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9 Special Counsel for Debtor in Possession  
10 PACIFIC GAS AND ELECTRIC COMPANY

11 UNITED STATES BANKRUPTCY COURT  
12 NORTHERN DISTRICT OF CALIFORNIA

13 In re  
14 PACIFIC GAS AND ELECTRIC  
15 COMPANY, a California corporation,

16 Debtor.

Case No.: 01-30923 DM

Chapter 11 Case

[No Hearing Scheduled]

17 Federal I.D. No. 94-0742640

18 **HELLER EHRMAN WHITE & McAULIFFE LLP'S COVER SHEET**  
19 **APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM**  
20 **COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD**  
21 **APRIL 1, 2003, THROUGH APRIL 30, 2003**

22 Heller Ehrman White & McAuliffe LLP (the "Firm" or "Heller Ehrman") submits its  
23 Cover Sheet Application (the "Application") for Allowance and Payment of Interim  
24 Compensation and Reimbursement of Expenses for the Period April 1, 2003, through April  
25 30, 2003 (the "Application Period"). In support of the Application, the Firm respectfully  
26 represents as follows:

27 1. The Firm is Special Counsel to Pacific Gas and Electric Company, debtor and  
28 debtor-in-possession in the above-referenced bankruptcy case (the "Debtor"). The Firm

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1 hereby applies to the Court for allowance and payment of interim compensation for services  
2 rendered and reimbursement of expenses incurred during the Application Period.

3 2. The Firm billed a total of \$592,601.61 in fees and expenses during the  
4 Application Period. The total fees represent 1,975.60 hours expended during the  
5 Application Period. These fees and expenses break down as follows:

| 6 Period              | Fees         | Expenses    | Total        |
|-----------------------|--------------|-------------|--------------|
| 7 04/01/03 – 04/30/03 | \$569,789.80 | \$22,811.81 | \$592,601.61 |

8 3. Accordingly, the Firm seeks allowance of interim compensation in the total  
9 amount of \$507,133.14 at this time. This total comprises the following: \$484,321.33 (85%  
10 of the fees incurred during the Application Period)<sup>1</sup> plus \$22,811.81 (100% of the expenses  
11 incurred).

12 4. For the post-petition period, the Firm has been paid to date as follows:<sup>2</sup>

| 13 Application Period   | Amount Applied For | Description                          | Amount Paid                 |
|---|--------------------|--------------------------------------|-----------------------------|
| 14 4/6/01 – 7/31/01 (first<br>15 post-petition interim<br>fee application period) | \$2,264,794.01     | 100% of fees and<br>100% of expenses | \$2,246,327.81 <sup>3</sup> |

16  
17 <sup>1</sup> Payment of this amount would result in a "holdback" of \$85,468.47, equal to 15% of the Firm's  
fees for services rendered during the Application Period.

18 <sup>2</sup> On December 19, 2000, PG&E paid a retainer to Heller Ehrman in the amount of \$350,000.  
19 Pursuant to written agreement between the parties dated December 19, 2000, the retainer is not to apply to  
20 current billings in the ordinary course, but instead is to apply to Heller Ehrman's unpaid fees and expenses in  
the event that PG&E fails to make payment in the ordinary course. By written agreement dated April 5,  
21 2001, the parties modified that arrangement to authorize Heller Ehrman to apply the retainer to payment of  
unpaid pre-petition fees and expenses on matters that are subject to an hourly billing arrangement. The  
22 foregoing arrangement was approved by this Court in its June 4, 2001, Order Authorizing Debtor to Employ  
Heller Ehrman as Special Counsel (Apr. 17, 2001); *see also* PG&E's Application to Employ Heller Ehrman  
23 as Special Counsel ¶¶ 9-10 (Apr. 17, 2001); Declaration of Marie L. Fiala in Support of Application ¶ 9  
(Apr. 8, 2001). As of the date of submission of this Cover Sheet Application, Heller Ehrman has applied  
24 \$153,148.07 of the retainer to a portion of its unpaid pre-petition fees and expenses on hourly rate  
engagements. Heller Ehrman continues to hold a retainer balance of \$196,851.93.

