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2 HARVEY L. LEIDERMAN (State Bar No. 55838)  
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4 A Professional Corporation  
5 One Embarcadero Center, 30th Floor  
6 San Francisco, California 94111  
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9 Special Counsel to Debtor and Debtor in Possession,  
10 PACIFIC GAS AND ELECTRIC COMPANY

11 UNITED STATES BANKRUPTCY COURT  
12 NORTHERN DISTRICT OF CALIFORNIA  
13 SAN FRANCISCO DIVISION

14 In Re:  
15 PACIFIC GAS AND ELECTRIC  
16 COMPANY, a California corporation,  
17 Debtor and Debtor in Possession.  
18 Federal I.D. No. 94-0742640

19 Case No. 01-30923 DM  
20 Chapter 11 Case  
21 Hearing: Not set

22 STEEFEL, LEVITT & WEISS'S COVER SHEET APPLICATION  
23 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION  
24 AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD DECEMBER 1-31, 2002

25 Steefel, Levitt & Weiss (the "Firm") respectfully submits its Cover Sheet Application (the  
26 "Application") for Allowance and Payment of Interim Compensation and Reimbursement of  
27 Expenses for the Period December 1-31, 2002 (the "Application Period"). In support of the  
28 Application, the Firm respectfully represents as follows:

1. The Firm is Special Counsel to 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 compensation for services rendered and reimbursement of expenses  
incurred during the Application Period.

2. The Firm billed a total of \$49,932.29 in fees and expenses during the Application  
Period. The total fees represent 169.06 hours expended during the Application Period. These

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1 fees and expenses break down as follows:

2 Period	Fees	Expenses	Total
3 December 1-31, 2002	\$48,001.21	\$1,931.08	\$49,932.29

4 3. Accordingly, the Firm seeks allowance of interim compensation in the total  
 5 amount of \$42,732.11 at this time. This total is comprised as follows: \$40,801.03 (85% of the  
 6 fees for services rendered)<sup>1</sup> plus \$1,931.08 (100% of the expenses incurred).

7 4. For Applicant's Fourth Interim Compensation Period, the Firm has been paid to  
 8 date as follows:

9 Application Period	Amount Applied For	Description	Amount Paid
10 Aug. 1-31, 2002	\$78,001.96	85% of fees and 100% of Expenses	\$78,001.96
11 Sept. 1-30, 2002	\$58,778.41	85% of fees and 100% of Expenses	\$58,778.41
12 Oct. 1-31, 2002	\$70,245.22 <sup>2</sup>	85% of fees and 100% of Expenses	\$69,682.72
13 Nov. 1-30, 2002	\$46,055.67	85% of fees and 100% of Expenses	\$46,055.67
14 <b>TOTAL</b>	<b>\$253,0821.26</b>		<b>\$252,518.76</b>

15  
 16 5. Based on its Cover Sheet Applications filed in this proceeding, to date, the Firm is  
 17 owed the following funds held back (excluding amounts owed pursuant to this Application):

18 Application Period	Amount	Description
19 14th (Aug. 1-31, 2002)	\$13,239.21	15% fee holdback and/or portion of fees objected to
20 15 <sup>th</sup> (Sept. 1-30, 2002)	9,881.69	15% fee holdback and/or portion of fees objected to
21 16 <sup>th</sup> (Oct. 1-31, 2002)	12,140.50 <sup>3</sup>	15% fee holdback and/or portion of fees objected to
22 17th (Nov. 1-30, 2002)	7,431.00	15% fee holdback and/or portion of fees objected to
23 <b>TOTAL OWED</b>	<b>\$42,692.40</b>	

24  
 25 <sup>1</sup> Payment of this amount would result in a "holdback" of \$7,200.18.

26 <sup>2</sup> This number has been changed from that in the October 2002 Cover Sheet Application to reflect a computational error of \$562.50.

27 <sup>3</sup> The indicated holdback for Oct. 1-31, 2002, includes the computational error of \$562.50 in Applicant's October 2002 Cover Sheet Application which was identified and corrected in Applicant's November 2002 Cover Sheet Application, filed herein on December 27, 2002.

1           6.       With regard to the copies of this Application served on counsel for the Committee,  
2 counsel for the Debtor and the Office of the United States Trustee, attached as Exhibit 1 hereto is  
3 the name of each professional who performed services in connection with this case during the  
4 period covered by this Application, the hourly rate for each such professional, and the detailed  
5 time and expense statements for the Application Period that comply with all Northern District of  
6 California Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the  
7 Office of the United States Trustee.

8           7.       The Firm has served a copy of this Application (without Exhibit 1) on the Special  
9 Notice List in this case.

