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3 HOWARD, RICE, NEMEROVSKI, CANADY,  
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PACIFIC GAS AND ELECTRIC COMPANY

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

12 In re

Case No. 01-30923 DM

13 PACIFIC GAS AND ELECTRIC  
COMPANY, a California corporation,

Chapter 11 Case

14 Debtor.

15 Federal I.D. No. 94-0742640

16  
17 HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN  
COVER SHEET APPLICATION  
18 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR JUNE, 2001

19  
20 Howard, Rice, Nemerovski, Canady, Falk & Rabkin (the "Firm") submits its  
21 Cover Sheet Application (the "Application") for Allowance and Payment of Interim  
22 Compensation and Reimbursement of Expenses for the Period June 1, 2001 through June 30,  
23 2001 (the "Application Period"). In support of the Application, the Firm respectfully  
24 represents as follows:

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

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2. The Firm billed a total of \$1,080,764.49 in fees and expenses during the Application Period. The total fees represent 3,711.61 hours expended during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
June 2001	\$1,025,746.38	\$55,018.11	\$1,080,764.49

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of \$978,189.85 at this time. This total is comprised as follows: \$923,171.74 (90% of the fees for services rendered)<sup>1</sup> plus \$55,018.11 (100% of the expenses incurred).

4. For the post-petition period, the Firm has not been paid to date for any fees and expenses, except that the Firm did apply a retainer of \$446,295.62 to its April fees.

5. To date, the Firm is owed as follows (excluding amounts owed pursuant to this Application).

Application Period	Amount	Description
First (April 6-April 30)	\$ 580,163.92	April fees and expenses, less applied retainer
Second (May 1-May 31)	\$1,573,804.00	May fees and expenses
Total Owed to Firm to Date	\$2,153,967.92	

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

<sup>1</sup>Payment of this amount would result in a "holdback" of \$102,574.64.

1 Compensation Guidelines and the Guidelines of the Office of the United States Trustee.<sup>2</sup>

2 7. The Firm is serving a copy of this Application (without Exhibits) on the  
3 Special Notice List in this case.

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

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

19 10. The Firm represents and warrants that its billing practices comply with all  
20 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and  
21 the Guidelines of the Office of the United States Trustee.<sup>3</sup> Neither the Firm nor any members  
22 of the Firm has any agreement or understanding of any kind or nature to divide, pay over or  
23 share any portion of the fees or expenses to be awarded to the Firm with any other person or  
24 attorney except as among the members and associates of the Firm.


25 <sup>2</sup>Submitted in electronic form to the Office of the United States Trustee.

26 <sup>3</sup>As the Firm has informed the Office of the United States Trustee and the Committee,  
27 the facsimile charges sought in this Application deviate slightly from the Court's Guidelines.  
28 The Firm intends to provide a full explanation of such deviation and a request for payment of  
such charges in its next interim fee application to the Court in this case.

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

5 DATED: July 31, 2001

6 HOWARD, RICE, NEMEROVSKI, CANADY,  
7 FALK & RABKIN  
A Professional Corporation

8 By:   
9 JAMES L. LOPES

10 Attorneys for Debtor and Debtor in Possession  
11 PACIFIC GAS AND ELECTRIC COMPANY  
12  
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