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4 A Professional Corporation
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7 Attorneys for Debtor and Debtor in Possession
PACIFIC GAS AND ELECTRIC COMPANY

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

12 In re

Case No. 01-30923 DM

13 PACIFIC GAS AND ELECTRIC
14 COMPANY, a California corporation,

Chapter 11 Case

15 Debtor.

[NO HEARING REQUESTED]

16 Federal I.D. No. 94-0742640

17 HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN
18 COVER SHEET APPLICATION
19 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR SEPTEMBER, 2003

20 Howard, Rice, Nemerovski, Canady, Falk & Rabkin (the "Firm") submits its
21 Cover Sheet Application (the "Application") for Allowance and Payment of Interim
22 Compensation and Reimbursement of Expenses for the Period September 1, 2003 through
23 September 30, 2003 (the "Application Period"). In support of the Application, the Firm
24 respectfully represents as follows:

25 1. The Firm is counsel to Pacific Gas and Electric Company, the debtor and
26 debtor-in-possession in the above-referenced bankruptcy case (the "Debtor"). The Firm
27 hereby applies to the Court for allowance and payment of interim compensation for services
28

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1 rendered and reimbursement of expenses incurred during the Application Period.

2 2. The Firm billed a total of \$529,023.23 in fees and expenses during the
3 Application Period. The total fees represent 1733.1 hours expended during the Application
4 Period. These fees and expenses break down as follows:

5	6	7	8
Period	Fees	Expenses	Total
September, 2003	\$ 518,049.50	\$10,973.73	\$ 529,023.23

9 3. Accordingly, the Firm seeks allowance of interim compensation in the total
10 amount of \$451,315.80 at this time. This total is comprised as follows: \$440,342.07 (85%
11 of the fees for services rendered)¹ plus \$10,973.73 (100% of the expenses incurred).

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

13	14	15	16	17
Application Period	Amount Applied For	Description	Amount Paid	
18 April 6, 2001 through 19 July 31, 2001 (1st 20 post-petition interim 21 fee application 22 period)	\$4,646,476.74	100% of fees and expenses	\$4,646,476.74	
23 August 1, 2001 24 through November 25 30, 2001 (2nd post- 26 petition interim fee 27 application period)	\$3,921,628.38	100% of fees and expenses	\$3,921,528.38 ²	
28 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	

26 ¹Payment of this amount would result in a "holdback" of \$77,707.43.

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

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

Application Period	Amount Applied For	Description	Amount Paid
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
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 1, 2002 through March 31, 2003 (6th post-petition interim fee application period)	\$4,722,304.02	100% of fees and expenses	\$4,722,304.02
April, 2003	\$ 487,079.83	85% of fees and 100% of expenses	\$ 485,826.02 ⁴
May, 2003	\$ 470,792.65	85% of fees and 100% of expenses	\$ 470,792.65
June, 2003	\$ 428,192.95	85% of fees and 100% of expenses	\$ 421,358.95 ⁵
July, 2003	\$ 422,744.09	85% of fees and 100% of expenses	\$ 422,744.10 ⁶
August, 2003	\$ 369,506.95	85% of fees and 100% of expenses	\$ 369,506.95
Total Paid to the Firm to Date	\$32,921,772.01		\$32,898,014.19

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

Application Period	Amount	Description
April 1 – April 30, 2003	\$ 79,341.52	15% fee holdback

⁴The Firm had written off an additional \$1,253.81 in fees.

⁵The Firm had written off an additional \$8,040.00 in fees.

⁶Net amount after the Firm had written off \$7,000.00 in fees.

1	May 1 – May 31, 2003	\$ 76,841.85	15% fee holdback
2	June 1 – June 30, 2003	\$ 72,886.57	15% fee holdback
3	July 1 – July 31, 2003	\$ 72,136.50	15% fee holdback
4	August 1 – August 31, 2003	\$ 59,730.30	15% fee holdback
5	Total Owed to Firm to Date	\$ 360,936.74	

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

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

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

28 9. The interim compensation and reimbursement of expenses sought in this

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

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

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

15 DATED: October 30, 2003

HOWARD, RICE, NEMEROVSKI, CANADY,
FALK & RABKIN
A Professional Corporation

18 By: Janet Nexion
19 JANET A. NEXON
20 Attorneys for Debtor and Debtor in Possession
21 PACIFIC GAS AND ELECTRIC COMPANY
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HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN
A Professional Corporation

1 **PROOF OF SERVICE BY FEDERAL EXPRESS**

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

5 I am readily familiar with the practice for collection and processing of documents for
6 delivery by overnight service by Federal Express of Howard, Rice, Nemerovski, Canady,
7 Falk & Rabkin, A Professional Corporation, and that practice is that the document(s) are
8 deposited with a regularly maintained Federal Express facility in an envelope or package
9 designated by Federal Express fully prepaid the same day as the day of collection in the
10 ordinary course of business.

11 On October 30, 2003, I served the following document(s) described as HOWARD,
12 RICE, NEMEROVSKI, CANADY, FALK & RABKIN COVER SHEET APPLICATION
13 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND
14 REIMBURSEMENT OF EXPENSES FOR SEPTEMBER, 2003 on the persons listed below
15 by placing the document(s) for deposit with Federal Express through the regular collection
16 process at the law offices of Howard, Rice, Nemerovski, Canady, Falk & Rabkin, A
17 Professional Corporation, located at Three Embarcadero Center, 7th Floor, San Francisco,
18 California, to be served by overnight Federal Express delivery addressed as follows:

19
20 Paul Aronzon, Esq.
21 Milbank, Tweed, Hadley & McCloy
601 South Figueroa Street
Los Angeles, CA 90017

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

24
25 
26 _____
Janet S. Maslow

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN
A Professional Corporation