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

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

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

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

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17 STEEFEL, LEVITT & WEISS'S COVER SHEET APPLICATION
FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION
18 AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD JANUARY 1-31, 2003

19 Steefel, Levitt & Weiss (the "Firm") respectfully submits its Cover Sheet Application (the
20 "Application") for Allowance and Payment of Interim Compensation and Reimbursement of
21 Expenses for the Period January 1-31, 2003 (the "Application Period"). In support of the
22 Application, the Firm respectfully represents as follows:

23 1. The Firm is Special Counsel to the debtor and debtor-in-possession in the above-
24 referenced bankruptcy case (the "Debtor"). The Firm hereby applies to the Court for allowance
25 and payment of interim compensation for services rendered and reimbursement of expenses
26 incurred during the Application Period.

27 2. The Firm billed a total of \$58,855.53 in fees and expenses during the Application
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1 Period. The total fees represent 189.78 hours expended during the Application Period.¹ These
 2 fees and expenses break down as follows:

3 Period	Fees	Expenses	Total
4 January 1-31, 2003	\$57,040.40	\$1,815.13	\$58,855.53

5 3. Accordingly, the Firm seeks allowance of interim compensation in the total
 6 amount of \$50,299.47 at this time. This total is comprised as follows: \$48,484.34 (85% of the
 7 fees for services rendered)² plus \$1,815.13 (100% of the expenses incurred).

8 4. For Applicant's Fourth Interim Compensation Period and the first month of its
 9 Fifth Interim Compensation Period, the Firm has been paid to date as follows:

10 Application Period	Amount Applied For	Description	Amount Paid
11 Aug. 1-31, 2002	\$78,001.96	85% of fees and 100% of Expenses	78,001.96
12 Sept. 1-30, 2002	58,778.41	85% of fees and 100% of Expenses	58,778.41
13 Oct. 1-31, 2002	70,245.22 ³	85% of fees and 100% of Expenses	69,682.72
14 Nov. 1-30, 2002	46,055.67	85% of fees and 100% of Expenses	46,055.67
15 Dec. 1-31, 2002	42,732.11	85% of fees and 100% of Expenses	42,732.11
16 TOTAL	\$295,813.37		\$295,250.87

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

20 Application Period	Amount	Description
21 14th (Aug. 1-31, 2002)	\$13,239.21	15% fee holdback and/or portion of fees objected to
22 15th (Sept. 1-30, 2002)	9,881.69	15% fee holdback and/or portion of fees objected to
23 16th (Oct. 1-31, 2002)	12,140.50 ⁴	15% fee holdback and/or portion of fees objected to

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 25 ¹ In matter 16774, Invoice number 164624, 15.10 hours were expended in December 2002. However, fees for these
 hours are being billed in this period for the first time.

26 ² Payment of this amount would result in a "holdback" of \$8,556.06

27 ³ This number has been changed from that in the October 2002 Cover Sheet Application to reflect a computational
 error of \$562.50.

28 ⁴ The indicated holdback for Oct. 1-31, 2002, includes the computational error of \$562.50 in Applicant's October

(continued...)

Application Period	Amount	Description
17th (Nov. 1-30, 2002)	7,431.00	15% fee holdback and/or portion of fees objected to
18th (Dec. 1-31, 2002)	7,200.18	15% fee holdback and/or portion of fees objected to
TOTAL OWED	\$49,892.58	

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

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

15: 8. Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING
 16: INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE (Revised
 17: March, 2002)" which was entered on or about March 18, 2002, the Debtor is authorized to make
 18: the payment requested herein without a further hearing or order of this Court unless an objection
 19: to this Application is filed with the Court by the Debtor, the Committee or the United States
 20: Trustee and served by the fifteenth day of the month following the service of this Application. If
 21: such an objection is filed, Debtor is authorized to pay the amounts, if any, not subject to the
 22: objection. The Firm is informed and believes that this Cover Sheet Application will be mailed by
 23: first class mail, postage prepaid, on or about February 26, 2003.

24: 9. The interim compensation and reimbursement of expenses sought in this
 25: Application is on account and is not final. Upon the conclusion of this case, the Firm will seek
 26: fees and reimbursement of the expenses incurred for the totality of the services rendered in the

27: (...continued)

28: 2002 Cover Sheet Application which was identified and corrected in Applicant's November 2002 Cover Sheet
 Application; filed herein on December 27, 2002.

1 case. Any interim fees or reimbursement of expenses approved by this Court and received by the
2 Firm (along with the Firm's retainer) will be credited against such final fees and expenses as may
3 be allowed by this Court.

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

10 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the
11 Firm as requested herein pursuant to and in accordance with the terms of the "SECOND
12 AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE
13 REIMBURSEMENT PROCEDURE (Revised March, 2002)."

14 Date: February 26, 2003

STEEFEL, LEVITT & WEISS
A Professional Corporation

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17 By: 

Mark Fogelman

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

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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 February 27, 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 JANUARY 1-31, 2003

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. | Paul S. Aronzon, Esq. |
| Jeffrey L. Schaffer, Esq. | Robert Jay Moore, Esq. |
| Janet A. Nexon, Esq. | Milbank, Tweed, Hadley & McCloy LLP |
| William J. Lafferty, Esq. | 601 S. Figueroa Street, 30th Floor |
| Howard, Rice, Nemerovski, Canady, | Los Angeles, CA 90017 |
| Falk & Rabkin, a P.C. | Patricia Martin, Esq. |
| Three Embarcadero Center, 7th Floor | Office of the United States Trustee |
| San Francisco, CA 94111-4065 | 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 February 27, 2003, at San Francisco, California.

4 *Anne Ogonowski*

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