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PACIFIC GAS AND ELECTRIC COMPANY

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

12 In re

13 PACIFIC GAS AND ELECTRIC
14 COMPANY, a California corporation,

15 Debtor.

Case No. 01-30923 DM

Chapter 11 Case

[NO HEARING REQUESTED]

16 Federal I.D. No. 94-0742640

17 HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN
18 COVER SHEET APPLICATION
19 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR JUNE, 2002

20 Howard, Rice, Nemerovski, Canady, Falk & Rabkin (the "Firm") submits its
21 Cover Sheet Application (the "Application") for Allowance and Payment of Interim
22 Compensation and Reimbursement of Expenses for the Period June 1, 2002 through June
23 30, 2002 (the "Application Period"). In support of the Application, the Firm respectfully
24 represents as follows:

25 1. The Firm is counsel to Pacific Gas and Electric Company, the debtor and
26 debtor-in-possession in the above-referenced bankruptcy case (the "Debtor"). The Firm
27 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 \$1,413,722.69 in fees and expenses during the
3 Application Period. The total fees represent 4,978 hours expended during the Application
4 Period. These fees and expenses break down as follows:

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Period	Fees	Expenses	Total
June, 2002	\$1,359,736.00	\$53,986.69	\$1,413,722.69

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9 3. Accordingly, the Firm seeks allowance of interim compensation in the total
10 amount of \$1,209,762.29 at this time. This total is comprised as follows: \$1,155,775.60
11 (85% of the fees for services rendered)¹ plus \$53,986.69 (100% of the expenses incurred).

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

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Application Period	Amount Applied For	Description	Amount Paid
April, 2001	\$ 929,737.50	100% of unpaid fees	\$ 522,147.53
May, 2001	\$1,573,804.00	100% of fees and 100% of expenses	\$1,573,804.00
June, 2001	\$1,080,764.49	100% of fees and 100% of expenses	\$1,080,764.49
July, 2001	\$1,062,170.75	100% of fees and 100% of expenses	\$1,062,170.75 ²
August, 2001	\$ 923,168.88	100% of fees and 100% of expenses	\$ 923,068.88 ³
September, 2001	\$ 870,086.06	100% of fees and 100% of expenses	\$ 870,086.06
October, 2001	\$1,103,763.77	100% of fees and 100% of expenses	\$1,103,763.77

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24 ¹Payment of this amount would result in a "holdback" of \$203,960.40.

25 ²The Firm found certain charges that did not comply with the Guidelines, in the
26 amount of \$24,035.37, were inadvertently included in Applicant's Cover Sheet Application
27 for July, 2001, as described in its First Interim Application previously filed. The Firm has
28 credited this amount appropriately. Additionally, the Firm had written off an additional
\$114.00 in fees.

³The Firm had written off an additional \$100.00 in fees.

Application Period	Amount Applied For	Description	Amount Paid
November, 2001	\$1,024,609.67	100% of fees and 100% of expenses	\$1,024,609.67
December, 2001	\$ 755,804.67	85% of fees and 100% of expenses	\$ 755,804.67
January, 2002	\$1,024,662.22	85% of fees and 100% of expenses	\$1,024,662.22
February, 2002	\$ 866,570.83	85% of fees and 100% of expenses	\$ 866,570.83
March, 2002	\$1,011,472.23	85% of fees and 100% of expenses	\$1,011,472.23
April, 2002	\$1,112,336.09	85% of fees and 100% of expenses	\$1,112,336.09
May, 2002	\$1,192,342.56	85% of fees and 100% of expenses	\$1,192,342.56
Total Paid to the Firm to Date			\$14,123,603.75

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

Application Period	Amount	Description
Dec. 1 – Dec. 31, 2001	\$123,384.07	15% fee holdback
Jan. 1 – Jan. 31, 2002	\$165,046.35	15% fee holdback
Feb. 1 – Feb. 28, 2002	\$144,870.43	15% fee holdback
Mar. 1 – Mar. 31, 2002	\$162,003.00	15% fee holdback
April 1 – April 30, 2002	\$184,093.95	15% fee holdback
May 1 – May 31, 2002	\$197,834.40	15% fee holdback
Total Owed to Firm to Date	\$977,232.20	

6. With regard to the copies of this Application served on counsel for the Official Committee of Unsecured Creditors (the "Committee"), the Debtor and the Office of the United States Trustee, which copies were served by hand delivery or overnight mail,

1 attached as Exhibit 1 hereto is the name of each professional who performed services in
2 connection with this case during the Application Period and the hourly rate for each such
3 professional; and attached as Exhibit 2 is an Account Summary. The detailed time and
4 expense statements for the Application Period that comply with all Northern District of
5 California Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the
6 Office of the United States Trustee have been submitted in electronic form to the Office of
7 the United States Trustee and mailed to counsel for the Committee and to the Debtor.

8 7. The Firm is serving a copy of this Application (without Exhibits) on the
9 Special Notice List in this case. The Firm is informed and believes that this Cover Sheet
10 Application was mailed by first class mail, postage prepaid, on or about July 30, 2002.

11 8. Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING
12 INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE
13 (Revised March, 2002)" (the "Amended Order"), the Debtor is authorized to make the
14 payment requested herein without a further hearing or order of this Court, unless an
15 objection to this Application is filed with the Court by the Debtor, the Committee or the
16 United States Trustee and served by the fifteenth day of the month following the service of
17 this Application. If such an objection is filed, Debtor is authorized to pay the amounts, if
18 any, not subject to the objection

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

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

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

8 DATED: July 30, 2002

9 HOWARD, RICE, NEMEROVSKI, CANADY,
10 FALK & RABKIN
A Professional Corporation

11 By: 
12 JAMES L. LOPES

13 Attorneys for Debtor and Debtor in Possession
14 PACIFIC GAS AND ELECTRIC COMPANY
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26 ⁴As the Firm has informed the Office of the United States Trustee and the Committee,
27 the facsimile charges sought by Applicant deviate slightly from the Court's Guidelines. The
28 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.