

1 COOLEY GODWARD LLP  
STEPHEN C. NEAL (170085)  
2 MARTIN S. SCHENKER (109828)  
J. MICHAEL KELLY (133657)  
3 One Maritime Plaza, 20th Floor  
San Francisco, CA 94111-3580  
4 Telephone: (415) 693-2000  
Facsimile: (415) 951-3699

5 Special Counsel for Debtor  
6 PACIFIC GAS and ELECTRIC COMPANY

7  
8 UNITED STATES BANKRUPTCY COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 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

Chapter 11  
Case No 01-30923 DM

16 **FOURTH SUPPLEMENTAL EMPLOYMENT  
DECLARATION OF MARTIN S. SCHENKER  
REGARDING COOLEY GODWARD LLP'S  
EMPLOYMENT AS SPECIAL COUNSEL TO THE  
DEBTOR AND DEBTOR-IN-POSSESSION**

17 No Hearing Requested

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20  
21 I, Martin S. Schenker, declare:

22 1. I am an attorney at law, duly qualified and admitted to practice before this Court. I  
23 am a partner of Cooley Godward LLP ("Cooley"). I have personal knowledge of the facts stated  
24 herein and if called as a witness I could and would testify competently thereto

25 **BACKGROUND**

26 2. Pacific Gas and Electric Company, the debtor and debtor-in-possession herein  
27 ("Debtor"), originally retained Cooley as special counsel pursuant to that certain Order entered on  
28 May 8, 2001 ("Original Order"), approving that certain Application For Authority To Employ

COOLEY GODWARD LLP  
ATTORNEYS AT LAW  
SAN FRANCISCO

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1.  
FOURTH SUPPL. DECL. OF MARTIN S. SCHENKER  
RE: EMPLOYMENT OF COOLEY GODWARD LLP  
CASE NO 01-30923 DM

50-295/323  
1 Cooley Godward LLP As Special Counsel to Debtor and Debtor-In-Possession ("Original  
2 Application"), filed herein on April 26, 2001. The Original Application was supported by my  
3 declaration filed on that same date. Pursuant to that certain Debtor's Supplemental Application  
4 For Amended Order Authorizing Expanded Employment Of Cooley Godward LLP ("First  
5 Supplemental Application") filed on August 31, 2001, the declaration of my fellow Cooley partner  
6 Samuel M. Livermore in support of the First Supplemental Application filed on that same date,  
7 and that certain Amended Order Authorizing Employment Of Cooley Godward LLP As Special  
8 Counsel To Debtor And Debtor-In-Possession filed on September 13, 2001 ("First Amended  
9 Order"), Cooley was, among other things, additionally authorized to be employed by Debtor  
10 pursuant to Section 327(e) and, to the extent applicable, Section 327(a) of the Bankruptcy Code, to  
11 perform the additional services described in therein.<sup>1</sup> Pursuant to that certain Debtor's Second  
12 Supplemental Application For Amended Order Authorizing Expanded Employment Of Cooley  
13 Godward LLP filed on March 15, 2002, my second supplemental declaration filed on that same  
14 date, and that certain Second Amended Order Authorizing Employment of Cooley Godward LLP  
15 As Counsel To Debtor And Debtor-In-Possession filed on March 25, 2002 ("Second Amended  
16 Order"), Cooley was, among other things, authorized to be employed by Debtor pursuant to  
17 Section 327(e) and/or Section 327(a), as applicable, to perform the additional services as described  
18 therein. Finally, on May 20, 2002, we filed that certain Third Supplemental Declaration of Martin  
19 S. Schenker Regarding Cooley Godward LLP's Employment As Special Counsel To The Debtor  
20 And Debtor-In-Possession, in which we made certain additional disclosures that came to our  
21 attention pursuant to certain supplemental investigations.

22 3. This declaration supplements our prior declarations in support of our employment  
23 herein. Pursuant to Bankruptcy Rule 2014, I make this declaration to disclose to the Court, the  
24 United States Trustee, and other interested parties an additional connection with the Debtor which

25  
26 <sup>1</sup> Also, we filed that certain Supplemental Declaration of Martin S. Schenker Regarding Cooley  
27 Godward LLP's Employment As Special Counsel To The Debtor And Debtor-In-Possession on  
28 August 22, 2001, detailing certain services Debtor had requested Cooley provide which Debtor  
and we believed were covered by the Original Order, and the Court made a finding to this effect in  
the First Amended Order.