25 <sup>3</sup> The amount paid reflects a disallowance of \$18,466.20 in fees. *See* Order Approving Heller  
26 Ehrman White & McAuliffe LLP's First Interim Fee Application for Allowance and Payment of  
27 Compensation and Reimbursement of Expenses for the Period April 6, 2001, Through July 31, 2001  
(Nov. 21, 2001); December 12, 2001 Order at pp. 16-17.

| Application Period   | Amount Applied For      | Description                       | Amount Paid                 |
|--|-------------------------|-----------------------------------|-----------------------------|
| 8/1/01 – 11/30/01<br>(second post-petition interim fee application period) | \$2,251,673.88          | 100% of fees and 100% of expenses | \$2,231,752.48 <sup>4</sup> |
| 12/1/01 – 3/31/02<br>(third post-petition interim fee application period)  | \$2,477,438.24          | 100% of fees and 100% of expenses | \$2,477,438.24              |
| 4/1/02 – 7/31/02<br>(fourth post-petition interim fee application period)  | \$3,127,427.84          | 100% of fees and 100% of expenses | \$3,127,477.88              |
| 8/1/02 – 11/30/02<br>(fifth post-petition interim fee application period)  | \$3,442,121.72          | 100% of fees and 100% of expenses | \$3,442,049.42              |
| 12/01/02 – 12/31/02<br>(Dec. CSA period)                                   | \$ 812,116.59           | 85% of fees and 100% of expenses  | \$ 812,116.61               |
| 1/01/03 – 1/31/03 (Jan. CSA period)  | \$1,254,929.07          | 85% of fees and 100% of expenses  | \$1,254,969.09              |
| 2/01/03 – 2/28/03 (Feb. CSA period)  | \$1,409,216.89          | 85% of fees and 100% of expenses  | \$1,409,216.89              |
| 3/01/03 – 3/31/03 (Mar. CSA period)  | \$ 832,143.03           | 85% of fees and 100% of expenses  | \$ 0.00                     |
| <b>Total</b>   | <b>\$ 17,871,861.27</b> |                                   | <b>\$ 16,847,100.62</b>     |

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

| Application Period  | Amount | Description |
|---|--------|-------------|
| First post-petition interim fee application period (4/6/01 – 7/31/01)   | \$ 0   |             |
| Second post-petition interim fee application period (8/1/01 – 11/30/01) | \$ 0   |             |

<sup>4</sup> The amount paid reflects a disallowance of \$19,921.40 in fees for certain paralegal charges. See Order Approving Heller Ehrman White & McAuliffe LLP's Second Interim Fee Application ¶ 1 (Feb. 27, 2002).

| Application Period   | Amount         | Description                       |
|--|----------------|-----------------------------------|
| Third post-petition interim fee application period (12/1/01 – 3/31/02) | \$ 0           |                                   |
| Fourth post-petition interim fee application period (4/1/02 – 7/31/02) | \$ 0           |                                   |
| Fifth post-petition interim fee application period (8/1/02 – 11/30/02) | \$ 0           |                                   |
| December cover sheet application period (12/01/02 – 12/31/02)          | \$ 134,871.99  | 15% fee holdback                  |
| January cover sheet application period (1/01/03 – 1/31/03)             | \$ 201,272.31  | 15% fee holdback                  |
| February cover sheet application period (2/01/03 – 2/28/03)            | \$ 220,811.96  | 15% fee holdback                  |
| March cover sheet application period (3/01/03 – 3/31/03)               | \$ 957,488.38  | 100% of fees and 100% of expenses |
| Total Owed to Firm to Date   | \$1,514,444.64 |                                   |

6. With regard to the copies of this Application served on counsel for the Committee, counsel for 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 period covered by this Application and the hourly rate for each such professional; and (b) attached as Exhibit 2 are 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.

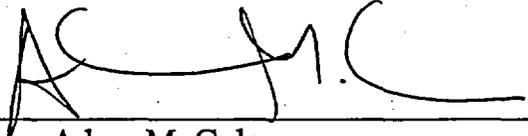
7. The Firm has served a copy of this Application (without Exhibits) on the Special Notice List in this case.



1 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to  
2 the Firm as requested herein pursuant to and in accordance with the terms of the "ORDER  
3 ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT  
4 PROCEDURE."

5 Dated: May 27, 2003

HELLER EHRMAN WHITE & McAULIFFE LLP

6  
7 By: 

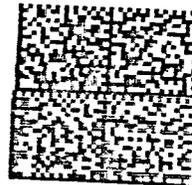
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