

50-275/923

Fred Taugher
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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,

Debtor.

Case No. SF 01-30923 DM

Chapter 11

**FIRST INTERIM APPLICATION OF
PUBLIC POLICY ADVOCATES LLC FOR
ALLOWANCE AND PAYMENT OF
COMPENSATION AND
REIMBURSEMENT OF EXPENSES
(AUGUST 1, 2001 THROUGH
NOVEMBER 30, 2001); DECLARATION OF
FRED TAUGHER IN SUPPORT THEREOF**

Hearing:

Date: February 26, 2002

Time: 9:30 a.m.

Place: 235 Pine Street, 22nd Floor
San Francisco, CA

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1 **TO THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**
2 **JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTOR, AND**
3 **OTHER PARTIES IN INTEREST:**

4 Public Policy Advocates LLC ("PPA"), the Legislative Activities Consultant to
5 the Official Committee of Unsecured Creditors (the "Committee") appointed in the above-
6 captioned chapter 11 case of Pacific Gas and Electric Company, Debtor and Debtor in
7 Possession ("PG&E" or the "Debtor"), hereby submits its first interim application for allowance
8 and payment of compensation and reimbursement of costs and expenses (the "First Interim
9 Application") covering the four-month period from August 1, 2001 through and including
10 November 30, 2001 (the "First Application Period"). In support of the First Interim Application,
11 PPA respectfully represents as follows:

12 This is PPA's First Interim Application for approval of compensation and
13 reimbursement of expenses for services rendered on behalf of the Committee in connection with
14 the case. PPA submits this First Interim Application in accordance with Bankruptcy Code
15 sections 330 and 331, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy
16 Rules"), the Office of the United States Trustee for the Northern District of California Guidelines
17 (the "UST Guidelines"), and the United States Bankruptcy Court Northern District of California
18 Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees (the
19 "Court Guidelines").

20 Pursuant to this First Interim Application, PPA seeks interim approval and
21 allowance of \$24,000.00 in fees accrued for services rendered in connection with the case by
22 PPA on behalf of the Committee during the First Application Period. PPA also seeks interim
23 approval and allowance of \$16.12 in costs and expenses incurred by PPA on behalf of the
24 Committee during that same period. Accordingly, pursuant to this First Interim Application,
25 PPA seeks allowance of a total of \$24,016.12 for services rendered and reimbursement of costs
26 and expenses incurred. PPA to date has received payment of fees in the amount of \$15,300.00
27 and reimbursement of expenses in the amount of \$16.12 on account of the Monthly Cover Sheet
28

1 Applications covering the period of August 1, 2001 through November 30, 2001, leaving a
2 balance due of \$8,700.00. The services performed and costs and expenses incurred during the
3 First Application Period are summarized below.

4 To grant a request for compensation pursuant to Bankruptcy Code section 330,
5 the Court must find that such request is reasonable. PPA has entered into a contract with the
6 Committee to provide services at a fixed rate of \$6,000.00 per month. PPA's employment under
7 these terms has been approved by the Court. PPA has provided daily monitoring and periodic
8 briefing in order to advise the Committee in the course of this chapter 11 case, including the
9 following:

10
11 (a) PPA has identified, reviewed, summarized, monitored and gathered
12 information on all relevant legislation during both the regular and special legislative sessions.
13 PPA has provided the Committee with regular reports on the status of this legislation, as well as
14 legislative amendments, administrative proposals, legislative meetings and hearings, press
15 conferences, stakeholder meetings and upcoming legislative and administrative events. PPA has
16 provided the Committee with copies of all relevant legislation, legislative amendments, analyses,
17 position papers, administrative data and proposals, and press releases.

18 (b) PPA has attended legislative and administrative meetings and hearings,
19 stakeholders meetings, and press conferences for the Committee and has met with a number of
20 legislators, legislative and administrative staff on behalf of the Committee. PPA has developed
21 and maintained ongoing contacts with key legislators, legislative and administrative staff and
22 stakeholders for the Committee.

23
24 (c) PPA has provided the Committee with political and strategic analyses and
25 evaluations relating to relevant information gathered and presented to the Committee. PPA has
26 given its prognosis on the likelihood of a particular bill's passage and a description of the
27 political forces likely to impact proposed legislation.

28 (d) PPA participates in all related Committee meetings and conference calls

1 upon request and has responded to all Committee requests.

2 For the reasons set forth above and pursuant to Bankruptcy Code sections 330 and
3 331, Bankruptcy Rule 2016, the Court Guidelines, the UST Guidelines and the standards adopted
4 by courts in awarding fees and costs, PPA submits that the fees for services rendered and costs
5 and expenses incurred on behalf of the Committee during the First Application Period in the total
6 amount of \$24,016.12 are reasonable and should be allowed on an interim basis and paid in full.

7
8 No agreement or understanding of any kind or nature exists between PPA and any
9 other person or entity for the sharing, division, or payment of any portion of the compensation
10 awarded to PPA for services rendered or expenses incurred in connection with PPA's
11 representation of the Committee in the bankruptcy case, except as among the partners, associates
12 and employees of PPA.

