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7
8 Accountants and Financial Advisors for Official
9 Committee of Unsecured Creditors

FILED

OCT 3 1 2002

UNITED STATES BANKRUPTCY COURT
SAN FRANCISCO, CA

50-275
323

10 UNITED STATES BANKRUPTCY COURT

11 NORTHERN DISTRICT OF CALIFORNIA

12 SAN FRANCISCO DIVISION

13 In re

Case No. 01-30923 DM

14 PACIFIC GAS AND ELECTRIC
15 COMPANY, a California corporation,
16 Debtor.

Chapter 11 Case

[No Hearing Scheduled]

17 Federal I.D. No. 94-0742640

18 FTI CONSULTING INC. COVER SHEET APPLICATION FOR ALLOWANCE AND
19 PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF
20 EXPENSES FOR
21 SEPTEMBER 1, 2002 TO SEPTEMBER 30, 2002

22 FTI Consulting, (the "Firm"), submits its Cover Sheet Application (the "Application")
23 for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for
24 the Period September 1, 2002 to September 30, 2002 (the "Application Period"). In
25 support of the Application, the Firm respectfully represents as follows:

26 1. The Firm serves as Accountants and Financial Advisors to the Official
27 Committee of Unsecured Creditors. The Firm submitted an Application for appointment as
28 Accountants and Financial Advisors to the Official Committee of Unsecured Creditors on
September 27, 2002. An Order for Appointment of the Firm as Accountants and Financial
Advisors to the Official Committee of Unsecured Creditors is pending. The Firm hereby
applies to the Court for allowance and payment of interim compensation for services

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1 rendered and reimbursement of expenses incurred during the Application Period.

2 2. The Firm billed a total of \$99,400 in fees and expenses during the
3 Application Period. The Total fees represent 246.8 hours expended during the Application
4 Period. These fees and expenses break down as follows:

5

6 Period	Fees	Expenses	Total
7 September 1, 2001 –	\$96,097	\$3,303	\$99,400
8 September 30, 2002			

9 3. Accordingly, the Firm seeks allowance of interim compensation in the total
10 amount of \$84,985 at this time. This total is comprised as follows:
11 \$81,682 (85% of the fees for services rendered)¹ plus \$3,303 (100% of the expenses
12 incurred).

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

14

15 Application Period	Amount	Description	Amount Paid
16	Applied For		
17 First (April 11, 2001 –	\$803,642	90% of fees and	\$803,642
18 May 31, 2001)		100% of expenses	
19 Second (June 1, 2001 –	\$870,002	90% of fees and	\$870,002
20 July 31, 2001)		100% of expenses	
21 First Interim Fee	\$2,408	10% fee holdback (\$179,012) net	\$2,408
22 Application		of PricewaterhouseCoopers LLP	
23		and Court Adjustments (\$176,604)	
24 Third (August 1, 2001 –	\$358,024	85% of fees and	\$358,024
25 August 30, 2001)		100% of expenses	
26			

27
28 ¹Payment of this amount would result in a "holdback" of \$14,415

Fourth (September 1, 2001 – September 30, 2001)	\$293,871	85% of fees and 100% of expenses	\$293,871
Fifth (October 1, 2001 – October 31, 2001)	\$307,809	85% of fees and 100% of expenses	\$307,809
Sixth (November 1, 2001–November 30, 2001)	\$215,596	85% of fees and 100% of expenses	\$215,596
Second Interim Fee Application	\$145,541	15% fee holdback (\$198,105) net of PricewaterhouseCoopers LLP adjustments (\$52,564)	\$145,541
Seventh (December 1, 2001–December 31, 2001)	\$192,887	85% of fees and 100% of expenses	\$192,887
Eight (January 1, 2002–January 31, 2002)	\$223,013	85% of fees and 100% of expenses	\$223,013
Ninth (February 1, 2002 – February 28, 2002)	\$197,888	85% of fees and 100% of expenses	\$197,888
Tenth (March 1, 2002 – March 31, 2002)	\$189,814	85% of fees and 100% of expenses	\$189,814
Third Interim Fee Application	\$114,300	15% fee holdback (\$128,506) net of PricewaterhouseCoopers LLP write-offs (\$3,705) and expense adjustments (\$10,500)	\$114,300
Eleventh (April 1, 2002 – April 30, 2002)	\$185,003	85% of fees and 100% of expenses	\$185,003

Twelfth (May 1, 2002 – May 31, 2002)	\$183,784	85% of fees and 100% of expenses	\$183,784
Thirteenth (June 1, 2002 – June 30, 2002)	\$81,860	85% of fees and 100% of expenses	\$81,860
Fourteenth (July 1, 2002 – July 31, 2002)	\$204,553	85% of fees and 100% of expenses	\$204,553
Fifteenth (August 1, 2002 – August 31, 2002)	\$127,849	85% of fees and 100% of expenses	\$127,849
Total Paid to the Firm to Date	\$4,697,844		\$4,697,844

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

Application Period	Amount	Description
Fourth Interim (April 1, 2002 – July 31, 2002)	\$109,606	15% fee holdback
Fifteenth (August 1, 2002 – August 31, 2002)	\$21,147	15% fee holdback
Total Owed to Firm to Date	\$130,753	

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 Exhibits 2-1 and 2-2 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

1 the United States Trustee.

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

4 8. Pursuant to this Court's 'ORDER ESTABLISHING INTERIM FEE'
5 APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered
6 on or about July 26, 2001, the Debtor is authorized to make the payment requested herein
7 without a further hearing or order of this Court unless an objection to this Application is
8 filed with the Court by the Debtor, the Committee or the United States Trustee and served by
9 the fifteenth day of the month following the service of this Application. If such an objection
10 is filed, Debtor is authorized to pay the amounts, if any, not subject to the objection. The
11 Firm is informed and believes that this Cover Sheet Application was mailed by first class
12 mail, postage prepaid, on or about October 31, 2002.

