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4 Independent Auditor, Accountant,  
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6 Debtor and Debtor in Possession  
7 Pacific Gas and Electric Company

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

No. 01-30923 DM  
Chapter 11 Case

**AMENDMENT TO DELOITTE & TOUCHE  
LLP'S COVER SHEET APPLICATION  
FOR ALLOWANCE AND PAYMENT OF  
INTERIM COMPENSATION (FOR  
SERVICES RENDERED FROM JUNE 1,  
2002, TO JUNE 30, 2002)**

[No Hearing Scheduled]

18  
19 Deloitte & Touche LLP (the "Firm") hereby amends its Cover Sheet Application for  
20 Allowance and Payment of Interim Compensation ("Application") for services provided during  
21 the period from June 1, 2002, to June 30, 2002 ("Application Period"). The purpose of this  
22 amendment is to reduce the fees requested by the Application by \$20,311, so that the total  
23 amount requested is changed to \$115,006 (from \$135,317) and the total payment requested at  
24 this time (85 % of the total fee request) is changed to \$97,755.10 (from \$115,019.45).

25 The Firm is reducing its fee request because Debtor Pacific Gas and Electric Company  
26 ("Debtor") has advised the Firm that fees related to the audits of the Nuclear Facilities Non-

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1 Qualified CPUC Decommissioning Master Trust, Nuclear Facilities Qualified CPUC  
2 Decommissioning Master Trust, and Nuclear Facilities Qualified FERC Decommissioning  
3 Master Trusts (“Trusts”) will not be paid from Debtor’s estate but will instead be paid by the  
4 Trusts themselves, which (according to Debtor) are separate legal entities. Accordingly, since  
5 Debtor has represented that this \$20,311 will be paid from a source other than Debtor’s estate,  
6 Deloitte is reducing its fee request by a corresponding amount.

7 To reflect this change, the Application is revised as follows:

8 **1. Paragraph 2 (page 2, lines 5 – 10) is modified to read:**

9 “2. The Firm billed \$115,106 in hourly fees (“Hourly Fees”), representing 394.4 hours  
10 expended, during the Application Period.<sup>1</sup> These Hourly Fees are shown as follows:

11

12 Period	Hourly Fees	Total
13 6/1/02 to 6/30/02	\$115,106	\$115,106 <sup>2</sup>

14 The Firm is not seeking any expense reimbursement for the Application Period.”

15 **2. Paragraph 3 (page 2, lines 11 – 12) is modified to read:**

16 “3. The Firm seeks payment of a total of \$97,755.10 at this time. This is 85 % of the  
17 Hourly Fees for services rendered from June 1, 2002, through June 30, 2002.”<sup>3</sup>

18 3. In addition, the “Nuclear Decommissioning Trust” timesheets included in the  
19 attachments to the Application should be ignored. These timesheets (showing services for which  
20 the Firm is no longer seeking fees from the estate) include 51.8 hours (\$13,986 in fees) logged by

21  
22 <sup>1</sup> During the Application Period, the Firm also provided services in connection with its audit of  
23 Debtor’s consolidated financial statements and review of interim financial information for the 2002 fiscal  
24 year (“Base Fee Audit”). (The July 10, 2001, order approving the Firm’s employment authorized Debtor  
25 to pay a “base fee” to Deloitte upon receipt of monthly invoices from the Firm for Base Fee Audit  
26 services.) No amounts have yet been billed or received for Base Fee Audit services for fiscal year 2002.

<sup>2</sup> In addition to fees for auditing financial statements being prepared for four entities that would  
succeed to Debtor’s business assets upon confirmation of Debtor’s proposed reorganization plan, the  
amount requested includes \$7,227 for time expended in preparing fee applications.

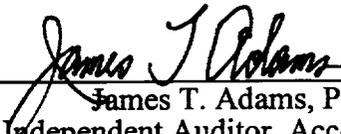
<sup>3</sup> Payment of this amount would result in a “holdback” of \$17,250.90.

