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6 Special Counsel to Debtor in Possession  
7 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 DECEMBER 1, 2002 TO  
DECEMBER 31, 2002

Judge: HON. DENNIS MONTALI  
[NO HEARING SCHEDULED]

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

5           1.       The Firm is special counsel to Pacific Gas and Electric Company, the debtor in  
6 possession in the above-referenced bankruptcy case (the "Debtor"). The Firm hereby applies to  
7 the Court for allowance and payment of interim compensation for services rendered and  
8 reimbursement of expenses incurred during the Application Period.

9           2.       The Firm billed a total of \$17,294.90 in fees and expenses during the Application  
10 Period. The total fees represent 50.0 hours expended during the period covered by this  
11 Application. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
December 1, 2002 to December 31, 2002	\$16,780.07	\$514.83	\$17,294.90

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15           3.       Accordingly, the Firm seeks allowance of interim compensation in the amount of  
16 a total of \$14,777.89 at this time. This total is comprised as follows:

17 \$14,263.06 (85% of the fees for services rendered)<sup>1</sup> plus

18 \$ 514.83 (100% of the expenses incurred).

19           4.       For the post-petition period, the Firm has been paid to date as follows:  
20 \$789,367.82.

21           5.       To date, the Firm is owed as follows (excluding amounts owed pursuant to this  
22 Application): \$18,049.55 (plus the pre-petition amount of \$23,879.70).

23           6.       With regard to the copies of this Application served on counsel for the  
24 Committee, counsel for the Debtor and the Office of the United States Trustee, (a) attached as  
25 Exhibit 1 hereto is the name of each professional who performed services in connection with this  
26 case during the period covered by this Application and the hourly rate for each such professional;

27  
28 <sup>1</sup> Payment of this amount would result in a "holdback" of \$2,517.01.

1 and (b) attached as Exhibit 2 is an Account Summary. The detailed time and expense statements  
2 for the Application Period that comply with all Northern District of California Bankruptcy Local  
3 Rules and Compensation Guidelines and the Guidelines of the Office of the United States  
4 Trustee have been submitted in electronic form to the Office of the United States Trustee and  
5 mailed to counsel for the Committee and to the Debtor.

6 7. The Firm will serve a copy of this Application on the Special Notice List in this  
7 case on January 29, 2003.

8 8. Pursuant to this Court's "ORDER ESTABLISHING INTERIM FEE  
9 APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE", which was entered on  
10 or about July 26, 2001, and the "AMENDED ORDER ESTABLISHING INTERIM FEE  
11 APPLICATION AND EXPENSE REIMBURSEMENT", which was entered on or about  
12 November 8, 2001, the Debtor is authorized to make the payment requested herein without a  
13 further hearing or order of this Court unless an objection to this Application is filed with the  
14 Court by the Debtor, the Committee or the United States Trustee and served by the fifteenth day  
15 of the month following the service of this Application. If such an objection is filed, Debtor is  
16 authorized to pay the amounts, if any, not subject to the objection. The Firm is informed and  
17 believes that this Cover Sheet Application will be mailed by first class mail, post prepaid, on or  
18 about January 29, 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 these cases, the Firm will seek  
21 fees and reimbursement of the expenses incurred for the totality of the services rendered in this  
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 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the  
26 Firm as requested herein pursuant to and in accordance with the terms of the "ORDER  
27 ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT  
28 PROCEDURE" as amended.

**CERTIFICATION**

I, Jon B. Streeter, declare:

(a) That I am a member of Keker & Van Nest LLP ("KVN") and of the bar of the State of California.

(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 29th day of January, 2003 at San Francisco, California.

KEKER & VAN NEST, L.L.P.

By: \_\_\_\_\_

JON B. STREETER

Special Counsel to Debtor in Possession  
PACIFIC GAS AND ELECTRIC  
COMPANY

**EXHIBIT 1**

**SCHEDULE OF HOURLY RATES**

*Keker & Van Nest, L.L.P.*

**Effective January 1, 2001**

**Re: *Power Generator Matter***

<b>NAME</b>	<b>HOURLY RATE</b>
ROBERT A. VAN NEST	\$550.00
JAMES M. EMERY	\$350.00
STEVEN A. HIRSCH	\$300.00
G. WHITNEY LEIGH	\$280.00
ROY L. AUSTIN, JR.	\$255.00
CLEMENT S. ROBERTS	\$215.00
BRYAN D. LOPER	\$125.00

