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50-275/323

Special Counsel to Debtor in Possession
PACIFIC GAS AND ELECTRIC COMPANY

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation,

Debtor.

Federal ID No. 94-0742640

Case No. 01 30923 DM

Chapter 11 Case

KEKER & VAN NEST'S
COVER SHEET APPLICATION FOR
ALLOWANCE AND PAYMENT OF
INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR
THE PERIOD JUNE 1, 2003
TO JUNE 30, 2003

Judge: HON. DENNIS MONTALI

[NO HEARINGS SCHEDULED]

DKRPOI

1 Keker & Van Nest, LLP (the "Firm") submits its Cover Sheet Application (the
2 "Application") for Allowance and Payment of Interim Compensation and Reimbursement of
3 Expenses for the Period June 1, 2003 to June 30, 2003 (the "Application Period"). In support of
4 the Application, the Firm respectfully represents as follows:

5 1. The Firm is special counsel to Pacific Gas and Electric Company, the debtor in
6 possession in the above-referenced bankruptcy case (the "Debtor"). The Firm hereby applies to
7 the Court for allowance and payment of interim compensation for services rendered and
8 reimbursement of expenses incurred during the Application Period.

9 2. The Firm billed a total of \$79,839.79 in fees and expenses during the Application
10 Period. The total fees represent 176.75 hours expended during the period covered by this
11 Application. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
June 1, 2003 to June 30, 2003	\$76,184.98	\$ 3,654.81	\$79,839.79

14 3. Accordingly, the Firm seeks allowance of interim compensation in the amount of
15 a total of \$68,412.04 at this time. This total is comprised as follows:

16 \$64,757.23 (85% of the fees for services rendered)¹ plus

17 \$ 3,654.81 (100% of the expenses incurred).

18 4. For the post-petition period, the Firm has been paid to date as follows:
19 \$1,338,214.03.

20 5. To date, the Firm is owed as follows (excluding amounts owed pursuant to this
21 Application): \$87,808.88 (plus the pre-petition amount of \$23,879.70).

22 6. With regard to the copies of this Application served on counsel for the
23 Committee, counsel for the Debtor and the Office of the United States Trustee, (a) attached as
24 Exhibit 1 hereto is the name of each professional who performed services in connection with this
25 case during the period covered by this Application and the hourly rate for each such professional;
26 and (b) attached as Exhibit 2 is an Account Summary. The detailed time and expense statements
27

28 ¹ Payment of this amount would result in a "holdback" of \$11,427.75.

1 for the Application Period that comply with all Northern District of California Bankruptcy Local
2 Rules and Compensation Guidelines and the Guidelines of the Office of the United States
3 Trustee have been submitted in electronic form to the Office of the United States Trustee and
4 mailed to counsel for the Committee and to the Debtor.

5 7. The Firm will serve a copy of this Application on the Special Notice List in this
6 case on July 31, 2003.

7 8. Pursuant to this Court's "ORDER ESTABLISHING INTERIM FEE
8 APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE", which was entered on
9 or about July 26, 2001, and the "AMENDED ORDER ESTABLISHING INTERIM FEE
10 APPLICATION AND EXPENSE REIMBURSEMENT", which was entered on or about
11 November 8, 2001, the Debtor is authorized to make the payment requested herein without a
12 further hearing or order of this Court unless an objection to this Application is filed with the
13 Court by the Debtor, the Committee or the United States Trustee and served by the fifteenth day
14 of the month following the service of this Application. If such an objection is filed, Debtor is
15 authorized to pay the amounts, if any, not subject to the objection. The Firm is informed and
16 believes that this Cover Sheet Application will be mailed by first class mail, postage prepaid, on
17 or about July 31, 2003.

