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Special Counsel for Debtor in Possession
Pacific Gas and Electric Company

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

In re

Case No.: 01-30923 DM

PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,

Chapter 11 Case

[No Hearing Scheduled]

Debtor.

Federal I.D. No. 94-0742640

**HELLER EHRMAN WHITE & McAULIFFE LLP'S COVER SHEET
APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
APRIL 6, 2001 THROUGH JUNE 30, 2001**

Heller Ehrman White & McAuliffe LLP (the "Firm") submits its Cover Sheet Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period April 6, 2001 through 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, debtor and 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 \$1,680,167.26 in fees and expenses during the Application Period. The total fees represent 5,880.59 hours expended during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
4/6/01 – 6/30/01	\$1,562,069.44	\$118,097.82	\$1,680,167.26

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of \$1,523,960.32 at this time. This total is comprised as follows: \$1,405,862.50 (90% of the fees for post-petition services rendered)¹ plus \$118,097.82 (100% of the expenses incurred).

4. The Firm has not been paid for the post-petition period.²

5. To date, the Firm is not owed any amounts except as shown pursuant to this Application.

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, 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

¹ Payment of this amount would result in a “holdback” of \$156,206.94, equal to 10% of the Firm’s fees for post-petition services rendered.

² On December 19, 2000, Debtor paid to the Firm an advance payment (the “Retainer”), pursuant to written agreement providing that such Retainer would not apply to current billings, but would instead apply to the Firm’s unpaid fees and expenses in the event Debtor failed to make payment in the ordinary course. Pursuant to the written agreement between Debtor and the Firm, the Retainer has been applied by the Firm to unpaid pre-petition fees and expenses on hourly rate engagements (including fees and expenses accrued between April 1 and the Petition Date). Consistent with that agreement, the Retainer has not been applied to the Firm’s post-petition fees and expenses, and the balance of the Retainer shall continue to be held by the firm as a “Post-Petition Retainer” on the terms described in the Application of Debtor in Possession for Authority to Employ Heller Ehrman White & McAuliffe LLP as Special Counsel and the Declaration of Marie L. Fiala in Support of Application of Debtor in Possession for Authority to Employ Heller Ehrman White & McAuliffe LLP as Special Counsel, filed with this Court on April 17, 2001.

1 professional; and (b) attached as Exhibit 2 are the detailed time and expense statements for
2 the Application Period that comply with all Northern District of California Bankruptcy
3 Local Rules and Compensation Guidelines and the Guidelines of the Office of the United
4 States Trustee.

5 7. The Firm has served a copy of this Application (without Exhibits) on the
6 Special Notice List in this case.

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

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

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

28 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to

1 the Firm as requested herein pursuant to and in accordance with the terms of the "ORDER
2 ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT
3 PROCEDURE."

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5 Dated: July 31, 2001

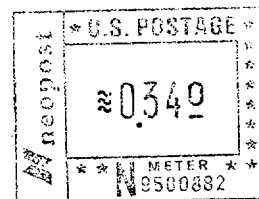
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7 By: Marie L. Fiala
8 Marie L. Fiala
9 Special Counsel for Debtor in Possession
10 Pacific Gas and Electric Company
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ANN C. WHITEHEAD 07/31/01

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