13 9. The interim compensation and reimbursement of expenses sought in this
14 Application is on account and is not final. Upon the conclusion of this case, the Firm will
15 seek fees and reimbursement of the expenses incurred for the totality of the services
16 rendered in the case. Any interim fees or reimbursement of expenses approved by this Court
17 and received by the Firm will be credited against such final fees and expenses as may be
18 allowed by this Court.

19 10. The Firm represents and warrants that its billing practices comply with all
20 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and
21 the Guidelines of the Office of the United States Trustee. Neither the Firm nor any members
22 of the Firm has any agreement or understanding of any kind or nature to divide, pay over or
23 share any portion of the fees or expenses to be awarded to the Firm with any other person or
24 attorney except as among the members and associates of the Firm.

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

5 Dated: October 31, 2002

FTI Consulting Inc.

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7 By: 

8 Thomas E. Lumsden,
9 Senior Managing Director
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Exhibit 1

Pacific Gas and Electric
Summary of Time By Professional
For the Period September 1, 2002 Through September 30, 2002

Professional	Title	Time Total	Billing Rate	Fee Total
Ho, Rocky	Director	46.0	475	\$21,850
Iking, Floris	Associate	4.5	250	\$1,305
Kitchin, Jennifer	Manager	17.4	425	\$6,438
Lumsden, Tom	Partner	35.4	595	\$21,063
Perfit, Ryan	Associate	22.5	215	\$4,838
Reiss, Freddie	Partner	14.7	595	\$8,747
Sin, Theresa	Associate	40.4	185	\$7,474
Young, Allison	Manager	65.9	425	\$24,383
Totals		<u>246.8</u>		<u>\$96,097</u>

Pacific Gas and Electric
Summary of Time By Task Code
September 1, 2002 through September 30, 2002

Task Code	Time Total	Fee Total
Asset Sales/Valuation Issues	0.6	\$357
Bankruptcy Reporting/Operations	23.4	\$11,645
Cash Flow Analysis	1.0	\$475
Claims Analysis	4.9	\$2,328
Coordinating with Debtor	0.5	\$185
CPUC Plan of Reorganization	18.1	\$10,144
CPUC Review	29.5	\$11,201
DWR Contracts/Analysis	35.8	\$10,853
Executory Contracts (QF)	5.4	\$2,565
Fee Application	58.1	\$16,355
FERC Review	1.8	\$1,071
Financial Statement Modeling	2.7	\$999
General Committee Matters	17.6	\$7,622
Legislative Review	1.0	\$595
OCC Plan of Reorganization	11.6	\$4,555
Plan of Reorganization/Negotiations	2.8	\$1,534
Professional Compensation Matters	21.6	\$7,968
Subcommittee Matters	10.4	\$5,648
Totals	246.8	\$96,097

Pacific Gas and Electric Time Reporting**Detail Reporting by Task Code****September 1, 2002 through September 30, 2002**

Professional	Date	Hours	Billing Rate	Fees	Description
Task Code : Asset Sales/Valuation Issues					
Lumsden, Tom	9/27/2002	0.6	\$595	\$357.00	Discussions with potential acquirers of PG&E assets on alternate structure or funding of Joint Plan.
SubTotal: Lumsden, Tom		0.6		\$357.00	
Total: Asset Sales/Valuation Issue		0.6		\$357.00	
Task Code : Bankruptcy Reporting/Operations					
Ho, Rocky	9/3/2002	0.8	\$475	\$380.00	Review and analyze joint motion of CPUC/OCC - proposed order shortening time frame for hearing.
Ho, Rocky	9/3/2002	0.9	\$475	\$427.50	Review supporting declarations of Lance Maeda, My Nguyen and Eric Kirkpatrick in support of authority to incur misc implementation expenses.
Ho, Rocky	9/3/2002	1.1	\$475	\$522.50	Review and analyze notice of motion and motion for authority to incur miscellaneous implementation expenses; memorandum of points and authorities in support thereof.
Ho, Rocky	9/4/2002	1.4	\$475	\$665.00	Review support from debtor for the proposed Metcalf Fourth 230/115 Transformer project re: cost recovery and regulatory issues.
Ho, Rocky	9/11/2002	2.4	\$475	\$1,140.00	Review CPUC TRO papers for injunctive relief against PG&E disseminating false information during the solicitation process.
Ho, Rocky	9/16/2002	1.1	\$475	\$522.50	Review objections from certain financial creditors to the re-solicitation motion of the joint CPUC / OCC plan.
Ho, Rocky	9/16/2002	1.7	\$475	\$807.50	Review various declarations (Sullivan, Novak, Lafferty and Kelly) in support of debtor's opposition to the re-solicitation of votes.
Ho, Rocky	9/16/2002	1.3	\$475	\$617.50	Review and analyze debtor's opposition to joint motion of CPUC/OCC for order authorizing the re-solicitation of votes and preferences for Movants' amended plan of reorganization.
Ho, Rocky	9/20/2002	1.1	\$475	\$522.50	Prepare for hearing on re-solicitation motions and various other issues.
Ho, Rocky	9/20/2002	3.4	\$475	\$1,615.00	Attend court hearing on re-solicitation motion.
Ho, Rocky	9/23/2002	2.1	\$475	\$997.50	Review the 9th Circuit Opinion in SCE v. Lynch - and the certification questions as submitted to the the CA Supreme Court.

