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7 Accountants and Financial Advisors for Official
8 Committee of Unsecured Creditors

FILED

AUG 26 2003

UNITED STATES BANKRUPTCY COURT
SAN FRANCISCO, CA

50-275
323

9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA

11 SAN FRANCISCO DIVISION

12 In re

Case No. 01-30923 DM

13 PACIFIC GAS AND ELECTRIC
14 COMPANY, a California corporation,

Chapter 11 Case

Debtor

[No Hearing Scheduled]

15 Federal I.D. No. 94-0742640

16 FTI CONSULTING INC. COVER SHEET APPLICATION FOR ALLOWANCE AND
17 PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF
18 EXPENSES FOR
19 JULY 1, 2003 TO JULY 31, 2003

20 FTI Consulting, (the "Firm"), submits its Cover Sheet Application (the "Application")
21 for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for
22 the Period July 1, 2003 to July 31, 2003 (the "Application Period"). In support of the
23 Application, the Firm respectfully represents as follows:

24 1. The Firm serves as Accountants and Financial Advisors to the Official
25 Committee of Unsecured Creditors. The Firm submitted an Application for appointment as
26 Accountants and Financial Advisors to the Official Committee of Unsecured Creditors on
27 September 27, 2002. An Order for Appointment of the Firm as Accountants and Financial
28 Advisors to the Official Committee of Unsecured Creditors was entered on October 31,
2002, *nunc pro tunc* to September 1, 2002. The Firm hereby applies to the Court for

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allowance and payment of interim compensation for services rendered and reimbursement of expenses incurred during the Application Period.

2. The Firm billed a total of \$244,986 in fees and expenses during the Application Period. The Total fees represent 498.1 hours expended during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
July 1, 2003 – July 31, 2003	\$237,674	\$7,312	\$244,986

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of \$209,335 at this time. This total is comprised as follows: \$202,023 (85% of the fees for services rendered)¹ plus \$7,312 (100% of the expenses incurred).

4. For the post-petition period, the Firm, as successor to the Business Recovery Services practice of PricewaterhouseCoopers, LLP, has been paid to date as follows:

Application Period	Amount Applied For	Description	Amount Paid
First (April 11, 2001 – May 31, 2001)	\$803,642	90% of fees and 100% of expenses	\$803,642
Second (June 1, 2001 – July 31, 2001)	\$870,002	90% of fees and 100% of expenses	\$870,002

¹Payment of this amount would result in a "holdback" of \$35,651

1	First Interim Fee	\$2,408	10% fee holdback (\$179,012) net	\$2,408
2	Application		of PricewaterhouseCoopers LLP	
3			and Court Adjustments	
4			(\$176,604)	
5	Third (August 1, 2001 –	\$358,024	85% of fees and	\$358,024
6	August 30, 2001)		100% of expenses	
7				
8	Fourth (September 1, 2001	\$293,871	85% of fees and	\$293,871
9	– September 30, 2001)		100% of expenses	
10	Fifth (October 1, 2001 –	\$307,809	85% of fees and	\$307,809
11	October 31, 2001)		100% of expenses	
12	Sixth (November 1, 2001–	\$215,596	85% of fees and	\$215,596
13	November 30, 2001)		100% of expenses	
14	Second Interim Fee	\$145,541	15% fee holdback (\$198,105) net	\$145,541
15	Application		of PricewaterhouseCoopers LLP	
16			adjustments (\$52,564)	
17	Seventh (December 1,	\$192,887	85% of fees and	\$192,887
18	2001-December 31, 2001)		100% of expenses	
19	Eight (January 1, 2002–	\$223,013	85% of fees and	\$223,013
20	January 31, 2002)		100% of expenses	
21	Ninth (February 1, 2002 –	\$197,888	85% of fees and	\$197,888
22	February 28, 2002)		100% of expenses	
23	Tenth (March 1, 2002 –	\$189,814	85% of fees and	\$189,814
24	March 31, 2002)		100% of expenses	
25	Third Interim Fee	\$114,300	15% fee holdback (\$128,506) net	\$114,300
26	Application		of PricewaterhouseCoopers LLP	
27			write-offs (\$3,705) and expense	
28			adjustments (\$10,500)	

