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5 Special Counsel to Debtor  
6 PACIFIC GAS AND ELECTRIC COMPANY

7  
8 UNITED STATES BANKRUPTCY COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 SAN FRANCISCO DIVISION

11 In re  
12 PACIFIC GAS AND ELECTRIC  
COMPANY, a California corporation,

13 Debtor.

14 Federal ID No. 94-0742640

Chapter 11  
Case No. 01-30923 DM

COOLEY GODWARD LLP'S TWENTY-FOURTH  
COVER SHEET APPLICATION FOR ALLOWANCE  
AND PAYMENT OF INTERIM COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR THE  
PERIOD MAY 1, 2003 - MAY 31, 2003

[No Hearing Scheduled]

17 Cooley Godward LLP (the "Firm") submits this Twenty-Fourth Cover Sheet Application  
18 (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of  
19 Expenses for the Period May 1, 2003 - May 31, 2003 (the "Application Period").

20 This Application is made pursuant to the Order Establishing Interim Fee Application and  
21 Expense Reimbursement Procedure that was entered on or about June 26, 2002, as amended  
22 November 8, 2002, and amended again as of May 18, 2002 ("Interim Fee Order"). Paragraph 4 of  
23 the Interim Fee Order contemplates that Pacific Gas and Electric Company (the "Debtor") shall  
24 pay a portion of its professionals undisputed fees and all costs after the fifteenth day of the month  
25 following the filing and service of the Application ("Interim Compensation").

26 In support of this Application, the Firm respectfully represents as follows:

27 1. The Firm is Special Counsel to the Debtor. The Firm hereby applies to the Court  
28 for allowance and payment of interim compensation for services rendered and reimbursement of

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COOLEY GODWARD LLP  
ATTORNEYS AT LAW  
SAN FRANCISCO

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COOLEY GODWARD LLP'S NOTICE  
OF 24<sup>TH</sup> COVER SHEET APPLICATION  
CASE NO. 01-30923 DM

1.

1 expenses incurred during the Application Period.

2 2. The Firm billed a total of \$273,856.15 in fees and expenses during the Application  
3 Period. The total fees represent approximately 821.10 hours expended during the period covered  
4 by this Application. These fees and expenses break down as follows:

PERIOD	FEES	EXPENSES	TOTAL
May 1 to May 31, 2003	\$258,374.00	\$15,482.15	\$273,856.15

7 3. Accordingly, the Firm seeks allowance of interim compensation in the amount of a  
8 total of \$235,100.05 at this time. This total is comprised as follows: \$219,617.90 (85%) of the  
9 fees for services rendered<sup>1</sup> plus \$15,482.15 (100% of the expenses incurred).

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

APPLICATION PERIOD	AMOUNT APPLIED FOR	DESCRIPTION	AMOUNT PAID
04/06/01 - 07/31/01 (1 <sup>st</sup> post-petition interim fee application period)	\$305,205.04	100% of fees and expenses	\$305,205.04 <sup>2</sup>
08/01/01 - 11/30/01 (2 <sup>nd</sup> post-petition interim fee application period)	\$981,483.45	100% of fees and expenses	\$981,483.45
12/01/01 - 03/31/02 (3 <sup>rd</sup> post-petition interim fee application period)	\$781,865.23	100% of fees and expenses	\$781,865.23
04/01/02 - 07/31/02 (4 <sup>th</sup> post-petition interim fee application period)	\$1,123,384.94	100% of fees and expenses	\$1,121,884.94 <sup>2</sup>
08/01/02 - 11/30/02 (5 <sup>th</sup> post-petition interim fee application period)	\$4,005,614.70	100% of fees and expenses	\$4,005,614.70
12/01/02 - 03/31/03 (6 <sup>th</sup> post-petition interim fee application period)	\$3,180,342.81	100% of fees and expenses	\$2,769,963.67
04/01/03 - 04/30/03 (April cover sheet application period)	\$276,593.07	85% of fees and 100% of expenses	\$0.00
<b>TOTAL:</b>	<b>\$10,654,489.24</b>		<b>\$9,966,017.03</b>

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

APPLICATION PERIOD	AMOUNT	DESCRIPTION
04/06/01 - 07/31/01 (1 <sup>st</sup> post-petition interim fee application period)	\$ - 0 -	
08/01/01 - 11/30/01 (2 <sup>nd</sup> post-petition interim fee application period)	\$ - 0 -	
12/01/01 - 03/31/02 (3 <sup>rd</sup> post-petition interim fee application period)	\$ - 0 -	
04/01/02 - 07/31/02 (4 <sup>th</sup> post-petition interim fee application period)	\$ - 0 -	

27 <sup>1</sup> Payment of this amount would result in a "holdback" of \$38,756.10.

