Paul S. Aronzon (#88781)
Robert Jay Moore (#77498)
Michael I. Sorochinsky (#166708)
MILBANK, TWEED, HADLEY & McCLOY LLP
601 South Figueroa Street, 30th Floor
Los Angeles, California 90017
Telephone: (213) 892-4000
Facsimile: (213) 629-5063

Counsel for Official Committee
of Unsecured Creditors

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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.	Case No. SF 01-30923 DM Chapter 11 **MILBANK, TWEED, HADLEY & McCLOY LLP'S COVER SHEET APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR JULY 2002** Hearing: Date: [None Required] Time: [None Required] Place: 235 Pine Street, 22nd Floor San Francisco, CA

ADJ OGC Mail Center
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Milbank, Tweed, Hadley & McCloy, LLP (the "Firm") submits its Cover Sheet Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for July 2002 (the "Application Period"). In support of the Application, the Firm respectfully represents as follows:

1. The Firm is counsel to the Official Committee of Unsecured Creditors in the Pacific Gas and Electric Company ("Debtor") bankruptcy case. 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.

2. The Firm billed a total of $409,866.13 in fees and expenses during the Application Period. The total fees represent 1,016.50 hours expended during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
07/01/02 – 07/31/02	$397,486.00	$12,380.13	$409,866.13

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of $350,243.23 at this time. This total is comprised as follows: $337,863.10 (85% of the fees for services rendered)[1] plus $12,380.13 (100% of the expenses incurred).

4. For the post-petition period, the Firm has not been paid $570,230.31 to date for fees and expenses.

5. To date (through 07/31/02) the Firm is owed as follows (including amounts owed pursuant to this Application):

[1]Payment of this amount would result in a "holdback" of $59,622.90.

Application Period	Amount	Description
Thirteenth (April 1 – April 30)	$58,730.85	15% holdback
Fourteenth (May 1 – May 31)	$59,250.83	15% holdback
Fifteenth (June 1 – June 30)	$42,382.50	15% holdback
Sixteenth (July 1 – July 31)	$409,866.13	July fees and costs
Total Owed to Firm to Date	$570,230.31	

6. With regard to the copies of this Application served on 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 "SECOND AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered on or about March 18, 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 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 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 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.

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

WHEREFORE, 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 "SECOND AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE."

DATED: August 30, 2002

MILBANK, TWEED, HADLEY & McCLOY LLP

By Michael I Sorochinsky

Paul S. Aronzon
Robert Jay Moore
Michael I. Sorochinsky

Attorneys for the Official Committee of Unsecured Creditors