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50-275/323

7 Special Counsel to Debtor in Possession
PACIFIC GAS AND ELECTRIC COMPANY

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

11
12 In re
13 PACIFIC GAS AND ELECTRIC
14 COMPANY, a California corporation,
15 Debtor.
16 Federal I.D. No. 94-0742640
17

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 May 1, 2001
to May 31, 2001]**

Judge: HON. DENNIS MONTALI

[No Hearing Scheduled]

*A001
0/1 Add: Kids Ogo Mail Center*

1 Keker & Van Nest, L.L.P. (the "Firm") submits its Cover Sheet Application (the
2 "Application") for Allowance and Payment of Interim Compensation and Reimbursement of
3 Expenses for the Period May 1, 2001 to May 31, 2001 (the "Application Period"). In support of
4 the Application, the Firm respectfully represents as follows:

5
6 1. The Firm is special counsel to Pacific Gas and Electric Company, the debtor in
7 possession in the above-referenced bankruptcy case (the "Debtor"). The Firm hereby applies to
8 the Court for allowance and payment of interim compensation for services rendered and
9 reimbursement of expenses incurred during the Application Period.

10 2. The Firm billed a total of \$73,994.92 in fees and expenses during the Application
11 Period. The total fees represent 220.375 hours expended during the period covered by this
12 Application. These fees and expenses break down as follows:

13 Period	14 Fees	15 Expenses	16 Total
17 May 1, 2001- 18 May 31, 2001	19 \$69,494.95	20 \$4,499.97	21 \$73,994.92

22 3. Accordingly, the Firm seeks allowance of interim compensation in the amount of
23 a total of \$67,045.43 at this time. This total is comprised as follows:

24 \$62,545.46 (90% (85% after July 31) of the fees for services rendered)¹ plus
25 \$ 4,499.97 (100% of the expenses incurred).

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

27 5. To date, the Firm is owed as follows (excluding amounts owed pursuant to
28 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 \$6,949.49.

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

6
7 7. The Firm has served a copy of this Application on the Special Notice List in this
8 case.

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

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

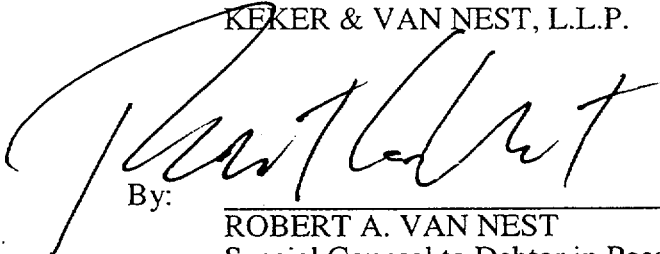
24 10. The Firm represents and warrants that its billing practices comply with all
25 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and the
26 Guidelines of the Office of the United States Trustee. Neither the Firm nor any members of the
27 Firm has any agreement or understanding of any kind or nature to divide, pay over or share any
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1 portion of the fees or expenses to be awarded to the Firm with any other person or attorney
2 except as among the members and associates of the Firm.

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

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8 Dated: July 31, 2001

KEKER & VAN NEST, L.L.P.



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11 By: _____
12 ROBERT A. VAN NEST
13 Special Counsel to Debtor in Possession
14 PACIFIC GAS AND ELECTRIC
15 COMPANY
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