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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- Affects PG&E Corporation
- Affects Pacific Gas and Electric Company
- Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Chapter 11 Case
No. 19-30088 (DM)
(Lead Case)
(Jointly Administered)

**NOTICE OF (I) APPROVAL OF DISCLOSURE
STATEMENT FOR DEBTORS' AND
SHAREHOLDER PROPONENTS' JOINT
CHAPTER 11 PLAN OF REORGANIZATION;
(II) ESTABLISHMENT AND APPROVAL OF
RECORD DATE, VOTING DEADLINE, AND
OTHER PLAN SOLICITATION AND VOTING
PROCEDURES; (III) APPROVAL OF FORMS
OF BALLOTS, SOLICITATION PACKAGES,
AND RELATED NOTICES;
(IV) ESTABLISHMENT OF PLAN
CONFIRMATION NOTICE PROCEDURES;
AND (V) OTHER RELATED RELIEF**

1 PLEASE TAKE NOTICE that:

2 1. **Approval of Disclosure Statement.** By Order, dated [●], 2020 [Docket No. [●]] (the
3 “**Disclosure Statement and Solicitation Procedures Order**”), the United States Bankruptcy Court for
4 the Northern District of California, San Francisco Division (the “**Bankruptcy Court**”) approved the
5 disclosure statement [Docket No. [●]] (together with all schedules and exhibits thereto, and as may be
6 modified, amended, or supplemented from time to time, the “**Disclosure Statement**”) for the *Debtors’*
7 *and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization dated March [●], 2020* [Docket
8 No. [●]] (together with all schedules and exhibits thereto, and as may be modified, amended, or
9 supplemented from time to time, the “**Plan**”)¹ as having adequate information as provided under section
10 1125 of title 11 of the United States Code (the “**Bankruptcy Code**”), and also approved certain
11 procedures for the solicitation, distribution, and tabulation of votes to accept or reject the Plan. The Plan
12 is annexed as **Exhibit A** to the Disclosure Statement. The Bankruptcy Court previously set certain dates
13 and deadlines with respect to approval of the Disclosure Statement and confirmation of the Plan by
14 Order, dated February 11, 2020 [Docket No. 5732] (the “**Scheduling Order**”).

15 2. **The Voting Classes and Record Date.** Only parties that hold Claims against, or Interests
16 in, the Debtors in the following Classes as of March 3, 2020 (the “**Record Date**”) are entitled to vote to
17 accept or reject the Plan (collectively, the “**Voting Classes**”):

18

The Voting Classes		
Class	Designation	Impairment
Class 5A-I	HoldCo Public Entities Wildfire Claims	Impaired
Class 5A-II	HoldCo Subrogation Wildfire Claims	Impaired
Class 5A-III	HoldCo Fire Victim Claims	Impaired
Class 10A-I	HoldCo Common Interests	Impaired
Class 10A-II	HoldCo Rescission or Damage Claims	Impaired
Class 3B-I	Utility Impaired Senior Note Claims	Impaired
Class 3B-III	Utility Short-Term Senior Note Claims	Impaired
Class 3B-IV	Utility Funded Debt Claims	Impaired
Class 5B-I	Utility Public Entities Wildfire Claims	Impaired
Class 5B-II	Utility Subrogation Wildfire Claims	Impaired
Class 5B-III	Utility Fire Victim Claims	Impaired

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27 ¹ Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Plan or
28 the Disclosure Statement and Solicitation Procedures Order, as applicable.

3. **The Voting Deadline.** Votes to accept or reject the Plan must be actually received by the Debtors’ solicitation agent, Prime Clerk LLC (“**Prime Clerk**” or the “**Solicitation Agent**”), by no later than **May 15, 2020 at 4:00 p.m. (Prevailing Pacific Time)** (the “**Voting Deadline**”) in accordance with the procedures set forth in the Disclosure Statement and Solicitation Procedures Order and the instructions set forth on any Ballot. Failure to follow the voting instructions as set forth in the Disclosure Statement and Solicitation Procedures Order and any applicable Ballot may result in the vote of any such Claim or Interest holder not being counted for purposes of accepting or rejecting the Plan.

4. **The Non-Voting Classes and Other Parties Not Entitled to Vote on the Plan.** Holders of Unimpaired Claims or Interests in the Classes listed below are Unimpaired under the Plan (collectively, the “**Non-Voting Classes**”), are not entitled to vote to accept or reject the Plan, and will not receive a Ballot. Such holders will instead receive a Notice of Non-Voting Status.

