

50-275/323

**FILED**

MAY 30 2003

UNITED STATES BANKRUPTCY COURT  
SAN FRANCISCO, CA

1 Thomas Lumsden  
2 FTI Consulting Inc.  
3 199 Fremont Street  
4 San Francisco, CA 94105  
5 Telephone: (415) 498-5000  
6 Facsimile: (415) 498-6318

7  
8 Accountants and Financial Advisors for Official  
9 Committee of Unsecured Creditors

10  
11 UNITED STATES BANKRUPTCY COURT  
12 NORTHERN DISTRICT OF CALIFORNIA  
13 SAN FRANCISCO DIVISION

14 In re  
15 PACIFIC GAS AND ELECTRIC  
16 COMPANY, a California corporation,  
17 Debtor.

Case No. 01-30923 DM

Chapter 11 Case

[No Hearing Scheduled]

18 Federal I.D. No. 94-0742640

19 FTI CONSULTING INC. COVER SHEET APPLICATION FOR ALLOWANCE AND  
20 PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF  
21 EXPENSES FOR  
22 APRIL 1, 2003 TO APRIL 30, 2003

23 FTI Consulting, (the "Firm"), submits its Cover Sheet Application (the "Application")  
24 for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for  
25 the Period April 1, 2003 to April 30, 2003 (the "Application Period"). In support of the  
26 Application, the Firm respectfully represents as follows:

27 1. The Firm serves as Accountants and Financial Advisors to the Official  
28 Committee of Unsecured Creditors. The Firm submitted an Application for appointment as  
Accountants and Financial Advisors to the Official Committee of Unsecured Creditors on  
September 27, 2002. An Order for Appointment of the Firm as Accountants and Financial  
Advisors to the Official Committee of Unsecured Creditors was entered on October 31,  
2002, *nunc pro tunc* to September 1, 2002. The Firm hereby applies to the Court for

BKRPO1

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

3 2. The Firm billed a total of \$192,088 in fees and expenses during the  
4 Application Period. The Total fees represent 435.1 hours expended during the Application  
5 Period. These fees and expenses break down as follows:

6 Period	Fees	Expenses	Total
7 April 1, 2003 – April 8 30, 2003	\$189,668	\$2,420	\$192,088

9  
10 3. Accordingly; the Firm seeks allowance of interim compensation in the total  
11 amount of \$163,638 at this time. This total is comprised as follows:  
12 \$161,218 (85% of the fees for services rendered)<sup>1</sup> plus \$2,420 (100% of the expenses  
13 incurred).

14 4. For the post-petition period, the Firm, as successor to the Business  
15 Recovery Services practice of PricewaterhouseCoopers, LLP, has been paid to date as  
16 follows:

17 Application Period	Amount 18 Applied For	Description	Amount Paid
19 First (April 11, 2001 – 20 May 31, 2001)	\$803,642	90% of fees and 21 100% of expenses	\$803,642
22 Second (June 1, 2001 – 23 July 31, 2001)	\$870,002	90% of fees and 24 100% of expenses	\$870,002

25  
26  
27  
28 <sup>1</sup>Payment of this amount would result in a "holdback" of \$28,450

1	First Interim Fee	\$2,408	10% fee holdback (\$179,012) net	\$2,408
2	Application		of PricewaterhouseCoopers LLP	
3			and Court Adjustments	
4			(\$176,604)	
5	Third (August 1, 2001 –	\$358,024	85% of fees and	\$358,024
6	August 30, 2001)		100% of expenses	
7				
8	Fourth (September 1, 2001	\$293,871	85% of fees and	\$293,871
9	– September 30, 2001)		100% of expenses	
10	Fifth (October 1, 2001 –	\$307,809	85% of fees and	\$307,809
11	October 31, 2001)		100% of expenses	
12	Sixth (November 1, 2001-	\$215,596	85% of fees and	\$215,596
13	November 30, 2001)		100% of expenses	
14	Second Interim Fee	\$145,541	15% fee holdback (\$198,105) net	\$145,541
15	Application		of PricewaterhouseCoopers LLP	
16			adjustments (\$52,564)	
17	Seventh (December 1,	\$192,887	85% of fees and	\$192,887
18	2001-December 31, 2001)		100% of expenses	
19	Eight (January 1, 2002-	\$223,013	85% of fees and	\$223,013
20	January 31, 2002)		100% of expenses	
21	Ninth (February 1, 2002 –	\$197,888	85% of fees and	\$197,888
22	February 28, 2002)		100% of expenses	
23	Tenth (March 1, 2002 –	\$189,814	85% of fees and	\$189,814
24	March 31, 2002)		100% of expenses	
25	Third Interim Fee	\$114,300	15% fee holdback (\$128,506) net	\$114,300
26	Application		of PricewaterhouseCoopers LLP	
27			write-offs (\$3,705) and expense	
28			adjustments (\$10,500)	

