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 5 Independent Auditor, Accountant,
 Tax Advisor and Consultant to
 Debtor and Debtor in Possession
 6 Pacific Gas and Electric Company

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

10 In re
 11 PACIFIC GAS AND ELECTRIC
 COMPANY, a California Corporation,
 12 Debtor.
 13 Federal I.D. No. 94-0742640
 14
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Case No. 01-30923 DM
 Chapter 11
**DELOITTE & TOUCHE LLP'S COVER
 SHEET APPLICATION FOR
 ALLOWANCE AND PAYMENT OF
 INTERIM COMPENSATION AND
 REIMBURSEMENT OF EXPENSES
 (MARCH 1, 2003, TO MARCH 31, 2003)**

[No Hearing Scheduled]

17 Deloitte & Touche LLP (the "Firm") submits this Cover Sheet Application for Allowance
 18 and Payment of Interim Compensation and Reimbursement of Expenses ("Application") for
 19 March 1, 2003, to March 31, 2003 ("Application Period"). In support of the Application, the
 20 Firm respectfully represents as follows:

21 1. The Firm is Independent Auditor, Accountant, Tax Advisor, and Consultant to Debtor
 22 Pacific Gas & Electric Company ("Debtor"). On July 10, 2001, the Firm's retention in this
 23 capacity was approved *nunc pro tunc*, effective April 6, 2001. On April 11, 2002, the Firm's
 24 employment to audit financial statements being prepared for four entities that would succeed to
 25 Debtor's business assets upon confirmation of Debtor's proposed reorganization plan
 26 ("Supplemental Services") was approved *nunc pro tunc*, effective October 1, 2001. By this
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*Foot added by
 mgil
 BKRP01*

1 Application, the Firm is applying to the Court for allowance and payment of (a) interim
 2 compensation for services rendered during the Application Period, (b) interim compensation for
 3 certain services provided from March 2002 through February 2003 but not billed in the Firm's
 4 previous compensation applications, and (c) reimbursement of expenses incurred during the
 5 Application Period.

6 2. The Firm (a) logged \$141,608.50 in hourly fees representing 588.2 hours expended
 7 during the Application Period, (b) logged \$19,727.00 in hourly fees (net of a voluntary discount
 8 of \$3,283.00), not requested in the Firm's previous applications, representing 68.5 hours
 9 expended between March 2002 and February 2003, and (c) incurred \$1,070.66 in expenses
 10 ("Expenses") during the Application Period. These hourly fees and Expenses are shown as
 11 follows:

13 Period	Fees	Expenses	Totals
14 3/1/03 to 3/31/03	\$141,608.50	\$1,070.66	\$142,679.16
15 3/2002 to 2/2003	\$19,727.00	0	\$19,727.00
16 Totals for this Application	\$161,335.50 ¹	\$1,070.66	\$162,406.16

17 The Firm seeks payment of a total of \$138,205.84 at this time.² This is the sum of (i)
 18 85% of the hourly fees for services rendered from March 1, 2003, through March 31, 2003, (ii)
 19 85 % of the hourly fees for services rendered between March 2002 and February 2003 but not
 20 previously requested, and (ii) 100 % of the Expenses incurred from March 1, 2003, through
 21 March 31, 2003.

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

23 _____
 24 ¹ In addition to fees for Supplemental Services, the amount requested includes (a) \$15,499.00 for time
 25 expended in preparing fee applications during the Application Period and (b) \$19,727.00 for time
 26 expended between March 2002 and February 2003 relating to the review of energy procurement contracts
 for potential derivatives and consultations about implementation of Statement of Financial Accounting
 Standard No. 143.

² Payment of this amount would result in a fees "holdback" of \$24,200.33.