The Non-Voting Classes		
Class	Designation	Impairment
Class 1A	HoldCo Other Secured Claims	Unimpaired
Class 2A	HoldCo Priority Non-Tax Claims	Unimpaired
Class 3A	HoldCo Funded Debt Claims	Unimpaired
Class 4A	HoldCo General Unsecured Claims	Unimpaired
Class 5A-IV	HoldCo Ghost Ship Fire Claims	Unimpaired
Class 6A	HoldCo Workers’ Compensation Claims	Unimpaired
Class 7A	HoldCo Environmental Claims	Unimpaired
Class 8A	HoldCo Intercompany Claims	Unimpaired
Class 9A	HoldCo Subordinated Debt Claims	Unimpaired
Class 11A	HoldCo Other Interests	Unimpaired
Class 1B	Utility Other Secured Claims	Unimpaired
Class 2B	Utility Priority Non-Tax Claims	Unimpaired
Class 3B-II	Utility Reinstated Senior Note Claims	Unimpaired
Class 3B-V	Utility PC Bond (2008 F and 2010 E) Claims	Unimpaired
Class 4B	Utility General Unsecured Claims	Unimpaired
Class 5B-IV	Utility Ghost Ship Fire Claims	Unimpaired
Class 6B	Utility Workers’ Compensation Claims	Unimpaired
Class 7B	2001 Utility Exchange Claims	Unimpaired
Class 8B	Utility Environmental Claims	Unimpaired
Class 9B	Utility Intercompany Claims	Unimpaired
Class 10B	Utility Subordinated Debt Claims	Unimpaired
Class 11B	Utility Preferred Interests	Unimpaired
Class 12B	Utility Common Interests	Unimpaired

1 In addition, pursuant to the Disclosure Statement and Solicitation Procedures Order, the
2 following holders of Claims and Interests **are not** entitled to vote to accept or reject the Plan:

- 3 (a) Any holder of a Claim that was not listed in the Schedules or was listed as contingent,
4 unliquidated, disputed, in the amount of \$0.00, or unknown, and a Proof of Claim was
5 not (i) filed by the applicable Bar Date or (ii) deemed timely filed by an Order of the
6 Bankruptcy Court before the Voting Deadline unless the Debtors have consented in
7 writing;
- 8 (b) Any holder of a Claim that is the subject of an objection or request for estimation filed
9 by February 21, 2020 at 4 p.m. (Prevailing Pacific Time);
- 10 (c) Any holder of a Claim (i) filed in the amount of \$0.00, (ii) where, as of the Record Date,
11 the outstanding amount of a Claim is not greater than \$0.00, or (iii) where a Claim has
12 been disallowed, expunged, disqualified, or suspended; and
- 13 (d) Claimholders who are otherwise disqualified from voting to accept or reject the Plan
14 pursuant to the procedures set forth in the Solicitation Procedures and Disclosure
15 Statement Order.

16 5. **Claims Objections or Estimation Requests for Voting Purposes.** If an objection to,
17 or request for estimation of, a Claim has been filed and served by any party in interest with appropriate
18 standing by the deadline set forth in the Scheduling Order (February 21, 2020, at 4:00 p.m. (Prevailing
19 Pacific Time)), such Claim shall be temporarily disallowed or estimated for voting purposes only with
20 respect to the Plan and not for purposes of allowance or distribution, except to the extent and in the
21 manner as may be set forth in such objection or request for estimation; *provided*, that the deadline for
22 any party in interest with appropriate standing to file and serve an objection to, or request for estimation
23 of, any timely filed HoldCo Rescission or Damage Claim has been extended through and including
24 May 1, 2020, at 4:00 p.m. (Prevailing Pacific Time).

25 6. **Rule 3018 Motions.** Pursuant to the Scheduling Order, if you timely filed a Proof of
26 Claim or Interest and disagreed with the Debtors' classification of, objection to, or request for estimation
27 of, your Claim or Interest and believe that you should have been be entitled to vote to accept or reject
28 the Plan, then you were required to file and serve a motion, pursuant to Bankruptcy Rule 3018(a) (a
"3018 Motion"), to temporarily allow such Claim or Interest in a different amount or in a different Class
for purposes of voting to accept or reject the Plan by March 6, 2020 at 4:00 p.m. (Prevailing Pacific

1 Time), unless such deadline has been extended by agreement of the Debtors; *provided, however*, that,
2 notwithstanding anything in the Disclosure Statement and Solicitation Procedures Order or the
3 Scheduling Order to the contrary, the deadline for any holder of a timely filed HoldCo Rescission or
4 Damage Claim to file a 3018 Motion has been extended through and including April 23, 2020, at 4:00
5 p.m. (Prevailing Pacific Time). 3018 Motions that were not timely filed and served in accordance with
6 the Scheduling Order shall not be considered. The rights of the Debtors and any other party in interest
7 to respond or object to any 3018 Motion are hereby expressly reserved. Any claimant or interest holder
8 that timely filed a 3018 Motion will be provided with a Ballot and such Ballot will be counted in
9 accordance with the procedures set forth in the Disclosure Statement and Solicitation Procedures Order,
10 unless temporarily allowed in a different amount by an Order of the Court entered prior to the Voting
11 Deadline. For the avoidance of doubt, and notwithstanding any other provision in the Disclosure
12 Statement and Solicitation Procedures to the contrary, any amount that is established or determined by
13 the Court in connection with a timely filed 3018 Motion shall be allowed in the amount determined by
14 the Court for voting purposes only with respect to the Plan, and not for purposes of allowance or
15 distribution;²