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
SubTotal: <i>Ho, Rocky</i>		<u>17.3</u>		<u>\$8,217.50</u>	
Kitchin, Jennifer	9/3/2002	0.3	\$370	\$111.00	Review industry article on case.
Kitchin, Jennifer	9/25/2002	0.6	\$370	\$222.00	Review memo re: 9th Circuit Rulings
SubTotal: <i>Kitchin, Jennifer</i>		<u>0.9</u>		<u>\$333.00</u>	
Lumsden, Tom	9/13/2002	0.4	\$595	\$238.00	Review motion by PG&E for Metcalf project approval.
Lumsden, Tom	9/24/2002	1.2	\$595	\$714.00	Review 9th Circuit court of appeals ruling on Turn appeal to SCE settlement.
SubTotal: <i>Lumsden, Tom</i>		<u>1.6</u>		<u>\$952.00</u>	
Reiss, Freddie	9/20/2002	2.1	\$595	\$1,249.50	Review objections to re-solicitation court hearing.
Reiss, Freddie	9/23/2002	1.5	\$595	\$892.50	Court ruling regarding Southern California Edison; updates regarding PG&E Plan.
SubTotal: <i>Reiss, Freddie</i>		<u>3.6</u>		<u>\$2,142.00</u>	
Total: <i>Bankruptcy Reporting/Opera</i>		<u><u>23.4</u></u>		<u><u>\$11,644.50</u></u>	

Task Code : Cash Flow Analysis

Ho, Rocky	9/17/2002	1	\$475	\$475.00	Discuss with debtor upcoming capex projects.
SubTotal: <i>Ho, Rocky</i>		<u>1</u>		<u>\$475.00</u>	
Total: <i>Cash Flow Analysis</i>		<u><u>1</u></u>		<u><u>\$475.00</u></u>	

Task Code : Claims Analysis

Ho, Rocky	9/3/2002	1.3	\$475	\$617.50	Review and analyze notice of motion and motion of Pacific Gas & Electric Company for an order authorizing assumption of power agreements and compromise of claims with Sierra Pacific Industries.
Ho, Rocky	9/3/2002	0.8	\$475	\$380.00	Review and analyze declaration of Charles R. Middlekauff in support of order authorizing assumption of power agreements and compromise of claims with Sierra Pacific Industries.
Ho, Rocky	9/4/2002	0.5	\$475	\$237.50	Review and analyze declaration of David W. Philips in support of motion to refund certain project deposits.
Ho, Rocky	9/4/2002	0.9	\$475	\$427.50	Review and analyze debtor's motion for order authorizing refund of certain project deposits.

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
Ho, Rocky	9/23/2002	1.4	\$475	\$665.00	Review and analyze debtor's filed notice on various settlement of claims - (Standard Pacific Gas Line, Allstate Insurance and Heinz).
SubTotal: Ho, Rocky		<u>4.9</u>		<u>\$2,327.50</u>	
Total: Claims Analysis		<u>4.9</u>		<u>\$2,327.50</u>	

Task Code : Coordinating with Debtor

Young, Allison	9/11/2002	0.5	\$370	\$185.00	Coordinate with PG&E on new data requests.
SubTotal: Young, Allison		<u>0.5</u>		<u>\$185.00</u>	
Total: Coordinating with Debtor		<u>0.5</u>		<u>\$185.00</u>	

Task Code : CPUC Plan of Reorganization

Ho, Rocky	9/13/2002	1.3	\$475	\$617.50	Review draft of OCC Committee report re. co-proponent of plan to be sent out to creditors.
Ho, Rocky	9/16/2002	0.9	\$475	\$427.50	Review revised draft of OCC report letter re: joint CPUC/OCC plan.
Ho, Rocky	9/23/2002	0.9	\$475	\$427.50	Review revised financial projections of joint plan.
Ho, Rocky	9/25/2002	0.8	\$475	\$380.00	Review counsel's draft on implications relating to the Turn appeals decision.
SubTotal: Ho, Rocky		<u>3.9</u>		<u>\$1,852.50</u>	
Kitchin, Jennifer	9/6/2002	0.2	\$370	\$74.00	Review email re: UBS retention.
SubTotal: Kitchin, Jennifer		<u>0.2</u>		<u>\$74.00</u>	
Lumsden, Tom	9/4/2002	0.3	\$595	\$178.50	Review UBS engagement letter modifications
Lumsden, Tom	9/4/2002	0.9	\$595	\$535.50	Review CPUC and PG&E materials and filings on plan re-solicitation, read UBS letter and chart on employment.
Lumsden, Tom	9/4/2002	2.1	\$595	\$1,249.50	Attend hearing in court on plan re-solicitation and UBS retention, meet with P. Aronzon and discuss preemption issues and impact of appeal orders.
Lumsden, Tom	9/10/2002	0.5	\$595	\$297.50	Review UBS engagement letter and edits to same for scope of work and fee structure,
Lumsden, Tom	9/10/2002	0.3	\$595	\$178.50	Review re voting and re-solicitation.
Lumsden, Tom	9/11/2002	0.4	\$595	\$238.00	Review emails on solicitation challenges by CPUC from PG&E.

