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PACIFIC GAS AND ELECTRIC COMPANY

50-295/323

UNITED STATES DISTRICT 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** **KEKER & VAN NEST'S APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD [For the Period June 1, 2001 through June 30, 2001]** Judge: HON. DENNIS MONTALI [No Hearing Scheduled]

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Keker & Van Nest, L.L.P. (the "Firm") submits its Cover Sheet Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period June 1, 2001 to June 30, 2001 (the "Application Period"). In support of the Application, the Firm respectfully represents as follows:

1. The Firm is special counsel to Pacific Gas and Electric Company, the debtor in possession in the above-referenced bankruptcy case (the "Debtor"). The Firm hereby applies to the Court for allowance and payment of interim compensation for services rendered and reimbursement of expenses incurred during the Application Period.

2. The Firm billed a total of in fees and expenses during the Application Period. The total fees represent 166 hours expended during the period covered by this Application. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
June 1, 2001- June 30, 2001	$51,384.17	$2,155.56	$53,539.73

3. Accordingly, the Firm seeks allowance of interim compensation in the amount of a total of $48,401.31 at this time. This total is comprised as follows:

$46,245.75 (90% (85% after July 31) of the fees for services rendered)[1] plus

$ 2,155.56 (100% of the expenses incurred).

4. For the post-petition period, the Firm has been paid to date as follows: Nothing.

5. To date, the Firm is owed as follows (excluding amounts owed pursuant to Application): Nothing (except for pre-petition claims).

6. With regard to the copies of this Application served on counsel for the Committee, counsel for the Debtor and the Office of the United States Trustee, (a) attached as

[1] Payment of this amount would result in a "holdback" of $5,138.42.

Exhibit 1 hereto is the name of each professional who performed services in connection with this case during the period covered by this Application and the hourly rate for each such professional; and (b) attached as Exhibit 2 are the detailed time and expense statements for the Application Period that comply with all Northern District of California Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the Office of the United States Trustee.

7. The Firm has served a copy of this Application on the Special Notice List in this case.

8. Pursuant to this Court's "ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered on or about July 26, 2001, the Debtor is authorized to make the payment requested herein without a further hearing or order of this Court unless an objection to this Application is filed with the Court by the Debtor, the Committee or the United States Trustee and served by the fifteenth day of the month following the service of this Application. If such an objection is filed, Debtor is authorized to pay the amounts, if any, not subject to the objection. The Firm is informed and believes that this Cover Sheet Application was mailed by first class mail, post prepaid, on or about July 31, 2001.

9. The interim compensation and reimbursement of expenses sought in this Application is on account and is not final. Upon the conclusion of these cases, the Firm will seek fees and reimbursement of the expenses incurred for the totality of the services rendered in this case. Any interim fees or reimbursement of expenses approved by this Court and received by the Firm (along with the Firm's retainer) will be credited against such final fees and expenses as may be allowed by this Court.

10. The Firm represents and warrants that its billing practices comply with all Northern District of California Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the Office of the United States Trustee. Neither the Firm nor any members of the Firm has any agreement or understanding of any kind or nature to divide, pay over or share any

portion of the fees or expenses to be awarded to the Firm with any other person or attorney except as among the members and associates of the Firm.

WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the Firm as requested herein pursuant to and in accordance with the terms of the "ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE."

Dated: July 31, 2001

KEKER & VAN NEST, L.L.P.

By: _____

ROBERT A. VAN NEST
Special Counsel to Debtor in Possession
PACIFIC GAS AND ELECTRIC COMPANY