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2.  
FOURTH SUPPL. DECL. OF MARTIN S. SCHENKER  
RE: EMPLOYMENT OF COOLEY GODWARD LLP  
CASE NO. 01-30923 DM

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1 recently came to our attention pursuant to our supplemental investigation of parties in interest who  
2 have filed objections to the Debtor's proposed plan of reorganization (the "Plan Objecting  
3 Parties"). Part of Cooley's approved expanded employment by the Debtor pursuant to the Second  
4 Amended Order involves assisting with litigation in connection with the Debtor's plan of  
5 reorganization and/or opposition to other proposed plans. Accordingly, Cooley is now assisting  
6 the Debtor on matters which may be adverse to positions held by the Plan Objecting Parties. The  
7 following disclosure relates to a Plan Objecting Party as to which we have a connection that has  
8 not previously been disclosed.

9 **ADDITIONAL DISCLOSURE**

10 4. U.S. Bank, N.A., as successor by merger to U.S. Bank Trust, N.A. (collectively,  
11 "U.S. Bank") is a Plan Objecting Party, having filed limited objections to both the Debtor's plan  
12 and the opposing plan, and is also a current client of Cooley in matters unrelated to the Debtor or  
13 these proceedings. U.S. Bank was not on any prior list of interested parties investigated by  
14 Cooley, and therefore we only recently determined this connection in connection with our  
15 supplemental investigation as to the Plan Objecting Parties. However, while U.S. Bank is a Plan  
16 Objecting Party and Cooley is performing services on behalf of the Debtor in connection with the  
17 Debtor's plan and the opposing plan, we are not and will not be involved in any aspect of either  
18 plan specifically relating to the objection by U.S. Bank. Moreover, while we intend to continue to  
19 represent U.S. Bank in unrelated matters, we have not and will not during the pendency of our  
20 employment herein represent U.S. Bank in any matter relating to the Debtor or these bankruptcy  
21 proceedings.

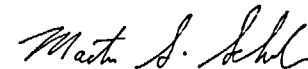
22 5. We do not believe that this connection precludes Cooley's authorized employment  
23 by the Debtor under either Section 327(e) or 327(a) of the Bankruptcy Code, and I believe that  
24 Cooley still satisfies any applicable Bankruptcy Code requirements for such employment.  
25 However, if the Court, the representative of the United States Trustee, or other interested parties  
26 have any concerns about this additional disclosure, we invite any comments or requests for  
27 hearing, and we will set a hearing on this matter as soon as practicable if so requested

28 ///

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

3 Executed at San Francisco, California on August 30, 2002.

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Martin S. Schenker

1 COOLEY GODWARD LLP  
2 J. MICHAEL KELLY (133657)  
3 ROBERT L. EISENBACH (124896)  
4 GREGG S. KLEINER (141311)  
5 One Maritime Plaza, 20th Floor  
6 San Francisco, CA 94111-3580  
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Special Counsel to Debtor  
PACIFIC GAS AND ELECTRIC COMPANY

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re Chapter 11

PACIFIC GAS AND ELECTRIC  
COMPANY, a California corporation,

Debtor.

Federal ID No. 94-0742640

Case No. 01-30923 DM

COOLEY GODWARD LLP'S FOURTEENTH  
COVER SHEET APPLICATION FOR ALLOWANCE  
AND PAYMENT OF INTERIM COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR THE  
PERIOD JULY 1, 2002 - JULY 31, 2002

[No Hearing Scheduled]

Cooley Godward LLP (the "Firm") submits this Fourteenth Cover Sheet Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period July 1, 2002 - July 31, 2002 (the "Application Period").

This Application is made pursuant to the Order Establishing Interim Fee Application and Expense Reimbursement Procedure that was entered on or about June 26, 2002, as amended November 8, 2002, and amended again as of March 18, 2002 ("Interim Fee Order"). Paragraph 4 of the Interim Fee Order contemplates that Pacific Gas and Electric Company (the "Debtor") shall pay a portion of its professionals undisputed fees and all costs after the fifteenth day of the month following the filing and service of the Application ("Interim Compensation")

In support of this Application, the Firm respectfully represents as follows:

1. The Firm is Special Counsel to the Debtor. The Firm hereby applies to the Court for allowance and payment of interim compensation for services rendered and reimbursement of

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COOLEY GODWARD LLP'S NOTICE  
OF 14<sup>TH</sup> COVER SHEET APPLICATION  
CASE No. 01-30923 DM

1.