18 9. The interim compensation and reimbursement of expenses sought in this
19 Application is on account and is not final. Upon the conclusion of these cases, the Firm will seek
20 fees and reimbursement of the expenses incurred for the totality of the services rendered in this
21 case. Any interim fees or reimbursement of expenses approved by this Court and received by the
22 Firm (along with the Firm's retainer) will be credited against such final fees and expenses as may
23 be allowed by this Court.

24 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the
25 Firm as requested herein pursuant to and in accordance with the terms of the "ORDER
26 ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT
27 PROCEDURE" as amended.
28

CERTIFICATION

I, Daniel E. Purcell, declare:

(a) That I am a member of Keker & Van Nest LLP ("KVN") and of the bar of the State of California.

(b) That I am familiar with and have read the above Cover Sheet Application and that the facts therein are true to my knowledge and belief. The copies of the billing statements attached to this Cover Sheet Application are true and correct copies of the billing statements of Pacific Gas and Electric Company ("the Debtor") for the matters in which the Firm is currently retained by the Debtor ("the Matters").

(c) That the Firm has not been paid or promised any compensation from any other source for services rendered in connection with the Matters.

(d) That the Firm has not entered into any agreement or understanding with any other entity for the sharing of compensation received or to be received for services rendered and/or to be rendered in connection with the Matters.

(e) That to the best of my knowledge, information, and belief, the compensation and expense reimbursement sought herein is in conformity with the *Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees* for the United States Bankruptcy Court for the Northern District of California, except for the following: The Firm's computer system is not set up to bill in tenths of an hour. Instead, the Firm is required to bill in eighths of an hour. This does not result in the rounding up of total time billed to the Debtor.

(f) That the compensation and expenses sought herein were billed at rates no less favorable than those customarily billed by the Firm and generally accepted by the Firm's clients.

I declare under penalty of perjury that the foregoing is true and correct and that this certification was executed this 30th day of July, 2003 at San Francisco, California.

KEKER & VAN NEST, LLP

By: _____

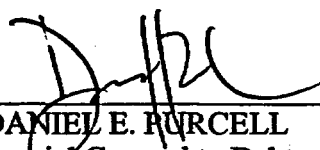

DANIEL E. PURCELL
Special Counsel to Debtor in Possession
PACIFIC GAS AND ELECTRIC COMPANY

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, LLP

Effective January 1, 2001

Re: *Power Generator Matter (POWER)*

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$550.00
JON B. STREETER	\$450.00
JAMES M. EMERY	\$350.00
STEVEN A. HIRSCH	\$300.00
G. WHITNEY LEIGH	\$280.00
CLEMENT S. ROBERTS	\$215.00
BRYAN D. LOPER	\$125.00
CASE ASSISTANTS	\$ 60.00

EXHIBIT 1

SCHEDULE OF HOURLY RATES RE POWER GENERATOR MATTER

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, LLP

Effective December 5, 2002

Re: *Blank Check Committee (PROPD)*

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$600.00
ETHAN A. BALOGH	\$325.00
CLEMENT S. ROBERTS	\$230.00
PATRICK W. MONTGOMERY	\$160.00
BRYAN D. LOPER	\$140.00
OLIN A. ERICKSEN	\$ 90.00
AARON L. MADFES	\$ 90.00
CASE ASSISTANTS	\$ 60.00

EXHIBIT 1

SCHEDULE OF HOURLY RATES RE BLANK CHECK COMMITTEE

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, LLP

Effective August 27, 2002

Re: *Power Line Matter (HERN)*

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$600.00
JON B. STREETER	\$500.00
MARK A. LEMLEY	\$425.00
STEVEN A. HIRSCH	\$350.00
G. WHITNEY LEIGH	\$300.00
DANIEL E. PURCELL	\$270.00
BRYAN D. LOPER	\$140.00
CASE ASSISTANTS	\$ 60.00

