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4 Accountants and Financial Advisors for Official  
5 Committee of Unsecured Creditors

**FILED**  
JUL 8 1 2003  
UNITED STATES BANKRUPTCY COURT  
SAN FRANCISCO, CA

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

50-275  
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11 In re  
12 PACIFIC GAS AND ELECTRIC  
COMPANY, a California corporation,  
13  
14 Debtor.

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

15 Federal I.D. No. 94-0742640

16 FTI CONSULTING INC. COVER SHEET APPLICATION FOR ALLOWANCE AND  
17 PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF  
EXPENSES FOR  
18 JUNE 1, 2003 TO JUNE 30 2003

19 FTI Consulting, (the "Firm"), submits its Cover Sheet Application (the "Application")  
20 for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for  
21 the Period June 1, 2003 to June 30, 2003 (the "Application Period"). In support of the  
22 Application, the Firm respectfully represents as follows:

23 1. The Firm serves as Accountants and Financial Advisors to the Official  
24 Committee of Unsecured Creditors. The Firm submitted an Application for appointment as  
25 Accountants and Financial Advisors to the Official Committee of Unsecured Creditors on  
26 September 27, 2002. An Order for Appointment of the Firm as Accountants and Financial  
27 Advisors to the Official Committee of Unsecured Creditors was entered on October 31,  
28 2002, *nunc pro tunc* to September 1, 2002. The Firm hereby applies to the Court for

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 \$123,569 in fees and expenses during the  
 4 Application Period. The Total fees represent 275.9 hours expended during the Application  
 5 Period. These fees and expenses break down as follows:

6 Period	Fees	Expenses	Total
7 June 1, 2003 – June 8 30, 2003	\$121,721	\$1,848	\$123,569

10 3. Accordingly, the Firm seeks allowance of interim compensation in the total  
 11 amount of \$105,311 at this time. This total is comprised as follows:  
 12 \$103,463 (85% of the fees for services rendered)<sup>1</sup> plus \$1,848 (100% of the expenses  
 13 incurred).

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

18 Application Period	Amount 19 Applied For	Description	Amount Paid
20 First (April 11, 2001 – 21 May 31, 2001)	\$803,642	90% of fees and 100% of expenses	\$803,642
22 Second (June 1, 2001 – 23 July 31, 2001)	\$870,002	90% of fees and 100% of expenses	\$870,002

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28 <sup>1</sup>Payment of this amount would result in a "holdback" of \$18,258

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)	

1	Eleventh (April 1, 2002 –	\$185,003	85% of fees and	\$185,003
2	April 30, 2002)		100% of expenses	
3	Twelfth (May 1, 2002 –	\$183,784	85% of fees and	\$183,784
4	May 31, 2002)		100% of expenses	
5	Thirteenth (June 1, 2002 –	\$81,860	85% of fees and	\$81,860
6	June 30, 2002)		100% of expenses	
7	Fourteenth (July 1, 2002 –	\$204,553	85% of fees and	\$204,553
8	July 31, 2002)		100% of expenses	
9	Fifteenth (August 1, 2002	\$127,849	85% of fees and	\$127,849
10	– August 31, 2002)		100% of expenses	
11	Fourth Interim (April 1,	\$106,253	15% holdback fees (\$109,606)	\$106,253
12	2002 – July 31, 2002)		net voluntary write-off (\$3,353)	
13	Sixteenth (September 1,	\$84,985	85% fees and 100% expenses	\$84,985
14	2002 – September 30,			
15	2002)			
16	Seventeenth (October 1,	\$113,478	85% fees and 100 % expenses	\$113,478
17	2002 – October 31, 2002)			
18	Eighteenth (November 1,	\$315,139	85% fees and 100 % expenses	\$315,139
19	2002 – November 30,			
20	2002)			
21	Nineteenth (December 1,	\$227,074	85% fees and 100 % expenses	\$227,074
22	2002 – December 31,			
23	2002)			
24	Fifth Interim (August 1,	\$115,270	15% holdback fees	\$115,270
25	2002 – November 30,			
26	2002)			
27				
28				

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	Twenty-fourth (May 1,	\$157,479	85% fees and 100% expenses	\$157,479
10	2003 - May 31, 2003)			
11	Sixth Interim (December 1,	\$116,680	15% holdback fees	\$116,680
12	2002 - March 31, 2003)			
13	Total Paid to the	\$6,552,101		\$6,552,101
14	Firm to Date			