Eleventh (April 1, 2002 – April 30, 2002)	\$185,003	85% of fees and 100% of expenses	\$185,003
Twelfth (May 1, 2002 – May 31, 2002)	\$183,784	85% of fees and 100% of expenses	\$183,784
Thirteenth (June 1, 2002 – June 30, 2002)	\$81,860	85% of fees and 100% of expenses	\$81,860
Fourteenth (July 1, 2002 – July 31, 2002)	\$204,553	85% of fees and 100% of expenses	\$204,553
Fifteenth (August 1, 2002 – August 31, 2002)	\$127,849	85% of fees and 100% of expenses	\$127,849
Fourth Interim (April 1, 2002 – July 31, 2002)	\$106,253	15% holdback fees (\$109,606) net voluntary write-off (\$3,353)	\$106,253
Sixteenth (September 1, 2002 – September 30, 2002)	\$84,985	85% fees and 100% expenses	\$84,985
Seventeenth (October 1, 2002 – October 31, 2002)	\$113,478	85% fees and 100 % expenses	\$113,478
Eighteenth (November 1, 2002 – November 30, 2002)	\$315,139	85% fees and 100 % expenses	\$315,139
Nineteenth (December 1, 2002 – December 31, 2002)	\$227,074	85% fees and 100 % expenses	\$227,074
Fifth Interim (August 1, 2002 – November 30, 2002)	\$115,270	15% holdback fees	\$115,270

Twentieth (January 1, 2003 – January 31, 2003)	\$160,122	85% fees and 100% expenses	\$160,122
Twenty-first (February 1, 2003 – February 28, 2003)	\$133,793	85% fees and 100% expenses	\$133,793
Twenty-second (March 1, 2003 – March 31, 2003)	\$160,446	85% fees and 100% expenses	\$160,446
Twenty-third (April 1, 2003 – April 30, 2003)	\$163,638	85% fees and 100% expenses	\$163,638
Twenty-fourth (May 1, 2003 – May 31, 2003)	\$157,479	85% fees and 100% expenses	\$157,479
Sixth Interim (December 1, 2002 – March 31, 2003)	\$116,680	15% holdback fees	\$116,680
Total Paid to the Firm to Date	\$6,552,201		\$6,552,201

5. To date, the Firm is owed as follows (excluding amounts owed pursuant to this Application).

Application Period	Amount	Description
Twenty-third (April 1, 2003 – April 30, 2003)	\$28,450	15% fee holdback
Twenty-fourth (May 1, 2003 – May 31, 2003)	\$26,697	15% fee holdback
Twenty-fifth (June 1, 2003 – June 30, 2003)	\$123,569	100% fees and expenses
Total Owed to Firm to Date	\$178,716	

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

1 this case during the period covered by this Application and the hourly rate for each such
2 professional; and (b) attached as Exhibits 2-1 and 2-2 are the detailed time and expense
3 statements for the Application Period that comply with all Northern District of California
4 Bankruptcy Local Rules and Compensation Guidelines and the Guidelines of the Office of
5 the United States Trustee.

6 7. The Firm has served a copy of this Application (without Exhibits) on the
7 Special Notice List in this case.

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

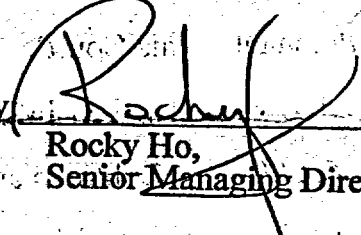
17 9. The interim compensation and reimbursement of expenses sought in this
18 Application is on account and is not final. Upon the conclusion of this case, the Firm will
19 seek fees and reimbursement of the expenses incurred for the totality of the services
20 rendered in the case. Any interim fees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

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

1
2 **WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the Firm**
3 **as requested herein pursuant to and in accordance with the terms of the "ORDER**
4 **ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT**
5 **PROCEDURE."**

6
7 **Dated: August 26, 2003**

FTI Consulting Inc.

8
9 By 
10 **Rocky Ho,**
11 **Senior Managing Director**