

1 JON P. SCHOTZ
2 JONATHAN Y. THOMAS
3 JONATHAN ROSENTHAL
4 JEFFREY M. WILSON
5 SAYBROOK CAPITAL, LLC
401 Wilshire Blvd, Suite 850
Santa Monica, CA 90401
Telephone: 310/899-9200
Facsimile: 310/899-9101

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6 Financial Advisors for Official Committee of
7 Unsecured Creditors

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

11 In re

Case No. 01-30923 DM

12 PACIFIC GAS AND ELECTRIC
13 COMPANY, a California corporation,
14 Debtor.

Chapter 11 Case

15 Federal I.D. No. 94-0742640

16 SAYBROOK CAPITAL, LLC
17 COVER SHEET APPLICATION
18 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND
19 REIMBURSEMENT OF EXPENSES FOR MAY 1 THROUGH
20 MAY 31, 2003

21 Saybrook Capital, LLC (the "Firm") submits its Cover Sheet Application (the
22 "Application") for Allowance and Payment of Interim Compensation and Reimbursement of
23 Expenses for the Period May 1, 2003 through May 31, 2003 (the "Application Period"). In
24 support of the Application, the Firm respectfully represents as follows:

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

BK 001

2. The Firm billed a total of \$200,608.22 in fees and expenses during the Application Period. The Firm entered into an Engagement Agreement covering the Application Period (the "Agreement") with the Official Committee of Unsecured Creditors of Pacific Gas and Electric Company (the "Committee"). The Agreement calls for a monthly fee of \$250,000.00 for the first six (6) months of the Engagement Period and a monthly fee of \$200,000.00 for each month of the engagement after, plus reimbursement of actual out-of-pocket expenses. The total fees incurred May 1 through May 31, 2003 represent 1 month of the monthly engagement during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
May 1 – May 31	\$200,000.00	\$608.22	\$200,608.22

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of \$170,608.22 at this time. This total is comprised as follows:

\$170,000.00 (85% of the fees for services rendered)¹

\$ 608.22 (100% of the expenses incurred).

4. 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 a narrative summarizing the work of each professional; and (b) attached as Exhibit 2 are the detailed 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.

5. The Firm has served a copy of this Application (without Exhibits) on the

¹Payment of this amount would result in a "holdback" of \$30,000.00

1 Special Notice List in this case.

2 6. Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING
3 INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE"
4 which was entered on or about March 18, 2002, the Debtor is authorized to make the payment
5 requested herein without a further hearing or order of this Court unless an objection to this
6 Application is filed with the Court by the Debtor, the Committee or the United States Trustee
7 and served by the fifteenth day of the month following the service of this Application. If such
8 an objection is filed, Debtor is authorized to pay the amounts, if any, not subject to the
9 objection. The Firm is informed and believes that this Cover Sheet Application was mailed
10 by overnight mail on or about June 27, 2003.

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

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

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

5 DATED: June 30, 2003

6 SAYBROOK CAPITAL, LLC

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8 By: 
 JONATHAN THOMAS

9 Financial Advisor for the Official Committee of
10 Unsecured Creditors of PACIFIC GAS AND
11 ELECTRIC COMPANY
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