16 7. **The Confirmation Hearing.** Pursuant to the Scheduling Order, the hearing (the
17 “**Confirmation Hearing**”) to consider confirmation of the Plan will be held on **May 27, 2020 at 10:00**
18 **a.m. (Pacific Time)**, before the Honorable Dennis Montali, United States Bankruptcy Judge, in
19 Courtroom 17 of the Bankruptcy Court, 450 Golden Gate Avenue, 18th Floor, San Francisco, California
20 94102. The procedures for filing responses and objections to confirmation of the Plan are set forth
21 below. The Confirmation Hearing and the deadlines related thereto may be continued from time to time
22 by the Bankruptcy Court without further notice other than announcement by the Bankruptcy Court in
23 open Court, as indicated in any notice of agenda of matters scheduled for hearing filed with the
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26 ² Claimants may contact PG&E Ballot Processing, c/o Prime Clerk, LLC, One Grand Central Place, 60
27 East 42nd Street, Suite 1440, New York, NY 10165, by telephone at 844-339-4217 (domestic) or 929-
28 333-8977 (international), or by e-mail to pgeinfo@primeclerk.com to receive an appropriate Ballot for
any Claim for which a proof of claim has been timely filed and a 3018 Motion has been filed.

1 Bankruptcy Court, or on the docket. The Plan may be modified, if necessary, before, during, or because
2 of the Confirmation Hearing, without further notice to interested parties.

3 8. **Objections to Confirmation of the Plan.** Responses and objections to confirmation of
4 the Plan must:

- 5 (a) Be in writing;
- 6 (b) State the name and address of the objecting party and the amount and nature of the Claim
7 or Interest of such party;
- 8 (c) State with particularity the basis and nature of any objection with respect to the Plan;
- 9 (d) Conform to the Bankruptcy Rules, the Bankruptcy Local Rules for the United States
10 District Court for the Northern District of California, the *Order Establishing Procedures*
11 *for Disclosure Statement and Confirmation Hearing* (N.D. Cal. May 2017) (Montali, J.),
and the Scheduling Order; and
- 12 (e) Be filed with the Bankruptcy Court and served in accordance with Bankruptcy Rule
13 3020(b)(1) so as to be actually received on or before **4:00 p.m. (Prevailing Pacific Time)**
14 **on May 15, 2020** (the “**Objection Deadline**”) by the following parties (the “**Notice**
15 **Parties**”):
- 16 (i) Clerk, U.S. Bankruptcy Court for the Northern District of California, 450
17 Golden Gate Avenue, 18th Floor, San Francisco, California 94102;
- 18 (ii) The Debtors, c/o PG&E Corporation and Pacific Gas and Electric Company,
19 77 Beale Street, P.O. Box 770000, San Francisco, California 94177 (Attn:
20 Janet Loduca, Esq.);
- 21 (iii) The attorneys for the Debtors, (A) Weil, Gotshal & Manges LLP, 767 Fifth
22 Avenue, New York, New York 10153 (Attn: Stephen Karotkin, Esq.
23 (stephen.karotkin@weil.com), Jessica Liou, Esq. (jessica.liou@weil.com),
and Matthew Goren, Esq. (matthew.goren@weil.com)), (B) Keller
24 Benvenuti Kim LLP, 650 California Street, Suite 1900, San Francisco,
25 California 94108 (Attn: Tobias S. Keller, Esq. (tkeller@kbkllp.com) and
Jane Kim, Esq. (jkim@kbkllp.com)), and (C) Cravath, Swaine & Moore LLP,
26 Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019 (Attn:
27 Paul H. Zumbro, Esq. (pzumbro@cravath.com), Kevin J. Orsini, Esq.
28 (korsini@cravath.com), and Omid H. Nasab, Esq. (onasab@cravath.com));
- (iv) The U.S. Trustee, 450 Golden Gate Avenue, 5th Floor, Suite 05-0153, San
Francisco, California 94102 (Attn: James L. Snyder, Esq.
(James.L.Snyder@usdoj.gov) and Timothy Laffredi, Esq.
(Timothy.S.Laffredi@usdoj.gov));
- (v) The attorneys for the administrative agent under the Debtors’ debtor-in-
possession financing facility, (A) Stroock & Stroock & Lavan LLP, 180
Maiden Lane, New York, New York 10038-4982 (Attn: Kristopher M.
Hansen, Esq. (khansen@stroock.com), Erez E. Gilad, Esq.

