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7 PACIFIC GAS AND ELECTRIC COMPANY

8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 In re
12 PACIFIC GAS AND ELECTRIC
13 COMPANY, a California corporation,
14 Debtor.

Case No. 01-30923 DM

Chapter 11 Case

Date: February 27, 2003

Time: 1:30 p.m.

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

15 Federal I.D. No. 94-0742640

17 DECLARATION OF LANCE MAEDA IN SUPPORT OF
18 FOURTH MOTION FOR AUTHORITY TO INCUR
19 MISCELLANEOUS IMPLEMENTATION EXPENSES
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27 *Pool*
28 *Add: Rids Ogc Mail Center*

DECLARATION OF LANCE MAEDA

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN
A Professional Corporation

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1 I, Lance Maeda, 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 been employed by PG&E since
4 1996 and hold the position of Director of Application Development & Support. In this
5 position, I am responsible for technical oversight of information technology ("IT") software
6 projects within PG&E's Information Systems and Technical Services Organization; I also
7 have company-wide responsibilities in the IT area, including responsibility for creating and
8 implementing plans, policies and procedures for PG&E's IT software activities and for
9 supervising employees engaged in systems development and support functions. In
10 connection with implementation of PG&E's proposed Plan of Reorganization (as amended
11 from time to time, the "Plan"), my specific responsibilities include: identification of
12 applications that will be needed by the New Entities, integrated testing of applications
13 migrating from PG&E to the New Entities, and defining security strategies for applications
14 to be used by the New Entities.

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


20 3. In connection with the implementation of the Plan, PG&E and ETrans will
21 enter into an Electric Energy Determination and Billing Agreement ("EEDBA") to handle
22 billing and settlements for electric transmission service to be provided by ETrans to PG&E.
23 PG&E has recently identified a need for specialized software to support the implementation
24 of the EEDBA. This software will be purchased from, and installed and configured by,
25 Itron, Inc., an industry leader in providing automated meter polling and data management
26 software to utilities. This software will provide the functionality necessary for ETrans to
27 provide meter data management (including data validation, version control management and
28 data aggregation) to PG&E. These functions are needed to support the transmission billing

DECLARATION OF LANCE MAEDA

1 and settlement processes required by PG&E and ETrans. PG&E believes that this project
2 must start promptly as the process of installing, configuring and testing the software is
3 expected to take approximately three months and must be completed in advance of the Plan
4 Effective Date in order for ETrans to commence business operations.

5 4. PG&E estimates that the license, configuration and installation of this
6 software by Itron will cost approximately \$360,000. \$150,000 of the foregoing amount
7 constitutes a license fee that would be paid up front, while the remainder is based on
8 estimated consulting fees related to the installation and configuration of the software as well
9 as maintenance fees. With respect to the consulting fees and maintenance fees, PG&E will
10 maintain the right to terminate the work at any time without cause, in which case PG&E is
11 liable only for work performed to the date of termination plus costs reasonably incurred by
12 Itron in terminating any work in progress.

13 I declare under penalty of perjury of the laws of the United States that the
14 foregoing is true and correct, and that this declaration was executed at San Francisco,
15 California on February 7, 2003.

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17 LANCE MAEDA

18 WD 020503/1-1419905/1054286/v1
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