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PACIFIC GAS AND ELECTRIC COMPANY

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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 FEBRUARY, 2004

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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 February 1, 2004 through
24 February 29, 2004 (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

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& RABKIN

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

2 2. The Firm billed a total of \$473,489.45 in fees and expenses during the
3 Application Period. The total fees represent 1,402.1 hours expended during the Application
4 Period. These fees and expenses break down as follows:

5	6	7	8
Period	Fees	Expenses	Total
February, 2004	\$ 434,330.50	\$39,158.95	\$ 473,489.45

9 3. Accordingly, the Firm seeks allowance of interim compensation in the total
10 amount of \$408,339.88 at this time. This total is comprised as follows: \$369,180.93 (85%
11 of the fees for services rendered)¹ plus \$39,158.95 (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	

1 Payment of this amount would result in a "holdback" of \$65,149.57

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 through November 30, 2003 (8th post-petition interim fee application period)	\$1,879,187.64	100% of fees and expenses	\$1,879,187.64
December, 2003	\$ 366,674.28	85% of fees and 100% of expenses	\$ 366,674.28
January, 2004	\$ 427,923.77	85% of fees and 100% of expenses	\$ 427,923.77
Total Paid to the Firm to Date	\$35,520,423.19		\$35,504,753.17

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

Application Period	Amount	Description
Dec. 1 – Dec. 31, 2003	\$ 62,197.12	15% fee holdback
Jan. 1 – Jan. 31, 2004	\$ 71,642.18	15% fee holdback
Total Owed to Firm to Date	\$133,839.30	

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

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: March 30, 2004

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19 By: Janet Nexon
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21 Attorneys for Debtor and Debtor in Possession
22 PACIFIC GAS AND ELECTRIC COMPANY
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