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(egilad@stroock.com), and Matthew G. Garofalo, Esq. (mgarofalo@stroock.com)) and (B) Stroock & Stroock & Lavan LLP, 2029 Century Park East, Los Angeles, California 90067-3086 (Attn: Frank A. Merola, Esq. (fmerola@stroock.com));

(vi) The attorneys for the collateral agent under the Debtors' debtor-in-possession financing facility, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (Attn: Eli J. Vonnegut, Esq. (eli.vonnegut@davispolk.com), David Schiff, Esq. (david.schiff@davispolk.com), and Timothy Graulich, Esq. (timothy.graulich@davispolk.com));

(vii) The attorneys for the CPUC, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064 (Attn: Alan W. Kornberg, Esq. (akornberg@paulweiss.com), Brian S. Hermann, Esq. (bhermann@paulweiss.com), Walter R. Rieman, Esq. (wrieman@paulweiss.com), Sean A. Mitchell, Esq. (smitchell@paulweiss.com), and Neal P. Donnelly, Esq. (ndonnelly@paulweiss.com));

(viii) The attorneys for the Creditors Committee, (A) Milbank LLP, 55 Hudson Yards, New York, New York 10001-2163 (Attn: Dennis F. Dunne, Esq. (DDunne@milbank.com) and Samuel A. Kahlil, Esq. (skhalil@milbank.com)) and (B) Milbank LLP, 2029 Century Park East, 33rd Floor, Los Angeles, California 90067 (Attn: Gregory A. Bray, Esq. (GBray@milbank.com) and Thomas R. Kreller, Esq. (TKreller@milbank.com));

(ix) The attorneys for the Tort Claimants Committee, (A) Baker & Hostetler LLP, 1160 Battery Street, Suite 100, San Francisco, California 94111 (Attn: Robert A. Julian, Esq. (rjulian@bakerlaw.com) and Cecily A. Dumas, Esq. (cdumas@bakerlaw.com)) and (B) Baker & Hostetler LLP, 11601 Wilshire Boulevard, Suite 1400, Los Angeles, California, 90025-0509 (Attn: Eric E. Sagerman, Esq. (esagerman@bakerlaw.com) and Lauren T. Attard, Esq. (lattard@bakerlaw.com));

(x) The attorneys for the Ad Hoc Group of Subrogation Claim Holders, (A) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019-6099 (Attn: Matthew A. Feldman, Esq. (mfeldman@willkie.com), Joseph G Minias Esq. (jminias@willkie.com), Benjamin P. McCallen Esq. (bmccallen@willkie.com), and Daniel I. Forman Esq. (dforman@willkie.com) and (B) Diemer & Wei, LLP, 100 West San Fernando Street, Suite 555, San Jose, California 95113 (Attn: Kathryn S. Diemer (kdiemer@diemerwei.com));

(xi) The attorneys for the Shareholder Proponents, Jones Day, 555 South Flower Street, Fiftieth Floor, Los Angeles, California 90071-2300 (Attn: Bruce S. Bennett, Esq. (bbennett@jonesday.com), Joshua M. Mester, Esq. (jmester@jonesday.com), and James O. Johnston, Esq. (jjohnston@jonesday.com)); and

(xii) The attorneys for the Ad Hoc Committee of Senior Unsecured Noteholders, (A) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York, 10036 (Attn: Michael S. Stamer, Esq. (mstamer@akingump.com), Ira S. Dizengoff, Esq.

(idizengoff@akingump.com), David H. Botter, Esq. (dbotter@akingump.com), Abid Qureshi, Esq. (aqureshi@akingump.com) and (B) Akin Gump Strauss Hauer & Feld LLP, 580 California Street, Suite 1500, San Francisco, California 94104 (Attn: Ashley Vinson Crawford, Esq. (avcrawford@akingump.com)).

IF ANY OBJECTION TO CONFIRMATION OF THE PLAN IS NOT TIMELY FILED AND SERVED STRICTLY AS PRESCRIBED HEREIN, THE OBJECTING PARTY MAY BE BARRED FROM OBJECTING TO CONFIRMATION OF THE PLAN AND MAY NOT BE HEARD AT THE CONFIRMATION HEARING.

PURSANT TO THE SCHEDULING ORDER, PRINCIPAL COUNSEL REPRESENTING A PARTY, OR ANY PRO SE PARTY, OBJECTING TO CONFIRMATION OF THE PLAN MUST APPEAR IN PERSON AT A PRE-CONFIRMATION SCHEDULING CONFERENCE ON MAY 19, 2020 AT 10:00 AM (PREVAILING PACIFIC TIME) TO DISCUSS SCHEDULING ANY EVIDENTIARY MATTERS TO BE DEALT WITH IN CONNECTION WITH THE CONFIRMATION HEARING AND SCHEDULING FOR BRIEFING OF CONTESTED LEGAL ISSUES. FAILURE TO APPEAR MAY RESULT IN THE OBJECTION BEING STRICKEN.

9. Plan Releases. INFORMATION REGARDING CERTAIN INJUNCTIONS, EXCULPATIONS AND RELEASES UNDER THE PLAN IS SET FORTH ON ANNEX A HERETO. YOU SHOULD CAREFULLY REVIEW THE PLAN AND THE INFORMATION ON ANNEX A IN ITS ENTIRETY AS IT MAY AFFECT YOUR RIGHTS.