13 **WHEREFORE**, PPA respectfully requests that this Court enter an order:

14 Approving this First Interim Application in its entirety.

15 Approving an interim award of compensation in the amount of \$24,000.00 for
16 professional services rendered and in the amount of \$16.12 as reimbursement of costs and
17 expenses incurred, for a total award of \$24,016.12.

18 Authorizing and directing PG&E to immediately pay to PPA the allowed
19 amounts, less any such amounts already paid pursuant to the Amended Order Establishing
20 Interim Fee Application and Expense Reimbursement Procedure.

21 Granting such other and further relief as the Court deems just and proper.

22 DATED: January 11, 2002

23 PUBLIC POLICY ADVOCATES LLC

24 By: 151
25 Fred Taugher
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1 **CERTIFICATION**

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3 I, Fred Taugher, am the professional designated by PPA to ensure compliance
4 with the United States Bankruptcy Court Northern District of California Guidelines for
5 Compensation and Expense Reimbursement of Professionals and Trustee ("Court Guidelines"). I
6 certify that (a) I have read the First Interim Application; (b) to the best of my knowledge,
7 information and belief, formed after reasonable inquiry, the compensation and expense
8 reimbursement sought is in conformity with the Court Guidelines, except as specifically noted in
9 the Application; and (c) the compensation and expense reimbursement requested are billed at
10 rates, in accordance with the firm's practice, no less favorable than those customarily employed
11 by PPA and generally accepted by PPA's clients.

12 DATED: January 11, 2002

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Fred Taugher

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DECLARATION OF FRED TAUGHER

I, Fred Taugher, declare:

1. I am a member of Public Policy Advocates LLC ("PPA"), the Legislative Activities Consultant to the Official Committee of Unsecured Creditors (the "Committee") appointed in the above-captioned chapter 11 case of Pacific Gas and Electric Company, Debtor and Debtor in Possession ("PG&E" or the "Debtor"). Except as otherwise stated, I have personal knowledge of the facts set forth below, and if called upon, I could and would testify based upon such personal knowledge to the facts set forth herein. I make this declaration in support of the First Interim Application of Public Policy Advocates LLC for Allowance and Payment of Compensation and Reimbursement of Expenses for the Period of August 1, 2001 through November 30, 2001 ("First Interim Application").

2. Pursuant to this First Interim Application, PPA seeks interim approval and allowance of \$24,000.00 in fees accrued for services rendered in connection with the case by PPA on behalf of the Committee during the First Application Period. PPA also seeks interim approval and allowance of \$16.12 in costs and expenses incurred by PPA on behalf of the Committee during that same period. Accordingly, pursuant to this First Interim Application, PPA seeks allowance of a total of \$24,016.12 for services rendered and reimbursement of costs and expenses incurred. PPA to date has received payment of fees in the amount of \$15,300.00 and reimbursement of expenses in the amount of \$16.12 on account of the Monthly Cover Sheet Applications covering the period of August 1, 2001 through November 30, 2001, leaving a balance due of \$8,700.00. The services performed and costs and expenses incurred during the First Application Period are summarized below.

3. PPA has entered into a contract with the Committee to provide services at a fixed rate of \$6,000.00 per month. PPA's employment under these terms has been approved by the Court. PPA has provided daily monitoring and periodic briefing in order to advise the Committee in the course of this chapter 11 case, including the following:

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1 (a) PPA has identified, reviewed, summarized, monitored and gathered
2 information on all relevant legislation during both the regular and special legislative sessions.
3 PPA has provided the Committee with regular reports on the status of this legislation, as well as
4 legislative amendments, administrative proposals, legislative meetings and hearings, press
5 conferences, stakeholder meetings and upcoming legislative and administrative events. PPA has
6 provided the Committee with copies of all relevant legislation, legislative amendments, analyses,
7 position papers, administrative data and proposals, and press releases.

8 (b) PPA has attended legislative and administrative meetings and hearings,
9 stakeholders meetings, and press conferences for the Committee and has met with a number of
10 legislators, legislative and administrative staff on behalf of the Committee. PPA has developed
11 and maintained ongoing contacts with key legislators, legislative and administrative staff and
12 stakeholders for the Committee.

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14 evaluations relating to relevant information gathered and presented to the Committee. PPA has
15 given its prognosis on the likelihood of a particular bill's passage and a description of the
16 political forces likely to impact proposed legislation.

17 (d) PPA participates in all related Committee meetings and conference calls
18 upon request and has responded to all Committee requests.

19 4. No agreement or understanding of any kind or nature exists between PPA
20 and any other person or entity for the sharing, division, or payment of any portion of the
21 compensation awarded to PPA for services rendered or expenses incurred in connection with
22 PPA's representation of the Committee in the bankruptcy case, except as among the partners,
23 associates and employees of PPA.
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1 I declare under penalty of perjury under the laws of the United States of America
2 that the foregoing is true and correct.
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4 Executed this 11 day of January 2002 at Sacramento, California.

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6 FRED TAUGHER
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