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4 A Professional Corporation
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Special Counsel to Debtor and Debtor in Possession,
PACIFIC GAS AND ELECTRIC COMPANY

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In Re:

PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,

Debtor and Debtor in Possession.

Federal I.D. No. 94-0742640

Case No. 01-30923 DM

Chapter 11 Case

[No Hearing Scheduled]

STEEFEL, LEVITT & WEISS'S COVER SHEET APPLICATION
FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD JULY 1-31, 2002

Steefel, Levitt & Weiss (the "Firm") respectfully submits its Cover Sheet Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period July 1-31, 2002 (the "Application Period"). In support of the Application, the Firm respectfully represents as follows:

1. The Firm is Special Counsel to 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 rendered and reimbursement of expenses incurred during the Application Period.

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2. The Firm billed a total of \$95,176.77 in fees and expenses during the Application Period. The Total fees represent 318.44 hours expended during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
July 1-31, 2002	\$90,630.71	\$4,546.06	\$95,176.77

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of \$81,582.16 at this time. This total is comprised as follows: \$77,036.10 (85% of the fees for services rendered)¹ plus \$4,546.06 (100% of the expenses incurred).

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

Application Period	Amount Applied For	Description	Amount Paid
April 1-30, 2002	\$62,788.61	85% of fees and 100% of Expenses	\$62,788.61
May 1-31, 2002	\$51,359.66	85% of fees and 100% of Expenses	\$51,359.66
June 1-30, 2002	\$61,059.67	85% of fees and 100% of Expenses	\$0
July 1-31, 2002	\$81,582.16	85% of fees and 100% of Expenses	\$0
TOTAL	\$256,790.10		\$114,148.27

5. Based on its Cover Sheet Applications filed in this proceeding, to date, the Firm is owed the following funds held back (excluding amounts owed pursuant to this Application):

Application Period	Amount	Description
10th (Apr. 1-30, 2002)	\$10,691.41	15% fee holdback and/or portion of fees objected to.
11th (May 1-31, 2002)	\$8,638.63	15% fee holdback and/or portion of fees objected to.
12th (June 1-30, 2002)	\$10,429.93	15% fee holdback and/or portion of fees objected to.
13th (July 1-31, 2002)	13,594.61.	15% fee holdback and/or portion of fees objected to.
TOTAL OWED	\$43,354.58	

¹ Payment of this amount would result in a "holdback" of \$13,594.61.

6. With regard to the copies of this Application served on counsel for the Committee, 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, the hourly rate for each such professional, and 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 Exhibit 1) on the Special Notice List in this case.

8. Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered on or about February 25, 2002, 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, the Committee 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 mailed by first class mail, postage prepaid, on or about August 21, 2002.

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

10. The Firm represents and warrants that its billing practices comply with all Northern District of California Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the Office of the United States Trustee. Neither the Firm nor any members of the Firm has any agreement or understanding of any kind or nature to divide, pay over or share any

1 portion of the fees or expenses to be awarded to the Firm with any other person or attorney except
2 as among the members and associates of the Firm.

3 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to
4 the Firm as requested herein pursuant to and in accordance with the terms of the "SECOND
5 AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE
6 REIMBURSEMENT PROCEDURE."

7 Date: August 21, 2002

8 STEEFEL, LEVITT & WEISS
A Professional Corporation

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10 By: 

Mark Fogelman

11 Attorneys for Special Counsel to Debtor and
12 Debtor in Possession, PACIFIC GAS AND
13 ELECTRIC COMPANY
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PROOF OF SERVICE

I, Anne Ogonowski, declare as follows:

I am employed in the City and County of San Francisco, California, over the age of eighteen years, and not a party to the within cause. My business address is STEEFEL, LEVITT & WEISS, One Embarcadero Center, 30th Floor, San Francisco, California 94111. On August 21, 2002, I served the within:

**STEEFEL, LEVITT & WEISS'S COVER SHEET APPLICATION FOR ALLOWANCE
AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF
EXPENSES FOR THE PERIOD JULY 1-30, 2002**

on the interested parties in this action by placing a true copy thereof, along with the appropriate Exhibits, in a sealed envelope, addressed as follows:

James L. Lopes, Esq.
Jeffrey L. Schaffer, Esq.
Janet A. Nexon, Esq.
William J. Lafferty, Esq.
Howard, Rice, Nemerovski, Canady,
Falk & Rabkin, a P.C.
Three Embarcadero Center, 7th Floor
San Francisco, CA 94111-4065

Paul S. Aronzon, Esq.
Robert Jay Moore, Esq.
Milbank, Tweed, Hadley & McCloy LLP
601 S. Figueroa Street, 30th Floor
Los Angeles, CA 90017

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

BY OVERNIGHT MAIL: By placing such envelope, for collection and mailing at Steefel, Levitt & Weiss, San Francisco, California following ordinary business practice. I am readily familiar with the practice of Steefel, Levitt & Weiss for collection and processing of overnight service mailings, said practice being that in the ordinary course of business, correspondence is deposited with the overnight messenger service Federal Express for delivery as addressed.

and by serving all parties on the Special Notice List (as of July 8, 2002), by placing a true copy of the Cover Sheet Application, without Exhibit 1, in a sealed envelope, addressed to all parties on said Special Notice List, found at:

[http://www.canb.uscourts.gov/canb/Documents.nsf/4fa6cc9d77741519882569e50004dce6/2cb9cc414857666088256a37005a57da/\\$FILE/_0a13ichaja176ut2cedq0_.pdf](http://www.canb.uscourts.gov/canb/Documents.nsf/4fa6cc9d77741519882569e50004dce6/2cb9cc414857666088256a37005a57da/$FILE/_0a13ichaja176ut2cedq0_.pdf)

A copy of the Special Notice List is attached to the Original Cover Sheet Application.

BY MAIL: By placing such envelope, with postage thereon fully prepaid for first class mail, for collection and mailing at Steefel, Levitt & Weiss, San Francisco, California following ordinary business practice. I am readily familiar with the practice of Steefel, Levitt & Weiss for collection and processing of correspondence, said practice being that in the ordinary course of business, correspondence is deposited in the United States Postal Service the same day as it is placed for collection.

1 I declare that I am employed in the office of a member of the bar of this court at whose
2 direction the service was made.

3 Executed on August 21, 2002, at San Francisco, California.

4 Anne Ogonowski
5 Anne Ogonowski
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