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

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14 In re
15 PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,
16 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 DECEMBER 2001**

Hearing:

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

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1 Milbank, Tweed, Hadley & McCloy, LLP (the "Firm") submits its Cover
2 Sheet Application (the "Application") for Allowance and Payment of Interim
3 Compensation and Reimbursement of Expenses for December 2001 (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
6 the Pacific Gas and Electric Company ("Debtor") bankruptcy case. The Firm hereby
7 applies to the Court for allowance and payment of interim compensation for services
8 rendered and reimbursement of expenses incurred during the Application Period.

9 2. The Firm billed a total of \$310,565.19 in fees and expenses during the
10 Application Period. The total fees represent 725.70 hours expended during the
11 Application Period. These fees and expenses break down as follows:

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Period	Fees	Expenses	Total
12/01/01 – 12/31/01	\$297,682.50	\$12,882.69	\$310,565.19

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16 3. Accordingly, the Firm seeks allowance of interim compensation in the
17 total amount of \$265,912.81 at this time. This total is comprised as follows:
18 \$253,030.12 (85% of the fees for services rendered)¹ plus \$12,882.69 (100% of the
19 expenses incurred).

20 4. For the post-petition period, the Firm has not been paid \$599,650.87 to
21 date for fees and expenses.

22 5. To date (through 12/31/01) the Firm is owed as follows (including
23 amounts owed pursuant to this Application):

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28 ¹Payment of this amount would result in a "holdback" of \$44,652.38.

Application Period	Amount	Description
Fifth (August 1 – August 31)	\$60,176.78	15% holdback
Sixth (September 1 – September 30)	\$65,750.06	15% holdback
Seventh (October 1 – October 31)	\$97,989.28	15% holdback
Eighth (November 1 – November 30)	\$65,169.56	15% holdback
Ninth (December 1 – December 31)	\$310,565.19	December fees and costs
Total Owed to Firm to Date	\$599,650.87	

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 "AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered on or about November 8, 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 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 January 31, 2002.

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
5 Court and received by the Firm will be credited against such final fees and expenses as
6 may be allowed by this Court.

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

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

17 DATED: January 31, 2002

18 MILBANK, TWEED, HADLEY & McCLOY
19 LLP

20 By: 151

21 Paul S. Aronzon
22 Robert Jay Moore
23 Michael I. Sorochinsky

24 Attorneys for the Official Committee of
25 Unsecured Creditors
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