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50-275/1323

8 Special Counsel to Debtor
9 PACIFIC GAS AND ELECTRIC

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

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

18 Case No. 01-30923 DM
19 Chapter 11 Case

20 COOLEY GODWARD LLP'S NOTICE OF SECOND
21 COVER SHEET APPLICATION FOR ALLOWANCE
22 AND PAYMENT OF INTERIM COMPENSATION
23 AND REIMBURSEMENT OF EXPENSES FOR THE
24 PERIOD JULY 1, 2001 – JULY 31, 2001
25 [No Hearing Scheduled]

26 Cooley Godward LLP (the "Firm") submits this Second Cover Sheet Application (the
27 "Application") for Allowance and Payment of Interim Compensation and Reimbursement of
28 Expenses for the Period July 1, 2001- July 31, 2001 (the "Application Period").

29 This Application is made pursuant to the Order Establishing Interim Fee Application and
30 Expense Reimbursement Procedure that was entered on or about June 26, 2001 ("Interim Fee
31 Order"). Paragraph 4 of the Interim Fee Order contemplates that the Debtor shall pay a portion of
32 its professionals undisputed fees and all costs after the fifteenth day of the month following the
33 filing and service of the Application ("Interim Compensation"). As disclosed in its Employment
34 Application, the Firm received a pre-petition retainer from the Debtor ("Retainer"). Unless
35 otherwise directed by the Bankruptcy Court and notwithstanding paragraph 8 of this Application,
36 the Firm will first apply the Retainer to satisfy Interim Compensations due to the Firm from the
37 Debtor and, once the Retainer is exhausted, seek unpaid Interim Compensation from the Debtor as

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1 contemplated by paragraph 4 of the Interim Fee Order.

2 In support of this Application, the Firm respectfully represents as follows:

3 1. The Firm is Special Counsel to Pacific Gas and Electric Company (the "Debtor").
4 The Firm hereby applies to the Court for allowance and payment of interim compensation for
5 services rendered and reimbursement of expenses incurred during the Application Period.

6 2. The Firm billed a total of \$161,944.44 in fees and expenses during the Application
7 Period¹. The total fees represent 493.8 hours expended during the period covered by this
8 Application. These fees and expenses break down as follows:

9

PERIOD	FEES	EXPENSES	TOTAL
July 1, 2001 to July 31, 2001	\$157,863.50	\$ 4,080.94	\$161,944.44

10

11 3. Accordingly, the Firm seeks allowance of interim compensation in the amount of a
12 total of \$146,158.09 at this time. This total is comprised as follows: \$142,077.15 (90%) of the
13 fees for services rendered² plus \$4,080.94 (100% of the expenses incurred).

14 4. For the post-petition period, the Firm has been paid to date as follows: \$129,612.05.

15 5. To date, the Firm is owed as follows (excluding amounts owed pursuant to this
16 Application): \$13,648.55.

17 6. With regard to the copies of this Application served on counsel for the Committee,
18 counsel for the Debtor and the Office of the United States Trustee, attached as Exhibit 1 hereto is
19 the name of each professional who performed services in connection with this case during the
20 period covered by this Application and the hourly rate for each such professional; and (b) attached
21 as Exhibit 2 are the detailed time and expense statements for the Application Period that comply
22 with all Northern District of California Bankruptcy Local Rules and Compensation Guidelines and
23 the Guidelines of the Office of the United States Trustee.

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

26 _____
27 ¹ This sum reflects a \$1,368.00 reduction related to the transition between an attorney with the firm "handing off her
work" prior to her maternity leave and the attorney taking over her matters.

28 ² Payment of this amount would result in a "holdback" of \$15,786.35, plus the holdback from the first Application of
\$13,648.55.

1 8. Pursuant to this Court's Interim Fee Order the Debtor is authorized to make the
2 payment requested herein without a further hearing or order of this Court unless an objection to
3 this Application is filed with the Court by the Debtor, the Committee or the United States Trustee
4 and served by the fifteenth day of the month following the service of this Application. If such an
5 objection is filed, Debtor is authorized to pay the amounts, if any, not subject to the objection. The
6 Firm is informed and believes that this Application was mailed by first class mail, postage prepaid,
7 on or about August 31, 2001.

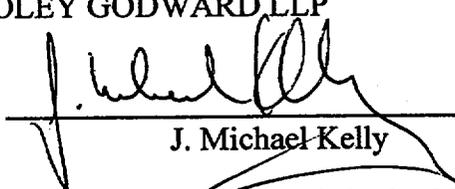
8 9. The interim compensation and reimbursement of expenses sought in this
9 Application is on account and is not final. Upon the conclusion of these cases, the Firm will seek
10 fees and reimbursement of the expenses incurred for the totality of the services rendered in the
11 case. Any interim fees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

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

20 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the Firm
21 as required herein pursuant to and in accordance with the terms of the Interim Fee Order.

22 Dated: August 31, 2001

COOLEY GODWARD LLP

By: 

J. Michael Kelly

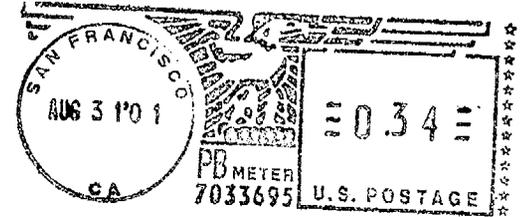
Special Counsel to PACIFIC GAS AND
ELECTRIC, Debtor and Debtor-in-Possession

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