Lexecon Inc.
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Consultant for the Debtor

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

In re:	)	Case No. 01-30923 DM
	)	
PACIFIC GAS AND ELECTRIC COMPANY, a California Corporation	)	Chapter 11 Case
	)	
Debtor	)	
	)	
Federal I.D. No. 94-0742640	)	

LEXECON INC.'S COVER SHEET APPLICATION
FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR THE PERIOD
JUNE 1, 2002 – JUNE 30, 2002

Lexecon Inc. (the "Firm") submits its Cover Sheet Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period June 1, 2002, through June 30, 2002 (the "Application Period"). In support of the Application, the Firm respectfully represents as follows:

1. The firm is consultant to Pacific Gas & Electric Company, 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 incurred during the Application Period.

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2. The Firm billed a total of $338.04 for fees and expenses during the Application Period. The Firm was engaged by the Debtor pursuant to an executed retention agreement dated October 24, 2001 ("Retention Agreement"). Under the Retention Agreement, the Firm bills Debtor each month based on standard hourly rates plus actual out-of-pocket expenses. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
6/1/02 – 6/30/02	$292.50	$45.54	$338.04
Less 15% of Fees:	$248.63	$45.54	$294.17

3. Accordingly, the Firm seeks allowances of interim compensation in the total amount of $294.17 at this time.

4. With regard to the copies of the 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 Lexecon's Schedule of Fees showing the name and hourly billing rate of each professional who performed services in connection with this case during the period covered by this Application, attached as Exhibit 2 are detailed bills and expense statements summarizing the services rendered during the Application Period that comply with all Northern District of California Bankruptcy Local Rules for Compensation Guidelines and the Guidelines of the Office of the United States Trustee.

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

6. 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, 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 amount, 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 July 30, 2002.

7. 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 will be credited against such final fees and expenses as may be allowed by this court.

8. 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 portion of the fees or expenses to be awarded to the Firm with any other person except as among employees of the Firm.

WHERFORE, 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 "ORDER ESTABLINSHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE."

Dated: July 29, 2002

Lexecon Inc.

By: _____
Susan F. Tierney
Consultant to Pacific Gas and Electric Company