10. Executory Contracts and Unexpired Leases. Pursuant to the Plan, as of, and subject to, the occurrence of the Effective Date of the Plan and the payment of any applicable Cure Amount (as defined in the Plan), all executory contracts and unexpired leases of the Reorganized Debtors shall be deemed assumed, unless such executory contract or unexpired lease (i) was previously assumed or rejected by the Debtors, pursuant to a Final Order (as defined in the Plan), (ii) previously expired or terminated pursuant to its own terms or by agreement of the parties thereto, (iii) is the subject of a motion to assume, assume and assign, or reject filed by the Debtors on or before the Confirmation Date (as defined in the Plan), or (iv) is specifically designated as an executory contract or unexpired lease to be

1 rejected on the Schedule of Rejected Contracts (as defined in the Plan) by the Debtors. The Debtors
2 shall serve all applicable notices regarding cure amounts or rejection as set forth in the Plan on the
3 appropriate parties no later than fourteen (14) days before the Objection Deadline.

4 11. **Additional Information.** Copies of the Disclosure Statement, the Disclosure Statement
5 and Solicitation Procedures Order, the Plan, and the other solicitation materials are on file with the Clerk
6 of the Bankruptcy Court (the “**Clerk**”) and may be examined by interested parties on the Debtors’ case
7 website, which can be found and accessed at no cost at <https://restructuring.primeclerk.com/pge>. Copies
8 of the Disclosure Statement, the Disclosure Statement and Solicitation Procedures Order, the Plan, and
9 the other solicitation materials may also be: (i) examined by interested parties during normal business
10 hours at the office of the Clerk; (ii) accessed for a fee via PACER at <http://www.canb.uscourts.gov/>; and
11 (iii) obtained by written request to the Solicitation Agent, at the address or e-mail address set forth below:

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If by e-mail to: pgeinfo@primeclerk.com	If by standard, overnight, or hand delivery: PG&E Information c/o Prime Clerk, LLC 60 East 42nd Street Suite 1440 New York, NY 10165
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THE SOLICITATION AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.

Dated: March [•], 2020

WEIL, GOTSHAL & MANGES LLP

KELLER BENVENUTTI KIM LLP

By: _____
Stephen Karotkin

*Attorneys for Debtors
and Debtors in Possession*

ANNEX A

NOTICE OF INJUNCTION, EXCULPATION AND RELEASE PROVISIONS³

Binding Effect, Injunctions, Exculpations, and Releases. If the Plan is confirmed by the Bankruptcy Court, the Plan, including the injunctions, exculpations, and releases contained in, among others, Sections 4.6(a), 4.7(a), 4.25(e), 4.26(b), 6.4(a), 6.7(a), 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, and 10.9 thereof, will be binding on you, regardless of whether you are Impaired under the Plan and whether you have accepted the Plan. If the Plan is confirmed by the Bankruptcy Court, the following key injunction, exculpation, and release provisions will apply, subject to such definitions, other provisions, and exceptions contained in the Plan that may be applicable. YOU ARE ADVISED TO REVIEW AND CONSIDER THE PLAN CAREFULLY BECAUSE YOUR RIGHTS MAY BE AFFECTED THEREUNDER:

Section 10.6 – Injunction.

(a) Except as otherwise provided in this Plan or in the Confirmation Order, as of the entry of the Confirmation Order but subject to the occurrence of the Effective Date, all Persons who have held, hold, or may hold Claims or Interests are, with respect to any such Claim or Interest, permanently enjoined after the entry of the Confirmation Order from: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including, any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting, directly or indirectly, a Debtor, a Reorganized Debtor, or an estate or the property of any of the foregoing, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons mentioned in this subsection (i) or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order against a Debtor, a Reorganized Debtor, or an estate or its property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons mentioned in this subsection (ii) or any property of any such transferee or successor; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against a Debtor, a Reorganized Debtor, or an estate or any of its property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons mentioned in this subsection (iii) or any property of any such transferee or successor; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan to the full extent permitted by applicable law; and (v) commencing or continuing, in any manner

³ Capitalized terms used in this Annex but not otherwise defined shall have the meanings ascribed to such terms in the Plan.

1 or in any place, any action that does not comply with or is inconsistent with the provisions of
2 this Plan; *provided*, that nothing contained herein shall preclude such Persons who have held,
3 hold, or may hold Claims against a Debtor or an estate from exercising their rights, or
4 obtaining benefits, pursuant to and consistent with the terms of this Plan, the Confirmation
Order, or any other agreement or instrument entered into or effectuated in connection with
the consummation of the Plan.

5 (b) By accepting distributions pursuant to this Plan, each holder of an Allowed Claim will be
6 deemed to have affirmatively and specifically consented to be bound by this Plan, including,
the injunctions set forth in this Section.