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
Lumsden, Tom	9/13/2002	0.3	\$595	\$178.50	Review re bondholder group questions on Joint plan
Lumsden, Tom	9/13/2002	0.4	\$595	\$238.00	Review motion by CPUC re vote re-solicitation.
Lumsden, Tom	9/23/2002	1.3	\$595	\$773.50	Review emails on UBS agreement, plan re-solicitation, questions on plan structure and support for OCC modeling.
Lumsden, Tom	9/30/2002	0.7	\$595	\$416.50	Review ratings of Moodys and Fitch on DWR bonds and impact on joint plan financing structure and market risk perception.
SubTotal: Lumsden, Tom		7.2		\$4,284.00	
Reiss, Freddie	9/4/2002	2	\$595	\$1,190.00	Additional review of Plan projections and CPUC plan update.
Reiss, Freddie	9/6/2002	0.9	\$595	\$535.50	Review UBS engagement.
Reiss, Freddie	9/9/2002	1	\$595	\$595.00	Review UBS letter; prepare for conference call.
Reiss, Freddie	9/10/2002	1	\$595	\$595.00	Review press release; update regarding UBS and plan issues.
Reiss, Freddie	9/20/2002	1.4	\$595	\$833.00	Listen in on CPUC court hearing.
SubTotal: Reiss, Freddie		6.3		\$3,748.50	
Young, Allison	9/9/2002	0.5	\$370	\$185.00	Review preliminary court filing on UBS retention.
SubTotal: Young, Allison		0.5		\$185.00	
Total: CPUC Plan of Reorganizatio		18.1		\$10,144.00	

Task Code : CPUC Review

Ho, Rocky	9/10/2002	0.8	\$475	\$380.00	Review CPUC memo on Direct Access charges - response to various objections to the proposed surcharge methodology.
Ho, Rocky	9/13/2002	0.6	\$475	\$285.00	Review debtor's proposed 2003 DWR revenue allocation methodology to the PUC
Ho, Rocky	9/13/2002	1.1	\$475	\$522.50	Review and analyze CPUC's decision re: ISO disputed charges between PG&E and the PUC.
Ho, Rocky	9/17/2002	1.4	\$475	\$665.00	Review motion on direct access fees and related issues - PG&E and SCE.
SubTotal: Ho, Rocky		3.9		\$1,852.50	
Kitchin, Jennifer	9/16/2002	0.3	\$370	\$111.00	Review email correspondence re: CPUC regulatory proceedings.

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
SubTotal: Kitchin, Jennifer		<u>0.3</u>		<u>\$111.00</u>	
Lumsden, Tom	9/18/2002	1.2	\$595	\$714.00	Review CPUC order on interim procurement of DWR net short for SCE and PG&E
Lumsden, Tom	9/19/2002	1.7	\$595	\$1,011.50	Continued review of commission staff analysis of net short procurement interim order.
Lumsden, Tom	9/26/2002	0.5	\$595	\$297.50	Discussions with G. Cohen re alternatives to 9th Circuit Court decision on plans for PG&E.
Lumsden, Tom	9/26/2002	0.9	\$595	\$535.50	Read CPUC decision re GRC review and impact on rates and return.
Lumsden, Tom	9/27/2002	1.1	\$595	\$654.50	Review CPUC decision re net short and IOU's purchasing with DWR dated 8-22-02
Lumsden, Tom	9/30/2002	0.9	\$595	\$535.50	Review CPUC materials and research net short purchasing options for PG&E.
Lumsden, Tom	9/30/2002	0.6	\$595	\$357.00	Telephone call with P. Douglas of CPUC re questions on URG segments of OCC model.
SubTotal: Lumsden, Tom		<u>6.9</u>		<u>\$4,105.50</u>	
Reiss, Freddie	9/3/2002	2.5	\$595	\$1,487.50	Read district court opinion on preemption; review final CPUC amendments
SubTotal: Reiss, Freddie		<u>2.5</u>		<u>\$1,487.50</u>	
Sin, Theresa	9/9/2002	5.6	\$185	\$1,036.00	CPUC review, review update from CPUC proceedings Review contract allocation info. for workshop on Thursday.
Sin, Theresa	9/12/2002	2.5	\$185	\$462.50	Attend workshop for contract allocation, review brief on Gottstein decision, review notes from hearing.
Sin, Theresa	9/13/2002	4	\$185	\$740.00	Review and summarize CPUC filings. Review recent events from GRC proceeding.
SubTotal: Sin, Theresa		<u>12.1</u>		<u>\$2,238.50</u>	
Young, Allison	9/3/2002	0.7	\$370	\$259.00	Review CPUC order on DWR contract allocations between the State's 3 IOU's
Young, Allison	9/9/2002	1	\$370	\$370.00	Review CPUC order on DWR contract allocation and try to tie with PwC's record of DWR contracts.
Young, Allison	9/10/2002	2.1	\$370	\$777.00	Continue review of CPUC order to allocated DWR contracts and try to reconcile to CPUC data.
SubTotal: Young, Allison		<u>3.8</u>		<u>\$1,406.00</u>	
Total: CPUC Review		<u><u>29.5</u></u>		<u><u>\$11,201.00</u></u>	

