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

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

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13 In re
14 PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,
15 Debtor.
16 Federal ID No. 94-0742640

Case No. 01 30923 DM
Chapter 11 Case
KEKER & VAN NEST'S
COVER SHEET APPLICATION FOR
ALLOWANCE AND PAYMENT OF
INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR
THE PERIOD MAY 1, 2003
TO MAY 31, 2003

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19 Judge: HON. DENNIS MONTALI
20 [NO HEARINGS SCHEDULED]
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BKR 001

1 Keker & Van Nest, LLP (the "Firm") submits its Cover Sheet Application (the
2 "Application") for Allowance and Payment of Interim Compensation and Reimbursement of
3 Expenses for the Period May 1, 2003 to May 31, 2003 (the "Application Period"). In support of
4 the Application, the Firm respectfully represents as follows:

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

9 2. The Firm billed a total of \$137,356.09 in fees and expenses during the
10 Application Period. The total fees represent 312.25 hours expended during the period covered
11 by this Application. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
May 1, 2003 to May 31, 2003	\$127,834.32	\$9,521.77	\$137,356.09

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15 3. Accordingly, the Firm seeks allowance of interim compensation in the amount of
16 a total of \$118,180.94 at this time. This total is comprised as follows:

17 \$108,659.17 (85% of the fees for services rendered)¹ plus
18 \$ 9,521.77 (100% of the expenses incurred).

19 4. For the post-petition period, the Firm has been paid to date as follows:
20 \$1,149,799.90.

21 5. To date, the Firm is owed as follows (excluding amounts owed pursuant to this
22 Application): \$138,866.92 (plus the pre-petition amount of \$23,879.70).

23 6. With regard to the copies of this Application served on counsel for the
24 Committee, counsel for the Debtor and the Office of the United States Trustee, (a) attached as
25 Exhibit 1 hereto is the name of each professional who performed services in connection with this
26 case during the period covered by this Application and the hourly rate for each such professional;
27 and (b) attached as Exhibit 2 is an Account Summary. The detailed time and expense statements

28 ¹ Payment of this amount would result in a "holdback" of \$19,175.15.

1 for the Application Period that comply with all Northern District of California Bankruptcy Local
2 Rules and Compensation Guidelines and the Guidelines of the Office of the United States
3 Trustee have been submitted in electronic form to the Office of the United States Trustee and
4 mailed to counsel for the Committee and to the Debtor.

5 7. The Firm will serve a copy of this Application on the Special Notice List in this
6 case on June 26, 2003.

7 8. Pursuant to this Court's "ORDER ESTABLISHING INTERIM FEE
8 APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE", which was entered on
9 or about July 26, 2001; the "AMENDED ORDER ESTABLISHING INTERIM FEE
10 APPLICATION AND EXPENSE REIMBURSEMENT", which was entered on or about
11 November 8, 2001; and the "ORDER GRANTING APPLICATION OF DEBTOR AND
12 DEBTOR-IN-POSSESSION TO BROADEN SCOPE OF EMPLOYMENT OF KEKER & VAN
13 NEST, L.L.P. AS SPECIAL COUNSEL", which was entered on or about March 12, 2003, the
14 Debtor is authorized to make the payment requested herein without a further hearing or order of
15 this Court unless an objection to this Application is filed with the Court by the Debtor, the
16 Committee or the United States Trustee and served by the fifteenth day of the month following
17 the service of this Application. If such an objection is filed, Debtor is authorized to pay the
18 amounts, if any, not subject to the objection. The Firm is informed and believes that this Cover
19 Sheet Application will be mailed by first class mail, postage prepaid, on or about June 26, 2003.

20 9. The interim compensation and reimbursement of expenses sought in this
21 Application is on account and is not final. Upon the conclusion of these cases, the Firm will seek
22 fees and reimbursement of the expenses incurred for the totality of the services rendered in this
23 case. Any interim fees or reimbursement of expenses approved by this Court and received by the
24 Firm (along with the Firm's retainer) will be credited against such final fees and expenses as may
25 be allowed by this Court.

1 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the
2 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" as amended.

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CERTIFICATION

I, Jon B. Streeter, declare:

(a) That I am a member of Keker & Van Nest LLP ("KVN") and of the bar of the State of California.

(b) That I am familiar with and have read the above Cover Sheet Application and that the facts therein are true to my knowledge and belief. The copies of the billing statements attached to this Cover Sheet Application are true and correct copies of the billing statements of Pacific Gas and Electric Company ("the Debtor") for the matters in which the Firm is currently retained by the Debtor ("the Matters").

(c) That the Firm has not been paid or promised any compensation from any other source for services rendered in connection with the Matters.

(d) That the Firm has not entered into any agreement or understanding with any other entity for the sharing of compensation received or to be received for services rendered and/or to be rendered in connection with the Matters.

