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

11 In re ) Case No. 01-30923-DM  
12 PACIFIC GAS AND ELECTRIC COMPANY, ) Chapter 11 Case  
a California corporation, )  
13 Debtor. ) [No Hearing Scheduled]  
14 Federal I.D. No. 94-0742640 )  
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17 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP'S  
18 COVER SHEET APPLICATION FOR ALLOWANCE  
19 AND PAYMENT OF INTERIM COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
DECEMBER 1, 2001 THROUGH DECEMBER 31, 2001

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21 Skadden, Arps, Slate, Meagher & Flom LLP (the "Firm") submits its Cover Sheet  
22 Application (the "Application") for Allowance and Payment of Interim Compensation and  
23 Reimbursement of Expenses for the Period December 1, 2001 through December 31, 2001 (the  
24 "Application Period"). In support of the Application, the Firm respectfully represents as follows:

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

28 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  
DECEMBER 1, 2001 THROUGH DECEMBER 31, 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 \$57,673.90 in fees and expenses during the  
4 Application Period. The total fees represent 173.50 hours expended during the period covered  
5 by this Application. These fees and expenses break down as follows:

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7 Period	Fees	Expenses	Total
8 December 1, 2001 9 through December 31, 2001	\$54,869.50	\$2,804.40	\$57,673.90

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11 3. Accordingly, the Firm seeks allowance of interim compensation in the  
12 total amount of \$49,443.48 at this time. This total is comprised as follows: \$46,639.08 (85% of  
13 the fees for services rendered)<sup>1</sup> plus \$2,804.40 (100% of the expenses incurred).

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 July 31, 2001	\$ 412,199.69	100% of fees and 100% of expenses	\$384,116.82 <sup>2</sup>
17 August 1, 2001 18 through August 31, 2001	\$ 232,904.35	85% of fees and 100% of expenses	\$211,716.95
19 September 1, 2001 20 through September 30, 2001	\$182,393.51	85% of fees and 100% of expenses	\$182,363.51
21 October 1, 2001 22 through October 31, 2001	\$351,118.17	85% of fees and \$100% of expenses	\$351,118.17

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25 <sup>1</sup> Payment of this amount would result in a "holdback" of \$8,230.42.

26 <sup>2</sup> This amount represents the amount allowed from the Firm's first interim fee application,  
27 after reduction for certain time and disbursements.

November 1, 2001 through November 30, 2001	\$327,076.56	85% of fees and 100% of expenses	\$327,076.56
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5. To date, the Firm is owed as follows (excluding amounts owed under this Application):

Period	Fees	Description
Second (August 1, 2001 through August 31, 2001)	\$37,361.81	15% fee holdback
Third (September 1, 2001 through September 30, 2001)	\$31,062.90	15% fee holdback
Fourth (October 1, 2001 through October 31, 2001)	\$59,672.70	15% fee holdback
Fifth (November 1, 2001 through November 30, 2001)	\$55,176.15	15% fee holdback
Total Owed to Firm to Date	\$183,273.56	

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

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 DECEMBER 1, 2001 THROUGH DECEMBER 31, 2001

1 fifteenth day of the month following the service of this Application. If such an objection is filed,  
2 Debtor is authorized to pay the amounts, if any, not subject to the objection. The Firm is  
3 informed and believes that this Cover Sheet Application was mailed by first class mail, postage  
4 prepaid, on or about February 1, 2002.

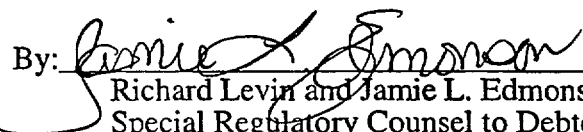
5           9.     The interim compensation and reimbursement of expenses sought in this  
6 Application is on account and is not final. Upon the conclusion of this case, the Firm will seek  
7 fees and reimbursement of the expenses incurred for the totality of the services rendered in this  
8 case.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

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

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

19  
20 Dated: February 1, 2002

SKADDEN, ARPS, SLATE, MEAGHER & FLOM  
LLP

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22 By:   
23 Richard Levin and Jamie L. Edmonson  
24 Special Regulatory Counsel to Debtor and  
25 Debtor in Possession  
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28 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP'S COVER SHEET FEE APPLICATION FOR ALLOWANCE  
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