Task Code : DWR Contracts/Analysis

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
Ho, Rocky	9/27/2002	1	\$475	\$475.00	Review S&P presentation on the proposed California bond sale.
SubTotal: Ho, Rocky		<u>1</u>		<u>\$475.00</u>	
Kitchin, Jennifer	9/4/2002	3.3	\$370	\$1,221.00	Research DWR Contract Model adjustments based on CPUC 8/21 Interim Order re: DWR Contract Allocation.
Kitchin, Jennifer	9/6/2002	0.6	\$370	\$222.00	Discuss DWR Contract Allocation methodology.
Kitchin, Jennifer	9/6/2002	0.2	\$370	\$74.00	Review email re: CPUC DWR Revenue Requirement Workshop
Kitchin, Jennifer	9/9/2002	0.3	\$370	\$111.00	Discuss obtaining DWR information with P. Douglas at CPUC.
Kitchin, Jennifer	9/10/2002	2.2	\$370	\$814.00	Review DWR website for standard NDA and ref. Navigant NDA re: applicability to latest DWR contract analyses.
Kitchin, Jennifer	9/10/2002	0.2	\$370	\$74.00	Call with P. Douglas at CPUC re: obtaining DWR Contract Analyses.
Kitchin, Jennifer	9/12/2002	0.2	\$370	\$74.00	Discuss conclusions from CPUC DWR Revenue Requirement Workshop.
Kitchin, Jennifer	9/17/2002	0.2	\$370	\$74.00	Call to MTHM re: DWR NDA to obtain information.
SubTotal: Kitchin, Jennifer		<u>7.2</u>		<u>\$2,664.00</u>	
Lumsden, Tom	9/3/2002	0.6	\$595	\$357.00	Read materials on FERC proceedings on generator contracts and modifications for certain contracting parties to DWR, impact on DWR contract obligations and plan numbers.
Lumsden, Tom	9/3/2002	0.3	\$595	\$178.50	Review notices on FERC hearings in state power contracts.
Lumsden, Tom	9/13/2002	0.7	\$595	\$416.50	Review update of DWR Revenue Requirement and correspondence on structure for review.
SubTotal: Lumsden, Tom		<u>1.6</u>		<u>\$952.00</u>	
Perfit, Ryan	9/4/2002	2.7	\$215	\$580.50	Review the DWR Contract model and revise to include for contract assignment.
Perfit, Ryan	9/5/2002	3.1	\$215	\$666.50	Review and revise the DWR contract model.
Perfit, Ryan	9/9/2002	0.9	\$215	\$193.50	Review the DWR Contract model.
Perfit, Ryan	9/13/2002	0.8	\$215	\$172.00	Review and revise the DWR Contract model.
Perfit, Ryan	9/15/2002	6.5	\$215	\$1,397.50	Create a reconciliation of the DWR Contract model to the DWR contract totals.
Perfit, Ryan	9/16/2002	1.1	\$215	\$236.50	Revise the reconciliation of the DWR Contract model and the DWR contract totals.

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
SubTotal: Perfit, Ryan		<u>15.1</u>		<u>\$3,246.50</u>	
Sin, Theresa	9/12/2002	2.8	\$185	\$518.00	Review FTI's DWR contracts model.
SubTotal: Sin, Theresa		<u>2.8</u>		<u>\$518.00</u>	
Young, Allison	9/3/2002	1.1	\$370	\$407.00	Model PG&E's projected share of DWR costs based on recent CPUC decision on direct allocation of DWR contracts.
Young, Allison	9/4/2002	1.8	\$370	\$666.00	Review DWR contracts model to determine application of DWR contracts to PG&E.
Young, Allison	9/5/2002	1.2	\$370	\$444.00	Continue review of DWR contracts model to determine costs to PG&E of CPUC order.
Young, Allison	9/6/2002	0.7	\$370	\$259.00	Review model of DWR contract allocations to the California IOUs.
Young, Allison	9/11/2002	1.4	\$370	\$518.00	Analyze allocation of contract costs and volumes between the States 3 IOUs.
Young, Allison	9/12/2002	0.7	\$370	\$259.00	Review new information received from CPUC on DWR Contract allocations.
Young, Allison	9/16/2002	1.2	\$370	\$444.00	Review DWR contract analysis and impact of cash flows on OCC and PG&E PORs.
SubTotal: Young, Allison		<u>8.1</u>		<u>\$2,997.00</u>	
Total: DWR Contracts/Analysis		<u>35.8</u>		<u>\$10,852.50</u>	

Task Code : Executory Contracts (QF)

Ho, Rocky	9/19/2002	1.2	\$475	\$570.00	Review and analyze debtor's proposed Ridgewood agreement.
Ho, Rocky	9/23/2002	2.1	\$475	\$997.50	Review and analyze Sunnyside stipulated agreement with debtor - cost recovery, jurisdiction and other potential issues.
Ho, Rocky	9/24/2002	1.4	\$475	\$665.00	Review and analyze stipulation and order authorizing compromise of claims with certain qualifying facilities and their assignee.
Ho, Rocky	9/24/2002	0.7	\$475	\$332.50	Review stipulation between Sunnyside and debtor.
SubTotal: Ho, Rocky		<u>5.4</u>		<u>\$2,565.00</u>	
Total: Executory Contracts (QF)		<u>5.4</u>		<u>\$2,565.00</u>	

Task Code : Fee Application

Ho, Rocky	9/13/2002	1.1	\$475	\$522.50	Review draft and time detail exhibits re.4th interim fee application
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<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
SubTotal: <i>Ho, Rocky</i>		<u>1.1</u>		<u>\$522.50</u>	
Iking, Flons	9/30/2002	1.7	\$290	\$493.00	Finalize and file Monthly Fee Application for August 2002.
SubTotal: <i>Iking, Flons</i>		<u>1.7</u>		<u>\$493.00</u>	
Lumsden, Tom	9/10/2002	0.4	\$595	\$238.00	Review fourth interim fee application for approval.
Lumsden, Tom	9/10/2002	0.3	\$595	\$178.50	Review fourth interim fee application.
Lumsden, Tom	9/13/2002	0.9	\$595	\$535.50	Sign and review exhibits to Interim fee application.
Lumsden, Tom	9/13/2002	1.7	\$595	\$1,011.50	Review fourth interim fee application and edits.
SubTotal: <i>Lumsden, Tom</i>		<u>3.3</u>		<u>\$1,963.50</u>	
Perfit, Ryan	9/4/2002	5.1	\$215	\$1,096.50	Accumulate time and expense for 4th Interim fee application.
Perfit, Ryan	9/5/2002	1.1	\$215	\$236.50	Accumulate time and expense for 4th Interim fee application.
Perfit, Ryan	9/5/2002	1.2	\$215	\$258.00	Accumulate time and expense for 4th Interim fee application.
SubTotal: <i>Perfit, Ryan</i>		<u>7.4</u>		<u>\$1,591.00</u>	
Sin, Theresa	9/6/2002	3.6	\$185	\$666.00	Review fee application exhibits for 4th Interim fee app.
Sin, Theresa	9/13/2002	2.9	\$185	\$536.50	Prepare and file 4th Interim Fee application. Also create cover letter for Clara Strand Declaration.
Sin, Theresa	9/23/2002	0.8	\$185	\$148.00	Review cover letter application for September, start time detail compilation.
Sin, Theresa	9/24/2002	2.9	\$185	\$536.50	Complete exhibits for Sept. cover letter application.
Sin, Theresa	9/24/2002	1.3	\$185	\$240.50	Review time detail submitted for Sept. cover letter application.
Sin, Theresa	9/25/2002	1.3	\$185	\$240.50	Create summary of professionals in multiple meetings.
Sin, Theresa	9/25/2002	1	\$185	\$185.00	Review cover letter application for September fee application.
Sin, Theresa	9/26/2002	6.6	\$185	\$1,221.00	Review time detail and expenses detail for adequate compliance with bankruptcy rules.
Sin, Theresa	9/27/2002	1.5	\$185	\$277.50	Create meetings schedule from detail.
Sin, Theresa	9/30/2002	1.8	\$185	\$333.00	Review status of Fourth Interim ASCII filing. Contact P. Mathews regarding status.

