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50-275/323

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8 Accountants and Financial Advisors for Official  
9 Committee of Unsecured Creditors  
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11 UNITED STATES BANKRUPTCY COURT  
12 NORTHERN DISTRICT OF CALIFORNIA  
13 SAN FRANCISCO DIVISION

14 In re  
15 PACIFIC GAS AND ELECTRIC  
16 COMPANY, a California corporation,  
17 Debtor.

Case No. 01-30923 DM

Chapter 11 Case

[No Hearing Scheduled]

18 Federal I.D. No. 94-0742640

19 PRICEWATERHOUSECOOPERS COVER SHEET APPLICATION  
20 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION  
21 AND REIMBURSEMENT OF EXPENSES FOR JUNE 1, 2001 TO JULY 31, 2001

22 PricewaterhouseCoopers LLP (the "Firm") submits its Cover Sheet Application  
23 (the "Application") for Allowance and Payment of Interim Compensation and  
24 Reimbursement of Expenses for the Period June 1, 2001 through July 31, 2001 (the  
25 "Application Period"). In support of the Application, the Firm respectfully represents as  
26 follows:

27 1. The Firm is Accountants and Financial Advisors to the Official Committee  
28 of Unsecured Creditors. 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 \$962,390 in fees and expenses during the

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1 Application Period. The Total fees represent 2,427 hours expended during the Application  
 2 Period. These fees and expenses break down as follows:

3	4	5	6
Period	Fees	Expenses	Total
7 June 1, 2001 – July 8 31, 2001	\$923,879	\$38,511	\$962,390

9 3. Accordingly, the Firm seeks allowance of interim compensation in the total  
 10 amount of \$870,002 at this time. This total is comprised as follows:  
 11 \$831,491 (90% of the fees for services rendered)<sup>1</sup> plus \$38,511 (100% of the expenses  
 12 incurred).

13 4. For the post-petition period, the Firm has been paid to date as follows:

13	14	15	16
Application Period	Amount Applied For	Description	Amount Paid
17 First (April 11, 2001 18 – May 31, 2001)	\$890,266	90% of fees and 100% of expenses	\$890,266
19 Total Paid to the 20 Firm to Date	\$890,266		\$890,266

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

23	24	25
Application Period	Amount	Description
26 First (April 11, 2001 – May 27 31, 2001)	\$86,624	10% fee holdback.
28 Total Owed to Firm to Date	\$86,624	

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

<sup>1</sup>Payment of this amount would result in a "holdback" of \$92,387.

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

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

9 8. Pursuant to this Court's 'ORDER ESTABLISHING INTERIM FEE  
10 APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered  
11 on or about July 26, 2001, the Debtor is authorized to make the payment requested herein  
12 without a further hearing or order of this Court unless an objection to this Application is  
13 filed with the Court by the Debtor, the Committee or the United States Trustee and served  
14 by the fifteenth day of the month following the service of this Application. If such an  
15 objection is filed, Debtor is authorized to pay the amounts, if any, not subject to the  
16 objection. The Firm is informed and believes that this Cover Sheet Application was mailed  
17 by first class mail, postage prepaid, on or about August 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 this case, the Firm will  
20 seek fees and reimbursement of the expenses incurred for the totality of the services  
21 rendered in the case. Any interim fees or reimbursement of expenses approved by this Court  
22 and received by the Firm will be credited against such final fees and expenses as may be  
23 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  
26 the Guidelines of the Office of the United States Trustee. Neither the Firm nor any members  
27 of the Firm has any agreement or understanding of any kind or nature to divide, pay over or  
28 share any portion of the fees or expenses to be awarded to the Firm with any other person or

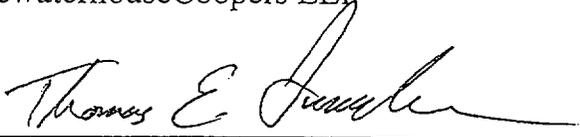
1 attorney except as among the members and associates of the Firm.

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

6 Dated: August 31, 2001

PricewaterhouseCoopers LLP

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By:   
Thomas E. Lumsden, Partner  
Accountants and Financial Advisors to the  
Official Committee of Unsecured  
Creditors

**PROOF OF SERVICE**

STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO

I am employed in the County of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is 199 Fremont Street, 8<sup>th</sup> Floor, San Francisco, California.

On August 31, 2001, I served on the parties listed on the attached Service List, the foregoing document(s) described as:

**PRICEWATERHOUSECOOPERS COVER SHEET APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR JUNE 1, 2001 TO JULY 31, 2001**

by placing the  original  a true copy thereof enclosed in sealed envelopes addressed as stated on the attached service list:

**(BY FEDERAL EXPRESS OVERNIGHT DELIVERY)**

Following ordinary business practices at the San Francisco office of PricewaterhouseCoopers LLP, I placed the sealed envelope(s) for collection and mailing with Federal Express on that same day. I am readily familiar with the firm's practice for collection and processing of correspondence for mailing. Under that practice, such correspondence would be deposited with Federal Express on that same day, with postage thereon fully prepaid at San Francisco, California, in the ordinary course of business.

(FEDERAL) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on August 31, 2001 San Francisco, California.

Susan Carney  
Type or Print Name

  
Signature

**Proof of Service by Federal Express**

James L. Lopes  
Howard, Rice, Nemerovski, Canady, Falk & Rabkin  
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[Attorneys for Debtor and Debtor in Possession  
Pacific Gas & Electric Company]

Office of the U.S. Trustee  
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