

50-275/323

JAMES L. LOPES (No. 63678)  
JEFFREY L. SCHAFFER (No. 91404)  
JANET A. NEXON (No. 104747)  
WILLIAM J. LAFFERTY (No. 120814)  
HOWARD, RICE, NEMEROVSKI, CANADY,  
FALK & RABKIN  
A Professional Corporation  
Three Embarcadero Center, 7th Floor  
San Francisco, California 94111-4065  
Telephone: 415/434-1600  
Facsimile: 415/217-5910

Attorneys for Debtor and 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.

Case No. 01-30923 DM

Chapter 11 Case

[NO HEARING REQUESTED]

Federal I.D. No. 94-0742640

HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN  
COVER SHEET APPLICATION  
FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR AUGUST, 2003

Howard, Rice, Nemerovski, Canady, Falk & Rabkin (the "Firm") submits its  
Cover Sheet Application (the "Application") for Allowance and Payment of Interim  
Compensation and Reimbursement of Expenses for the Period August 1, 2003 through  
August 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

BKRP01

HOWARD  
RICE  
NEMEROVSKI  
CANADY  
FALK  
& RABKIN  
A Professional Corporation

rendered and reimbursement of expenses incurred during the Application Period.

2. The Firm billed a total of \$429,237.25 in fees and expenses during the Application Period. The total fees represent 1,392.9 hours expended during the Application Period. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
August, 2003	\$ 398,202.00	\$31,035.25	\$ 429,237.25

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of \$369,506.95 at this time. This total is comprised as follows: \$338,471.70 (85% of the fees for services rendered)<sup>1</sup> plus \$31,035.25 (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 <sup>2</sup>
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 <sup>3</sup>

<sup>1</sup>Payment of this amount would result in a "holdback" of \$59,730.30.

<sup>2</sup>The Firm had written off an additional \$100.00 in fees.

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

Application Period	Amount Applied For	Description	Amount Paid
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
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 <sup>4</sup>
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 <sup>5</sup>
July, 2003	\$ 422,744.09	85% of fees and 100% of expenses	\$ 422,744.10 <sup>6</sup>
Total Paid to the Firm to Date	\$32,552,265.06		\$ 32,528,507.24

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

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

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

<sup>6</sup>Net amount after the Firm had written off \$7,000.00 in fees.

June 1 – June 30, 2003	\$ 72,886.57	15% fee holdback
July 1 – July 31, 2003	\$ 72,136.50	15% fee holdback
Total Owed to Firm to Date	\$ 301,206.44	

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 performed services in connection with this case during the Application Period and the hourly rate for each such professional; and attached as Exhibit 2 is an Account Summary. The detailed time and expense statements for the Application Period 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 have been submitted in electronic form to the Office of the United States Trustee and mailed to counsel for the Committee and to the Debtor.

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

8. Pursuant to this Court's "SECOND AMENDED ORDER ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT PROCEDURE (Revised March, 2002)" (the "Amended Order"), the Debtor is authorized to make the 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 the 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 Firm is informed and believes that this Cover Sheet Application was mailed by first class mail, postage prepaid, on or about September 30, 2003.

9. The interim compensation and reimbursement of expenses sought in this Application is on account and is not final. Upon the conclusion of this case, the Firm will seek fees and reimbursement of the expenses incurred for the totality of the services

1 rendered in the case. Any interim fees or reimbursement of expenses approved by this Court  
2 and received by the Firm (along with the Firm's retainer) will be credited against such final  
3 fees and expenses as may be allowed by this Court.

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

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

13 DATED: September 30, 2003

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

HOWARD, RICE, NEMEROVSKI, CANADY,  
FALK & RABKIN  
A Professional Corporation

21 By: Janet A. Nexon  
22 JANET A. NEXON  
23 Attorneys for Debtor and Debtor in Possession  
24 PACIFIC GAS AND ELECTRIC COMPANY  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4  
5  
6  
7  
8

On August 29, 2003, I served the following document(s) described as HOWARD, RICE, NEMEROVSKI, CANADY, FALK & RABKIN COVER SHEET APPLICATION FOR ALLOWANCE AND PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR JULY, 2003 on the parties listed below by causing it to be delivered by hand to:

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

  
Janet S. Maslow

1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4  
5  
6  
7  
8

2  
3  
4

5  
6  
7  
8  
9  
0

1  
2  
3  
4  
5  
6  
7  
8

01

2  
3

4  
5  
6  
7  
8