28 <sup>2</sup> All except \$29,434.90 was paid from the Firm's prepetition retainer.

<sup>3</sup> The Court's Order reduced the allowed amount by \$1,500.00.

COOLEY GODWARD LLP  
ATTORNEYS AT LAW  
SAN FRANCISCO

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COOLEY GODWARD LLP'S NOTICE  
OF 24<sup>TH</sup> COVER SHEET APPLICATION  
CASE NO. 01-30923 DM

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interim fee application period)		
08/01/02 - 11/30/02 (5 <sup>th</sup> post-petition interim fee application period)	\$ - 0 -	
12/01/02 - 03/31/02 (6 <sup>th</sup> post-petition interim fee application period)	\$ 410,379.14	15% of fee holdback
04/01/03 - 04/30/03 (April cover sheet application period)	\$47,158.05	15% of fee holdback
04/01/03 - 04/30/03 (April cover sheet application period)	\$276,593.07	85% of fees and 100% of expenses (NOT YET PAID)
<b>TOTAL:</b>	<b>\$734,130.26</b>	

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.

8. Pursuant to this Court's Interim-Fee Order the Debtor is authorized to make the payment requested herein without a further hearing or order of this Court unless an objection to this Application is filed with the Court by the Debtor, the Committee or the United States Trustee and served by the Eighteenth day of the month following the service of this Application. If such an objection is filed, Debtor is authorized to pay the amounts, if any, not subject to the objection. The Firm is informed and believes that this Application was mailed by first class mail, postage prepaid, on or about June 30, 2003.

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

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

WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the Firm as required herein pursuant to and in accordance with the terms of the Interim Fee Order.

Dated: June 30, 2003

COOLEY GODWARD LLP

By: /s/ J. Michael Kelly  
J. Michael Kelly

Special Counsel to Debtor  
PACIFIC GAS AND ELECTRIC COMPANY

1 COOLEY GODWARD LLP  
2 STEPHEN C. NEAL (170085)  
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9 Special Counsel for Debtor  
10 PACIFIC GAS AND ELECTRIC COMPANY

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

14 In re  
15 PACIFIC GAS AND ELECTRIC COMPANY,  
16 a California Corporation,  
17 Debtor,  
18 Federal I.D. No. 94-0742640

19 Case No. 01-30923 DM

20 Chapter 11 Case

21 FIFTH SUPPLEMENTAL EMPLOYMENT  
22 DECLARATION OF MARTIN S. SCHENKER  
23 REGARDING COOLEY GODWARD LLP'S  
24 EMPLOYMENT AS SPECIAL COUNSEL TO  
25 THE DEBTOR AND DEBTOR-IN-POSSESSION

26 No Hearing Requested

27 I, Martin S. Schenker, declare:

28 1. I am an attorney at law, duly qualified and admitted to practice before this Court. I am a partner of Cooley Godward LLP ("Cooley"). I have personal knowledge of the facts stated herein, and if called as a witness I could and would testify competently thereto.

29 BACKGROUND

30 2. Pacific Gas and Electric Company, the debtor and debtor-in-possession herein ("Debtor"), originally retained Cooley as special counsel pursuant to that certain Order entered on May 8, 2001 ("Original Order"), approving that certain Application For Authority To Employ Cooley Godward LLP As Special Counsel to Debtor and Debtor-In-Possession ("Original

