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 2 JEFFREY L. SCHAFER (No. 91404)
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 5 FALK & RABKIN
 6 A Professional Corporation
 7 Three Embarcadero Center, 7th Floor
 8 San Francisco, California 94111-4065
 9 Telephone: 415/434-1600
 10 Facsimile: 415/217-5910

11 Attorneys for Debtor and Debtor in Possession
 12 PACIFIC GAS AND ELECTRIC COMPANY

13 UNITED STATES BANKRUPTCY COURT
 14 NORTHERN DISTRICT OF CALIFORNIA
 15 SAN FRANCISCO DIVISION

16 In re

Case No. 01-30923 DM

17 PACIFIC GAS AND ELECTRIC
 18 COMPANY, a California corporation,

Chapter 11 Case

19 Debtor.

[NO HEARING REQUESTED]

20 Federal I.D. No. 94-0742640

21 HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN
 22 COVER SHEET APPLICATION
 23 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION
 24 AND REIMBURSEMENT OF EXPENSES FOR JULY, 2003

25 Howard, Rice, Nemerovski, Canady, Falk & Rabkin (the "Firm") submits its
 26 Cover Sheet Application (the "Application") for Allowance and Payment of Interim
 27 Compensation and Reimbursement of Expenses for the Period July 1, 2003 through July
 28 31, 2003 (the "Application Period"). In support of the Application, the Firm respectfully
 represents as follows:

1. The Firm is counsel to Pacific Gas and Electric Company, the debtor and
 debtor-in-possession in the above-referenced bankruptcy case (the "Debtor"). The Firm
 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. The Firm billed a total of \$494,880.59 in fees and expenses during the Application Period. The total fees represent 1,567.6 hours expended during the Application Period. These fees and expenses break down as follows:

| Period | Fees | Expenses | Total |
|------------|---------------|-------------|---------------|
| July, 2003 | \$ 480,910.00 | \$13,970.59 | \$ 494,880.59 |

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of \$422,744.09 at this time. This total is comprised as follows: \$408,773.50 (85% of the fees for services rendered)¹ plus \$13,970.59 (100% of the expenses incurred).

4. For the post-petition period, the Firm has been paid to date as follows:

| Application Period | Amount Applied For | Description | Amount Paid |
|---|--------------------|---------------------------|-----------------------------|
| April 6, 2001 through July 31, 2001 (1st post-petition interim fee application period) | \$4,646,476.74 | 100% of fees and expenses | \$4,646,476.74 |
| August 1, 2001 through November 30, 2001 (2nd post-petition interim fee application period) | \$3,921,628.38 | 100% of fees and expenses | \$3,921,528.38 ² |
| December 1, 2001 through March 31, 2002 (3rd post-petition interim fee application period) | \$4,253,813.78 | 100% of fees and expenses | \$4,238,243.76 ³ |
| April 1, 2002 through July 31, 2002 (4th post-petition interim fee application period) | \$5,520,001.30 | 100% of fees and expenses | \$5,520,001.30 |

¹Payment of this amount would result in a "holdback" of \$72,136.50.

²The Firm had written off an additional \$100.00 in fees.

³The Firm had written off an additional \$15,570.02 in fees.

| Application Period | Amount Applied For | Description | Amount Paid |
|---|--------------------|----------------------------------|----------------------------|
| August 1, 2002 through November 30, 2002 (5th post-petition interim fee application period) | \$7,679,231.32 | 100% of fees and expenses | \$7,679,231.32 |
| December 1, 2002 through March 31, 2003 (6th post-petition interim fee application period) | \$4,722,304.02 | 100% of fees and expenses | \$4,722,304.02 |
| April, 2003 | \$ 487,079.83 | 85% of fees and 100% of expenses | \$ 485,826.02 ⁴ |
| May, 2003 | \$ 470,792.65 | 85% of fees and 100% of expenses | \$ 470,792.65 |
| June, 2003 | \$ 428,192.95 | 85% of fees and 100% of expenses | \$ 421,358.95 ⁵ |
| Total Paid to the Firm to Date | \$32,129,520.97 | | \$ 32,105,763.14 |

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

| Application Period | Amount | Description |
|----------------------------|---------------|------------------|
| April 1 – April 30, 2003 | \$ 79,341.52 | 15% fee holdback |
| May 1 – May 31, 2003 | \$ 76,841.85 | 15% fee holdback |
| June 1 – June 30, 2003 | \$ 72,886.57 | 15% fee holdback |
| Total Owed to Firm to Date | \$ 229,069.94 | |

6. With regard to the copies of this Application served on counsel for the Official Committee of Unsecured Creditors (the "Committee"), the Debtor and the Office of the United States Trustee, attached as Exhibit 1 hereto is the name of each professional who

⁴The Firm had written off an additional \$1,253.81 in fees.

