

50-275/323

1 JON P. SCHOTZ  
2 JONATHAN Y. THOMAS  
3 JONATHAN ROSENTHAL  
4 JEFFREY M. WILSON  
5 SAYBROOK CAPITAL, LLC  
6 401 Wilshire Blvd, Suite 850  
7 Santa Monica, CA 90401  
8 Telephone: 310/899-9200  
9 Facsimile: 310/899-9101

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 SEPTEMBER 1, 2001 THROUGH  
20 SEPTEMBER 30, 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 September 1, 2001 through September 30, 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

A001  
Add: Kids Ogc Mail Center

1 Application Period.

2           2. The Firm billed a total of \$260,388.93 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 after, plus reimbursement of actual out-of-  
8 pocket expenses. The total monthly fees incurred through September 30, 2001 represents 1  
9 month of the monthly engagement during the Application Period. These fees and expenses  
10 break down as follows:

11

12 Period	Fees	Expenses	Total
13 September 1 –	\$250,000.00	\$10,388.93	\$260,388.93
14 September 30, 2001			

15           3. Accordingly, the Firm seeks allowance of interim compensation in the total  
16 amount of \$222,888.93 at this time. This total is comprised as follows:  
17 \$212,500.00 (85% of the fees for services rendered)<sup>1</sup> plus \$10,388.93 (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 <sup>1</sup>Payment of this amount would result in a "holdback" of \$37,500.00

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 July 25, 2001, the Debtor is authorized to make the payment requested herein  
6 without a further hearing or order of this Court unless an objection to this Application is filed  
7 with the Court by the Debtor, the Committee or the United States Trustee and served by the  
8 fifteenth day of the month following the service of this Application. If such an objection is  
9 filed, Debtor is authorized to pay the amounts, if any, not subject to the objection. The Firm  
10 is informed and believes that this Cover Sheet Application was mailed by overnight mail on  
11 or about October 30, 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

7  
8 By: 

9 JONATHAN ROSENTHAL

10 Financial Advisor for the Official Committee of  
11 Unsecured Creditors of PACIFIC GAS AND  
12 ELECTRIC COMPANY  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28