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
Sin, Theresa	9/30/2002	1.8	\$185	\$333.00	Make final edits to exhibits - time detail and write-off additional expenses. Make changes to cover letter.
SubTotal: Sin, Theresa		25.5		\$4,717.50	
Young, Allison	9/4/2002	1.7	\$370	\$629.00	Review time and expense details for the fourth interim fee application.
Young, Allison	9/5/2002	2.7	\$370	\$999.00	Begin to draft 4th interim fee application.
Young, Allison	9/5/2002	0.6	\$370	\$222.00	Continue review of time and expense details for 4th interim fee application.
Young, Allison	9/6/2002	2.1	\$370	\$777.00	Create exhibit 4 - meetings with multiple PwC professionals for fee application.
Young, Allison	9/6/2002	3.7	\$370	\$1,369.00	Continue draft of 4th interim fee application.
Young, Allison	9/9/2002	1.6	\$370	\$592.00	Update 4th interim fee application filing.
Young, Allison	9/10/2002	0.7	\$370	\$259.00	Update fee application filing for 4th interim fee application and exhibits.
Young, Allison	9/12/2002	1.3	\$370	\$481.00	Update PG&E fee app for feedback from T. Lumsden review.
Young, Allison	9/13/2002	2.5	\$370	\$925.00	Update PG&E fee app for feedback from T. Lumsden review.
Young, Allison	9/26/2002	0.9	\$370	\$333.00	Review monthly cover letter time details.
Young, Allison	9/27/2002	1.3	\$370	\$481.00	Review September cover letter application and supporting exhibits.
SubTotal: Young, Allison		19.1		\$7,067.00	
Total: Fee Application		58.1		\$16,354.50	

Task Code : FERC Review

Lumsden, Tom	9/3/2002	1.2	\$595	\$714.00	Review PG&E materials on FERC hearings on bilateral contract and status of hearings.
Lumsden, Tom	9/24/2002	0.6	\$595	\$357.00	Review reports on status of FERC ALJ review of power contracts and market behavior by El Paso on pipeline operations.
SubTotal: Lumsden, Tom		1.8		\$1,071.00	
Total: FERC Review		1.8		\$1,071.00	

Task Code : Financial Statement Modeling

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
Young, Allison	9/25/2002	2.7	\$370	\$999 00	Calculate FTI estimate of PG&E overcollections since 2001 and evaluate possible refund to ratepayers.
SubTotal: Young, Allison		2.7		\$999 00	
Total: Financial Statement Modelin		2.7		\$999.00	
Task Code : General Committee Matters					
Ho, Rocky	9/6/2002	0.7	\$475	\$332.50	Review various status emails re: UBS retention issue and possible outcomes.
Ho, Rocky	9/13/2002	0.7	\$475	\$332 50	Respond to CPUC inquiry regarding bank members that are creditors.
Ho, Rocky	9/30/2002	0.6	\$475	\$285 00	Review various email correspondence on plan issues.
SubTotal: Ho, Rocky		2		\$950.00	
Kitchin, Jennifer	9/10/2002	0.6	\$370	\$222 00	Review responses to bondholder questions for conference call.
Kitchin, Jennifer	9/11/2002	2.8	\$370	\$1,036 00	Participate in conference call with bondholders re: questions on OCC/CPUC POR.
Kitchin, Jennifer	9/11/2002	0.3	\$370	\$111 00	Follow-up discussion on questions from bondholder conference call.
Kitchin, Jennifer	9/25/2002	1.1	\$370	\$407.00	Participate in conference call re: update for OCC.
SubTotal: Kitchin, Jennifer		4.8		\$1,776 00	
Lumsden, Tom	9/20/2002	0.3	\$595	\$178 50	Review telephone messages and emails re PG&E.
Lumsden, Tom	9/23/2002	0.3	\$595	\$178 50	Plan scheduling matters on case.
Lumsden, Tom	9/25/2002	1.1	\$595	\$654 50	Participate in PG&E committee call re 9th circuit decision and impact. Address alternatives.
SubTotal: Lumsden, Tom		1.7		\$1,011.50	
Reiss, Freddie	9/6/2002	0.6	\$595	\$357.00	Update regarding PGE/CPUC Plan status.
Reiss, Freddie	9/11/2002	1.5	\$595	\$892 50	Review correspondence from counsel and read press releases on case activities.
Reiss, Freddie	9/30/2002	0.2	\$595	\$119 00	Updates on case status.
SubTotal: Reiss, Freddie		2.3		\$1,368.50	
Young, Allison	9/9/2002	0.7	\$370	\$259.00	Review emails on case updates

