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PACIFIC GAS AND ELECTRIC COMPANY

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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: November 8, 2002 Time: 1:30 p.m. Place: 235 Pine Street, 22nd Floor San Francisco, California

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DECLARATION OF JUDI MOSLEY IN SUPPORT OF THIRD MOTION FOR AUTHORITY TO INCUR MISCELLANEOUS IMPLEMENTATION EXPENSES

I, Judi Mosley, declare:

1. I have been employed by Pacific Gas and Electric Company ("PG&E") since 1987. Since 1998, I have held the position of Director of Interconnection Services and am responsible for managing PG&E's relationships with wholesale electric customers and generators that interconnect to the PG&E system. Currently, my responsibilities include managing the implementation of PG&E's proposed Plan of Reorganization (as amended from time to time, the "Plan") with respect to customer communications issues related to ETrans LLC, the entity that will continue the electric transmission line of business.

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

3. The separation of PG&E contemplated by the Plan creates special communications issues with respect to ETrans. Unlike the other lines of business within PG&E today, the electric transmission line of business is operated as part of PG&E's integrated transmission and distribution business operations without any independent communications-related materials or resources. Therefore, PG&E has identified the need to develop a communications plan to communicate with future ETrans customers (including municipal districts, generators and certain wireless and fiber optic carriers as well as PG&E) and government and regulatory agencies about ETrans, including the services it will offer, operational information and emergency procedures. The communications plan will help ensure a smooth operating transition in electric transmission service from PG&E to ETrans. The ETrans communications plan will include development of materials (such as informational packets), and meetings with customers and government and regulatory agencies. As described below, a majority of the costs for this project will not be incurred until after confirmation of the Plan.

4. Communications Consultant. PG&E seeks to hire John Ferrare as a communications consultant to provide design and technical writing services for all ETrans communications materials, to develop customer communications strategy and to manage the customer meetings that will be required. PG&E estimates that the total expenses for the communications consultant will be approximately $130,000, with work to commence in November 2002 and to continue to the Plan Effective Date.

5. Communications Analysts. PG&E seeks to hire two communications analysts through CoreStaff Services, Inc., a temporary staffing agency, to provide administrative support for the ETrans communications plan, including editing and

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proofreading, materials layout, and assistance with customer meetings. PG&E estimates that the total expenses for the communications analysts will be approximately $62,000, with work to commence in December 2002 and to continue to the Plan Effective Date.

6. Customer Meetings. In connection with meetings to be organized with customers, PG&E estimates that it will incur total expenses of approximately $70,000. These costs will not be incurred until after Plan confirmation. These costs would include such items as renting meeting or conference facilities, preparing presentations, including audiovisual costs, and other related costs associated with the customer meetings.

7. Communications Materials. In addition to the consultants' services described above, there will be material and printing costs of approximately $18,000 in connection with preparing the ETrans communications materials. These costs will not be incurred until after Plan confirmation.

8. Although PG&E anticipates that no more than $50,000 of the total $280,000 in expenses described above will be incurred prior to confirmation of the Plan, PG&E believes that the project must begin promptly to allow for sufficient time to implement the ETrans communications plan in advance of the Plan Effective Date.

9. PG&E's standard contractual provisions in place (or to be included in any contracts to be executed) with the communications consultant and analysts described above do not guarantee future work or any minimum amount of revenue. PG&E also maintains the right to terminate the work at any time without cause, in which case PG&E is liable only for work performed to the date of termination plus costs reasonably

incurred by the consultant in terminating any work in progress.

10. The cost estimates set forth herein are based on PG&E's initial scoping of the project requirements and negotiations with the consultants who have been selected to perform the services.

I declare under penalty of perjury of the laws of the United States that the foregoing is true and correct, and that this declaration was executed at San Francisco, California on October 18, 2002.

JUDI MOSLEY

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