Application Period	Amount Applied For	Description	Amount Paid
First (4/7/01 to 2/28/02)	\$62,333.90 ³	\$62,263.50 in hourly fees and \$70.40 in expenses, less \$22,346.50, which was withdrawn from the Firm's request in its June 25, 2002, reply to the United State's Trustee's objection to the Firm's First Interim Application	\$39,987.40 ⁴
Second (10/1/01 to 3/31/02) ⁵	1,643,315.50	\$1,643,315.50 in hourly fees, less \$4,500 disallowed by the court at the July 2, 2002, hearing on the Firm's First Interim Application	\$1,638,815.50
Third (4/1/02 to 4/30/02)	\$232,523.00	\$232,523 in hourly fees	\$232,523.00
Fourth (5/1/02 to 5/31/02)	\$147,016.50	\$147,016.50 in hourly fees	\$147,016.50
Fifth (6/1/02 to 6/30/02)	\$115,006.00	\$115,006 in hourly fees	\$115,006.00
Sixth (7/1/02 to 7/31/02)	\$128,834.50	\$128,834.50 in hourly fees less \$3,064.50, which was withdrawn from the Firm's request in its November 22, 2002 Memorandum re Supplemental Time Diaries Supporting Second Interim Application for Compensation by Deloitte & Touche LLP	\$125,770.00
Seventh (8/1/02 to 8/31/02)	\$156,475.00	\$156,475 in hourly fees	\$156,475.00

³ The relevant cover sheet application requested a total of \$62,573.90 in fees and costs, but the Firm later reduced the amount requested to \$62,333.90 due to a \$240 error in the initial billing.

⁴ Debtor initially paid the Firm \$54,331.45 on account of its first cover sheet application, but the \$240 and \$22,346.50 reductions, discussed above, were later netted against other amounts owing to the Firm, reducing the amount paid for the first application period to \$39,987.40.

⁵ The Application Periods for the Firm's first two "cover sheet" applications overlapped because the Firm did not seek compensation for any of the Supplemental Services until after the court's April 11, 2002, "nunc pro tunc" order specifically authorizing that work.

1	Eighth (9/1/02 to 9/30/02)	\$127,836.00 ⁶	\$127,836 in hourly fees	\$127,836.00
2				
3	Ninth (10/1/02 to 10/31/02)	\$426,408.75	\$426,408.75 in hourly fees	\$426,408.75
4	Tenth (11/1/02 to 11/30/02)	\$183,805.19	\$170,783.25 in hourly fees and 100 % of \$13,021.94 in expenses requested by the Firm's tenth "cover sheet" application filed on December 20, 2002	\$183,805.19
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7				
8	Eleventh (12/1/02 to 12/31/02)	\$91,393.03	85% of \$91,221.00 in hourly fees and 100 % of \$172.03 in expenses requested by the Firm's eleventh "cover sheet" application filed on January 24, 2003	\$77,709.88
9				
10				
11	Twelfth (1/1/03 to 1/31/03)	\$344,214.80	85% of \$343,873.50 in hourly fees and 100% of \$341.30 in expenses requested by the Firm's twelfth "cover sheet" application filed on February 28, 2003	\$292,633.78
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15	Thirteenth (2/1/03 to 2/28/03)	\$103,782.58	85% of \$103,442.00 in hourly fees and 100% of \$340.58 in expenses requested by the Firm's thirteenth "cover sheet" application filed on March 27, 2003	\$88,266.28
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19 The Firm has also received (1) \$855,000 as the Firm's base fee for auditing and reporting
20 on Debtor's consolidated financial statements and reviewing interim financial information for the
21 2001 fiscal year and (2) \$1,132,000 as the base fee for auditing and reporting on Debtor's
22 consolidated financial statements and reviewing interim financial information for the 2002 fiscal
23 year. (The July 10, 2001, order approving the Firm's employment, together with the November
24 5, 2002, order approving the 2002 base audit fee, authorized Debtor to pay these fees upon

25 ⁶The relevant cover sheet application requested a total of \$130,353.50 in fees, but the Firm and Debtor
26 later agreed that the amount would be reduced by \$2,517.50.

1 receipt of invoices from the Firm.) Including the 2001 Base Audit Fee and the paid portion of
2 the 2002 Base Audit Fee, the total paid to the Firm to date is \$5,639,253.28.