EXHIBIT 1

SCHEDULE OF HOURLY RATES RE POWER LINE MATTER

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, LLP

Effective October 16, 2002

Re: *Natural Gas Matter (GAS)*

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$600.00
JON B. STREETER	\$500.00
MARK A. LEMLEY	\$425.00
STEVEN A. HIRSCH	\$350.00
DANIEL E. PURCELL	\$270.00
ROBERT A. BONTA	\$250.00
JUDY M. SHIH	\$250.00
EUMI K. LEE	\$250.00
JACQUELINE A. HARTMANN	\$180.00
CATHLEEN A. CRANE	\$160.00
BRYAN D. LOPER	\$140.00
BRIAN J. TROXEL	\$ 90.00
PAULA F. LICHTENBERG	\$ 90.00
CASE ASSISTANTS	\$ 60.00

EXHIBIT 1

SCHEDULE OF HOURLY RATES RE NATURAL GAS MATTER

EXHIBIT 1

SCHEDULE OF HOURLY RATES

Keker & Van Nest, LLP

Effective February 7, 2003

Re: *Power Generator II Matter*

NAME	HOURLY RATE
ROBERT A. VAN NEST	\$650.00
JON B. STREETER	\$580.00
STEVEN A. HIRSCH	\$380.00
DANIEL E. PURCELL	\$300.00
ROBERT A. BONTA	\$290.00
EUMI K. LEE	\$270.00
JOSH D. MAREMONT	\$180.00
BRYAN D. LOPER	\$150.00
CASE ASSISTANTS	\$ 60.00

EXHIBIT 1

SCHEDULE OF HOURLY RATES RE POWER GENERATOR II

EXHIBIT 2
DETAILED STATEMENTS
(NOT INCLUDED WITH ORIGINAL)

1 **PROOF OF SERVICE**

2 I, Jeanne Dollinger, declare as follows:

3 I am employed in the City and County of San Francisco, State of California in the office
4 of a member of the bar of this court at whose direction the following service was made. I am
5 over the age of eighteen years and not a party to the within action. My business address is Keker
& Van Nest, LLP, 710 Sansome Street, San Francisco, California 94111-1704.

6 On July 31, 2003, I served the following document:

7 **KEKER & VAN NEST'S COVER SHEET APPLICATION**
8 **FOR ALLOWANCE AND PAYMENT OF INTERIM**
9 **COMPENSATION AND REIMBURSEMENT OF EXPENSES**
10 **FOR THE PERIOD JUNE 1, 2003 TO JUNE 30, 2003**

11 by **FEDERAL EXPRESS**, by placing a true and correct copy in a sealed envelope addressed as shown below. I am
12 readily familiar with the practice of Keker & Van Nest, LLP for correspondence for delivery by FedEx Corporation.
According to that practice, items are retrieved daily by a FedEx Corporation employee for overnight delivery.

13 Patricia A. Cutler
14 Assistant U.S. Trustee
15 U.S. Department of Justice
16 Office of the U.S. Trustee
17 250 Montgomery Street, Suite 1000
18 San Francisco, CA 94104

Paul S. Aronzon
Milbank, Tweed, Hadley & McCloy
601 South Figueroa Street
Los Angeles, CA 90017

16 James L. Lopes
17 Howard, Rice, Nemerovsky,
18 Canady, Falk & Rabkin
19 Three Embarcadero Center, 7th Floor
San Francisco, CA 94111

20 On this date, a detailed time and expense statement for the Application Period complying
21 with all Northern District of California Bankruptcy Local Rules and Compensation Guidelines
22 and the Guidelines of the Office of the United States Trustee was served *by electronic*
transmission on the following:

23 U.S. Department of Justice
24 Office of the U.S. Trustee
25 250 Montgomery Street, Suite 1000
San Francisco, CA 94104

26 michael.sorgaard@usdoj.gov

27 I declare under penalty of perjury under the laws of the State of California that the above
28 is true and correct.

Executed on July 31, 2003, at San Francisco, California.

Jeanne Dollinger

Jeanne Dollinger

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