

1 KEKER & VAN NEST, L.L.P.
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6 Special Counsel to Debtor in Possession
7 PACIFIC GAS AND ELECTRIC COMPANY

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

13 In re
14 PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,
15 Debtor.
16
17 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
(1) FOR THE PERIOD JANUARY 1, 2003
TO JANUARY 31, 2003; and
(2) FOR THE PERIOD OCTOBER 16,
2002 TO DECEMBER 31, 2002
(Pursuant to Recent Order
Broadening Scope of Employment)

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 January 1, 2003 to January 31, 2003, and in addition, pursuant to the
 4 Order Granting Application of Debtor and Debtor-In-Possession to Broaden Scope of
 5 Employment of Keker & Van Nest, L.L.P. as Special Counsel entered on January 14, 2003, for
 6 the period October 16, 2002 to December 31, 2002 (collectively, the "Application Period").
 7 In support of the Application, the Firm respectfully represents as follows:

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

12 2. The Firm billed a total of \$209,817.34 in fees and expenses during the
 13 Application Period. The total fees represent 476.50 hours expended during the period covered
 14 by this Application. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
October 16, 2002 to December 31, 2002 (Power Line & Natural Gas matters)	\$106,276.25	\$ 5,382.99	\$111,659.24
January 1, 2003 to January 31, 2003	\$95,686.20	\$ 2,471.90	\$ 98,158.10

22 3. Accordingly, the Firm seeks allowance of interim compensation in the amount of
 23 a total of \$179,522.97 at this time. This total is comprised as follows:
 24 \$171,668.08 (85% of the fees for services rendered)¹ plus
 25 \$ 7,854.89 (100% of the expenses incurred).

28 ¹ Payment of this amount would result in a "holdback" of \$30,294.37.

1 4. For the post-petition period, the Firm has been paid to date as follows:
2 \$798,357.14.

3 5. To date, the Firm is owed as follows (excluding amounts owed pursuant to this
4 Application): \$26,355.13 (plus the pre-petition amount of \$23,879.70).

5 6. With regard to the copies of this Application served on counsel for the
6 Committee, counsel for the Debtor and the Office of the United States Trustee, (a) attached as
7 Exhibit 1 hereto is the name of each professional who performed services in connection with this
8 case during the period covered by this Application and the hourly rate for each such professional;
9 and (b) attached as Exhibit 2 is an Account Summary. The detailed time and expense statements
10 for the Application Period that comply with all Northern District of California Bankruptcy Local
11 Rules and Compensation Guidelines and the Guidelines of the Office of the United States
12 Trustee have been submitted in electronic form to the Office of the United States Trustee and
13 mailed to counsel for the Committee and to the Debtor.

14 7. The Firm will serve a copy of this Application on the Special Notice List in this
15 case on February 20, 2003.

16 8. Pursuant to this Court's "ORDER ESTABLISHING INTERIM FEE
17 APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE", which was entered on
18 or about July 26, 2001, and the "AMENDED ORDER ESTABLISHING INTERIM FEE
19 APPLICATION AND EXPENSE REIMBURSEMENT", which was entered on or about
20 November 8, 2001, the Debtor is authorized to make the payment requested herein without a
21 further hearing or order of this Court unless an objection to this Application is filed with the
22 Court by the Debtor, the Committee or the United States Trustee and served by the fifteenth day
23 of the month following the service of this Application. If such an objection is filed, Debtor is
24 authorized to pay the amounts, if any, not subject to the objection. The Firm is informed and
25 believes that this Cover Sheet Application will be mailed by first class mail, post prepaid, on or
26 about February 20, 2003.

1 9. The interim compensation and reimbursement of expenses sought in this
2 Application is on account and is not final. Upon the conclusion of these cases, the Firm will seek
3 fees and reimbursement of the expenses incurred for the totality of the services rendered in this
4 case. Any interim fees or reimbursement of expenses approved by this Court and received by the
5 Firm (along with the Firm's retainer) will be credited against such final fees and expenses as may
6 be allowed by this Court.

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

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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 20th day of February, 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 CO.

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, L.L.P.

Effective January 1, 2001

Re: *Power Generator Matter*

NAME	HOURLY RATE
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

*(No fees or expenses incurred January 1, 2003 to January 31, 2003
in the Power Generator Matter)*

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

NAME	HOURLY RATE
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*

NAME	HOURLY RATE
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 BLANK CHECK COMMITTEE

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, L.L.P.

Effective September 1, 2002

Re: *Power Line Matter*

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$600.00
JON B. STREETER	\$500.00
STEVEN A. HIRSCH	\$350.00
DANIEL E. PURCELL	\$270.00

EXHIBIT 1

SCHEDULE OF HOURLY RATES RE POWER LINE MATTER

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, L.L.P.

Effective September 1, 2002

Re: Natural Gas Matter

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$600.00
JON B. STREETER	\$500.00
STEVEN A. HIRSCH	\$350.00
DANIEL E. PURCELL	\$270.00

EXHIBIT 1

SCHEDULE OF HOURLY RATES RE NATURAL GAS MATTER

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 Kecker
& Van Nest, LLP, 710 Sansome Street, San Francisco, California 94111-1704.

5 On February 20, 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 EXPENSES**
9 **(1) FOR THE PERIOD JANUARY 1, 2003 to JANUARY 31, 2003;**
10 **and (2) FOR THE PERIOD OCTOBER 16, 2002 to DECEMBER 31, 2002**
11 **(Pursuant to Recent Order Broadening Scope of Employment)**

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

16 Patricia A. Cutler, Assistant U.S. Trustee
17 Stephen L. Johnson, Trial Attorney
18 Edward G. Myrtle, Trial Attorney
19 U.S. Department of Justice
20 Office of the U.S. Trustee
21 250 Montgomery Street, Suite 1000
22 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

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

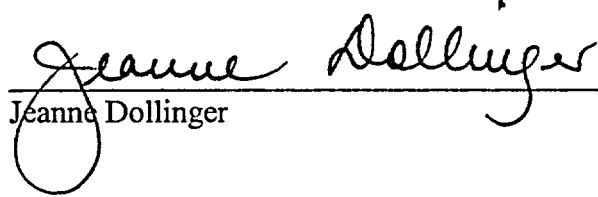
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On this date, a detailed time and expense statement for the Application Period complying with all Northern District of California Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the Office of the United States Trustee was served *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
and
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 February 20, 2003, at San Francisco, California.



Jeanne Dollinger