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
Young, Allison	9/16/2002	0.7	\$370	\$259.00	Review emails on proposed OCC court filings.
Young, Allison	9/23/2002	1.4	\$370	\$518.00	Review latest emails on court happenings related to the PG&E case.
Young, Allison	9/24/2002	2.9	\$370	\$1,073.00	Review recent court orders with regard to the PG&E case and Milbank's summary of results.
Young, Allison	9/25/2002	1.1	\$370	\$407.00	Participate in Committee conference re: court decision regarding the CPUC's settlement with SCE and potential impact on both POR's.
SubTotal: Young, Allison		6.8		\$2,516.00	
Total: General Committee Matters		17.6		\$7,622.00	

Task Code : Legislative Review

Lumsden, Tom	9/25/2002	1	\$595	\$595.00	Review AB 1890 terms and potential for rate freeze end in light of 9th circuit decision.
SubTotal: Lumsden, Tom		1		\$595.00	
Total: Legislative Review		1		\$595.00	

Task Code : OCC Plan of Reorganization

Ho, Rocky	9/3/2002	2.5	\$475	\$1,187.50	Review final draft of joint CPUC / OCC plan of reorganization and disclosure statement.
SubTotal: Ho, Rocky		2.5		\$1,187.50	
Kitchin, Jennifer	9/3/2002	0.2	\$370	\$74.00	Review Chanin's questions re: OCC Plan Capital Structure
Kitchin, Jennifer	9/5/2002	0.8	\$370	\$296.00	Review Chanin's questions re: OCC Plan
Kitchin, Jennifer	9/17/2002	0.3	\$370	\$111.00	Review OCC draft supplemental report and recommendations re: competing PORs.
Kitchin, Jennifer	9/25/2002	0.3	\$370	\$111.00	Review next steps re: OCC POR after 9th Circuit ruling.
SubTotal: Kitchin, Jennifer		1.6		\$592.00	
Young, Allison	9/3/2002	1.7	\$370	\$629.00	Review emailed files on the OCC POR and court filings related to such.
Young, Allison	9/11/2002	1.9	\$370	\$703.00	Conference call with PG&E bondholder group to discuss financial elements of OCC/CPUC revised plan of reorganization.
Young, Allison	9/16/2002	1.2	\$370	\$444.00	Discuss OCC/CPUC plan with Chanin.

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
Young, Allison	9/17/2002	1.5	\$370	\$555.00	Review pending document filings on amended CPUC/OCC POR.
Young, Allison	9/18/2002	0.6	\$370	\$222.00	Review latest assumptions in OCC POR.
Young, Allison	9/18/2002	0.6	\$370	\$222.00	Review articles on PG&E's problems at NEG and their potential impact on the utility
SubTotal: Young, Allison		<u>7.5</u>		<u>\$2,775.00</u>	
Total: OCC Plan of Reorganization		<u>11.6</u>		<u>\$4,554.50</u>	

Task Code : Plan of Reorganization/Negotiations

Ho, Rocky	9/2/2002	1.1	\$475	\$522.50	Review and analyze US District court's reversal of Judge Montali's express preemption ruling.
SubTotal: Ho, Rocky		<u>1.1</u>		<u>\$522.50</u>	
Lumsden, Tom	9/3/2002	1.1	\$595	\$654.50	Review appellate court decision on preemption and impact on PG&E plan and impact on rates and headroom.
Lumsden, Tom	9/10/2002	0.3	\$595	\$178.50	Review press articles on voting of plans and results.
Lumsden, Tom	9/10/2002	0.3	\$595	\$178.50	Review voting results and status of PG&E plan
SubTotal: Lumsden, Tom		<u>1.7</u>		<u>\$1,011.50</u>	
Total: Plan of Reorganization/Nego		<u>2.8</u>		<u>\$1,534.00</u>	

Task Code : Professional Compensation Matters

Ho, Rocky	9/13/2002	0.8	\$475	\$380.00	Review disclosure items in revised employment application.
Ho, Rocky	9/23/2002	1.1	\$475	\$522.50	Review revised draft of employment application and supporting declaration.
SubTotal: Ho, Rocky		<u>1.9</u>		<u>\$902.50</u>	
Iking, Floris	9/3/2002	1.2	\$290	\$348.00	Prepare and file supplemental employment affidavit of T.E. Lumsden.
Iking, Floris	9/27/2002	1.6	\$290	\$464.00	Prepare and serve FTI Employment Application, Declaration of T. E. Lumsden, and Proof of Services.
SubTotal: Iking, Floris		<u>2.8</u>		<u>\$812.00</u>	
Young, Allison	9/20/2002	3	\$370	\$1,110.00	Update revised application of committee to hire FTI, as successor to PwC, as accountants and financial advisors of the committee.

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
Young, Allison	9/23/2002	2.9	\$370	\$1,073.00	Continue to update application of employment for FTI.
Young, Allison	9/23/2002	2	\$370	\$740.00	Create exhibits to employment application, document results of relationship check.
Young, Allison	9/24/2002	1.9	\$370	\$703.00	Coordinate review of employment app and update application for Milbank feedback.
Young, Allison	9/25/2002	0.8	\$370	\$296.00	Update employment application for feedback from T. Lumsden.
Young, Allison	9/25/2002	1.9	\$370	\$703.00	Update FTI employment application.
Young, Allison	9/26/2002	1.5	\$370	\$555.00	Complete relationship check on PG&E / FTI and update filings as appropriate.
Young, Allison	9/27/2002	2.9	\$370	\$1,073.00	Finalize FTI employment application and file with courts
SubTotal: Young, Allison		16.9		\$6,253.00	
Total: Professional Compensation		21.6		\$7,967.50	

