

50-295/1323

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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  
18 PACIFIC GAS AND ELECTRIC  
19 COMPANY, a California corporation,  
20 Debtor.

21 Case No. 01-30923 DM  
22 Chapter 11 Case

23 [NO HEARING REQUESTED]

24 Federal I.D. No. 94-0742640

25 HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN  
26 COVER SHEET APPLICATION  
27 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION  
28 AND REIMBURSEMENT OF EXPENSES FOR OCTOBER, 2001

Howard, Rice, Nemerovski, Canady, Falk & Rabkin (the "Firm") submits its Cover Sheet Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period October 1, 2001 through October 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, the 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

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1 rendered and reimbursement of expenses incurred during the Application Period.

2 2. The Firm billed a total of \$1,103,763.77 in fees and expenses during the  
3 Application Period. The total fees represent 3,599 hours expended during the Application  
4 Period. These fees and expenses break down as follows:

5 Period	6 Fees	7 Expenses	8 Total
9 October, 2001	\$1,028,530.50	\$75,233.27	\$1,103,763.77

10 3. Accordingly, the Firm seeks allowance of interim compensation in the total  
11 amount of \$949,484.20 at this time. This total is comprised as follows: \$874,250.93 (85% of  
12 the fees for services rendered)<sup>1</sup> plus \$75,233.27 (100% of the expenses incurred).

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

14 Application Period	15 Amount Applied For	16 Description	17 Amount Paid
18 April, 2001	\$ 929,737.50	100% of unpaid fees	\$ 522,147.53 <sup>2</sup>
19 May, 2001	\$1,573,804.00	100% of fees and 100% of expenses	\$1,573,804.00
20 June, 2001	\$1,080,764.49	100% of fees and 100% of expenses	\$1,080,764.49
21 July, 2001	\$1,062,170.75	100% of fees and 100% of expenses	\$1,062,170.75 <sup>3</sup>
22 August, 2001	\$ 800,225.88	85% of fees and 100% of expenses	\$ 800,125.88 <sup>4</sup>

23 <sup>1</sup>Payment of this amount would result in a "holdback" of \$154,279.57.

24 <sup>2</sup>The Firm also applied its pre-petition retainer in the amount of \$446,293.02 to April  
25 fees and expenses. The Firm found certain charges that did not comply with the Guidelines,  
26 in the amount of \$21,575.52 were inadvertently included in Applicant's Cover Sheet  
27 Application for April, 2001 as described in its First Interim Application previously filed. The  
28 Firm has credited this amount appropriately.

<sup>3</sup>The Firm found certain charges that did not comply with the Guidelines, in the amount  
of \$24,035.37 were inadvertently included in Applicant's Cover Sheet Application for July,  
2001 as described in its First Interim Application previously filed. The Firm has credited this  
amount appropriately. Additionally, the Firm had written off an additional \$114.00 in fees.

<sup>4</sup>The Firm had written off an additional \$100.00 in fees.

1	September, 2001	\$ 748,143.18	85% of fees and 100% of expenses	\$ 748,143.18
2	Total Paid to the Firm to Date			\$5,787,155.83

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5         5. To date, the Firm is owed as follows (excluding amounts owed pursuant to  
6 this Application):

7	Application Period	Amount	Description
8	Fifth (August 1-August 31)	\$ 122,943.00	15% fee holdback
9	Sixth (Sept. 1 – Sept. 30)	\$ 121,942.88	15% fee holdback
10	Total Owed to Firm to Date	\$ 244,885.88	

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13         6. With regard to the copies of this Application served on counsel for the  
14 Committee, the Debtor and the Office of the United States Trustee, attached as Exhibit 1  
15 hereto is the name of each professional who performed services in connection with this case  
16 during the Application Period and the hourly rate for each such professional; and attached as  
17 Exhibit 2 is an Account Summary. The detailed time and expense statements for the  
18 Application Period that comply with all Northern District of California Bankruptcy Local  
19 Rules and Compensation Guidelines and the Guidelines of the Office of the United States  
20 Trustee have been submitted in electronic form to the Office of the United States Trustee and  
21 mailed to counsel for the Creditor's Committee.

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

24         8. Pursuant to this Court's "ORDER ESTABLISHING INTERIM FEE  
25 APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered  
26 on or about July 26, 2001, and subsequent "AMENDED ORDER ESTABLISHING  
27 INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE"  
28 which was entered on or about November 8, 2001 (the "Amended Order"), the Debtor is

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1 authorized to make the payment requested herein without a further hearing or order of this  
2 Court, unless an objection to this Application is filed with the Court by the Debtor, the  
3 Committee or the United States Trustee and served by the fifteenth day of the month  
4 following the service of this Application. If such an objection is filed, Debtor is authorized to  
5 pay the amounts, if any, not subject to the objection. The Firm is informed and believes that  
6 this Cover Sheet Application was mailed by first class mail, postage prepaid, on or about  
7 November 30, 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 this case, the Firm will  
10 seek fees and reimbursement of the expenses incurred for the totality of the services rendered  
11 in the case. Any interim fees or reimbursement of expenses approved by this Court and  
12 received by the Firm (along with the Firm's retainer) will be credited against such final fees  
13 and expenses as may be allowed by this Court.

14           10. The Firm represents and warrants that its billing practices comply with all  
15 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and  
16 the Guidelines of the Office of the United States Trustee.<sup>5</sup> Neither the Firm nor any members  
17 of the Firm has any agreement or understanding of any kind or nature to divide, pay over or  
18 share any portion of the fees or expenses to be awarded to the Firm with any other person or  
19 attorney except as among the members and associates of the Firm.  
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25           <sup>5</sup>As the Firm has informed the Office of the United States Trustee and the Committee,  
26 the facsimile charges sought by Applicant deviate slightly from the Court's Guidelines. The  
27 Firm intends to provide a full explanation of such deviation and a request for payment of such  
28 charges in its next interim fee application to the Court in this case. Also, the Firm has billed  
travel time at one-half (1/2) our normal hourly rates.

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WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the Firm as requested herein pursuant to and in accordance with the terms of the Amended Order.

DATED: November 30, 2001

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By:   
JAMES L. LOPES

Attorneys for Debtor and Debtor in Possession  
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