**EXHIBIT 1**

**SCHEDULE OF HOURLY RATES RE POWER GENERATOR MATTER**

**EXHIBIT 1**

**SCHEDULE OF HOURLY RATES**

*Keker & Van Nest, L.L.P.*

**Effective January 1, 2002**

**Re: *Sierra Pacific Industries, Inc. v. PG&E, et al.***  
**Sacramento County Superior Court No. 01 AS02027**

<b>NAME</b>	<b>HOURLY RATE</b>
ROBERT A. VAN NEST	\$600.00
JON B. STREETER	\$500.00
STEVEN A. HIRSCH	\$350.00
DANIEL E. PURCELL	\$270.00
ROBERT A. BONTA	\$250.00
BRYAN D. LOPER	\$140.00
JOSH D. MAREMONT	\$160.00

**EXHIBIT 1**

**SCHEDULE OF HOURLY RATES RE SIERRA PACIFIC INDUSTRIES, INC. V. PG&E, ET AL.**

**EXHIBIT 1**

**SCHEDULE OF HOURLY RATES**

*Keker & Van Nest, L.L.P.*

**Effective December 5, 2002**

**Re: *Blank Check Committee***

<b>NAME</b>	<b>HOURLY RATE</b>
ROBERT A. VAN NEST	\$600.00
ETHAN A. BALOGH	\$325.00
CLEMENT S. ROBERTS	\$230.00
BRYAN D. LOPER	\$140.00
OLIN A. ERICKSEN	\$90.00

**EXHIBIT 1**

**SCHEDULE OF HOURLY RATES RE S.F. ETHICS COMMISSION/PROP D**

**EXHIBIT 2**  
**DETAILED STATEMENTS**  
*(NOT INCLUDED WITH ORIGINAL)*



1 **PROOF OF SERVICE**

2 I am employed in the City and County of San Francisco, State of California in the office  
3 of a member of the bar of this court at whose direction the following service was made. I am  
4 over the age of eighteen years and not a party to the within action. My business address is Keker  
& Van Nest, LLP, 710 Sansome Street, San Francisco, California 94111-1704.

5 On January 29, 2003, I served the following document:

6 **KEKER & VAN NEST'S COVER SHEET APPLICATION**  
7 **FOR ALLOWANCE AND PAYMENT OF INTERIM**  
8 **COMPENSATION AND REIMBURSEMENT OF**  
9 **EXPENSES FOR THE PERIOD DECEMBER 1, 2002**  
10 **TO DECEMBER 31, 2002**

11  by **FEDERAL EXPRESS**, by placing a true and correct copy in a sealed envelope addressed as shown  
12 below. I am readily familiar with the practice of Keker & Van Nest, LLP for correspondence for delivery  
13 by FedEx Corporation. According to that practice, items are retrieved daily by a FedEx Corporation  
14 employee for overnight delivery.

15 Patricia A. Cutler, Assistant U.S. Trustee  
16 Stephen L. Johnson, Trial Attorney  
17 Edward G. Myrtle, Trial Attorney  
18 U.S. Department of Justice  
19 Office of the U.S. Trustee  
20 250 Montgomery Street, Suite 1000  
21 San Francisco, CA 94104

Paul S. Aronzon, Esq.  
Robert J. Moore, Esq.  
Milbank, Tweed, Hadley & McCloy  
601 South Figueroa Street  
Los Angeles, CA 90017

Phone: 213-892-4000

22 Phone: 415-705-3333

23 James L. Lopes  
24 William J. Lafferty  
25 Howard, Rice, Nemerovsky,  
26 Canady, Falk & Rabkin  
27 Three Embarcadero Center, Seventh Floor  
28 San Francisco, CA 94111

Phone: 415-399-3015

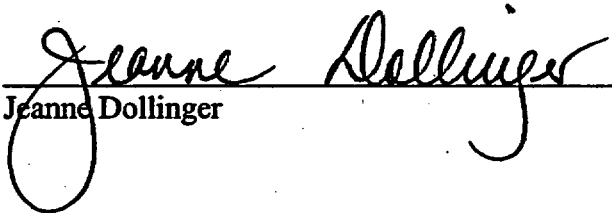
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On this date, a detailed time and expense statement for the Application Period complying with all Northern District of California Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the Office of the United States Trustee was served by *electronic transmission* on the following:

U.S. Department of Justice  
Office of the U.S. Trustee  
250 Montgomery Street, Suite 1000  
San Francisco, CA 94104  
michael.sorgaard@usdoj.gov  
stephen.johnson2@usdoj.gov

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on January 29, 2003, at San Francisco, California.

  
\_\_\_\_\_  
Jeanne Dollinger