Task Code : Subcommittee Matters

Kitchin, Jennifer	9/5/2002	0.1	\$370	\$37.00	Call to Saybrook to discuss UBS retention.
Kitchin, Jennifer	9/5/2002	0.8	\$370	\$296.00	Participate in OCC Professionals conference call re UBS retention.
Kitchin, Jennifer	9/10/2002	1.5	\$370	\$555.00	Participate in OCC Professionals; update conference call.
SubTotal: Kitchin, Jennifer		2.4		\$888.00	
Lumsden, Tom	9/5/2002	0.8	\$595	\$476.00	Participate in call with CPUC and UBS on scope of work and assignments for joint plan
Lumsden, Tom	9/10/2002	0.4	\$595	\$238.00	Telephone call with J. Wilson re UBS letter and voting results, and preference.
Lumsden, Tom	9/10/2002	1.5	\$595	\$892.50	Participate in conference call with Milbank and CPUC representatives on UBS engagement letter terms and conditions.
Lumsden, Tom	9/11/2002	2.7	\$595	\$1,606.50	Participate in conference call with bondholder representatives and A.Young and J. Wilson and J Kitchen re Joint Plan and structure. Response to questions regarding plan.
Lumsden, Tom	9/12/2002	0.3	\$595	\$178.50	Telephone call with J. Wilson re Joint plan developments.
Lumsden, Tom	9/13/2002	0.3	\$595	\$178.50	Telephone call with P.Aronzon re bondholder group questions, research files and plan.
Lumsden, Tom	9/25/2002	0.4	\$595	\$238.00	Telephone call with J. Wilson and W.Hulse re UBS structuring and request to review model.

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Billing Rate</i>	<i>Fees</i>	<i>Description</i>
Lumsden, Tom	9/25/2002	1.1	\$595	\$654.50	Telephone call with J. Wilson re 9th Circuit ruling, impact on cash, alternatives, discuss DWR bond offering, and models for Joint plan and financing structure.
Lumsden, Tom	9/30/2002	0.5	\$595	\$297.50	Telephone call with P. Aronzon re options in joint plan with 9th circuit decision.
SubTotal: Lumsden, Tom		8		\$4,760.00	
Total: Subcommittee Matters		10.4		\$5,648.00	
Total Project :		- 246.8		\$96,097.00	

Pacific Gas and Electric***Detail of Expenses******September 1, 2002 through September 30, 2002***

<i>Name</i>	<i>Date</i>	<i>Category</i>	<i>Amount</i>	<i>Description</i>
Lumden, Tom	9/22/2002	Sundry	\$12.70	Telephone and email expenses for PG&E
Lumden, Tom	9/23/2002	Sundry	\$47.00	Phone calls for PG&E
Lumden, Tom	9/24/2002	Sundry	\$1.95	Telephone calls for PG&E
Lumden, Tom	9/26/2002	Sundry	\$12.00	City Parking - CPUC meeting - PGE
Lumden, Tom	9/27/2002	Sundry	\$12.00	City Parking - CPUC meeting - PGE
Pitney Bowes Managem	9/4/2002	Sundry	\$1,112.28	Printing and service of Eighth Supplemental Declaration of T.E. Lumsden.
Pitney Bowes Managem	10/4/2002	Sundry	\$2,105.38	Printing and service of Application Authorizing the Retention of FTI Consulting
			<u>\$3,303.31</u>	

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO

I am employed in the County of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is 199 Fremont Street, 8th Floor, San Francisco, California.

On October 31, 2002, I served on the parties listed on the attached Service List, the foregoing document(s) described as:

FTI CONSULTING INC. COVER SHEET APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR SEPTEMBER 1, 2002 TO SEPTEMBER 30, 2002

X by placing the original X a true copy thereof enclosed in sealed envelopes addressed as stated on the attached service list:

(BY UPS NEXT DAY AIR DELIVERY)

X Following ordinary business practices at the San Francisco office of PricewaterhouseCoopers LLP, I placed the sealed envelope(s) for collection and mailing with UPS on that same day. I am readily familiar with the firm's practice for collection and processing of correspondence for mailing. Under that practice, such correspondence would be deposited with UPS on that same day, with postage thereon fully prepaid at San Francisco, California, in the ordinary course of business.

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

Executed on October 31, 2002, San Francisco, California.

Catherine Dolan
Type or Print Name


Signature

Proof of Service by UPS Next Day Air

James L. Lopes, Esq.
Howard, Rice, Nemerovski, Canady, Falk & Rabkin
Three Embarcadero Center, 7th Floor
San Francisco, CA 94111-4065
[Counsel to Debtor]

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

Robert Jay Moore
Paul S. Aronzon
Milbank, Tweed, Hadley & McCloy LLP
601 South Figueroa Street
Los Angeles, CA 90017
[Counsel for Official Committee of Unsecured Creditors]

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO

I am employed in the County of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is 199 Fremont Street, 8th Floor, San Francisco, California.

On October 31, 2002, I served on the parties listed on the attached Service List, the foregoing document(s) without exhibits described as:

FTI CONSULTING INC. COVER SHEET APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR SEPTEMBER 1, 2002 TO SEPTEMBER 30, 2002

X by placing the __ original X a true copy thereof enclosed in sealed envelopes addressed as stated on the attached service list:

(BY MAIL)

X Following ordinary business practices at the San Francisco office of PricewaterhouseCoopers LLP, I placed the sealed envelope(s) for collection and mailing with the United States Postal Service on that same day. I am readily familiar with the firm's practice for collection and processing of correspondence for mailing. Under that practice, such correspondence would be deposited with the United States Postal Service on that same day, with postage thereon fully prepaid at San Francisco, California, in the ordinary course of business.

— (FEDERAL) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on October 31, 2002 San Francisco, California.

Catherine Dolan
Type or Print Name


Signature