1 Application"), filed herein on April 26, 2001. The Original Application was supported by my  
2 declaration filed on that same date. Pursuant to that certain Debtor's Supplemental Application  
3 For Amended Order Authorizing Expanded Employment Of Cooley Godward LLP ("First  
4 Supplemental Application") filed on August 31, 2001, the declaration of my fellow Cooley  
5 partner Samuel M. Livermore in support of the First Supplemental Application filed on that same  
6 date, and that certain Amended Order Authorizing Employment Of Cooley Godward LLP As  
7 Special Counsel To Debtor And Debtor-In-Possession filed on September 13, 2001 ("First  
8 Amended Order"), Cooley was, among other things, additionally authorized to be employed by  
9 Debtor pursuant to Section 327(e) and, to the extent applicable, Section 327(a) of the Bankruptcy  
10 Code, to perform the additional services described in therein.<sup>1</sup> Pursuant to that certain Debtor's  
11 Second Supplemental Application For Amended Order Authorizing Expanded Employment Of  
12 Cooley Godward LLP filed on March 15, 2002, my second supplemental declaration filed on that  
13 same date, and that certain Second Amended Order Authorizing Employment of Cooley Godward  
14 LLP As Counsel To Debtor And Debtor-In-Possession filed on March 25, 2002 ("Second  
15 Amended Order"), Cooley was, among other things, authorized to be employed by Debtor  
16 pursuant to Section 327(e) and/or Section 327(a), as applicable, to perform the additional services  
17 as described therein. On May 20, 2002, we filed that certain Third Supplemental Employment  
18 Declaration of Martin S. Schenker Regarding Cooley Godward LLP's Employment As Special  
19 Counsel To The Debtor And Debtor-In-Possession, in which we made certain additional  
20 disclosures that came to our attention pursuant to certain supplemental investigations. Finally, on  
21 August 30, 2002, we filed a Fourth Supplemental Employment Declaration of Martin S. Schenker  
22 Regarding Cooley Godward LLP's Employment As Special Counsel To The Debtor and Debtor-  
23 In-Possession ("Fourth Supplemental Declaration"); in which we made certain additional  
24 disclosures that came to our attention pursuant to certain supplemental investigations.

25 3. This declaration supplements our prior declarations in support of our employment

26 <sup>1</sup> Also, we filed that certain Supplemental Declaration of Martin S. Schenker Regarding Cooley  
27 Godward LLP's Employment As Special Counsel To The Debtor And Debtor-In-Possession on  
28 August 22, 2001, detailing certain services Debtor had requested Cooley provide which Debtor  
and we believed were covered by the Original Order, and the Court made a finding to this effect  
in the First Amended Order.

1 herein. Pursuant to Bankruptcy Rule 2014, I make this declaration to disclose to the Court, the  
2 United States Trustee, and other interested parties additional connections with the Debtor which  
3 have recently arisen pursuant to our contemplated representation of an entity that filed a proof of  
4 claim against the Debtor. Part of Cooley's approved expanded employment by the Debtor  
5 pursuant to the Second Amended Order involves assisting with litigation in connection with the  
6 Debtor's plan of reorganization and/or opposition to other proposed plans. Accordingly, Cooley  
7 is now assisting the Debtor on matters which may be adverse to positions held by (1) creditors  
8 under the Debtor's proposed plan of reorganization (the "Plan Creditors"), and (2) parties who  
9 filed objections to the Debtor's proposed disclosure statement (the "Disclosure Statement  
10 Objecting Parties"). The following disclosures relate to Plan Creditors and Disclosure Statement  
11 Objecting Parties to which we now have or contemplate having connections that were not  
12 previously disclosed:

13 **PLAN CREDITORS**

14 (a) Wells Fargo Financial Leasing, Inc. ("Wells Fargo Financial Leasing") is  
15 a Plan Creditor, having filed a proof of claim against the Debtor. We were recently asked to  
16 represent Wells Fargo Financial Leasing in connection with certain equipment financing and  
17 software financing vendor programs *unrelated* to the Debtors or these proceedings. However,  
18 while Wells Fargo Financial Leasing is a Plan Creditor and Cooley is performing services on  
19 behalf of the Debtor in connection with the Debtor's plan and the opposing plan, we have not and  
20 will not during the pendency of our employment herein represent Wells Fargo Financial Leasing  
21 in any matter relating to the Debtor or these bankruptcy proceedings.