7 *Section 10.7 – Channeling Injunction.*

8 (a) The sole source of recovery for holders of Subrogation Wildfire Claims and Fire Victim
9 Claims shall be from the Subrogation Wildfire Trust and the Fire Victim Trust, as applicable.
10 The holders of such Claims shall have no recourse to or Claims whatsoever against the
11 Reorganized Debtors or their assets and properties. Consistent with the foregoing, all Persons
12 that have held or asserted, or that hold or assert any Subrogation Wildfire Claim or Fire
13 Victim Claim shall be permanently and forever stayed, restrained, and enjoined from taking
14 any action for the purpose of directly or indirectly collecting, recovering, or receiving
15 payments, satisfaction, or recovery from any Reorganized Debtor or its assets and properties
16 with respect to any Fire Claims, including all of the following actions:

- 14 (i) commencing, conducting, or continuing, in any manner, whether directly or indirectly,
15 any suit, action, or other proceeding of any kind in any forum with respect to any such
16 Fire Claim, against or affecting any Reorganized Debtor, or any property or interests
in property of any Reorganized Debtor with respect to any such Fire Claim;
- 17 (ii) enforcing, levying, attaching, collecting or otherwise recovering, by any manner or
18 means, or in any manner, either directly or indirectly, any judgment, award, decree or
other order against any Reorganized Debtor or against the property of any Reorganized
Debtor with respect to any such Fire Claim;
- 19 (iii) creating, perfecting, or enforcing in any manner, whether directly or indirectly, any
20 Lien of any kind against any Reorganized Debtor or the property of any Reorganized
Debtor with respect to any such Fire Claims;
- 21 (iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or
22 recoupment of any kind, whether directly or indirectly, against any obligation due to
23 any Reorganized Debtor or against the property of any Reorganized Debtor with
24 respect to any such Fire Claim; and
- 25 (v) taking any act, in any manner, in any place whatsoever, that does not conform to, or
comply with, the provisions of the Plan Documents, with respect to any such Fire Claim.

26 (b) Reservations. Notwithstanding anything to the contrary in this Section 10.7 of the Plan, this
27 Channeling Injunction shall not enjoin:
28

1 (i) the rights of holders of Subrogation Fire Claims and Fire Victim Claims to the
2 treatment afforded them under the Plan, including the right to assert such Claims in
3 accordance with the applicable Wildfire Trust Agreements solely against the applicable
4 Wildfire Trust whether or not there are funds to pay such Fire Claims; and

(ii) the Wildfire Trusts from enforcing their rights under the Wildfire Trust Agreements.

5 (c) Modifications. There can be no modification, dissolution, or termination of the Channeling
6 Injunction, which shall be a permanent injunction.

7 (d) No Limitation on Channeling Injunction. Nothing in the Plan, the Confirmation Order, or
8 the Wildfire Trust Agreements shall be construed in any way to limit the scope, enforceability,
9 or effectiveness of the Channeling Injunction provided for herein and in the Confirmation
10 Order.

(e) Bankruptcy Rule 3016 Compliance. The Debtors' compliance with the requirements of
11 Bankruptcy Rule 3016 shall not constitute an admission that the Plan provides for an
12 injunction against conduct not otherwise enjoined under the Bankruptcy Code.

13 **Section 10.8 - Exculpation.** Notwithstanding anything herein to the contrary, and to the maximum
14 extent permitted by applicable law, and except for the Assigned Rights and Causes of Action solely
15 to the extent preserved by Section 10.9(g), no Exculpated Party shall have or incur, and each
16 Exculpated Party is hereby released and exculpated from, any Claim, Interest, obligation, suit,
17 judgment, damage, demand, debt, right, Cause of Action, loss, remedy, or liability for any claim
18 (including, but not limited to, any claim for breach of any fiduciary duty or any similar duty) in
19 connection with or arising out of the administration of the Chapter 11 Cases; the negotiation and
20 pursuit of the Public Entities Plan Support Agreements, the Backstop Commitment Letters, the
21 Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder RSA, the Exit Financing
22 Documents, the Plan Funding, the DIP Facilities, the Disclosure Statement, the Plan, the
23 Restructuring Transactions, the Wildfire Trusts (including the Plan Documents, the Claims
24 Resolution Procedures and the Wildfire Trust Agreements), or any agreement, transaction, or
25 document related to any of the foregoing, or the solicitation of votes for, or confirmation of, this
26 Plan; the funding of this Plan; the occurrence of the Effective Date; the administration of this Plan
27 or the property to be distributed under this Plan; any membership in (including, but not limited
28 to, on an *ex officio* basis), participation in, or involvement with the Statutory Committees; the
issuance of Securities under or in connection with this Plan; or the transactions in furtherance of
any of the foregoing; except for Claims related to any act or omission that is determined in a Final
Order by a court of competent jurisdiction to have constituted actual fraud or willful misconduct,
but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with
respect to their duties and responsibilities pursuant to this Plan. The Exculpated Parties and each
of their respective affiliates, agents, directors, officers, employees, advisors, and attorneys have
acted in compliance with the applicable provisions of the Bankruptcy Code with regard to the
solicitation and distributions pursuant to this Plan and, therefore, are not, and on account of such
distributions shall not be, liable at any time for the violation of any applicable law, rule, or
regulation governing the solicitation of acceptances or rejections of this Plan or such distributions
made pursuant to this Plan, including the issuance of Securities thereunder. This exculpation shall
be in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any
other applicable law or rules protecting such Exculpated Parties from liability.

