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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re)	Case No. 01-30923-DM
PACIFIC GAS AND ELECTRIC COMPANY,)	Chapter 11 Case
a California corporation,)	
Debtor.)	[No Hearing Scheduled]
Federal I.D. No. 94-0742640)	

**SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP'S
COVER SHEET APPLICATION FOR ALLOWANCE
AND PAYMENT OF INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR THE PERIOD
SEPTEMBER 1, 2001 THROUGH SEPTEMBER 30, 2001**

Skadden, Arps, Slate, Meagher & Flom LLP (the "Firm") submits its Cover Sheet Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period September 1, 2001 through September 30, 2001 (the "Application Period"). In support of the Application, the Firm respectfully represents as follows:

1. The Firm is special regulatory counsel to Pacific Gas and Electric Company, the debtor and debtor in possession in the above-referenced bankruptcy case (the "Debtor"). The Firm hereby applies to the Court for allowance and payment of interim

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP'S COVER SHEET FEE APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD SEPTEMBER 1, 2001 THROUGH SEPTEMBER 30, 2001

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1 compensation for services rendered and reimbursement of expenses incurred during the
2 Application Period.

3 2. The Firm billed a total of \$213,456.42 in fees and expenses during the
4 Application Period. The total fees represent 658.40 hours expended during the period covered by
5 this Application. These fees and expenses break down as follows:
6

7 Period	Fees	Expenses	Total
8 September 1, 2001 9 through September 30, 2001	\$207,086.00	\$6,370.42	\$213,456.42

10 3. Accordingly, the Firm seeks allowance of interim compensation in the
11 total amount of \$182,393.52 at this time. This total is comprised as follows: \$176,023.10 (85%
12 of the fees for services rendered)¹ plus \$6,370.42 (100% of the expenses incurred).
13

14 4. For the post-petition period, the Firm has been paid to date as follows:

15 Application Period	Amount Applied For	Description	Total
16 April 6 2001 through June 30, 2001	\$172,182.28	90% of fees and 100% of expenses	\$137,214.00
17 July 1, 2001 through 18 July 31, 2001	\$ 240,017.41	85% of fees and 100% of expenses	\$195,927.60
19 August 1, 2001 20 through August 31, 2001	\$ 232,904.35	85% of fees and 100% of expenses	\$211,716.95

21 5. To date, the Firm is owed as follows (excluding amounts owed under this
22 Application):
23
24
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26
27 ¹ Payment of this amount would result in a "holdback" of \$31,062.90.

Application Period	Amount	Description
First (April 6, 2001 through July 31, 2001)	\$58,262.22 ²	10% fee holdback for April 6, 2001 through June 30, 2001, 15% fee holdback for July 1, 2001 through July 31, 2001, and 100% of expenses.
Second (August 1, 2001 through August 31, 2001)	\$58,549.21	15% fee holdback and 100% of expenses.
Total Owed to Firm to Date	\$116,811.43	

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 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 records 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 on the Special Notice List in this case.

8. In accordance with this Court's "ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered on or about July 25, 2001, 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

² This amount reflects a reduction of the Firm's fees in the amount of \$5,808.00 and disbursements in the amount of \$14,987.87, which represents prepetition time and expenses that were inadvertently included as postpetition.

1 informed and believes that this Cover Sheet Application was mailed by first class mail, postage
2 prepaid, on or about October 31, 2001.

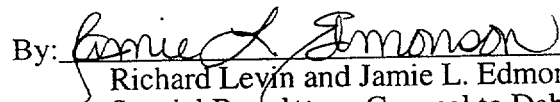
3 9. The interim compensation and reimbursement of expenses sought in this
4 Application is on account and is not final. Upon the conclusion of this case, the Firm will seek
5 fees and reimbursement of the expenses incurred for the totality of the services rendered in this
6 case. Any interim fees or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

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

14 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation
15 to the Firm as requested herein in accordance with the terms of the "ORDER ESTABLISHING
16 INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE."

17
18 Dated: October 31, 2001

SKADDEN, ARPS, SLATE, MEAGHER & FLOM
LLP

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20 By: 
21 Richard Levin and Jamie L. Edmonson
22 Special Regulatory Counsel to Debtor and
23 Debtor in Possession
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