1 Jeff Wilhelm, 3.5 hours (\$1,120 in fees) logged by Eric Techel, 28.0 hours (\$4,620 in fees)  
2 logged by Bill Robinson, and 1.5 hours (\$585 in fees) logged by Frank Balestreri. A corrected  
3 fee summary (Exhibit 2 to the Application) is attached.

4 In all other respects, the Application is unchanged.

5 Dated: August 5, 2002

DELOITTE & TOUCHE LLP

6  
7 By   
8 James T. Adams, Partner  
9 Independent Auditor, Accountant, Tax  
10 Advisor and Consultant to Debtor Pacific  
11 Gas and Electric Company  
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1 PROOF OF SERVICE

2 I am over the age of 18, and I am employed at the offices of Deloitte & Touche LLP,  
3 located at 50 Fremont Street, San Francisco, California.

4 On August 5, 2002, I served the foregoing **AMENDMENT TO DELOITTE &**  
5 **TOUCHE LLP'S COVER SHEET APPLICATION FOR ALLOWANCE AND**  
6 **PAYMENT OF INTERIM COMPENSATION (FOR SERVICES RENDERED FROM**  
7 **JUNE 1, 2002, TO JUNE 30, 2002)** by (1) depositing true and correct copies thereof in the  
United States Mail at San Francisco, California, in sealed envelopes with first class postage  
thereon fully prepaid, addressed to each party shown on the attached list and (2) by sending true  
and correct copies via United Parcel Service, for overnight delivery, with charges fully prepaid,  
to each of the following three addressees:

8 James L. Lopes  
9 Howard, Rice, Nemerovski, Canady, Falk & Rabkin  
10 Three Embarcadero Center, 7<sup>th</sup> Floor  
San Francisco, CA 94111  
[Counsel for Pacific Gas and Electric Company]

Stephen Johnson  
Office of the U.S. Trustee  
250 Montgomery Street, Suite 1000  
San Francisco, CA 94104-3401  
[United States Trustee]

11 Robert J. Moore  
12 Paul S. Aronzon  
13 Milbank, Tweed, Hadley & McCloy LLP  
601 South Figueroa Street  
Los Angeles, CA 90017  
14 [Counsel for Official Committee of Unsecured Creditors]

15 I declare under penalty of perjury under the laws of the State of California and the United  
States of America that the foregoing is true and correct.

16 Dated: August 5, 2002.

17  
18 \_\_\_\_\_  
Lydia Lee

**DELOITTE & TOUCHE LLP  
SUMMARY OF FEES  
EXHIBIT 2**

	<u>Hours</u>	<u>Rate</u>	<u>Total</u>		<u>85% Subsequent to 7/31/2001</u>	<u>Holdback on 85%</u>
Greg Seelagy	1.1	525	577.50	85%	490.88	
Mark Edmunds	4.1	600	2,460.00	85%	2,091.00	
David Haines	1.0	420	420.00	85%	357.00	
David Kral	46.5	450	20,925.00	85%	17,786.25	
Frank Balestreri	1.5	390	585.00	85%	497.25	
Eric Techel	103.2	320	33,024.00	85%	28,070.40	
David Coffman	40.0	220	8,800.00	85%	7,480.00	
Robert Heller Jr.	3.5	270	945.00	85%	803.25	
Miriam Chiappetta	116.4	260	30,264.00	85%	25,724.40	
Jeff Wilhelm	40.8	270	11,016.00	85%	9,363.60	
Bill Robinson	36.3	165	5,989.50	85%	5,091.08	
<b>Total hours and fees</b>	<u>394.4</u>	<u>\$</u>	<u>115,006.00</u>		<u>\$ 97,755.10</u>	<u>\$ 97,755.10</u>
<b>Holdback</b>					<u>\$ 17,250.90</u>	<u>\$ 17,250.90</u>