1 expenses incurred during the Application Period.

2 2. The Firm billed a total of \$443,750 67 in fees and expenses during the Application  
3 Period. The total fees represent approximately 1,406 80 hours expended during the period covered  
4 by this Application. These fees and expenses break down as follows:

PERIOD	FEES	EXPENSES	TOTAL
July 1 to July 31, 2002	\$431,534 00	\$12,216 67	\$443,750 67

3. Accordingly, the Firm seeks allowance of interim compensation in the amount of a total of \$379,020.57 at this time. This total is comprised as follows: \$366,803.90 (85%) of the fees for services rendered<sup>1</sup> plus \$12,216 67 (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
04/06/01 - 07/31/01 (1 <sup>st</sup> post-petition interim fee application period)	\$305,205 04	100% of fees and expenses	\$305,205 04 <sup>2</sup>
08/01/01 - 11/30/01 (2 <sup>nd</sup> post-petition interim fee application period)	\$981,483 45	100 % of fees and expenses	\$981,483 45
12/01/01 - 03/31/02 (3 <sup>rd</sup> post-petition interim fee application period)	\$781,865.23	100 % of fees and expenses	\$781,865 23
04/01/02 - 04/30/02 (April Cover Sheet Application Period)	\$217,262 61	85% of fees and 100% of expenses	\$217,262 61
05/01/02 - 05/31/02 (May Cover Sheet Application Period)	\$211,299 87	85% of fees and 100% of expenses	\$211,299 87
06/01/02 - 06/30/02 (June Cover Sheet Application Period)	\$155,768 15	85% of fees and 100% of expenses	\$155,768.15
<b>TOTAL:</b>	<b>\$2,652,884.35</b>		<b>\$2,652,884.35</b>

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

APPLICATION PERIOD	AMOUNT	DESCRIPTION
04/06/01 - 07/31/01 (1 <sup>st</sup> post-petition interim fee application period)	\$ - 0 -	
08/01/01 - 11/30/01 (2 <sup>nd</sup> post-petition interim fee application period)	\$ - 0 -	
12/01/01 - 03/31/02 (3 <sup>rd</sup> post-petition interim fee application period)	\$ - 0 -	
04/01/02 - 04/30/02 (April Cover Sheet Application Period)	\$36,133 42	15% of fee holdback
05/01/02 - 05/31/02 (May Cover Sheet Application Period)	\$33,697.12	15% of fee holdback

<sup>1</sup> Payment of this amount would result in a "holdback" of \$64,730 10  
<sup>2</sup> All except \$29,434.90 was paid from the Firm's prepetition retainer.

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COOLEY GODWARD LLP'S NOTICE  
OF 14<sup>TH</sup> COVER SHEET APPLICATION  
CASE No. 01-30923 DM

2.

06/01/02 - 06/30/02 (June Cover Sheet Application Period)	\$26,654.85	15% of fee holdback
<b>TOTAL:</b>	<b>\$96,485.39</b>	

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 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 Interim Fee Order 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 Application was mailed by first class mail, postage prepaid, on or about August 30, 2002.

9. The interim compensation and reimbursement of expenses sought in this Application is on account and is not final. Upon the conclusion of these cases, 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

1 agreement or understanding of any kind or nature to divide, pay over or share any portion of the  
2 fees or expenses to be awarded to the Firm with any other person or attorney except as among the  
3 members and associates of the Firm.

4 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the Firm  
5 as required herein pursuant to and in accordance with the terms of the Interim Fee Order.

6 Dated, August 30, 2002

COOLEY GODWARD LLP

By: 

J. Michael Kelly

Special Counsel to Debtor  
PACIFIC GAS AND ELECTRIC COMPANY

1 PROOF OF SERVICE

2 I, Kris Tsao Cachia, hereby declare:

3 I am employed in the City of San Francisco, County of San Francisco, California in the  
4 office of a member of the bar of this court at whose direction the following service was made. I  
5 am over the age of eighteen years and not a party to the within action. My business address is  
6 Cooley Godward LLP, One Maritime Plaza, 20th Floor, San Francisco, California 94111-3580.

