

**Restructuring in the Rearview Mirror – a 10-Year Retrospective of California's
Doomed Experiment with Electric Deregulation. By The Energy Overseer
Courtroom 22 Coverage of the PG&E Bankruptcy**

PG&E Gets More Time to Reorganize, Seeks Certainty on Power Cost Claims

Pacific Gas & Electric's request for an additional four months to submit a plan of reorganization met with no substantive resistance, so US bankruptcy judge Dennis Montali approved the utility's motion on July 20. PG&E will have until December 6 to file a plan in order to maintain a period of exclusivity through February 4, 2002.

The official committee of unsecured creditors said it preferred a shorter period of exclusivity and may take action if it senses the utility is not proceeding "in a satisfactory manner towards formulation, negotiation and filing a plan," Montali noted in his order.

The only other party to comment on the motion was Reliant Energy, which expressed support for "one brief extension" of the dates, but the judge said Reliant did not explain what it meant by "brief."

Action in the case is slowing down now that Montali has approved general terms for PG&E's settlements with scores of independent power producers representing nearly 75 percent of its past debts for QF contract capacity obligations. Most of the items on the docket for the next two weeks have been removed or deferred.

The utility recently asked the court to set a firm date for accepting administrative claims related to power purchases made by the California Independent System Operator and the Department of Water Resources. "It is critically important to PG&E's ability to reorganize to ensure that it is not incurring significant administrative claims for the purchase of energy or services by or through the ISO or DWR, including power sold by third-party providers," the utility said in its motion.

Even though the court has enjoined ISO from filing claims against PG&E for purchases made on its behalf, the utility is worried that the matter is not settled. "The proceeding, moreover, is still pending and no final determination of PG&E's respective rights and obligations with respect to third-party purchases by ISO has been made," PG&E wrote.

The utility is not looking to resolve the matter in this motion, but it has asked the court to impose a claims bar date of September 10 for any claims arising from April 6 through May 31. Later claims should expire three months after the end of the applicable month, PG&E said **[Arthur O'Donnell]**.

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