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PACIFIC GAS AND ELECTRIC COMPANY

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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. Federal I.D. No. 94-0742640	Case No. 01 30923 DM **Chapter 11 Case** **KEKER & VAN NEST'S COVER SHEET APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD OCTOBER 1, 2002 THROUGH OCTOBER 31, 2002** Judge: HON. DENNIS MONTALI [NO HEARING SCHEDULED]

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Keker & Van Nest, L.L.P. (the "Firm") submits its Cover Sheet Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period October 1, 2002 to October 31, 2002 (the "Application Period"). In support of the Application, the Firm respectfully represents as follows:

1. The Firm is special counsel to Pacific Gas and Electric Company, the 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 rendered and reimbursement of expenses incurred during the Application Period.

2. The Firm billed a total of $10,164.33 in fees and expenses during the Application Period. The total fees represent 30.75 hours expended during the period covered by this Application. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
October 1, 2002 through October 31, 2002	$ 9,317.49	$846.84	$10,164.33

3. Accordingly, the Firm seeks allowance of interim compensation in the amount of a total of $8,766.71 at this time. This total is comprised as follows:

$7,919.87 (85% of the fees for services rendered)[1] plus

$846.84 (100% of the expenses incurred).

4. For the post-petition period, the Firm has been paid to date as follows: $720,019.10.

5. To date, the Firm is owed as follows (excluding amounts owed pursuant to this Application): $70,407.81 (plus the pre-petition amount of $23,879.70).

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, (a) 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 is an Account Summary. 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 have been submitted in electronic form to the Office of the United States Trustee and mailed to counsel for the Committee and to the Debtor.

7. The Firm will serve a copy of this Application on the Special Notice List in this case on November 27, 2002.

8. Pursuant to this Court's "ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered on or about July 26, 2001, and the "AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT" which was entered on or about November 8, 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 amounts, if any, not subject to the objection. The Firm is informed and believes that this Cover Sheet Application will be mailed by first class mail, post prepaid, on or about November 27, 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 this 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.

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 "ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" as amended.

[1] Payment of this amount would result in a "holdback" of $1,397.62.

CERTIFICATION

I, Steven A. Hirsch, declare:

(a) That I am a member of Keker & Van Nest LLP ("the Firm") and of the bar of the States of California, New York, and Connecticut, and of the bar of the District of Columbia.

(b) That I am familiar with and have read the above Cover Sheet Application and that the facts therein are true to my knowledge and belief. The copies of the billing statements attached to this Cover Sheet Application are true and correct copies of the billing statements of Pacific Gas and Electric Company ("the Debtor") for the matters in which the Firm is currently retained by the Debtor ("the Matters").

(c) That the Firm has not been paid or promised any compensation from any other source for services rendered in connection with the Matters.

(d) That the Firm has not entered into any agreement or understanding with any other entity for the sharing of compensation received or to be received for services rendered and/or to be rendered in connection with the Matters.

(e) That to the best of my knowledge, information, and belief, the compensation and expense reimbursement sought herein is in conformity with the *Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees* for the United States Bankruptcy Court for the Northern District of California, except for the following: The Firm's computer system is not set up to bill in tenths of an hour. Instead, the Firm is required to bill in eighths of an hour. This does not result in the rounding up of total time billed to the Debtor.

(f) That the compensation and expenses sought herein were billed at rates no less favorable than those customarily billed by the Firm and generally accepted by the Firm's clients.

I declare under penalty of perjury that the foregoing is true and correct and that this certification was executed this 27th day of November, 2002 at San Francisco, California.

KEKER & VAN NEST, L.L.P.

By: Steven A. Hirsch

STEVEN A. HIRSCH
Special Counsel to Debtor in Possession
PACIFIC GAS AND ELECTRIC COMPANY