1 *Section 10.9 – Releases.*

- 2 (a) ***Releases by the Debtors.*** As of and subject to the occurrence of the Effective Date, except for
3 the rights that remain in effect from and after the Effective Date to enforce this Plan and the
4 Plan Documents, and except for the Assigned Rights and Causes of Action solely to the extent
5 preserved by Section 10.9(g), for good and valuable consideration, the adequacy of which is
6 hereby confirmed, including, the service of the Released Parties to facilitate the
7 reorganization of the Debtors, the implementation of the Restructuring, and except as
8 otherwise provided in this Plan or in the Confirmation Order, the Released Parties are
9 deemed forever released and discharged, to the maximum extent permitted by law and unless
10 barred by law, by the Debtors, the Reorganized Debtors, and the Debtors' estates, in each
11 case on behalf of themselves and their respective successors, assigns, and representatives and
12 any and all other Entities who may purport to assert any Cause of Action derivatively, by or
13 through the foregoing Entities, from any and all claims, interests, obligations, suits,
14 judgments, damages, demands, debts, rights, Causes of Action, losses, remedies, or liabilities
15 whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors,
16 the Reorganized Debtors, or the Debtors' estates, whether known or unknown, foreseen or
17 unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the
18 Reorganized Debtors, or the Debtors' estates would have been legally entitled to assert in
19 their own right (whether individually or collectively) or on behalf of the holder of any Claim
20 or Interest or other Entity, based on or relating to, or in any manner arising from, in whole
21 or in part, the Debtors, the Chapter 11 Cases, the Fires, the purchase, sale, or rescission of
22 the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject
23 matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in
24 this Plan, the business or contractual arrangements between any Debtor and any Released
25 Party, the DIP Facilities, the Plan Funding, the Restructuring, the restructuring of any Claim
26 or Interest before or during the Chapter 11 Cases, the Restructuring Transactions, the Public
27 Entities Plan Support Agreements, the Backstop Commitment Letters, the Subrogation
28 Claims RSA, the Tort Claimants RSA, the Noteholder RSA, the Exit Financing Documents,
the negotiation, formulation, or preparation of the Disclosure Statement and this Plan and
related agreements, instruments, and other documents (including the Plan Documents, the
Claims Resolution Procedures, the Wildfire Trust Agreements, Public Entities Plan Support
Agreements, the Backstop Commitment Letters, the Subrogation Claims RSA, the Tort
Claimants RSA, the Noteholder RSA, and the Exit Financing Documents), the solicitation of
votes with respect to this Plan, any membership (including, but not limited to, on an *ex officio*
basis), participation in, or involvement with the Statutory Committees, or any other act or
omission, transaction, agreement, event, or other occurrence, and in all respects such Entities
shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and
responsibilities pursuant to this Plan.
- (b) ***Releases by Holders of Claims and Interests.*** As of and subject to the occurrence of the
Effective Date, except for the rights that remain in effect from and after the Effective Date to
enforce the Plan and the Plan Documents, and except for the Assigned Rights and Causes of
Action solely to the extent preserved by Section 10.9(g), for good and valuable consideration,
the adequacy of which is hereby confirmed, including, the service of the Released Parties to
facilitate the reorganization of the Debtors and the implementation of the Restructuring, and
except as otherwise provided in the Plan or in the Confirmation Order, the Released Parties,
are deemed forever released and discharged, to the maximum extent permitted by law and

