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6 Voting Agent to the Debtor

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8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION
11

12 In re:

13 PACIFIC GAS AND ELECTRIC CO,
14 Debtor.

15 Federal I.D. No. 94-0742640
16

Case No. 01-30923

Chapter 11 Case

[No Hearing Scheduled]

17 INNISFREE M&A INCORPORATED'S COVER SHEET APPLICATION
18 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND
19 REIMBURSEMENT OF EXPENSES FOR THE PERIOD
20 OCTOBER 1, 2001 – NOVEMBER 30, 2002

21 Innisfree M&A Incorporated ("Applicant" or "Innisfree"), submits its Cover Sheet
22 Application (the "Application"), for Allowance and Payment of Interim Compensation
23 and Reimbursement of Expenses for the Period October 1, 2001 – November 30, 2002 (the
24 "Application Period"). In support of the Application, Innisfree respectfully represents as
25 follows:

26 1. Innisfree is the Voting Agent to Pacific Gas and Electric Company, debtor and
27 debtor-in-possession (the "Debtor"), and also Voting Agent to the California Public
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1 Utilities Commission (the "CPUC"), in the above-referenced bankruptcy case. Innisfree
2 hereby applies to the Court for allowance and payment of interim compensation for
3 services rendered and reimbursement of expenses incurred during the Application Period.
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5 2. Innisfree billed a total of \$714,476.40 in fees and expenses during the
6 Application Period, of which \$555,877.00 was for fees and \$158,599.40 was for expenses.
7 Innisfree's project fee was \$25,000 plus \$2,000 for each of the 120 voting securities and
8 \$1,500 for each of the seven non-voting securities (for a total of \$275,500.00) although the
9 project fees were capped at \$150,000 pursuant to the letter of agreement between Innisfree
10 and PG&E. These project fees covered the distribution of voting materials to the banks
11 and brokerage firms holding the Debtor's public securities and the subsequent
12 coordination with the banks and brokerage firms and the distribution of master ballots. In
13 addition, Innisfree charged \$54,000 for the subsequent mailing to holders of 27 insurance
14 enhanced cusips \$19,988.45 for the mailings to registered record holders of securities and
15 other creditors and parties in interest \$119,970 for the tabulation of ballots and master
16 ballots \$51,923.55 for the distribution and mailing of the notice of Disclosure Statement
17 hearing \$250.00 for the subsequent mailing of certain notices to holders of executory
18 contracts \$22,847.50 to take 3,515 calls at \$6.50 each and \$136,897.50 for a total of 584.5
19 hours of consulting work completed by Innisfree professionals. These fees and expenses
20 break down as follows:
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Period	Fees	Expenses	Total
10/01/2001-11/30/2002	\$555,877.00	\$158,599.40	\$714,476.40

1 3. Innisfree seeks allowance of interim compensation in the total amount of
2 \$631,094.85. This total is comprised as follows:
3 \$472,495.45 (85% of the total fees for services rendered), plus
4 \$158,599.40 (100% of the total expenses incurred).
5

6 4. Innisfree has been advanced \$150,000 against fees and \$87,833.95 against
7 expenses pursuant to the letter of agreement. Therefore, Innisfree seeks payment of interim
8 compensation in the total amount of:
9

10 \$393,210.90. This total is comprised as follows:
11 \$322,495.45 (85% of the total fees for services rendered less \$150,000), plus
12 \$70,715.45 (100% of the total expenses incurred less \$87,883.95).
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14 5. This is the first Application of Innisfree, and therefore no amounts are owing
15 pursuant to previous application periods.

16 6. With regard to the copies of this Application served on Counsel for the
17 Committee, Counsel for the Debtor and the Office of the United States Trustee, (a) attached
18 as Exhibit 1 hereto, is the name of each professional who performed services in connection
19 with this case during the period covered by this Application and the hourly rate for each such
20 professional; and (b) attached as Exhibit 2, are the detailed time statements and the invoice
21 with hours statement for the Application Period that comply with all Northern District of
22 California Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the
23 Office of the United States Trustee.
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1 7. Innisfree is informed and believes that a copy of this Application (without
2 Exhibits) will be served on or about December 30, 2002 to the Special Notice List in this
3 case.
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5 8. Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING
6 INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE"
7 which was entered on or about March 18, 2002, the Debtor is authorized to make the
8 payment requested herein without a further hearing or order of this Court unless an objection
9 to this Application is filed with the Court by the Debtor, or the United States Trustee and
10 served by the fifteenth day of the month following the service of this Application. If such an
11 objection is filed, the Debtor is authorized to pay the amounts, if any, not subject to the
12 objection. Innisfree first hand sent this Cover Sheet Application via Federal Express on or
13 about December 27, 2002.
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16 9. The interim compensation and reimbursement of expenses sought in this case is
17 on account and is not final. Upon the conclusion of this case, Innisfree will seek fees and
18 reimbursement incurred for the totality of the services rendered in the case. Any interim fees
19 or reimbursement of expenses approved by this Court and received by Innisfree will be
20 credited against such final fees and expenses as may be allowed by this court.
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22 10. Innisfree believes and accordingly, it represents and warrants that its billing
23 practices comply with all Northern District of California Bankruptcy Local Rules and
24 Compensation Guidelines and the Guidelines of the office of the United States Trustee.
25 Neither Innisfree nor any members of Innisfree has any agreement or understanding of any
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1 kind or nature to divide, pay over or share any portion of the fees or expenses to be awarded
2 to Innisfree with any other person except as among the members and associates of Innisfree.

3 WHEREFORE, Innisfree respectfully requests that the Debtor pay compensation to
4 Innisfree as requested herein pursuant to and in accordance with the terms of the "SECOND
5 AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE
6 REIMBURSEMENT PROCEDURE."
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10 Dated: December 27, 2002

11 INNISFREE M&A INCORPORATED

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13 By:



14 Jane Sullivan
15 Voting Agent to the Debtor
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