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2 WILLIAM J. LAFFERTY (No. 120814)  
HOWARD, RICE, NEMEROVSKI, CANADY,  
3 FALK & RABKIN  
A Professional Corporation  
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6 Attorneys for Debtor and Debtor in Possession  
7 PACIFIC GAS AND ELECTRIC COMPANY

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

12 In re  
13 PACIFIC GAS AND ELECTRIC  
COMPANY, a California corporation,  
14 Debtor.

Case No. 01-30923 DM  
Chapter 11 Case

[NO HEARING REQUESTED]

15 Federal I.D. No. 94-0742640

17 HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN  
COVER SHEET APPLICATION  
18 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR JANUARY, 2003  
19

20 Howard, Rice, Nemerovski, Canady, Falk & Rabkin (the "Firm") submits its  
21 Cover Sheet Application (the "Application") for Allowance and Payment of Interim  
22 Compensation and Reimbursement of Expenses for the Period January 1, 2003 through  
23 January 31, 2003 (the "Application Period"). In support of the Application, the Firm  
24 respectfully represents as follows:

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

*Appl Add: RidsOgerMailCenter*

HOWARD  
RICE  
NEMEROVSKI  
CANADY  
FALK  
& RABKIN  
A Professional Corporation

2. The Firm billed a total of \$1,602,524.44 in fees and expenses during the Application Period. The total fees represent 5,401.3 hours expended during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
January, 2003	\$1,477,144.00	\$125,380.44	\$1,602,524.44

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of \$1,380,952.84 at this time. This total is comprised as follows: \$1,255,572.40 (85% of the fees for services rendered)<sup>1</sup> plus \$125,380.44 (100% of the expenses incurred).

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

Application Period	Amount Applied For	Description	Amount Paid
April 6, 2001 through July 31, 2001 (1st post-petition interim fee application period)	\$4,646,476.74	100% of fees and expenses	\$4,238,886.77 <sup>2</sup>
August 1, 2001 through November 30, 2001 (2nd post-petition interim fee application period)	\$3,921,628.38	100% of fees and expenses	\$3,921,528.38 <sup>3</sup>
December 1, 2001 through March 31, 2002 (3rd post-petition interim fee application period)	\$4,253,813.78	100% of fees and expenses	\$4,238,243.76 <sup>4</sup>

<sup>1</sup>Payment of this amount would result in a "holdback" of \$221,571.60.

<sup>2</sup>The Firm found certain charges that did not comply with the Guidelines, in the amount of \$24,035.37, were inadvertently included in applicant's Cover Sheet Application for July, 2001 as described in its First Interim Application previously filed. The Firm has credited this amount appropriately. Additionally, the Firm had written off an additional \$114.00 in fees.

<sup>3</sup>The Firm had written off an additional \$100.00 in fees.

<sup>4</sup>The Firm had written off an additional \$15,570.02 in fees.

Application Period	Amount Applied For	Description	Amount Paid
April 1, 2002 through July 31, 2002 (4th post-petition interim fee application period)	\$5,520,001.30	100% of fees and expenses	\$5,520,001.30
August 1, 2002 through November 30, 2002 (5th post-petition interim fee application period)	\$7,679,231.32	100% of fees and expenses	\$7,679,231.32
December, 2002	\$ 1,252,648.83	85% of fees and 100% of expenses	\$ 1,252,648.83
Total Paid to the Firm to Date	\$27,273,800.35		\$26,850,540.36

5. To date, the Firm is owed as follows (excluding amounts owed pursuant to this Application):

Application Period	Amount	Description
Dec. 1 – Dec. 31, 2002	\$ 202,013.25	15% fee holdback
Total Owed to Firm to Date	\$ 202,013.25	

6. With regard to the copies of this Application served on counsel for the Official Committee of Unsecured Creditors (the "Committee"), 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 Application Period and the hourly rate for each such professional; and attached as Exhibit 2 is an Account Summary. The detailed time and expense statements 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 have been submitted in electronic form to the Office of the United States Trustee and mailed to counsel for the Committee and to the Debtor.

