

50-275/323

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6 Financial Advisors for Official Committee of
7 Unsecured Creditors

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

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

Case No. 01-30923 DM
Chapter 11 Case

16 SAYBROOK CAPITAL, LLC
17 COVER SHEET APPLICATION
18 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION
19 AND REIMBURSEMENT OF EXPENSES FOR AUGUST 1, 2001 THROUGH AUGUST
20 31, 2001

21 Saybrook Capital, LLC (the "Firm") submits its Cover Sheet Application (the
22 "Application") for Allowance and Payment of Interim Compensation and Reimbursement of
23 Expenses for the Period August 1, 2001 through August 31, 2001 (the "Application
24 Period"). In support of the Application, the Firm respectfully represents as follows:

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

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1 Application Period.

2 2. The Firm billed a total of \$254,082.83 in fees and expenses during the
3 Application Period. The Firm entered into an Engagement Agreement covering the
4 Application Period (the "Agreement") with the Official Committee of Unsecured Creditors of
5 Pacific Gas and Electric Company (the "Committee"). The Agreement calls for a monthly
6 fee of \$250,000.00 for the first six (6) months of the Engagement Period and a monthly fee of
7 \$200,000.00 for each month of the engagement thereafter, plus reimbursement of actual out-
8 of-pocket expenses. The total monthly fees incurred through August 31, 2001 represents 1
9 month of the monthly engagement during the Application Period. These fees and expenses
10 break down as follows:

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12 Period	Fees	Expenses	Total
13 August 1 – August 31, 14 2001	\$250,000.00	\$4,082.83	\$254,083.83

15 3. Accordingly, the Firm seeks allowance of interim compensation in the total
16 amount of \$229,082.83 at this time. This total is comprised as follows:
17 \$225,000.00 (90% of the fees for services rendered)¹ plus \$4,082.83 (100% of the expenses
18 incurred).

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

27 _____
28 ¹Payment of this amount would result in a "holdback" of \$25,000.00

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

3 6. Pursuant to this Court's 'ORDER ESTABLISHING INTERIM FEE
4 APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE' which was entered
5 on or about September 28, 2001, the Debtor is authorized to make the payment requested
6 herein without a further hearing or order of this Court unless an objection to this Application
7 is filed with the Court by the Debtor, the Committee or the United States Trustee and served
8 by the fifteenth day of the month following the service of this Application. If such an
9 objection is filed, Debtor is authorized to pay the amounts, if any, not subject to the objection.
10 The Firm is informed and believes that this Cover Sheet Application was mailed by overnight
11 mail on or about September 27, 2001.

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

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

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:

6 SAYBROOK CAPITAL, LLC

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8 By: 

JONATHAN ROSENTHAL

9 Financial Advisor for the Official Committee of
10 Unsecured Creditors of PACIFIC GAS AND
11 ELECTRIC COMPANY
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DECLARATION OF CLARA YANG STRAND

I, Clara Yang Strand, declare:

1. I am employed by Bank of America, N.A., one of the members of the Official Committee of Unsecured Creditors ("Committee") in the Pacific Gas and Electric Company ("PG&E") chapter 11 bankruptcy case. I am one of the Co-Chairs of the Committee. Except as otherwise stated, I have personal knowledge of the facts set forth below, and if called upon, I could and would testify competently with regard thereto. I make this declaration in support of the First Interim Application of Saybrook Capital, LLC ("Saybrook") for Allowance and Payment of Compensation and Reimbursement of Expenses (April 16, 2001 Through July 31, 2001) (the "Application").
2. I have reviewed the Application and Saybrook's invoices for April 16, 2001 through July 31, 2001.
3. I believe that the fees and costs requested by Saybrook for the April 16, 2001 through July 31, 2001 period are appropriate and reasonable. Based on my experience with Saybrook, their work has been done in a professional and efficient manner. Accordingly, I believe that Saybrook's request for fees and reimbursement of expenses should be approved.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 11 day of September, 2001 at Los Angeles, California.



Clara Yang Strand