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9 Counsel for Official Committee  
10 of Unsecured Creditors

11 UNITED STATES BANKRUPTCY COURT  
12 NORTHERN DISTRICT OF CALIFORNIA  
13 SAN FRANCISCO DIVISION

14 In re  
15 PACIFIC GAS AND ELECTRIC  
16 COMPANY, a California corporation,  
17 Debtor.

Case No. SF 01-30923 DM

Chapter 11

MILBANK, TWEED, HADLEY & McCLOY  
LLP'S COVER SHEET APPLICATION  
FOR ALLOWANCE AND PAYMENT OF  
INTERIM COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FOR  
APRIL 1, 2004 THROUGH APRIL 12, 2004

Hearing:

Date: [None Required]  
Time: [None Required]  
Place: 235 Pine Street, 22<sup>nd</sup> Floor  
San Francisco, CA

28 LA1:#6283247v1

BKRP01

1 Milbank, Tweed, Hadley & McCloy, LLP (the "Firm") submits its Cover Sheet  
2 Application (the "Application") for Allowance and Payment of Interim Compensation and  
3 Reimbursement of Expenses for April 1, 2004 through April 12, 2004 (the "Application  
4 Period"). In support of the Application, the Firm respectfully represents as follows:

5 1. The Firm is counsel to the Official Committee of Unsecured Creditors in the  
6 Pacific Gas and Electric Company ("Debtor") bankruptcy case. The Firm hereby applies to the  
7 Court for allowance and payment of interim compensation for services rendered and  
8 reimbursement of expenses incurred during the Application Period.

9 2. The Firm billed a total of \$96,127.38 in fees and expenses during the  
10 Application Period. The total fees represent 217.40 hours expended during the Application  
11 Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
04/01/04 – 04/12/04	\$94,581.50	\$1,545.88	\$96,127.38

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14  
15 3. Accordingly, the Firm seeks allowance of interim compensation in the total  
16 amount of \$81,940.15 at this time. This total is comprised as follows:  
17 \$80,394.27 (85% of the fees for services rendered)<sup>1</sup> plus \$1,545.88 (100% of the expenses  
18 incurred).

19 4. For the post-petition period, the Firm has not been paid \$227,651.54 to date for  
20 fees and expenses.

21 5. To date (through 05/28/04) the Firm is owed as follows (including amounts  
22 owed pursuant to this Application):  
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28 <sup>1</sup>Payment of this amount would result in a "holdback" of \$14,187.23.

Application Period	Amount	Description
Thirty-Third (December 1 – December 31)	\$35,110.43	15% holdback
Thirty-Fourth (January 1 – January 31)	\$25,131.53	15% holdback
Thirty-Fifth (February 1 – February 29)	\$22,362.15	15% holdback
Thirty-Sixth (March 1 – March 31)	\$20,271.60	15% holdback
Thirty-Seventh (April 1 – April 12)	\$96,127.38	March fees and costs
Total Owed to Firm to Date	\$199,003.09	

6. With regard to the copies of this Application served on counsel for 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 period covered by this Application and the hourly rate for each such professional; and (b) attached as Exhibit 2 are 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.

7. The Firm has served 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" which was entered on or about March 18, 2002, 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 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 May 28, 2004, 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 seek  
2 fees and reimbursement of the expenses incurred for the totality of the services rendered in the  
3 case. Any interim fees or reimbursement of expenses approved by this Court and received by the  
4 Firm will be credited against such final fees and expenses as may be allowed by this Court.

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

11 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to  
12 the Firm as requested herein pursuant to and in accordance with the terms of the "SECOND  
13 AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE  
14 REIMBURSEMENT PROCEDURE."

15 DATED: May 25, 2004

16 MILBANK, TWEEED (HADLEY) & McCLOY LLP

17  
18 By: 

19 Paul S. Aronzon  
20 Robert Jay Moore  
21 Lorie A. Ball

22 Attorneys for the Official Committee of Unsecured  
23 Creditors  
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