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Consultant for the Debtor

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re  
PACIFIC GAS AND ELECTRIC  
COMPANY, a California corporation,

Debtor.

Federal I.D. No. 94-0742640

Case No. 01-30923 DM

Chapter 11 Case

[No Hearing Scheduled]

50-275  
383

LECG, LLC COVER SHEET APPLICATION  
FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
JUNE 1, 2003 TO JUNE 30, 2003

LECG, LLC (the "Company") submits its Cover Sheet Application (the "Application") for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period June 1, 2003 to June 30, 2003 (the "Application Period"). In support of the Application, the Company respectfully represents as follows:

1. The Company is consultant to Pacific Gas and Electric Company, debtor and debtor-in-possession in the above referenced bankruptcy case (the "Debtor"). The Company provides claims analysis for environmental and trades payable claims. The Company was engaged by the Debtor to provide those services pursuant to a contract dated May 30, 2002, which engagement was approved by the Court Order dated September 20, 2002. The Company hereby applies to the Court for allowance and payment of interim compensation for services rendered and reimbursement of expenses incurred during the Application Period.

2. Excluding administrative time for which the Company is not seeking to be compensated, the Company billed a total of \$19,286.75 in fees and expenses during the Application Period. The total fees represent 139.95 hours expended during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
Environmental:			
06/01/03 - 06/30/03	\$17,984.25	\$0	\$17,984.25
Trades Payable:			
06/01/03 - 06/30/03	\$1,302.50	\$0	\$1,302.50
Total	\$19,286.75	\$0	\$19,286.75

3. Accordingly, the Company seeks allowance of interim compensation in the total amount of \$16,393.74 at this time. This total is comprised of 85% of the fees for services rendered.<sup>1</sup>

4. On this retention, the Company has been paid to date as follows:

Application Period	Amount Applied For	Description	Amount Paid
9/20/01 - 1/28/02	\$722,519.52	100% of Fees 100% of Expenses (1st Interim Fee Application)	\$722,519.52
5/6/02 - 9/30/02	\$423,370.74	85% of Fees 100% of Expenses	\$423,370.74
10/01/02-10/31/02 <sup>2</sup>	\$34,741.20	85% of Fees 100% of Expenses	\$34,741.20

<sup>1</sup> Payment of this amount would result in a "holdback" of \$2,893.01.

<sup>2</sup> The amount originally applied for in October reflected an error of \$.50 in the total billed (\$.43 in the amount applied for). That error has been corrected here.

8/2/01

Application Period	Amount Applied For	Description	Amount Paid
11/01/02 – 11/30/02	\$34,455.91	85% of Fees 100% of Expenses	\$34,455.91
12/01/02 – 12/27/02 <sup>3</sup>	\$18,767.00	85% of Fees 100% of Expenses	\$18,767.00
5/6/02 – 11/30/02 <sup>4</sup>	\$98,918.24	15% fee holdback from previous cover sheet applications allowed in the 2 <sup>nd</sup> Interim Fee Application	\$98,918.24
12/28/02 – 1/31/03 <sup>5</sup>	\$47,740.58	85% of Fees 100% of Expenses	\$43,125.08
Total	\$1,380,513.19		\$1,375,897.69

5. To date, for its services relating to Post-Petition Bankruptcy Services, the Company is owed as follows (excluding amounts owed pursuant to this application):

Application Period	Amount	Description
12/01/02 – 12/27/02	\$3,303.00	15% fee holdback
12/28/02 – 01/31/03	\$7,552.43	15% fees holdback
2/01/03 – 2/28/03	\$50,311.19	100% of fees and expenses
3/01/03 – 3/31/03	\$23,711.00	100% of fees and expenses

<sup>3</sup> In prior Cover Sheet applications, this entry was reported at its total amount (\$22,070) rather than the actual amount applied for (\$18,767). It is corrected in this Application.

<sup>4</sup> The Second Interim Fee Application sought allowance of \$625,954.73 in fees and costs, of which \$492,567.85 had previously been paid pursuant to Interim cover sheet fee applications. The Second Interim Fee Application also included (i) \$22,020 in professional fees and \$50.00 in costs for December billings that were, at Debtor's request, withdrawn for later inclusion in the Third Interim Fee Application period, and (ii) a request for \$12,398.64 in outside counsel fees that Applicant agreed to withdraw. Accordingly, the amount actually sought pursuant to the Second Interim Fee Application was \$591,486.09, of which Applicant received \$492,567.85 pursuant to its cover sheet fee applications, leaving a balance of \$98,918.24, which balance has been paid.

<sup>5</sup> PG&E withheld payment of \$5,430 for services deemed unbillable on the Trades Payable engagement. Accordingly, PG&E paid 85% of the adjusted fees, as follows:  $(\$35,980.50 + \$19,799 - \$5,430) \times 85\% + \$328$  (costs) = \$43,125.08. The revised holdback amount associated with this billing is \$7,552.43.

Application Period	Amount	Description
4/01/03 – 4/31/03 <sup>6</sup>	\$11,020.50	100% of fees and expenses
5/01/03 – 5/31/03	\$18,338.50	100% of fees and expenses
Total	\$114,236.62	

6. With regard to 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. Attached as Exhibit 2 (Environmental) and Exhibit 3 (Trades Payable) are the detailed time and expense statements for the period June 1, 2003 through June 30, 2003 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 Company has served a copy of this Application (without exhibits) on the Special Notice List in this case.

8. Pursuant to this Court's "ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE" which was entered on or about July 26, 2001, and as amended on or about November 8, 2001, and as further amended on or about March 18, 2002, the Debtor is authorized to make 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 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 Company is informed and believes that this Cover Sheet Application was mailed by first class mail, postage prepaid, on or about July 28, 2003.

<sup>6</sup> The amount originally applied for in May reflected an error of \$20.00 in the total billed (\$17.00 in the amount applied for). That error has been corrected here.

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

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

WHEREFORE, the Company respectfully requests that the Debtor pay compensation to the Company as requested herein pursuant to and in accordance with the terms of the "ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE"

Dated: July 28, 2003

LECG, LLC

By: 

J. Geoffrey Gibson, Director of Finance

LECG, LLC

Consultant to Pacific Gas and Electric Company