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8 Special Counsel for Pacific Gas and
9 Electric Company, Debtor and Debtor in Possession

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 COMPANY,) Chapter 11 Case
15 a California corporation,)
16 Debtor.) [No Hearing Scheduled]
17 Federal I.D. No. 94-0742640)

18 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP'S
19 COVER SHEET APPLICATION FOR ALLOWANCE
20 AND PAYMENT OF INTERIM COMPENSATION AND
21 REIMBURSEMENT OF EXPENSES FOR THE PERIOD
22 DECEMBER 1, 2002 THROUGH DECEMBER 31, 2002

23 Skadden, Arps, Slate, Meagher & Flom LLP (the "Firm") submits its Cover Sheet
24 Application (the "Application") for Allowance and Payment of Interim Compensation and
25 Reimbursement of Expenses for the Period December 1, 2002 through December 31, 2002 (the
26 "Application Period"). In support of the Application, the Firm respectfully represents as follows:

27 1. The Firm is special regulatory counsel to Pacific Gas and Electric
28 Company, the debtor and debtor in possession in the above-referenced bankruptcy case (the
"Debtor"). The Firm hereby applies to the Court for allowance and payment of interim

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP'S COVER SHEET FEE APPLICATION FOR ALLOWANCE
AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
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1 compensation for services rendered and reimbursement of expenses incurred during the
2 Application Period.

3 2. The Firm billed a total of \$141,847.72 in fees and expenses during the
4 Application Period. The total fees represent 406.90 hours expended during the period covered by
5 this Application. These fees and expenses break down as follows:

6	7	8	9
Period	Fees	Expenses	Total
December 1, 2002 through December 31, 2002	\$135,232.50	\$6,615.22	\$141,847.72

10 3. Accordingly, the Firm seeks allowance of interim compensation in the
11 total amount of \$121,562.85 at this time. This total is comprised as follows: \$114,947.63 (85%
12 of the fees for services rendered)¹ plus \$6,615.22 (100% of the expenses incurred).

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

15	16	17	18
Application Period	Amount Applied For	Description	Total
April 6 2001 through July 31, 2001	\$ 412,199.69	100% of fees and 100% of expenses	\$384,116.82 ²
August 1, 2001 through August 31, 2001	\$ 232,904.35	85% of fees and 100% of expenses	\$211,716.95
September 1, 2001 through September 30, 2001	\$182,393.51	85% of fees and 100% of expenses	\$182,363.51
October 1, 2001 through October 31, 2001	\$351,118.17	85% of fees and \$100% of expenses	\$351,118.17

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25 ¹ Payment of this amount would result in a "holdback" of \$20,284.87.

26 ² This amount represents the amount allowed from the Firm's first interim fee application,
27 after reduction for certain time and disbursements.

28 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP'S COVER SHEET FEE APPLICATION FOR ALLOWANCE
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1	November 1, 2001 through November 30, 2001	\$327,076.56	85% of fees and 100% of expenses	\$327,076.56
2				
3	December 1, 2001 through December 31, 2001	\$49,443.48	85% of fees and 100% of expenses	\$49,443.48
4				
5	August 1, 2001 through November 30, 2001		Amounts outstanding from cover sheet fee applications less certain reductions from Second Interim Fee Application	\$137,056.57
6				
7				
8	January 1, 2002 through January 31, 2002	\$104,031.40	85% of fees and 100% of expenses	\$104,031.40
9				
10	February 1, 2002 through February 28, 2002	\$159,990.72	85% of fees and 100% of expenses	\$159,990.72
11				
12	March 1, 2002 through March 31, 2002	\$89,507.42	85% of fees and 100% of expenses	\$89,507.42
13				
14	April 1, 2002 through April 30, 2002	\$111,659.93	85% of fees and 100% of expenses	\$111,659.93
15				
16	December 1, 2001 through March 31, 2002		Amounts outstanding from cover sheet fee applications less certain reductions from Third Interim Fee Application	\$52,271.96
17				
18				
19	May 1, 2002 through May 31, 2002	\$90,110.23	85% of fees and 100% of expenses	\$90,110.23
20				
21	June 1, 2002 through June 30, 2002	\$28,872.94	85% of fees and 100% of expenses	\$28,872.94
22				
23	July 1, 2002 through July 31, 2002	\$77,733.11	85% of fees and 100% of expenses	\$77,733.11
24				
25	August 1, 2002 through August 31, 2002	\$131,944.96	85% of fees and 100% of expenses	\$131,944.96
26				
27	September 1, 2002 through September 30, 2002	\$72,743.14	85% of fees and 100% of expenses	\$72,743.14

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28 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP'S COVER SHEET FEE APPLICATION FOR ALLOWANCE
AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
DECEMBER 1, 2002 THROUGH DECEMBER 31, 2002

1	April 1, 2002 through July 31, 2002	\$45,556.86	Amounts outstanding from cover sheet fee applications less voluntary reductions from Fourth Interim Fee Application	\$45,556.86
2				
3				
4	October 1, 2002 through October 31, 2002	\$94,196.22	85% of fees and 100% of expenses	\$94,196.22
5				
6	November 1, 2002 through November 30, 2002	\$65,243.71	85% of fees and 100% of expenses	\$65,243.71
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5. To date, the Firm is owed as follows (excluding amounts owed under this Application):

Period	Fees	Description
Fourteenth (August 1, 2002 through August 31, 2002)	\$22,755.67	15% fee holdback
Fifteenth (September 1, 2002 through September 30, 2002)	\$12,739.72	15% fee holdback
Sixteenth (October 1, 2002 through October 31, 2002)	\$15,644.47	15% fee holdback
Seventeenth (November 1, 2002 through November 30, 2002)	\$10,102.05	15% fee holdback
Total Owed to Firm to Date	\$61,241.91	

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 Exhibit 2 are the detailed time and expense records 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.

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP'S COVER SHEET FEE APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 31, 2002

1 7. The Firm has served a copy of this Application on the Special Notice List
2 in this case.

3 8. In accordance with this Court's "ORDER ESTABLISHING INTERIM
4 FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered
5 on or about July 25, 2001, as subsequently amended, the Debtor is authorized to make the
6 payment requested herein without a further hearing or order of this Court unless an objection to
7 this Application is filed with the Court by the Debtor, the Committee or the United States
8 Trustee and served by the fifteenth day of the month following the service of this Application. If
9 such an objection is filed, Debtor is authorized to pay the amounts, if any, not subject to the
10 objection. The Firm is informed and believes that this Cover Sheet Application was mailed by
11 first class mail, postage prepaid, on or about January 24, 2003.

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

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

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

Dated: January 24, 2003 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

By: Jamie L. Edmonson
Richard Levin and Jamie L. Edmonson
Special Regulatory Counsel to Debtor and Debtor in Possession

CERTIFICATE OF SERVICE

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I, Jamie L. Edmonson, hereby certify that on the 24th day of January, 2003, I caused the foregoing Skadden, Arps, Slate, Meagher & Flom LLP's Cover Sheet Application for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period December 1, 2002 through December 31, 2002 to be served on the parties on the attached Special Notice List by First Class Mail.


Jamie L. Edmonson

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP'S COVER SHEET FEE APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 31, 2002