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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 Case No. 01-30923 DM
21 Chapter 11 Case
22 Date: August 12, 2002
23 Time: 9:30 a.m.
24 Place: 235 Pine Street, 22nd Floor
25 San Francisco, California

26 Federal I.D. No. 94-0742640

27 DECLARATION OF TERENCE L. GOODELL IN SUPPORT OF
28 MOTION FOR AUTHORITY TO INCUR
INFORMATION TECHNOLOGY CONSULTING EXPENSES

Acc. Fed. Eye M. Center

DECLARATION OF TERENCE L. GOODELL

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN
A Professional Corporation

1 I, Terrence L. Goodell, declare:

2 1. I am employed by Pacific Gas and Electric Company ("PG&E"), the debtor
3 and debtor-in-possession in this Chapter 11 case. I have worked for PG&E since 1986 and
4 have been a permanent employee since 1989 working in various engineering and related
5 positions. From November 1995 to May 1997, I had responsibility for the settlement of
6 wholesale electric power transactions between PG&E and various power marketers. From
7 November 1997 to April 2000, I worked as an energy trading consultant and was involved in
8 the implementation of the deregulated market and procurement of electricity for PG&E's
9 retail load. Since April 2000, I have supervised the PG&E personnel that settle the electric
10 energy and transmission-related transactions for PG&E's wholesale transmission customers.
11 Since January 2002, I have been the Team Lead for implementing the billing and settlement
12 functions required by ETrans LLC ("ETrans") in connection with PG&E's proposed Plan of
13 Reorganization (as amended from time to time, the "Plan"). In this position, I have
14 developed the IT systems requirements for ETrans billing and settlement functions.

15 2. This declaration is submitted in support of PG&E's Motion for Authority to
16 Incur Information Technology Consulting Expenses (the "Motion"). Defined terms used
17 herein shall have the meanings set forth in the Motion. I make this declaration based on
18 personal knowledge, except where otherwise indicated, and if called as a witness, could and
19 would testify competently to the matters set forth herein.

20 3. The following applications-related work is required for ETrans LLC
21 ("ETrans"), the New Entity that will carry on the electric transmission line of business:

22 a. Applications related to Billing & Settlements. In connection with
23 implementation of the Plan, ETrans and PG&E will enter into an Electric Energy
24 Determination and Billing Agreement to handle billing and settlements for electric
25 transmission service provided by ETrans to PG&E. Implementing this agreement will
26 require revisions to existing IT applications and development of new IT applications related
27 to electric transmission service, including applications related to the transfer of meter data.
28 IT consultants will design, develop, install and test the systems necessary to implement this

DECLARATION OF TERRENCE L. GOODELL

1 agreement.

2 b. Customer Service Applications. ETrans will need to implement a customer
3 information system to facilitate serving its customers. IT consultants will design, develop,
4 install and test the systems necessary to support ETrans' customer service requirements.

5 4. The following IT consultants will provide assistance related to the ETrans
6 application projects described in Paragraph 3 ("ETrans Work"). PG&E will hire seven
7 application and/or database developers and an associate director who will supervise their
8 work through Blackstone Technology Group ("Blackstone"), an IT consulting firm
9 specializing in the utility business. The application and database developers will design and
10 develop customer information, billing and settlement systems. The scope of work includes
11 developing system designs, applications, and test plans; performing quality assurance;
12 documenting programming codes; and preparing user manuals. The associate director will
13 act as supervisor; he or she will perform such supervisory tasks as monitoring the quality of
14 the work, keeping it on schedule, and making regular reports on the status of the work.
15 Certain Blackstone consultants began work on this project in June 2002 to assist PG&E in
16 determining the scope of the ETrans Work to be performed. No payments have been made
17 to Blackstone for the ETrans Work pending Court approval.

18 5. The total estimated cost for the services of the Blackstone consultants
19 described in Paragraph 4 is \$928,000. This cost is based on the estimated number of hours
20 required for the project, the applicable hourly rates and estimated reimbursable expenses.

21 6. PG&E's standard contractual provisions in place with Blackstone do not
22 guarantee any future work or any minimum amount of revenue. PG&E also maintains the
23 right to terminate the work at any time without cause, in which case PG&E is liable only for
24 work performed to the date of termination plus costs reasonably incurred by Blackstone in
25 terminating any work in progress.

26 7. The ETrans Work is necessary and must be completed in advance of the
27 Effective Date under the Plan in order for ETrans to commence business operations. The
28 ETrans Work requires the assistance and expertise of the Blackstone IT consultants and may

1 take up to six months to complete.

2 I declare under penalty of perjury of the laws of the United States that the
3 foregoing is true and correct, and that this declaration was executed at San Francisco,
4 California on July 23, 2002.

5 
6 Terrence L. Goodell

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