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Consultant for the Debtor

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re  
PACIFIC GAS AND ELECTRIC  
COMPANY, a California corporation,

Debtor.

Case No. 01-30923 DM

Chapter 11 Case

[No Hearing Scheduled]

Federal I.D. No. 94-0742640

LECG, LLC COVER SHEET APPLICATION  
FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
MAY 6, 2002 TO SEPTEMBER 30, 2002

LECG, LLC (the "Company") submits its Cover Sheet Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period May 6, 2002 to September 30, 2002 (the "Application Period") In support of the Application, the Company respectfully represents as follows:

1. The Company is consultant to Pacific Gas and Electric Company, debtor and debtor-in-possession in the above referenced bankruptcy case (the "Debtor"). The Company provides claims analysis for environmental and trades payable claims. The Company was engaged by the Debtor to provide those services pursuant to a contract dated May 30, 2002, which engagement was approved by the Court Order dated September 20, 2002. The Company 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. Excluding administrative time for which the Company is not seeking to be compensated, the Company billed a total of \$498,025.21 in fees and expenses during the Application Period.<sup>1</sup> The total fees represent 3,690.4 hours expended during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
<b>Environmental:</b>			
5/06/02 - 6/07/02	\$57,932.50	\$0.00	\$57,932.50
6/07/02 - 6/30/02	\$13,064.50	\$28.27	\$13,092.77
7/01/02 - 7/31/02	\$19,475.50	\$126.82	\$19,602.32
8/01/02 - 8/31/02	\$29,412.00	\$0.00	\$29,412.00
9/01/02 - 9/30/02	\$30,155.50	\$32.62	\$30,188.12
Subtotal	\$150,040.00	\$187.71	\$150,227.71
<b>Trades Payable:</b>			
5/06/02 - 6/07/02	\$92,552.50	\$0.00	\$92,552.50
6/07/02 - 6/30/02	\$88,335.00	\$0.00	\$88,335.00
7/01/02 - 7/31/02	\$59,604.50	\$0.00	\$59,604.50
8/01/02 - 8/31/02	\$81,757.00	\$0.00	\$81,757.00
9/01/02 - 9/30/02	\$25,407.50	\$141.00	\$25,548.50
Subtotal	\$347,656.50	\$141.00	\$347,797.50
Total	\$497,696.50	\$328.71	\$498,025.21

3. Accordingly, the Company seeks allowance of interim compensation in the total amount of \$423,370.74 at this time. This total is comprised as follows: \$423,042.03, (85% of the fees for services rendered)<sup>2</sup> plus \$328.71 (100% of the expenses incurred).

4. This cover sheet application is the Company's first cover sheet application filed in this case. The Company's First Interim Application For Compensation and Reimbursement of Expenses was approved on October 29, 2002, pursuant to which the Court authorized the Debtor

<sup>1</sup> Debtor's original budget for the services provided was \$400,000. When it became apparent that the Company would exceed that budget, the Company requested, and the Debtor approved, an increase of \$270,000 to the budget. As such, the Company's request for fees and expenses falls within the Debtor's budget.

<sup>2</sup> Payment of this amount would result in a "holdback" of \$74,654.47

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to pay the Company \$713,050.50 in fees and \$9,469.02 for expense reimbursement for the period September 20, 2001 to January 28, 2002. As of the filing of this cover sheet application, payment of those fees and expenses had not been made.

5. With regard to 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. Attached as Exhibit 2 (Environmental) and Exhibit 3 (Trades Payable) are the time and expense billing and description of work performed for the period May 6, 2002 through June 7, 2002 for the Environmental work<sup>3</sup>. Attached as Exhibit 4 (Environmental) and Exhibit 5 (Trades Payable) are the detailed time and expense statements for the period June 8, 2002 through September 30, 2002 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. The Company has served a copy of this 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, and as amended on or about November 8, 2001, and as further amended on or about March 18, 2002, the Debtor is authorized to make 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 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 Company is informed and believes that this Cover Sheet Application was mailed by first class mail, postage prepaid, on or about October 30, 2002.

7. The interim compensation and reimbursement of expenses sought in this Application is on account and is not final. Upon conclusion of this case, the Company will seek fees and reimbursement of the expenses incurred for the totality of the services rendered in the case. Any

<sup>3</sup> Billings for the period May 6 - June 7, 2002, while detailed, are not in the format required by Northern District of California Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the Office of the United States Trustee. Further explanation is provided on the invoices attached as Exhibits 2 and 3

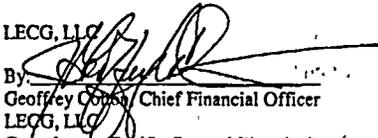
interim fees or reimbursement of expenses approved by this Court and received by the Company will be credited against such final fees and expenses as may be allowed by this Court.

8. Except for the services performed during the period May 6, 2002 through June 7, 2002 as noted in paragraph 4, above, the Company 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 Company nor any members of the Company has any agreement or understanding of any kind or nature to divide, pay over or share any portion of the fees and expenses to be awarded to the Company with any other person or attorney except as among the members and associates of the Company.

WHEREFORE, the Company respectfully requests that the Debtor pay compensation to the Company as requested herein pursuant to and in accordance with the terms of the "ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE"

Dated: October 30, 2002

LECG, LLC

By:   
Geoffrey Cooper, Chief Financial Officer  
LECG, LLC  
Consultant to Pacific Gas and Electric Company

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