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FALK & RABKIN
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

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

15 Debtor.

Case No. 01-30923 DM

Chapter 11 Case

[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 DECEMBER, 2003

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

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

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN
A Professional Corporation

BKLPD

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

2 2. The Firm billed a total of \$428,871.40 in fees and expenses during the
3 Application Period. The total fees represent 1,350.8 hours expended during the Application
4 Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
December, 2003	\$ 414,647.50	\$14,223.90	\$ 428,871.40

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9 3. Accordingly, the Firm seeks allowance of interim compensation in the total
10 amount of \$366,674.28 at this time. This total is comprised as follows: \$352,450.38 (85%
11 of the fees for services rendered)¹ plus \$14,223.90 (100% of the expenses incurred).

12 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

1 Payment of this amount would result in a "holdback" of \$62,197.12.

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

3 The 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 1, 2003 through July 31, 2003 (7th post-petition interim fee application period)	\$2,103,181.96	100% of fees and expenses	\$2,103,181.96
August, 2003	\$ 369,506.95	85% of fees and 100% of expenses	\$ 369,506.95
September, 2003	\$ 451,315.80	85% of fees and 100% of expenses	\$ 451,315.80
October, 2003	\$ 437,622.83	85% of fees and 100% of expenses	\$ 437,622.83
November, 2003	\$ 356,993.45	85% of fees and 100% of expenses	\$ 356,993.45
Total Paid to the Firm to Date			\$33,557,467.88

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

Application Period	Amount	Description
August 1 – August 31, 2003	\$ 59,730.30	15% fee holdback
Sept. 1 – Sept. 30, 2003	\$ 77,707.43	15% fee holdback
Oct. 1 – Oct. 31, 2003	\$ 68,669.85	15% fee holdback
Nov. 1 – Nov. 30, 2003	\$ 57,641.03	15% fee holdback
Total Owed to Firm to Date	\$ 263,748.61	

6. With regard to the copies of this Application served on counsel for the Official Committee of Unsecured Creditors (the "Committee"), 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 Application Period and the hourly rate for each such professional; and attached as Exhibit 2 is an Account Summary. The detailed time and 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 have been submitted in electronic form to the Office of the United States Trustee and mailed to counsel for the Committee and to the Debtor.

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

8. Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE (Revised March, 2002)" (the "Amended Order"), the Debtor is authorized to make the payment requested herein without a further hearing or order of this Court, unless an objection to this Application is filed with the Court by the Debtor, the Committee or the United States Trustee and served by the fifteenth day of the month following the service of this Application. If such an objection is filed, Debtor is authorized to pay the amounts, if any, not subject to the objection. The Firm is informed and believes that this Cover Sheet

1 Application was mailed by first class mail, postage prepaid, on or about January 30, 2004.

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

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

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

17 DATED: January 30, 2004

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

20 By: Janet A. Nexon
21 JANET A. NEXON
22 Attorneys for Debtor and Debtor in Possession
23 PACIFIC GAS AND ELECTRIC COMPANY
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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 January 30, 2004, 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 DECEMBER, 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
22 601 South Figueroa Street
23 Los Angeles, CA 90017

24
25 I declare under penalty of perjury that the foregoing is true and correct. Executed at
26 San Francisco, California on January 30, 2004.

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Janet S. Maslow

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On January 30, 2004, 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 DECEMBER, 2003 on the parties listed below by causing it to be delivered by hand to:

I declare under penalty of perjury that the foregoing is true and correct. Executed at San Francisco, California on January 30, 2004.

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABIN


Janet S. Maslow