1 unless barred by law, by the Releasing Parties from any and all claims, interests, obligations,
2 suits, judgments, damages, demands, debts, rights, Causes of Action, losses, remedies, and
3 liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the
4 Debtors, and any claims for breach of any fiduciary duty (or any similar duty), whether
5 known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or
6 otherwise, that such holders or their affiliates (to the extent such affiliates can be bound)
7 would have been legally entitled to assert in their own right (whether individually or
8 collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or
9 relating to, or in any manner arising from, in whole or in part, the Debtors, the Fires, the
10 Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any Security of
11 the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events
12 giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual
13 arrangements between any Debtor and any Released Party, the DIP Facilities, the Plan
14 Funding, the Restructuring, the restructuring of any Claim or Interest before or during the
15 Chapter 11 Cases, the Restructuring Transactions, the Public Entities Plan Support
16 Agreement, the Backstop Commitment Letters, the Subrogation Claims RSA, the Tort
17 Claimants RSA, the Noteholder RSA, the Exit Financing Documents, the negotiation,
18 formulation, or preparation of the Disclosure Statement, the Plan and related agreements,
19 instruments, and other documents (including the Plan Documents, the Claims Resolution
20 Procedures, the Wildfire Trust Agreements, Public Entities Plan Support Agreements, the
21 Backstop Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the
22 Noteholder RSA, and the Exit Financing Documents), the solicitation of votes with respect to
23 the Plan, any membership in (including, but not limited to, on an ex officio basis),
24 participation in, or involvement with the Statutory Committees, or any other act or omission,
25 transaction, agreement, event, or other occurrence, and in all respects such Entities shall be
26 entitled to reasonably rely upon the advice of counsel with respect to their duties and
27 responsibilities pursuant to the Plan. Notwithstanding the above, the holders of
28 Environmental Claims, Workers' Compensation Claims and 2001 Utility Exchange Claims
retain the right to assert such Claims against the Reorganized Debtors in accordance with
the terms of the Plan; and nothing herein shall be deemed to impose a release by holders of
Fire Victim Claims of insurance claims arising under their insurance policies against holders
of Subrogation Wildfire Claims, other than any rights such holder may elect to release as
part of any settlement as set forth in Section 4.25(f)(ii) hereof.

- 20 (c) *Only Consensual Non-Debtor Releases.* Except as set forth under Section 4.25(f)(ii) hereof,
21 for the avoidance of doubt, and notwithstanding any other provision of this Plan, nothing in
22 the Plan is intended to, nor shall the Plan be interpreted to, effect a nonconsensual release by
23 a holder of a Claim in favor of a party that is not a Debtor, it being acknowledged that such
24 holder shall be deemed to release a party that is not a Debtor under the Plan solely to the
25 extent that such holder consensually elects to provide such Plan release in accordance with
26 the opt-in release procedures set forth herein or in any applicable Ballot. The holder of a
27 Claim shall receive the same amount of consideration under the Plan whether or not such
28 holder elects to release a party that is not a Debtor in accordance with the opt-in release
procedures set forth herein or in any applicable Ballot.
- (d) *Release of Liens.* Except as otherwise specifically provided in the Plan or in any contract,
instrument, release, or other agreement or document created pursuant to the Plan, including
the Exit Financing Documents, on the Effective Date and concurrently with the applicable

1 distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in
2 full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages,
3 deeds of trust, Liens, pledges, or other security interests against any property of the estates
4 shall be fully released and discharged, and all of the right, title, and interest of any holder of
5 such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the
6 Reorganized Debtors and their successors and assigns, in each case, without any further
7 approval or order of the Bankruptcy Court and without any action or filing being required
8 to be made by the Debtors.

9 (e) *Waiver of Statutory Limitations on Releases.* Each releasing party in any general release
10 contained in the Plan expressly acknowledges that although ordinarily a general release may
11 not extend to claims which the releasing party does not know or suspect to exist in his favor,
12 which if known by it may have materially affected its settlement with the party released, each
13 releasing party has carefully considered and taken into account in determining to enter into
14 the above releases the possible existence of such unknown losses or claims. Without limiting
15 the generality of the foregoing, and solely with respect to any general release under this Plan,
16 each releasing party expressly waives any and all rights conferred upon it by any statute or
17 rule of law which provides that a release does not extend to claims which the claimant does
18 not know or suspect to exist in its favor at the time of executing the release, which if known
19 by it may have materially affected its settlement with the released party, including the
20 provisions of California Civil Code section 1542. The releases contained in this Article X of
21 the Plan are effective regardless of whether those released matters are presently known,
22 unknown, suspected or unsuspected, foreseen or unforeseen.

23 (f) *Injunction Related to Releases and Exculpation.* The Confirmation Order shall permanently
24 enjoin the commencement or prosecution by any Person or Entity, whether directly,
25 derivatively, or otherwise, of any Claims, obligations, suits, judgments, damages, demands,
26 debts, rights, Causes of Action, losses, or liabilities released pursuant to this Plan, including,
27 the claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action,
28 and liabilities released or exculpated in this Plan. For the avoidance of doubt, this injunction
shall not apply to the rights of the Fire Victims Trust to prosecute and settle any Assigned
Rights and Causes of Action solely to the extent provided for in the Plan. Notwithstanding
the above, the holders of Environmental Claims, Workers' Compensation Claims and 2001
Utility Exchange Claims retain the right to assert such Claims against the Reorganized
Debtors in accordance with the terms of the Plan.

(g) *No Release or Exculpation of Assigned Rights and Causes of Action.* Notwithstanding any
other provision of the Plan, including anything in Section 10.8 and/or 10.9, the releases,
discharges, and exculpations contained in this Plan shall not release, discharge, or exculpate
any Person from the Assigned Rights and Causes of Action.