

1 INNISFREE M&A INCORPORATED  
2 501 Madison Avenue, 20<sup>th</sup> Floor  
3 New York, NY 10022  
4 Telephone: (212) 750-5833  
5 Facsimile: (212) 750-5799

6 Voting Agent to the Debtor

50-275  
323

7  
8 UNITED STATES BANKRUPTCY COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 SANFRANCISCO DIVISION  
11

12 In re:

13 PACIFIC GAS AND ELECTRIC CO,  
14 Debtor.

Case No. 01-30923

Chapter 11 Case

[No Hearing Scheduled]

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

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  
28

Add OGC Mail Center  
A001

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.  
4

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:  
21  
22  
23  
24

25 Period	Fees	Expenses	Total
26 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).  
13

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.  
24  
25  
26  
27  
28

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.  
4

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.  
14  
15

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.  
21

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  
26 Neither Innisfree nor any members of Innisfree has any agreement or understanding of any  
27  
28

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

8  
9  
10 Dated: December 27, 2002

11 INNISFREE M&A INCORPORATED

12  
13 By:



14 Jane Sullivan  
15 Voting Agent to the Debtor  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28