⁵The Firm had written off an additional \$8,040.00 in fees.

1 performed services in connection with this case during the Application Period and the hourly
2 rate for each such professional; and attached as Exhibit 2 is an Account Summary. The
3 detailed time and expense statements for the Application Period that comply with all
4 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and
5 the Guidelines of the Office of the United States Trustee have been submitted in electronic
6 form to the Office of the United States Trustee and mailed to counsel for the Committee and
7 to the Debtor.

8 7. The Firm is serving a copy of this Application (without Exhibits) on the
9 Special Notice List in this case.

10 8. Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING
11 INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE
12 (Revised March, 2002)" (the "Amended Order"), the Debtor is authorized to make the
13 payment requested herein without a further hearing or order of this Court, unless an
14 objection to this Application is filed with the Court by the Debtor, the Committee or the
15 United States Trustee and served by the fifteenth day of the month following the service of
16 this Application. If such an objection is filed, Debtor is authorized to pay the amounts, if
17 any, not subject to the objection. The Firm is informed and believes that this Cover Sheet
18 Application was mailed by first class mail, postage prepaid, on or about August 29, 2003.

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

25 10. The Firm represents and warrants that its billing practices comply with all
26 Northern District of California Bankruptcy Local Rules and Compensation Guidelines and
27 the Guidelines of the Office of the United States Trustee. Neither the Firm nor any members
28 of the Firm has any agreement or understanding of any kind or nature to divide, pay over or


1 share any portion of the fees or expenses to be awarded to the Firm with any other person or
2 attorney except as among the members and associates of the Firm.

3 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation
4 to the Firm as requested herein pursuant to and in accordance with the terms of the Amended
5 Order.

6 DATED: August 29, 2003

7 HOWARD, RICE, NEMEROVSKI, CANADY,
8 FALK & RABKIN
9 A Professional Corporation

10 By:

11 
12 JEFFREY L. SCHAFER
13 Attorneys for Debtor and Debtor in Possession
14 PACIFIC GAS AND ELECTRIC COMPANY

15 HOWARD
16 RICE
17 NEMEROVSKI
18 CANADY
19 FALK
20 & RABKIN
21 A Professional Corporation

1 **PROOF OF SERVICE BY FEDERAL EXPRESS**

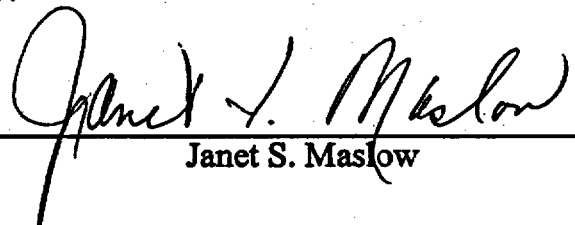
2 I am employed in the City and County of San Francisco, State of California. I am over
3 the age of eighteen (18) years and not a party to the within action; my business address is
4 Three Embarcadero Center, 7th Floor, San Francisco, California 94111-4065.

5 I am readily familiar with the practice for collection and processing of documents for
6 delivery by overnight service by Federal Express of Howard, Rice, Nemerovski, Canady,
7 Falk & Rabkin, A Professional Corporation, and that practice is that the document(s) are
8 deposited with a regularly maintained Federal Express facility in an envelope or package
9 designated by Federal Express fully prepaid the same day as the day of collection in the
10 ordinary course of business.


11 On August 29, 2003, I served the following document(s) described as HOWARD,
12 RICE, NEMEROVSKI, CANADY, FALK & RABKIN COVER SHEET APPLICATION
13 FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND
14 REIMBURSEMENT OF EXPENSES FOR JULY, 2003 on the persons listed below by
15 placing the document(s) for deposit with Federal Express through the regular collection
16 process at the law offices of Howard, Rice, Nemerovski, Canady, Falk & Rabkin, A
17 Professional Corporation, located at Three Embarcadero Center, 7th Floor, San Francisco,
18 California, to be served by overnight Federal Express delivery addressed as follows:

19
20 Paul Aronzon, Esq.
21 Milbank, Tweed, Hadley & McCloy
22 601 South Figueroa Street
23 Los Angeles, CA 90017

24 I declare under penalty of perjury that the foregoing is true and correct. Executed at
25 San Francisco, California on August 29, 2003.

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Janet S. Maslow

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