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

5

6 Application Period	Amount	Description
7 Eleventh (12/1/02 to 8 12/31/02)	\$13,683.15	15% holdback of fees and 9 expenses requested by the 10 Firm's eleventh "cover sheet" 11 application filed on January 24, 12 2003
13 Twelfth (1/1/03 to 14 1/31/03)	\$51,581.02	15% holdback of fees and 15 expenses requested by the 16 Firm's twelfth "cover sheet" application filed on February 28, 2003
Thirteenth (2/1/03 to 2/28/03)	\$15,516.30	15% holdback of fees and expenses requested by the Firm's thirteenth "cover sheet" application filed on March 27, 2003
Total Owed to the Firm to Date	\$80,780.47 ⁷	

17 6. Attached as Exhibits 1 and 2, respectively, to the copies of this Application served on
18 counsel for the Official Committee of Unsecured Creditors, counsel for Debtor, and the Office of
19 the United States Trustee are (i) a list of the names and hourly billing rates of each professional
20 who performed services for which compensation is sought by this Application and (ii) detailed
21 time and expense statements for the Application Period that comply with all Northern District of
22 California Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the
23 Office of the United States Trustee.

24 ⁷ The \$80,780.47 does not include any fees incurred but not yet paid for the Firm's 2002 audit of
25 Debtor's consolidated financial statements and review of interim financial information.

1 7. The Firm has served a copy of this Application on each person shown on the Special
2 Notice List for this case. (Only the parties referred to in paragraph 6 received Exhibits 1 and 2;
3 the copies served on other parties did not include the exhibits.)

4 8. Pursuant to this Court's Second Amended Order Establishing Interim Fee Application
5 and Expense Reimbursement Procedure, filed on March 18, 2002, the Debtor will be authorized
6 to make the payment requested herein without further hearing or order unless an objection to this
7 Application is filed with the court by the Debtor, the Committee, or the United States Trustee
8 and served by the fifteenth day of the month following the service of this Application. If such an
9 objection is filed, Debtor will be authorized to pay the amounts, if any, not subject to the
10 objection. The Firm is informed and believes that this Application was mailed to all persons
11 shown on the Special Notice List by first class mail, postage prepaid, on April 30, 2003.

12 9. The interim compensation and reimbursement sought by this Application is on
13 account and not final. At the conclusion of this case, the Firm will seek fees and reimbursement
14 of expenses incurred for the totality of its employment in this case. Any interim fees or
15 reimbursement of expenses approved by the court and received by the Firm (along with any
16 retainer paid to the Firm) will be credited against such final fees and expenses as may be allowed
17 by the court.

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

24 **WHEREFORE**, the Firm respectfully requests that Debtor pay compensation to the Firm
25 as requested herein pursuant to and in accordance with the terms of the Second Amended Order
26 Establishing Interim Fee Application and Expense Reimbursement Procedure.

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1 Dated: April 30, 2003

DELOITTE & TOUCHE LLP



By _____
Mark A. Edmunds, Partner
Independent Auditor, Accountant, Tax
Advisor and Consultant to Debtor Pacific Gas
and Electric Company

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PROOF OF SERVICE

I am over the age of 18, and I am employed at the offices of Deloitte & Touche LLP, located at 50 Fremont Street, San Francisco, California.

On April 30, 2003, I served the foregoing **DELOITTE & TOUCHE LLP'S COVER SHEET APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES (MARCH 1, 2003, TO MARCH 31, 2003)** by (1) depositing true and correct copies thereof in the United States Mail at San Francisco, California, in sealed envelopes with first class postage thereon fully prepaid, addressed to each party shown on the attached list and (2) by sending true and correct copies via United Parcel Service, for overnight delivery, with charges fully prepaid, to each of the following three addressees⁸:

James L. Lopes
Howard, Rice, Nemerovski, Canady, Falk & Rabkin
Three Embarcadero Center, 7th Floor
San Francisco, CA 94111
[Counsel for Pacific Gas and Electric Company]

Stephen Johnson
Office of the U.S. Trustee
250 Montgomery Street, Suite 1000
San Francisco, CA 94104-3401
[United States Trustee]

Robert J. Moore
Paul S. Aronzon
Milbank, Tweed, Hadley & McCloy LLP
601 South Figueroa Street
Los Angeles, CA 90017
[Counsel for Official Committee of Unsecured Creditors]

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct.

Dated: April 30, 2003.

Karl Contreras

⁸ Only the copies served on the Office of the United States Trustee, counsel for debtor Pacific Gas and Electric Company, and counsel for the official committee of unsecured creditors included Exhibits 1 and 2; the copies served on other parties did not include the exhibits.