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

18 Application Period	19 Amount	20 Description
21 Twenty-third (April 1, 2003 - April 30, 22 2003)	\$28,450	15% fee holdback
23 Twenty-fourth (May 1, 2003 - May 21, 24 2003)	\$26,697	15% fee holdback
Total Owed to Firm to Date	\$55,147	

25 6. With regard to the copies of this Application served on counsel for the  
26 Committee, counsel for the Debtor and the Office of the United States Trustee, attached as  
27 Exhibit 1 hereto is the name of each professional who performed services in connection with  
28 this case during the period covered by this Application and the hourly rate for each such

1 professional; and (b) attached as Exhibits 2-1 and 2-2 are the detailed time and expense  
2 statements for the Application Period that comply with all Northern District of California  
3 Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the Office of  
4 the United States Trustee.

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

7 8. Pursuant to this Court's "ORDER ESTABLISHING INTERIM FEE  
8 APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered  
9 on or about July 26, 2001, the Debtor is authorized to make the payment requested herein  
10 without a further hearing or order of this Court unless an objection to this Application is  
11 filed with the Court by the Debtor, the Committee or the United States Trustee and served by  
12 the fifteenth day of the month following the service of this Application. If such an objection  
13 is filed, Debtor is authorized to pay the amounts, if any, not subject to the objection. The  
14 Firm is informed and believes that this Cover Sheet Application was mailed by first class  
15 mail, postage prepaid, on or about July 31, 2003.

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

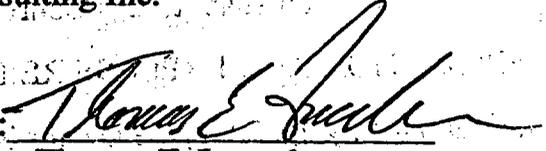
22 10. The Firm represents and warrants that its billing practices comply with all  
23 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and  
24 the Guidelines of the Office of the United States Trustee. Neither the Firm nor any members  
25 of the Firm has any agreement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

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

6  
7 **Dated: July 31, 2003**

**FTI Consulting Inc.**

8  
9 By: 

10 **Thomas E. Lumsden,**  
11 **Senior Managing Director**

**Pacific Gas and Electric**  
**Summary of Time By Professional**  
**For the Period June 1, 2003 Through June 30, 2003**

Professional	Title	Time Total	Billing Rate	Fee Total
Ghazi, Maryam	Director	23.1	425	\$9,818
Ho, Rocky	Managing Director	125.2	475	\$59,470
Kim, Angela	Paraprofessional	10.3	55	\$567
Lumsden, Tom	Sr. Managing Director	30.9	595	\$18,386
Nels, Margery	Consultant	71.3	345	\$24,599
Reiss, Freddie	Sr. Managing Director	14.5	595	\$8,628
Young, Allison	Director	0.6	425	\$255
<b>Totals</b>		<b>275.9</b>		<b>\$121,721</b>

Following business practices and procedures, the professional(s) listed above have provided the services and rendered the fees shown on this invoice. I am ready to render the services listed on this invoice for mailing. Under the provisions of the United States Postal Service on the same day with the United States Postal Service in the amount of professional fees shown on this invoice.

I hereby certify that the above information is true and correct to the best of my knowledge and belief.

Witness my hand and the seal of the United States Postal Service at Washington, D.C. on the \_\_\_\_\_ day of \_\_\_\_\_, 2003.



United States Postal Service  
 Washington, D.C. 20504

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO

I am employed in the County of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is 353 Sacramento Street, 18th Floor, San Francisco, California.

On July 31, 2003, I served on the parties listed on the attached Service List, the foregoing document(s) without exhibits described as:

FTI CONSULTING INC. COVER SHEET APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR JUNE 1, 2003 THROUGH JUNE 30, 2003.

X by placing the original X a true copy thereof enclosed in sealed envelopes addressed as stated on the attached service list:

(BY MAIL)

X Following ordinary business practices at the San Francisco office of FTI Consulting, Inc., I placed the sealed envelope(s) for collection and mailing with the United States Postal Service on that same day. I am readily familiar with the firm's practice for collection and processing of correspondence for mailing. Under that practice, such correspondence would be deposited with the United States Postal Service on that same day, with postage thereon fully prepaid at San Francisco, California, in the ordinary course of business.

(FEDERAL) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on July 31, 2003 San Francisco, California.

Angela Kim
Type or Print Name

Signature