMISSION'S PLAN  
OF REORGANIZATION FOR THE DEBTOR, AND (2) PROVIDE FINANCIAL AND  
OTHER INFORMATION AND DUE DILIGENCE ACCESS TO UBS WARBURG LLC**

50-275  
323

Add OGC Mail Center  
A001

1       The California Public Utilities Commission (the "Commission") hereby submits its  
2       Application (the "Application") For Permission To File An Oversized Memorandum of Points  
3       and Authorities (the "MPA") in support of its Motion for an Order Requiring the Debtor to (1)  
4       Pay All Amounts Payable to UBS Warburg LLC, as Arranger of the Financing Required Under  
5       the Commission's Plan of Reorganization for the Debtor, and (2) Provide Financial and Other  
6       Information and Due Diligence Access to UBS Warburg LLC (the "Motion"), which exceeds the  
7       25-page maximum set forth in Bankruptcy Local Rule 9013-1(c) by 10 pages.

8       1. In support of the instant Application, the Commission believes that the MPA raises  
9       novel issues of law pertaining to sections 363(b), 364, 503(b) and 1107(a) of the Bankruptcy  
10       Code. Specifically, the Commission argues that those sections of the Bankruptcy Code authorize  
11       the Court to require Pacific Gas and Electric Company ("PG&E" or the "Debtor") to (1) pay all  
12       amounts payable to UBS Warburg LLC ("UBS Warburg") in connection with its engagement as  
13       financing and capital markets arranger of the financing required under the Commission's Plan of  
14       Reorganization for PG&E, dated May 17, 2002 (the "Commission's Plan"), on the terms and  
15       conditions set forth in that certain engagement letter between the Commission and UBS  
16       Warburg, dated June 10, 2002 (the "Engagement Letter"); and (2) to provide financial and other  
17       information and due diligence access to UBS Warburg. To demonstrate this proposition, the  
18       Commission must engage in a detailed discussion of sections 363(b), 364, 503(b) and 1107(a) of  
19       the Bankruptcy Code and the relevant case law construing those sections.

20       2. In addition to a detailed discussion of relevant legal authority, the Commission must  
21       also summarize and discuss the Engagement Letter itself, a complex and highly negotiated  
22       agreement. Finally, the MPA must describe in detail the unique situation posed by the fact that  
23       the Commission, a State agency, is without the budgetary authority to expend the funds required  
24       to pay UBS Warburg.

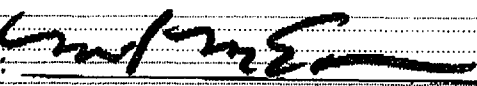
25       3. For all of the foregoing reasons, the arguments raised in the MPA cannot adequately  
26       be addressed within the page limits prescribed by Bankruptcy Local Rule 9013-1(c). That Rule  
27       provides, in pertinent part, that "[u]nless the Court expressly orders otherwise, initial moving  
28

1 papers and opposition papers shall not exceed 25 pages of text ...” Despite diligent efforts, the  
2 Commission has been unable to compress its arguments within the 25-page maximum.

3 4. Based on the foregoing, the Commission respectfully requests that the Court enter its  
4 Order (in the form submitted herewith) authorizing it to file its oversized MPA pursuant to Rule  
5 9013-1(c).

6 DATED: June 25, 2002

7 Respectfully submitted,  
8 GARY M. COHEN  
9 AROCLES AGUILAR  
10 MICHAEL M. EDSON  
11 CALIFORNIA PUBLIC UTILITIES COMMISSION

12 By:   
13 -and-

14 ALAN W. KORNBERG  
15 BRIAN S. HERMANN  
16 MARC F. SKAPOF  
17 PAUL, WEISS, RIFKIND, WHARTON & GARRISON

18 Attorneys for the California Public Utilities Commission  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

GARY M. COHEN, SBN 117215  
AROCLES AGUILAR, SBN 94753  
MICHAEL M. EDSON, SBN 177858  
CALIFORNIA PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco, California 94102  
Telephone: (415) 703-2015  
Facsimile: (415) 703-2262

ALAN W. KORNBERG  
BRIAN S. HERMANN  
PAUL, WEISS, RIFKIND, WHARTON & GARRISON  
1285 Avenue of the Americas  
New York, New York 10019-6064  
Telephone: (212) 373-3000  
Facsimile: (212) 757-3990

Attorneys for California Public Utilities Commission

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re

Case No. 01-30923 DM

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation,

Chapter 11 Case

Debtor.

Federal I.D. No. 94-0742640

**[PROPOSED] ORDER GRANTING  
CALIFORNIA PUBLIC UTILITIES  
COMMISSION'S APPLICATION FOR PERMISSION  
TO FILE AN OVERSIZED MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT OF MOTION FOR AN ORDER REQUIRING  
THE DEBTOR TO (1) PAY ALL AMOUNTS PAYABLE TO UBS WARBURG LLC,  
AS ARRANGER OF THE FINANCING REQUIRED UNDER THE COMMISSION'S  
PLAN OF REORGANIZATION FOR THE DEBTOR, AND (2) PROVIDE FINANCIAL  
AND OTHER INFORMATION AND DUE DILIGENCE ACCESS TO UBS WARBURG LLC**

This Court, having reviewed The California Public Utilities Commission’s (the “Commission”) Application (the “Application”) For Permission To File An Oversized Memorandum of Points and Authorities in support of its Motion for an Order Requiring the Debtor to (1) Pay all Amounts Payable to UBS Warburg LLC, as Arranger of the Financing Required Under the Commission’s Plan of Reorganization for the Debtor, and (2) Provide Financial and Other Information and Due Diligence Access to UBS Warburg LLC (the “Motion”), the record in this case and any admissible evidence presented to the Court at or prior to the hearing on the Application; and

GOOD CAUSE APPEARING, the Application is GRANTED. The page limitation on the Commission's Memorandum of Points and Authorities is expanded to 35 pages.

IT IS SO ORDERED.

Dated: June \_\_, 2002

By: \_\_\_\_\_  
THE HONORABLE DENNIS MONTALI