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

**FILED**

JUL - 1 2003

UNITED STATES BANKRUPTCY COURT  
SAN FRANCISCO, CA

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

50-275  
323

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

Case No. 01-30923 DM  
Chapter 11 Case  
[No Hearing Scheduled]

17 Federal I.D. No. 94-0742640

18 FTI CONSULTING INC. COVER SHEET APPLICATION FOR ALLOWANCE AND  
19 PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF  
20 EXPENSES FOR  
21 MAY 1, 2003 TO MAY 31, 2003

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

26 1. The Firm serves as Accountants and Financial Advisors to the Official  
27 Committee of Unsecured Creditors. The Firm submitted an Application for appointment as  
28 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

BKRP01

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 \$184,176 in fees and expenses during the  
4 Application Period. The Total fees represent 401.2 hours expended during the Application  
5 Period. These fees and expenses break down as follows:

6 Period	7 Fees	8 Expenses	9 Total
10 May 1, 2003 – May 11 31, 2003	12 \$177,981	13 \$6,195	14 \$184,176

15 3. Accordingly, the Firm seeks allowance of interim compensation in the total  
16 amount of \$157,479 at this time. This total is comprised as follows:  
17 \$151,284 (85% of the fees for services rendered)<sup>1</sup> plus \$6,195 (100% of the expenses  
18 incurred).

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

22 Application Period	23 Amount 24 Applied For	25 Description	26 Amount Paid
27 First (April 11, 2001 – 28 May 31, 2001)	\$803,642	90% of fees and 100% of expenses	\$803,642
Second (June 1, 2001 – July 31, 2001)	\$870,002	90% of fees and 100% of expenses	\$870,002

<sup>1</sup>Payment of this amount would result in a "holdback" of \$26,697

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)	

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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	Twenty-third (April 1,	\$163,638	85% fees and 100% expenses	\$163,638
8	2003 - April 30, 2003)			
9	Total Paid to the	\$6,277,942		\$6,277,942
10	Firm to Date			

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

14	Application Period	Amount	Description
15	Nineteenth (December 1, 2002 - December	\$38,845	15% fee holdback
16	31, 2002)		
17	Twentieth (January 1, 2003 - January 31,	\$26,669	15% fee holdback
18	2003)		
19	Twenty-first (February 1, 2003 - February	\$23,339	15% fee holdback
20	28, 2003)		
21	Twenty-second (March 1, 2003 - March 31,	\$27,827	15% fee holdback
22	2003)		
23	Twenty-third (April 1, 2003 - April 30,	\$28,450	15% fee holdback
24	2003)		
25	Total Owed to Firm to Date	\$145,130	

26 6. With regard to the copies of this Application served on counsel for the  
27 Committee, counsel for the Debtor and the Office of the United States Trustee, attached as  
28

1 Exhibit 1 hereto is the name of each professional who performed services in connection with  
2 this case during the period covered by this Application and the hourly rate for each such  
3 professional; and (b) attached as Exhibits 2-1 and 2-2 are the detailed time and expense  
4 statements for the Application Period that comply with all Northern District of California  
5 Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the Office of  
6 the United States Trustee.

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

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

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

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

1 attorney except as among the members and associates of the Firm.

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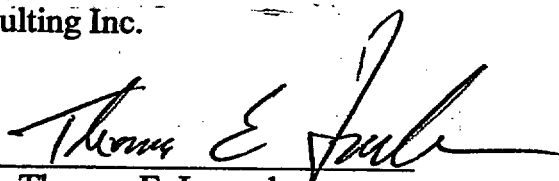
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5 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the Firm  
6 as requested herein pursuant to and in accordance with the terms of the 'ORDER  
7 ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT  
8 PROCEDURE.'

9  
10 Dated: June 30, 2003

FTI Consulting Inc.

11  
12 By:   
13 Thomas E. Lumsden,  
14 Senior Managing Director