

1 Paul S. Aronzon (#88781)
2 Robert Jay Moore (#77498)
3 Michael I. Soroichinsky (#166708)
4 MILBANK, TWEED, HADLEY & McCLOY LLP
5 601 South Figueroa Street, 30th Floor
6 Los Angeles, California 90017
7 Telephone: (213) 892-4000
8 Facsimile: (213) 629-5063

50-275/323

9 Counsel for Official Committee
10 of Unsecured Creditors

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. SF 01-30923 DM

Chapter 11

**MILBANK, TWEED, HADLEY &
McCLOY LLP'S COVER SHEET
APPLICATION FOR ALLOWANCE
AND PAYMENT OF INTERIM
COMPENSATION AND
REIMBURSEMENT OF EXPENSES
FOR SEPTEMBER 2001**

Hearing:

Date: [None Required]
Time: [None Required]
Place: 235 Pine Street, 22nd Floor
San Francisco, CA

24
25 Milbank, Tweed, Hadley & McCloy, LLP (the "Firm") submits its Cover
26 Sheet Application (the "Application") for Allowance and Payment of Interim
27 Compensation and Reimbursement of Expenses for September 2001 (the "Application
28 Period"). In support of the Application, the Firm respectfully represents as follows:

A001 Add: Kids Oge Mail Center

1 1. The Firm is counsel to the Official Committee of Unsecured Creditors in
2 the Pacific Gas and Electric Company (“Debtor”) bankruptcy case. The Firm hereby
3 applies to the Court for allowance and payment of interim compensation for services
4 rendered and reimbursement of expenses incurred during the Application Period.

5 2. The Firm billed a total of \$486,407.35 in fees and expenses during the
6 Application Period. The total fees represent 947.75 hours expended during the
7 Application Period. These fees and expenses break down as follows:

8	9	10	11
Period	Fees	Expenses	Total
12 09/01/01 – 09/30/01	13 \$438,333.75	14 \$48,073.60	15 \$486,407.35

16 3. Accordingly, the Firm seeks allowance of interim compensation in the
17 total amount of \$420,657.29 at this time. This total is comprised as follows:
18 \$372,583.69 (85% of the fees for services rendered)¹ plus \$48,073.60 (100% of the
19 expenses incurred).

20 4. For the post-petition period, the Firm has not been paid \$768,533.74 to
21 date for fees and expenses.

22 5. To date (through 09/30/01) the Firm is owed as follows (including
23 amounts owed pursuant to this Application):
24
25
26

27 _____
28 ¹Payment of this amount would result in a “holdback” of \$65,750.06.

Application Period	Amount	Description
First (April 16 - April 30)	\$39,858.65	10% holdback
Second (May 1 – May 31)	\$76,582.23	10% holdback
Third (June 1 – June 30)	\$52,900.15	10% holdback
Fourth (July 1 – July 31)	\$52,608.58	10% holdback
Fifth (August 1 – August 31)	\$60,176.78	15% holdback
Sixth (September 1 – September 30)	\$486,407.35	September Fees and Costs
Total Owed to Firm to Date	\$768,533.74	

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

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

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

1 mailed by first class mail, postage prepaid, on or about October 31, 2001.

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

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

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

18 DATED: October 31, 2001

19 MILBANK, TWEED, HADLEY & McCLOY
20 LLP

21 By: / S /

22 Paul S. Aronzon
23 Robert Jay Moore
24 Michael I. Sorochinsky

25 Attorneys for the Official Committee of
26 Unsecured Creditors
27
28