(e) That to the best of my knowledge, information, and belief, the compensation and expense reimbursement sought herein is in conformity with the *Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees* for the United States Bankruptcy Court for the Northern District of California, except for the following: The Firm's computer system is not set up to bill in tenths of an hour. Instead, the Firm is required to bill in eighths of an hour. This does not result in the rounding up of total time billed to the Debtor.

(f) That the compensation and expenses sought herein were billed at rates no less favorable than those customarily billed by the Firm and generally accepted by the Firm's clients.

I declare under penalty of perjury that the foregoing is true and correct and that this certification was executed this 26th day of June, 2003 at San Francisco, California.

KEKER & VAN NEST LLP

By: _____

JON B. STREETER

Special Counsel to Debtor in Possession
PACIFIC GAS AND ELECTRIC COMPANY

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, LLP

Effective January 1, 2001

Re: *Power Generator Matter (POWER)*

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$550.00
JAMES M. EMERY	\$350.00
STEVEN A. HIRSCH	\$300.00
G. WHITNEY LEIGH	\$280.00
CLEMENT S. ROBERTS	\$215.00
BRYAN D. LOPER	\$125.00
CASE ASSISTANTS	\$ 60.00

EXHIBIT 1

SCHEDULE OF HOURLY RATES RE POWER GENERATOR MATTER

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, LLP

Effective March 28, 2002

Re: *Sierra Pacific Industries, Inc. v. PG&E, et al. (SPI)*
Sacramento County Superior Court No. 01 AS02027

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$600.00
JON B. STREETER	\$500.00
STEVEN A. HIRSCH	\$350.00
DANIEL E. PURCELL	\$270.00
ROBERT A. BONTA	\$250.00
JOSH D. MAREMONT	\$160.00
BRYAN D. LOPER	\$140.00
CASE ASSISTANTS	\$ 60.00

EXHIBIT 1

SCHEDULE OF HOURLY RATES RE SIERRA PACIFIC INDUSTRIES, INC. V. PG&E, ET AL.

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, LLP

Effective December 5, 2002

Re: *Blank Check Committee (PROPD)*

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$600.00
ETHAN A. BALOGH	\$325.00
CLEMENT S. ROBERTS	\$230.00
PATRICK W. MONTGOMERY	\$160.00
BRYAN D. LOPER	\$140.00
OLIN A. ERICKSEN	\$ 90.00
AARON L. MADFES	\$ 90.00
CASE ASSISTANTS	\$ 60.00

EXHIBIT 1

SCHEDULE OF HOURLY RATES RE BLANK CHECK COMMITTEE

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, LLP

Effective October 16, 2002

Re: *Natural Gas Matter (GAS)*

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$600.00
JON B. STREETER	\$500.00
MARK A. LEMLEY	\$425.00
STEVEN A. HIRSCH	\$350.00
DANIEL E. PURCELL	\$270.00
ROBERT A. BONTA	\$250.00
JUDY M. SHIH	\$250.00
JACQUELINE A. HARTMANN	\$180.00
BRYAN D. LOPER	\$140.00
BRIAN J. TROXEL	\$ 90.00
PAULA F. LICHTENBERG	\$ 90.00
CASE ASSISTANTS	\$ 60.00

EXHIBIT 1

SCHEDULE OF HOURLY RATES RE NATURAL GAS MATTER

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, LLP

Effective February 7, 2003

Re: *Qualifying Facilities Matter (QF)*

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$650.00
JON B. STREETER	\$580.00
STEVEN A. HIRSCH	\$380.00
DANIEL E. PURCELL	\$300.00
ROBERT A. BONTA	\$290.00
EUMI K. LEE	\$270.00
JOSH D. MAREMONT	\$180.00
BRYAN D. LOPER	\$150.00
CASE ASSISTANTS	\$ 60.00

EXHIBIT 1

**SCHEDULE OF HOURLY RATES RE
QUALIFYING FACILITIES MATTER & POTENTIAL GENERATOR CLAIMS**

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, LLP

Effective February 7, 2003

Re: *Power Generator II Matter*

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$650.00
JON B. STREETER	\$580.00
STEVEN A. HIRSCH	\$380.00
DANIEL E. PURCELL	\$300.00
ROBERT A. BONTA	\$290.00
EUMI K. LEE	\$270.00
JOSH D. MAREMONT	\$180.00
BRYAN D. LOPER	\$150.00
CASE ASSISTANTS	\$ 60.00

EXHIBIT 1

**SCHEDULE OF HOURLY RATES RE
QUALIFYING FACILITIES MATTER & POTENTIAL GENERATOR CLAIMS**

EXHIBIT 2
DETAILED STATEMENTS
(NOT INCLUDED WITH ORIGINAL)

Executed on June 26, 2003, at San Francisco, California.



Jeanne Dollinger

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