10           8.       Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING  
11 INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE (Revised  
12 March, 2002)" which was entered on or about March 18, 2002, the Debtor is authorized to make  
13 the payment requested herein without a further hearing or order of this Court unless an objection  
14 to this Application is filed with the Court by the Debtor, the Committee or the United States  
15 Trustee and served by the fifteenth day of the month following the service of this Application. If  
16 such an objection is filed, Debtor is authorized to pay the amounts, if any, not subject to the  
17 objection. The Firm is informed and believes that this Cover Sheet Application will be mailed by  
18 first class mail, postage prepaid, on or about January 31, 2003.

19           9.       The interim compensation and reimbursement of expenses sought in this  
20 Application is on account and is not final. Upon the conclusion of this case, the Firm will seek  
21 fees and reimbursement of the expenses incurred for the totality of the services rendered in the  
22 case. Any interim fees or reimbursement of expenses approved by this Court and received by the  
23 Firm (along with the Firm's retainer) will be credited against such final fees and expenses as may  
24 be allowed by this Court.

25           10.       The Firm represents and warrants that its billing practices comply with all  
26 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and the  
27 Guidelines of the Office of the United States Trustee. Neither the Firm nor any members of the  
28 Firm has any agreement or understanding of any kind or nature to divide, pay over or share any

1 portion of the fees or expenses to be awarded to the Firm with any other person or attorney except  
2 as among the members and associates of the Firm.

3 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the  
4 Firm 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 (Revised March, 2002)."

7 Date: January 31, 2003

STEEFEL, LEVITT & WEISS  
A Professional Corporation

By: 

Mark Fogelman

Attorneys for Special Counsel to Debtor and  
Debtor in Possession, PACIFIC GAS AND  
ELECTRIC COMPANY

**PROOF OF SERVICE**

I, Anne Ogonowski, declare as follows:

I am employed in the City and County of San Francisco, California, over the age of eighteen years, and not a party to the within cause. My business address is STEEFEL, LEVITT & WEISS, One Embarcadero Center, 30th Floor, San Francisco, California 94111. On January 31, 2003, I served the within:

**STEEFEL, LEVITT & WEISS'S COVER SHEET APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD DECEMBER 1-31, 2002**

on the interested parties in this action by placing a true copy thereof, along with the appropriate Exhibits, in a sealed envelope, addressed as follows:

James L. Lopes, Esq.  
Jeffrey L. Schaffer, Esq.  
Janet A. Nexon, Esq.  
William J. Lafferty, Esq.  
Howard, Rice, Nemerovski, Canady,  
Falk & Rabkin, a P.C.  
Three Embarcadero Center, 7th Floor  
San Francisco, CA 94111-4065

Paul S. Aronzon, Esq.  
Robert Jay Moore, Esq.  
Milbank, Tweed, Hadley & McCloy LLP  
601 S. Figueroa Street, 30th Floor  
Los Angeles, CA 90017

Patricia Martin, Esq.  
Office of the United States Trustee  
250 Montgomery Street, Suite 1000  
San Francisco, CA 94104-3401

**BY OVERNIGHT MAIL:** By placing such envelope, for collection and mailing at Steefel, Levitt & Weiss, San Francisco, California following ordinary business practice. I am readily familiar with the practice of Steefel, Levitt & Weiss for collection and processing of overnight service mailings, said practice being that in the ordinary course of business, correspondence is deposited with the overnight messenger service Federal Express for delivery as addressed.

and by serving all parties on the Special Notice List (as of January 29, 2003), by placing a true copy of the Cover Sheet Application, without Exhibit 1, in a sealed envelope, addressed to all parties on said Special Notice List, found at:

[http://www.canb.uscourts.gov/canb/Documents.nsf/4fa6cc9d77741519882569e50004dce6/2cb9cc414857666088256a37005a57da/\\$FILE/\\_0a13ichaja176ut2cedq0\\_.pdf](http://www.canb.uscourts.gov/canb/Documents.nsf/4fa6cc9d77741519882569e50004dce6/2cb9cc414857666088256a37005a57da/$FILE/_0a13ichaja176ut2cedq0_.pdf)

A copy of the Special Notice List is attached to the Original Cover Sheet Application.

**BY MAIL:** By placing such envelope, with postage thereon fully prepaid for first class mail, for collection and mailing at Steefel, Levitt & Weiss, San Francisco, California following ordinary business practice. I am readily familiar with the practice of Steefel, Levitt & Weiss for collection and processing of correspondence, said practice being that in the ordinary course of business, correspondence is deposited in the United States Postal Service the same day as it is placed for collection.

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

3 Executed on January 31, 2003, at San Francisco, California.

4 Anne Ogonowski  
5 Anne Ogonowski  
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