22 (b) Wells Fargo Bank Minnesota, N.A. ("Wells Fargo Bank Minnesota") is  
23 also a Plan Creditor, having filed a proof of claim against the Debtor. Wells Fargo Bank  
24 Minnesota is an affiliate of Wells Fargo Financial Leasing. Although we do not represent, and  
25 will not represent, Wells Fargo Bank Minnesota, Wells Fargo Financial Leasing considers any  
26 representation by Cooley adverse to any of its affiliates, including Wells Fargo Minnesota, a  
27 conflict of interest as to Wells Fargo Financial Leasing.

28 (c) As a result of these additional connections, we have obtained an

1 appropriate waiver by Wells Fargo Financial Leasing which permits Cooley to be adverse to  
2 Wells Fargo Financial Leasing, including any affiliate of Wells Fargo Financial Leasing, in  
3 connection with our representation of the Debtors in these bankruptcy proceedings.

4 **DISCLOSURE OF NEW CONNECTIONS**

5 (d) Cooley recently employed a lateral litigation associate in our Reston,  
6 Virginia office who, at his previous firm, performed very limited services on behalf of the  
7 California Public Utilities Commission (the "CPUC") in connection with proceedings before  
8 the Federal Energy Regulatory Commission ("FERC") relating to regulatory approval of certain  
9 applications that relate to Debtor's plan of reorganization. Our new lateral attorney, however,  
10 was not directly involved in any other aspect of the Debtor's bankruptcy proceedings. Also, this  
11 lateral attorney will not be involved in Cooley's representation of the Debtor. We believe this  
12 connection is *de minimis*, but in an abundance of caution, the lateral attorney has obtained a  
13 conflict waiver from the CPUC, and we have put in place an ethical screen between this lateral  
14 associate and matters relating to the Debtor.

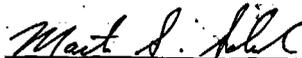
15 (e) Finally, Cooley recently employed a lateral bankruptcy special counsel in  
16 our San Diego, California office who, at her previous firm, was involved in its representation of  
17 U.S. Bank National Association, successor by merger with U.S. Bank Trust National Association,  
18 in its capacity as trustee under various indentures ("U.S. Bank"), a Plan Objecting Party, in  
19 connection with its claims in the Debtor's bankruptcy. U.S. Bank executed a conflict waiver in  
20 connection with Cooley's employment of this lateral attorney, and the lateral attorney agreed not  
21 to disclose any confidential information of U.S. Bank or to undertake any to perform any services  
22 on behalf of the Debtor involving U.S. Bank. As previously disclosed in our Fourth  
23 Supplemental Declaration regarding our representation of U.S. Bank on matters unrelated to the  
24 Debtor, while Cooley is performing services on behalf of the Debtor in connection with the  
25 Debtor's plan and the opposing plan, we are not and will not be involved in any aspect of either  
26 plan specifically relating to the objection by U.S. Bank. Nevertheless, this lateral attorney has not  
27 been and will not be involved in any way with Cooley's representation of the Debtor, and in an  
28 abundance of caution, we have put in place an ethical screen between this lateral attorney and

1 matters relating to the Debtor.

2 4. We do not believe that any of the above connections preclude Cooley's authorized  
3 employment by the Debtor under either Section 327(e) or 327(a) of the Bankruptcy Code, and I  
4 believe that Cooley still satisfies any applicable Bankruptcy Code requirements for such  
5 employment. However, if the Court, the representative of the United States Trustee, or other  
6 interested parties have any concerns about this additional disclosure, we invite any comments or  
7 requests for hearing, and we will set a hearing on this matter as soon as practicable if so  
8 requested.

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

11 Executed at San Francisco, California on June 20, 2003.

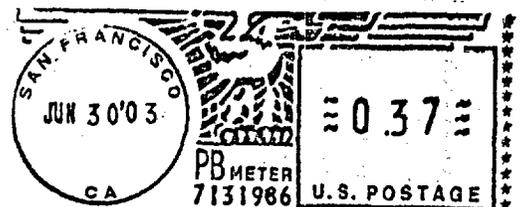
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FIFTH SUPPL. DECL. OF MARTIN S. SCHENKER RE  
EMPLOYMENT OF COOLEY GODWARD LLP  
CASE NO. 01-30923 DM

**Cooley Godward LLP**

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