1           7. The Firm is serving a copy of this Application (without Exhibits) on the  
2 Special Notice List in this case.

3           8. Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING  
4 INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE  
5 (Revised March, 2002)" (the "Amended Order"), the Debtor is authorized to make the  
6 payment requested herein without a further hearing or order of this Court, unless an  
7 objection to this Application is filed with the Court by the Debtor, the Committee or the  
8 United States Trustee and served by the fifteenth day of the month following the service of  
9 this Application. If such an objection is filed, Debtor is authorized to pay the amounts, if  
10 any, not subject to the objection. The Firm is informed and believes that this Cover Sheet  
11 Application was mailed by first class mail, postage prepaid, on or about February 28, 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  
14 seek fees and reimbursement of the expenses incurred for the totality of the services  
15 rendered in the case. Any interim fees or reimbursement of expenses approved by this Court  
16 and received by the Firm (along with the Firm's retainer) will be credited against such final  
17 fees and expenses as may be allowed by this Court.

18           10. The Firm represents and warrants that its billing practices comply with all  
19 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and  
20 the Guidelines of the Office of the United States Trustee.<sup>5</sup> Neither the Firm nor any  
21 members of the Firm has any agreement or understanding of any kind or nature to divide,  
22 pay over or share any portion of the fees or expenses to be awarded to the Firm with any  
23 other person or attorney except as among the members and associates of the Firm.

24           WHEREFORE, the Firm respectfully requests that the Debtor pay compensation

25 \_\_\_\_\_  
26 <sup>5</sup>As the Firm has informed the Office of the United States Trustee and the Committee,  
27 the facsimile and certain computerized research charges sought by Applicant deviate slightly  
28 from the Court's Guidelines. The Firm intends to provide a full explanation of such  
deviation and a request for payment of such charges in its next interim fee application to the  
Court in this case.

1 to the Firm as requested herein pursuant to and in accordance with the terms of the Amended  
2 Order.

3 DATED: February 28, 2003

4 HOWARD, RICE, NEMEROVSKI, CANADY,  
5 FALK & RABKIN  
6 A Professional Corporation

7 By:   
8 JEFFREY L. SCHAFER  
9 Attorneys for Debtor and Debtor in Possession  
10 PACIFIC GAS AND ELECTRIC COMPANY

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13 HOWARD  
14 RICE  
15 NEMEROVSKI  
16 CANADY  
17 FALK  
18 & RABKIN  
19 A Professional Corporation



1 **PROOF OF SERVICE BY HAND**

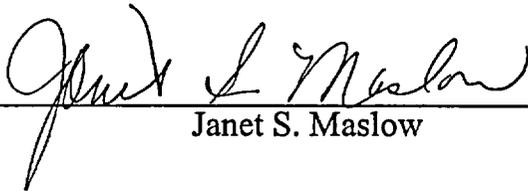
2 I am employed in the City and County of San Francisco, State of California. I am over  
3 the age of eighteen (18) years and not a party to the within action; my business address is  
4 Three Embarcadero Center, 7th Floor, San Francisco, California 94111-4065.

5 On February 28, 2003, I served the following document(s) described as HOWARD,  
6 RICE, NEMEROVSKI, CANADY, FALK & RABKIN COVER SHEET APPLICATION  
7 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND  
8 REIMBURSEMENT OF EXPENSES FOR JANUARY, 2003 on the parties listed below by  
9 causing it to be delivered by hand to:

10 Patricia Cutler  
11 Office of the U. S. Trustee  
12 250 Montgomery Street, Suite 1000  
San Francisco, CA 94104

13 I declare under penalty of perjury that the foregoing is true and correct. Executed at  
14 San Francisco, California on February 28, 2003.

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HOWARD  
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FALK  
& RABKIN  
A Professional Corporation

  
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Janet S. Maslow