CORRECTED NOTICE OF ENTRY OF ORDER APPROVING STIPULATION

PLEASE TAKE NOTICE that on October 2, 2002, the above-captioned Bankruptcy Court filed its Order approving Stipulation Valuing Claim For Feasibility Purposes Only And Modifying Automatic Stay, a copy of which is attached as Exhibit 1. DATED: October 11, 2002. HOWARD, RICE, NEMEROVSKI, CANADY, **FALK & RABKIN** A Professional Corporation Attorneys for Debtor and Debtor In Possession PACIFIC GAS AND ELECTRIC COMPANY nd Corporation 15

CORRECTED NOTICE OF ENTRY OF ORDER APPROVING STIPULATION

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JAMES L. LOPES (No. 63678) 1 JEFFREY L. SCHAFFER (No. 91404) 2 ETHAN P. SCHULMAN (No. 112466) LINDA Q. FOY (No. 148764) HOWARD, RICE, NEMEROVSKI, CANADY, 3 **FALK & RABKIN** A Professional Corporation Three Embarcadero Center, 7th Floor 4 San Francisco, California 94111-4065 5 Telephone: 415/434-1600 6 Facsimile: 415/217-5910. 7 Attorneys for Debtor and Debtor in Possession PACIFIC GAS AND ELECTRIC COMPANY 8 UNITED STATES BANKRUPTCY COURT 9 NORTHERN DISTRICT OF CALIFORNIA 10 NORTHERN DIVISION 11 12 Case No. 01-30923 DM PACIFIC GAS AND ELECTRIC 13 COMPANY, a California corporation, Chapter 11 case Debtor. 14 STIPULATION AND [PROPOSED] ORDER VALUING CLAIM FOR 15 Federal I.D. No. 94-0742640 FEASIBILITY PURPOSES ONLY AND MODIFYING AUTOMATIC STAY 16 17 18 19 20 21 22 23 24 25 26

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EXHIBIT 1

STIP. AND [PROPOSED] ORDER VALUING CLAIM AND MODIFYING AUTOMATIC STAY (CANNON)

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RECITALS

A. On August 22, 2001, Deanne L. Cannon ("Claimant"), filed an unsecured Proof of Claim No. 4898 against the estate of Pacific Gas and Electric Company ("PG&E") in the total amount of \$10,000,000.00 (the "Claim"). The Claim is based upon on a charge of discrimination filed by Claimant with the California Department of Fair Employment and Housing, which alleges discrimination on the basis of disability and retaliation.

B. PG&E filed a voluntary petition under Chapter 11 of the Bankruptcy Code on April 6, 2001 in the United States Bankruptcy Court for the Northern District of California.

C. On December 11, 2001, Claimant filed a complaint for equitable relief and damages against PG&E in the San Francisco Superior Court (the "Litigation").

D. Pursuant to the automatic stay provisions of Section 362 of the Bankruptcy Code, the Litigation is automatically stayed by virtue of the filing of PG&E's voluntary bankruptcy petition.

STIPULATION

IT IS HEREBY STIPULATED BETWEEN THE PARTIES as follows:

1. Solely for the purpose of determining the financial feasibility of the Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas & Electric Company (dated April 19, 2002) filed by PG&E and PG&E Corporation (the "PG&E Plan"), pursuant to 11 U.S.C. §1129(a)(11), the Claim shall be valued by the Court in the amount of \$1,000,000.00. This valuation shall be for feasibility purposes only, shall not determine or affect the allowance of the Claim, and shall not be binding on or admissible in the Superior Court in which the Litigation is pending. Debtor hereby waives any right it has under 11 U.S.C. §502(c) to have the above valuation made for purpose of allowance.

2. The automatic stay of Section 362(a) of the Bankruptcy Code is modified for the limited purpose of allowing Claimant to continue prosecuting the Litigation against PG&E in the Superior Court to final judgment; provided, however, that nothing herein shall be deemed to allow Claimant to enforce, collect, assess or recover any judgment or

STIP. AND [PROPOSED] ORDER VALUING CLAIM AND MODIFYING AUTOMATIC STAY (CANNON)

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settlement against PG&E that may be entered in such action, other than pursuant to a properly filed proof of claim in the within Chapter 11 case, a confirmed plan of reorganization, and/or order of this Court. DATED: October 4 **MAYO & ROGERS** Attorneys for Claimant DEANNE L. CANNON DATED: October 2, 2002 HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN A Professional Corporation Attorneys for Debtor and Debtor in Possession PACIFIC GAS AND ELECTRIC COMPANY

STIP. AND [PROPOSED] ORDER VALUING CLAIM AND MODIFYING AUTOMATIC STAY (CANNON)

1	APPROVED:
2	DATED: October, 2002 MILBANK, TWEED, HADLEY & McCLOY
3	By: Michael Sorochinely
4	MICHAEL SOROCHINEKY Moor
5	Attorneys for OFFICIAL COMMITTEE OF UNSECURED CREDITORS
6	. ONGECORED CREDITORS
7	·· -
8	··· SO ORDERED this 2d day of Other, 2002:
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10	1 Commit
11	HONORABLE DENNIS MONTALI
12	UNITED STATES BANKRUPTCY JUDGE
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STIP. AND [PROPOSED] ORDER VALUING CLAIM AND MODIFYING AUTOMATIC STAY (CANNON) $\dot{}$