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JEFFREY L. SCHAFFER (No. 91404)  
2 JANET A. NEXON (No. 104747)  
WILLIAM J. LAFFERTY (No. 120814)  
3 HOWARD, RICE, NEMEROVSKI, CANADY,  
FALK & RABKIN  
4 A Professional Corporation  
Three Embarcadero Center, 7th Floor  
5 San Francisco, California 94111-4065  
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7 Attorneys for Debtor and Debtor in Possession  
PACIFIC GAS AND ELECTRIC COMPANY  
8

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

18 HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN  
COVER SHEET APPLICATION  
19 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR MARCH, 2004  
20

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 March 1, 2004 through  
24 March 31, 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

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

2 2. The Firm billed a total of \$640,104.73 in fees and expenses during the  
3 Application Period. The total fees represent 1,971 hours expended during the Application  
4 Period. These fees and expenses break down as follows:

5	6	7	8
Period	Fees	Expenses	Total
March, 2004	\$ 622,670.00	\$17,434.73	\$ 640,104.73

9 3. Accordingly, the Firm seeks allowance of interim compensation in the total  
10 amount of \$546,704.23 at this time. This total is comprised as follows: \$529,269.50 (85%  
11 of the fees for services rendered)<sup>1</sup> plus \$17,434.73 (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	
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	
18 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 <sup>2</sup>	
20 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 <sup>3</sup>	

26 <sup>1</sup>Payment of this amount would result in a "holdback" of \$93,400.50.

27 <sup>2</sup>The Firm had written off an additional \$100.00 in fees.

28 <sup>3</sup>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
February, 2004	\$ 408,339.88	85% of fees and 100% of expenses	\$ 408,339.88
Total Paid to the Firm to Date	\$35,928,763.07		\$35,913,093.05

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

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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
Feb. 1 – Feb. 29, 2004	\$ 65,149.57	15% fee holdback
Total Owed to Firm to Date	\$198,988.87	

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 April 30, 2004.

HOWARD  
RICE  
NEMEROVSKI  
CANADY  
FALK  
& RABINOW  
A Professional Corporation

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

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

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

16 DATED: April 30, 2004

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

19 By: Janet Nexon  
20 JANET A. NEXON  
21 Attorneys for Debtor and Debtor in Possession  
22 PACIFIC GAS AND ELECTRIC COMPANY  
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**PROOF OF SERVICE BY HAND**

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

On April 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 MARCH, 2004 on the parties listed below by causing it to be delivered by hand to:

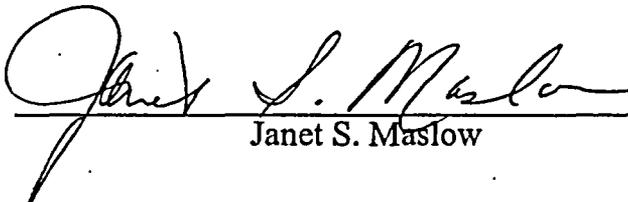
Patricia Cutler  
Office of the U. S. Trustee  
250 Montgomery Street, Suite 1000  
San Francisco, CA 94104

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

HOWARD  
RICE  
NEMEROVSKI  
CANADY  
FALK  
& RABKIN  

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A Professional Corporation

  
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Janet S. Maslow