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13 PACIFIC GAS AND ELECTRIC COMPANY

14 UNITED STATES BANKRUPTCY COURT
15 NORTHERN DISTRICT OF CALIFORNIA
16 SAN FRANCISCO DIVISION

17 In re

Case No. 01-30923 DM

18 PACIFIC GAS AND ELECTRIC
19 COMPANY, a California corporation,

Chapter 11 Case

20 Debtor.

21 Federal I.D. No. 94-0742640

22 HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN
23 COVER SHEET APPLICATION
24 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION
25 AND REIMBURSEMENT OF EXPENSES FOR AUGUST, 2001

26 Howard, Rice, Nemerovski, Canady, Falk & Rabkin (the "Firm") submits its
27 Cover Sheet Application (the "Application") for Allowance and Payment of Interim
28 Compensation and Reimbursement of Expenses for the Period August 1, 2001 through
August 31, 2001 (the "Application Period"). In support of the Application, the Firm
respectfully represents as follows:

1. The Firm is 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.

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50-275/323

2. The Firm billed a total of \$923,168.02 in fees and expenses during the Application Period. The total fees represent 3,271.77 hours expended during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
August 2001	\$819,620.00	\$103,548.02	\$923,168.02

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of \$800,225.02 at this time. This total is comprised as follows: \$696,677.00 (85% of the fees for services rendered)¹ plus \$103,548.02 (100% of the expenses incurred).

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

Application Period	Amount Applied For	Description	Amount Paid
April, 2001	\$ 522,147.53	90% of unpaid fees	\$ 522,147.53 ²
May, 2001	\$1,427,133.95	90% of fees and 100% of expenses	\$1,427,133.95
June, 2001	\$ 978,189.85	90% of fees and 100% of expenses	\$ 978,189.85
July, 2001	\$ 963,254.07	90% of fees and 100% of expenses	\$ 963,254.07
Total Paid to the Firm to Date			\$3,890,725.40

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

¹Payment of this amount would result in a "holdback" of \$122,943.00

²The Firm applied its pre-petition retainer in the amount of \$446,293.02 to April fees and expenses.

1 this Application):

2 Application Period	3 Amount	4 Description
5 First (April 6-April 30)	\$ 58,016.39	10% fee holdback
6 Second (May 1-May 31)	\$ 146,670.05	10% fee holdback
7 Third (June 1-June 30)	\$ 102,574.64	10% fee holdback
8 Fourth (July 1-July 31)	\$ 98,916.68	10% fee holdback
9 Total Owed to Firm to Date	\$ 406,177.76	

10
11 6. With regard to the copies of this Application served on counsel for the
12 Committee, the Debtor and the Office of the United States Trustee, attached as Exhibit 1
13 hereto is the name of each professional who performed services in connection with this case
14 during the period covered by this Application and the hourly rate for each such professional;
15 and attached as Exhibit 2 are the detailed time and expense statements for the Application
16 Period that comply with all Northern District of California Bankruptcy Local Rules and
17 Compensation Guidelines and the Guidelines of the Office of the United States Trustee.³

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

20 8. Pursuant to this Court's "ORDER ESTABLISHING INTERIM FEE
21 APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered
22 on or about July 26, 2001, the Debtor is authorized to make the payment requested herein
23 without a further hearing or order of this Court, unless an objection to this Application is filed
24 with the Court by the Debtor, the Committee or the United States Trustee and served by the
25 fifteenth day of the month following the service of this Application. If such an objection is
26 filed, Debtor is authorized to pay the amounts, if any, not subject to the objection. The Firm

27
28 ³Submitted in electronic form to the Office of the United States Trustee.

1 is informed and believes that this Cover Sheet Application was mailed by first class mail,
2 postage prepaid, on or about October 1, 2001.

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

9 10. The Firm represents and warrants that its billing practices comply with all
10 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and
11 the Guidelines of the Office of the United States Trustee.⁴ Neither the Firm nor any members
12 of the Firm has any agreement or understanding of any kind or nature to divide, pay over or
13 share any portion of the fees or expenses to be awarded to the Firm with any other person or
14 attorney except as among the members and associates of the Firm.

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

19 DATED: October 1, 2001

20 HOWARD, RICE, NEMEROVSKI, CANADY,
21 FALK & RABKIN
22 A Professional Corporation

23 By: 
24 JAMES L. LOPES

25 Attorneys for Debtor and Debtor in Possession
26 PACIFIC GAS AND ELECTRIC COMPANY

27 ⁴ As the Firm has informed the Office of the United States Trustee and the Committee,
28 the facsimile charges sought by Applicant deviate slightly from the Court's Guidelines. 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.