

FILED

MAY 27 2004

UNITED STATES BANKRUPTCY COURT
SAN FRANCISCO, CA

1 INNISFREE M&A INCORPORATED
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6 Voting Agent to the Debtor

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

11
12 In re:

13 PACIFIC GAS AND ELECTRIC CO.,

14 Debtor.

15 Federal I.D. No. 94-0742640

Case No. 01-30923

Chapter 11 Case

[No Hearing Scheduled]

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17 **INNISFREE M&A INCORPORATED'S FOURTH INTERIM COVER SHEET**
18 **APPLICATION FOR ALLOWANCE AND PAYMENT OF COMPENSATION AND**
19 **REIMBURSEMENT OF EXPENSES FOR THE PERIOD**
20 **JANUARY 1, 2004 – APRIL 12, 2004**

21 Innisfree M&A Incorporated (“Applicant” or “Innisfree”), submits its Fourth Cover
22 Sheet Application (the “Application”), for Allowance and Payment of Compensation and
23 Reimbursement of Expenses for the Period January 1, 2004 – April 12, 2004 (the
24 “Application Period”). In support of the Application, Innisfree respectfully represents as
25 follows:

26 1. Innisfree is the Voting and Noticing Agent to Pacific Gas and Electric Company,
27 debtor and debtor-in-possession (the “Debtor”) pursuant to the Plan of Reorganization Under
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1 Chapter 11 of the Bankruptcy Code dated July 31, 2003, in the above-referenced bankruptcy
2 case. Innisfree hereby applies to the Court for allowance and payment of interim
3 compensation for services rendered and reimbursement of expenses incurred during the
4 Application Period.
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6 2. Innisfree billed a total of \$135,974.98 in fees and expenses during the
7 Application Period, \$89,908.30 of which was for fees and \$46,066.68 was for expenses. In
8 addition to the Contract Notice Mailings enumerated below, Innisfree distributed two
9 separate notices on behalf of the Debtor during the application period including the Notice of
10 (1) Entry of Order Confirming Plan of Reorganization Under Chapter 11 of The Bankruptcy
11 Code for Pacific Gas and Electric Company Dated July 31, 2003, as Modified by
12 Modifications Dated November 6, 2003 and December 19, 2003; and (2) Related Deadlines,
13 and the Notice of (1) Occurrence of Effective Date of Confirmed Plan of Reorganization
14 Under Chapter 11 of The Bankruptcy Code for Pacific Gas and Electric Company Dated
15 July 31, 2003, as Modified; and (2) Related Deadlines. Innisfree's Notice Mailing fee was
16 \$350.00 for each of the 150 cusips/securities, as outlined in the letter of agreement between
17 the Debtor and Innisfree. Innisfree's street distribution of the two notices during the
18 application period would have incurred fees in the total of \$105,000.00, but because
19 Innisfree already had certain mailing records available, Innisfree voluntarily lowered these
20 fees to a flat fee of \$20,000.00 for each notice mailing, for a total of \$40,000.00. This
21 resulted in a significant savings for the Debtor. These fees covered the distribution of the
22 notices to the banks and brokerage firms holding the Debtor's public securities. In addition,
23 for the two notice mailings, Innisfree charged \$0.65 for each of the 70,414 packages for the
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1 mailings to registered record holders of securities and other creditors for a total of
2 \$45,769.10 for both notice mailings. During this Application Period, Innisfree also assisted
3 the Debtor with the Notices of Contract Assumption and Cure (the "Contract Notice
4 Mailings"), distributing these notices to 6,368 assumed contract holders at a charge of \$0.65
5 per notice for a total of \$4,139.20. The majority of the expenses Innisfree incurred during the
6 Application Period were in the areas of printing, courier, and postage charges due to the
7 large number of cusips and registered holders served. Printing expenses totaled \$16,857.11.
8 Postage expenses totaled \$25,162.24. Courier charges totaled \$2,365.65. The total fees and
9 expenses break down as follows:
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12 Period	13 Fees	14 Expenses	15 Total
16 01/01/2004 – 04/12/2004	17 \$89,908.30	18 \$46,066.68	19 \$135,974.98

20 3. Innisfree has been advanced \$9,250.00 from the Debtor against expenses.
21 Innisfree seeks allowance of interim compensation in the total amount of \$108,238.73.
22 This total is comprised as follows:
23 \$76,422.05 (85% of the total fees for services rendered), plus
24 \$36,816.68 (100% of the total remaining expenses incurred).
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26 4. This is the Fourth Application of Innisfree. Innisfree has been paid to date for
27 previous applications as follows:
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Period	Amount Applied for	Description	Amount Paid
October 1, 2001 – November 30, 2002	\$393,210.90	100% of total Expenses and 85% of total Fees	\$393,210.90
December 01, 2002 – January 30, 2003	\$25,668.61	85% of total Fees and no new Expenses were incurred	\$25,668.61
January 31, 2003 – December 31, 2003	\$281,483.11	100% of total Expenses and 85% of total Fees	\$281,483.11

5. To date, Innisfree is owed as follows:

Application Period	Amount	Description
October 1, 2001 – November 30, 2002	\$83,381.55	15% of total fees
December 01, 2002 – January 30, 2003	\$4,529.76	15% of total fees
January 31, 2003 – December 31, 2003	\$41,473.87	15% of total fees

6. With regard to the copies of this Application served on Counsel for the Committee, Counsel for the Debtor and the Office of the United States Trustee, attached as Exhibit 1 hereto, is the invoice for this Application Period that complies with all Northern District of California Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the Office of the United States Trustee. There are no additional time records to report during this Application period.

7. Innisfree is informed and believes that a copy of this Application (without Exhibit 1) will be served on or about May 28, 2004, to the Special Notice List in this case.

8. Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE"

1 which was entered on or about March 18, 2002, the Debtor is authorized to make the
2 payment requested herein without a further hearing or order of this Court unless an objection
3 to this Application is filed with the Court by the Debtor, or the United States Trustee and
4 served by the fifteenth day of the month following the service of this Application. If such an
5 objection is filed, the Debtor is authorized to pay the amounts, if any, not subject to the
6 objection. Innisfree first sent this Cover Sheet Application via Federal Express on or about
7 May 25, 2004.
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10 9. The interim compensation and reimbursement of expenses sought in this case is
11 on account and is not final. Upon the conclusion of this case, Innisfree will seek fees and
12 reimbursement incurred for the totality of the services rendered in the case, including the
13 unpaid holdback. Any interim fees or reimbursement of expenses approved by this Court
14 and received by Innisfree will be credited against such final fees and expenses as may be
15 allowed by this court.
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17 10. Innisfree believes and accordingly, it represents and warrants that its billing
18 practices comply with all Northern District of California Bankruptcy Local Rules and
19 Compensation Guidelines and the Guidelines of the office of the United States Trustee.
20 Neither Innisfree nor any members of Innisfree has any agreement or understanding of any
21 kind or nature to divide, pay over or share any portion of the fees or expenses to be awarded
22 to Innisfree with any other person except as among the members and associates of Innisfree.
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25 WHEREFORE, Innisfree respectfully requests that the Debtor pay compensation to
26 Innisfree as requested herein pursuant to and in accordance with the terms of the "SECOND
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1 AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE
2 REIMBURSEMENT PROCEDURE.”
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5 Dated: May 25, 2004

6 INNISFREE M&A INCORPORATED

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8 By: Jane Sullivan

9 Jane Sullivan
10 Voting Agent to the Debtor
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