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Eleventh (April 1, 2002 – April 30, 2002)	\$185,003	85% of fees and 100% of expenses	\$185,003
Twelfth (May 1, 2002 – May 31, 2002)	\$183,784	85% of fees and 100% of expenses	\$183,784
Thirteenth (June 1, 2002 – June 30, 2002)	\$81,860	85% of fees and 100% of expenses	\$81,860
Fourteenth (July 1, 2002 – July 31, 2002)	\$204,553	85% of fees and 100% of expenses	\$204,553
Fifteenth (August 1, 2002 – August 31, 2002)	\$127,849	85% of fees and 100% of expenses	\$127,849
Fourth Interim (April 1, 2002 – July 31, 2002)	\$106,253	15% holdback fees (\$109,606) net voluntary write-off (\$3,353)	\$106,253
Sixteenth (September 1, 2002 – September 30, 2002)	\$84,985	85% fees and 100% expenses	\$84,985
Seventeenth (October 1, 2002 – October 31, 2002)	\$113,478	85% fees and 100 % expenses	\$113,478
Eighteenth (November 1, 2002 – November 30, 2002)	\$315,139	85% fees and 100 % expenses	\$315,139
Nineteenth (December 1, 2002 – December 31, 2002)	\$227,074	85% fees and 100 % expenses	\$227,074
Fifth Interim (August 1, 2002 – November 30, 2002)	\$115,270	15% holdback fees	\$115,270

1	Twentieth (January 1, 2003	\$160,122	85% fees and 100% expenses	\$160,122
2	- January 31, 2003)			
3	Twenty-first (February 1,	\$133,793	85% fees and 100% expenses	\$133,793
4	2003 - February 28, 2003)			
5	Twenty-second (March 1,	\$160,446	85% fees and 100% expenses	\$160,446
6	2003 - March 31, 2003)			
7	Total Paid to the	\$6,114,304		\$6,114,304
8	Firm to Date			

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

12	Application Period	Amount	Description
13	Nineteenth (December 1, 2002 - December	\$38,845	15% fee holdback
14	31, 2002)		
15	Twentieth (January 1, 2003 - January 31,	\$26,669	15% fee holdback
16	2003)		
17	Twenty-first (February 1, 2003 - February	\$23,339	15% fee holdback
18	28, 2003)		
19	Twenty-second (March 1, 2003 - March 31,	\$27,827	15% fee holdback
20	2003)		
21	Total Owed to Firm to Date	\$116,680	

22 6. With regard to the copies of this Application served on counsel for the  
23 Committee, counsel for the Debtor and the Office of the United States Trustee, attached as  
24 Exhibit 1 hereto is the name of each professional who performed services in connection with  
25 this case during the period covered by this Application and the hourly rate for each such  
26 professional; and (b) attached as Exhibits 2-1 and 2-2 are the detailed time and expense  
27 statements for the Application Period that comply with all Northern District of California  
28

1 Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the Office of  
2 the United States Trustee.

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

5 8. Pursuant to this Court's 'ORDER ESTABLISHING INTERIM FEE  
6 APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE' which was entered  
7 on or about July 26, 2001, the Debtor is authorized to make the payment requested herein  
8 without a further hearing or order of this Court unless an objection to this Application is  
9 filed with the Court by the Debtor, the Committee or the United States Trustee and served by  
10 the fifteenth day of the month following the service of this Application. If such an objection  
11 is filed, Debtor is authorized to pay the amounts, if any, not subject to the objection. The  
12 Firm is informed and believes that this Cover Sheet Application was mailed by first class  
13 mail, postage prepaid, on or about May 30, 2003.

14 9. The interim compensation and reimbursement of expenses sought in this  
15 Application is on account and is not final. Upon the conclusion of this case, the Firm will  
16 seek fees and reimbursement of the expenses incurred for the totality of the services  
17 rendered in the case. Any interim fees or reimbursement of expenses approved by this Court  
18 and received by the Firm will be credited against such final fees and expenses as may be  
19 allowed by this Court.

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

26 //

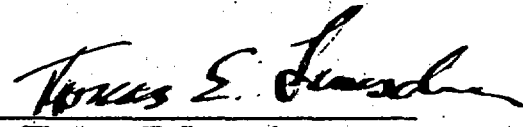
27 //

28 //

1 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the Firm  
2 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  
6 Dated: May 30, 2003

FTI Consulting Inc.

7  
8 By:   
9 Thomas E. Lumsden,  
Senior Managing Director

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28