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6 A Professional Corporation
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11 Attorneys for Debtor and Debtor in Possession
12 PACIFIC GAS AND ELECTRIC COMPANY

13 UNITED STATES BANKRUPTCY COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN FRANCISCO DIVISION

16 In re

Case No. 01-30923 DM

17 PACIFIC GAS AND ELECTRIC
18 COMPANY, a California corporation,

Chapter 11 Case

19 Debtor.

[NO HEARING REQUESTED]

20 Federal I.D. No. 94-0742640

21 HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN
22 COVER SHEET APPLICATION
23 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION
24 AND REIMBURSEMENT OF EXPENSES FOR MAY, 2003

25 Howard, Rice, Nemerovski, Canady, Falk & Rabkin (the "Firm") submits its
26 Cover Sheet Application (the "Application") for Allowance and Payment of Interim
27 Compensation and Reimbursement of Expenses for the Period May 1, 2003 through May
28 31, 2003 (the "Application Period"). In support of the Application, the Firm respectfully
represents as follows:

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

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2. The Firm billed a total of \$547,634.50 in fees and expenses during the Application Period. The total fees represent 1,731.2 hours expended during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
May, 2003	\$ 512,279.00	\$35,355.50	\$ 547,634.50

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of \$470,792.65 at this time. This total is comprised as follows: \$435,437.15 (85% of the fees for services rendered)¹ plus \$35,355.50 (100% of the expenses incurred).

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

Application Period	Amount Applied For	Description	Amount Paid
April 6, 2001 through July 31, 2001 (1st post-petition interim fee application period)	\$4,646,476.74	100% of fees and expenses	\$4,646,476.74
August 1, 2001 through November 30, 2001 (2nd post-petition interim fee application period)	\$3,921,628.38	100% of fees and expenses	\$3,921,528.38 ²
December 1, 2001 through March 31, 2002 (3rd post-petition interim fee application period)	\$4,253,813.78	100% of fees and expenses	\$4,238,243.76 ³
April 1, 2002 through July 31, 2002 (4th post-petition interim fee application period)	\$5,520,001.30	100% of fees and expenses	\$5,520,001.30

¹Payment of this amount would result in a "holdback" of \$76,841.85.

²The Firm had written off an additional \$100.00 in fees.

³The Firm had written off an additional \$15,570.02 in fees.

Application Period	Amount Applied For	Description	Amount Paid
August 1, 2002 through November 30, 2002 (5th post-petition interim fee application period)	\$7,679,231.32	100% of fees and expenses	\$7,679,231.32
December, 2002	\$ 1,252,648.83	85% of fees and 100% of expenses	\$ 1,252,648.83
January, 2003	\$ 1,380,952.84	85% of fees and 100% of expenses	\$ 1,380,952.84
February, 2003	\$ 739,372.40	85% of fees and 100% of expenses	\$ 739,372.40
March, 2003	\$ 698,424.37	85% of fees and 100% of expenses	\$ 691,319.43 ⁴
April, 2003	\$ 487,079.83	85% of fees and 100% of expenses	\$ 485,826.02 ⁵
Total Paid to the Firm to Date	\$30,579,629.79		\$30,555,601.02

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

Application Period	Amount	Description
Dec. 1 – Dec. 31, 2002	\$ 202,013.25	15% fee holdback
Jan. 1 – Jan. 31, 2003	\$ 221,571.60	15% fee holdback
Feb. 1 – Feb. 28, 2003	\$ 119,903.90	15% fee holdback
March 1 – March 31, 2003	\$ 114,521.77	15% fee holdback
April 1 – April 30, 2003	\$ 79,341.52	15% fee holdback
Total Owed to Firm to Date	\$ 737,352.04	

6. With regard to the copies of this Application served on counsel for the

⁴The Firm had written off an additional \$7,104.94 in fees.

⁵The Firm had written off an additional \$1,253.81 in fees.

1 Official Committee of Unsecured Creditors (the "Committee"), the Debtor and the Office of
2 the United States Trustee, attached as Exhibit 1 hereto is the name of each professional who
3 performed services in connection with this case during the Application Period and the hourly
4 rate for each such professional; and attached as Exhibit 2 is an Account Summary. The
5 detailed time and expense statements for the Application Period that comply with all
6 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and
7 the Guidelines of the Office of the United States Trustee have been submitted in electronic
8 form to the Office of the United States Trustee and mailed to counsel for the Committee and
9 to the Debtor.

10 7. The Firm is serving a copy of this Application (without Exhibits) on the
11 Special Notice List in this case.

12 8. Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING
13 INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE
14 (Revised March, 2002)" (the "Amended Order"), the Debtor is authorized to make the
15 payment requested herein without a further hearing or order of this Court, unless an
16 objection to this Application is filed with the Court by the Debtor, the Committee or the
17 United States Trustee and served by the fifteenth day of the month following the service of
18 this Application. If such an objection is filed, Debtor is authorized to pay the amounts, if
19 any, not subject to the objection. The Firm is informed and believes that this Cover Sheet
20 Application was mailed by first class mail, postage prepaid, on or about June 30, 2003.

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

27 10. The Firm represents and warrants that its billing practices comply with all
28 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and

1 the Guidelines of the Office of the United States Trustee. Neither the Firm nor any members
2 of the Firm has any agreement or understanding of any kind or nature to divide, pay over or
3 share any portion of the fees or expenses to be awarded to the Firm with any other person or
4 attorney except as among the members and associates of the Firm.

5 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation
6 to the Firm as requested herein pursuant to and in accordance with the terms of the Amended
7 Order.

8 DATED: June 30, 2003

9 HOWARD, RICE, NEMEROVSKI, CANADY,
10 FALK & RABKIN
11 A Professional Corporation

12 By: 
13 JAMES L. LOPES
14 Attorneys for Debtor and Debtor in Possession
15 PACIFIC GAS AND ELECTRIC COMPANY

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PROOF OF SERVICE BY HAND

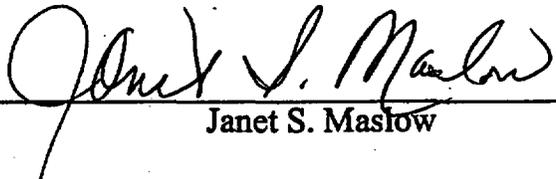
I am employed in the City and County of San Francisco, State of California. I am over the age of eighteen (18) years and not a party to the within action; my business address is Three Embarcadero Center, 7th Floor, San Francisco, California 94111-4065.

On June 30, 2003, I served the following document(s) described as HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN COVER SHEET APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR MAY, 2003 on the parties listed below by causing it to be delivered by hand to:

Patricia Cutler
Office of the U. S. Trustee
250 Montgomery Street, Suite 1000
San Francisco, CA 94104

I declare under penalty of perjury that the foregoing is true and correct. Executed at San Francisco, California on June 30, 2003.

HOWARD
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CANADY
FALK
& RABKIN
A Professional Corporation



Janet S. Maslow