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Special Counsel for Debtor in Possession
PACIFIC GAS AND ELECTRIC COMPANY

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

Case No.: 01-30923 DM

PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,

Chapter 11 Case

Debtor.

Judge: Hon. Dennis Montali

Date: October 22, 2001

Federal I.D. No. 94-0742640

Time: 1:30 p.m.

**SUPPLEMENT TO HELLER EHRMAN WHITE & McAULIFFE LLP'S
FIRST INTERIM FEE APPLICATION FOR ALLOWANCE AND PAYMENT
OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD APRIL 6, 2001, THROUGH JULY 31, 2001**

Heller Ehrman White & McAuliffe LLP ("Heller Ehrman"), Special Counsel to Pacific Gas and Electric Company, debtor and debtor-in-possession in the above-referenced bankruptcy case ("PG&E"), submits this Supplement to its First Interim Fee Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period April 6, 2001, Through July 31, 2001 (the

1 “Application Period”).

2 1. In its Application, Heller Ehrman requested approval of \$2,317,881.49 in fees
3 and expenses for the Application Period. See Application ¶¶ 60 & 74. Since filing the
4 Application, Heller Ehrman and PG&E have agreed that Heller Ehrman will reduce the
5 amount of fees for which payment is sought with respect to two matters on which Heller
6 Ehrman performed services. Among other things, Heller Ehrman has agreed not to charge
7 PG&E for work performed in preparing a document database designed to facilitate
8 management of matters in which Heller Ehrman represents PG&E at the Federal Regulatory
9 Energy Commission. The amounts spent on preparation of the document database included
10 the fees of paralegals and other staff.* The total amount of fee reduction agreed to by Heller
11 Ehrman and PG&E is \$53,087.48, broken down as follows:

12 a. Heller Ehrman has agreed to reduce the fees sought for Matter 63
13 (California Market Failures — FERC Docket EL00-95 and Related Dockets/Matters) by
14 \$20,818. The amount of fees for Matter 63 shown in the Application is \$541,545.40. See
15 Application ¶ 7. After reduction, the amount of fees requested for Matter 63 is \$520,727.40.

16 b. Heller Ehrman has agreed to reduce the fees sought for Matter 68
17 (Qualifying Facility (“QF”) Proceedings/Issues) by \$32,269.48. The amount of fees for
18 Matter 68 shown in the Application is \$138,391.10. See Application ¶ 22. After reduction,
19 the amount of fees requested for Matter 68 is \$106,121.62.

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27 * The United States Trustee’s objections regarding certain paralegal and staff fees
28 should be considered in light of this agreed reduction.

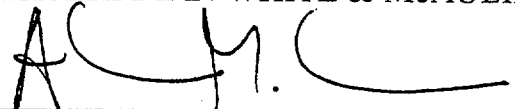
2. Accordingly, Heller Ehrman seeks allowance of interim compensation for the Application Period as follows (inclusive of interim amounts paid):

Period	Fees	Expenses	Total
4/6/01—7/31/01	\$2,114,239.52	\$150,554.49	\$2,264,794.01

Dated: October 17, 2001

HELLER EHRMAN WHITE & McAULIFFE LLP

By:



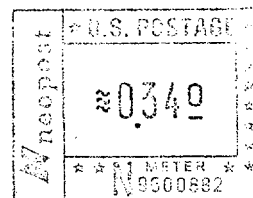
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