7 On August 31, 2002, I served the foregoing document(s) described as:

8 Cooley Godward LLP's Fourteenth Cover Sheet Application for Allowance and  
9 Payment of Interim Compensation and Reimbursement of Expenses for the Period  
10 July 1, 2002 - July 31, 2002  
(Served with exhibits, except to the Court, which has explicitly requested no exhibits)

11 on the interested parties in this action by placing a true copies thereof, on the above date, enclosed  
12 in sealed envelopes for service and prepared for processing in the manner indicated below,  
13 addressed as follows or as stated on the attached service list:

14 Via Messenger to:

15 Debtor  
16 Harriet Fotis  
17 Pacific Gas & Electric Company  
18 77 Beale Street  
19 Mail Code B30A  
20 Room 3193  
21 San Francisco, CA 94105

14 Via Federal Express to:

15 Counsel to the  
16 Unsecured Creditors Committee  
17 Robert Jay Moore  
18 Paul S. Aronzon  
19 Milbank, Tweed, Hadley & McCloy LLP  
20 601 South Figueroa Street  
21 Los Angeles, California 90017

19 Debtor's Counsel

20 Janet A. Nexon  
21 James L. Lopes  
22 Jeffrey L. Schaeffer  
23 Howard, Rice, Nemerovski, Canady, Falk & Rabkin  
24 Three Embarcadero Center, 7th Floor  
25 San Francisco, CA 94111

19 Counsel to the Unsecured Creditors Committee

20 Daniel M. Pelliccioni  
21 Julia W. Brand  
22 Katten Muchin Zavis  
23 1999 Avenue of the Stars, Suite 1400  
24 Los Angeles, California 90067

23 U.S. Trustee

24 Office of the U.S. Trustee  
25 Attn: Stephen Johnson  
26 250 Montgomery Street, Suite 1000  
27 San Francisco, CA 94104-3401

23 Counsel to the Unsecured Creditors Committee

24 John Robert Weiss  
25 Katten Muchin Zavis  
26 525 West Monroe Street, Suite 1600  
27 Chicago, IL 60661

27 XX (BY FEDERAL EXPRESS) I am personally and readily familiar with the business  
28 practice of Cooley Godward LLP for collection and processing of notices and other papers to be  
sent by overnight delivery service. Pursuant to that business practice, envelopes and packages are  
placed for collection at designated stations and in the ordinary course of business are that same day

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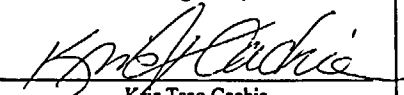
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CASE NO. 01-30923-DM

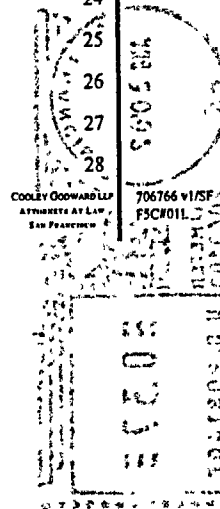
1 deposited in a box or other facility regularly maintained by such express service carrier or  
2 delivered to an authorized courier or driver authorized by such express service carrier to receive  
3 documents, in an envelope or package designated by such express service carrier, with delivery  
4 fees paid or provided for.

5 XX (BY MESSENGER SERVICE) I am readily familiar with my office's practice for  
6 collection and processing of correspondence for hand delivery by messenger service.  
7 Correspondence so collected and processed is picked up that same day by a messenger service  
8 known by this office based on past experience to be reliable, with instructions to be delivered by  
9 hand that same day to the offices of the addressee(s) listed above or on the attached service list.

10 \* \* \* \* \*

11 I declare under penalty of perjury under the laws of the State of California that the  
12 foregoing is true and correct, and that this declaration was executed on August 31, 2002 at San  
13 Francisco, California

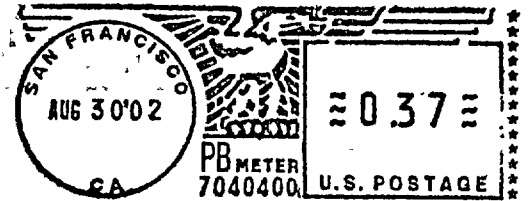
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Kris Tsao Cachia



PROOF OF SERVICE  
CASE NO. 01-30923-DM

**Cooley Godward LLP**

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San Francisco, CA 94111-3580



U S Nuclear Regulatory Commission  
Attn. Document Control Desk  
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