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

FILED

OCT 31 2003

UNITED STATES BANKRUPTCY COURT
SAN FRANCISCO, CA

10 UNITED STATES BANKRUPTCY COURT

11 NORTHERN DISTRICT OF CALIFORNIA

12 SAN FRANCISCO DIVISION

13 In re

Case No. 01-30923 DM

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

Chapter 11 Case

16 Debtor.

[No Hearing Scheduled]

17 Federal I.D. No. 94-0742640

18 FTI CONSULTING INC. COVER SHEET APPLICATION FOR ALLOWANCE AND
19 PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF
20 EXPENSES FOR

SEPTEMBER 1, 2003 TO SEPTEMBER 30, 2003

21 FTI Consulting, (the "Firm"), submits its Cover Sheet Application (the "Application")
22 for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for
23 the Period September 1, 2003 to September 30, 2003 (the "Application Period"). In
24 support of the Application, the Firm respectfully represents as follows:

25 1. The Firm serves as Accountants and Financial Advisors to the Official
26 Committee of Unsecured Creditors. The Firm submitted an Application for appointment as
27 Accountants and Financial Advisors to the Official Committee of Unsecured Creditors on
28 September 27, 2002. An Order for Appointment of the Firm as Accountants and Financial
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

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 \$228,286 in fees and expenses during the Application Period. The Total fees represent 478.7 hours expended during the Application Period. These fees and expenses break down as follows:

| Period | Fees | Expenses | Total |
|---------------------|-----------|----------|-----------|
| September 1, 2003 – | \$218,849 | \$9,437 | \$228,286 |
| September 30, 2003 | | | |

3. Accordingly, the Firm seeks allowance of interim compensation in the total amount of \$195,459 at this time. This total is comprised as follows: \$186,022 (85% of the fees for services rendered)¹ plus \$9,437 (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 \$32,827

| | | | | |
|----|---------------------------|-----------|----------------------------------|-----------|
| 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) | |

| | | | | |
|----|----------------------------|-----------|-----------------------------------|-----------|
| 1 | Eleventh (April 1, 2002 – | \$185,003 | 85% of fees and | \$185,003 |
| 2 | April 30, 2002) | | 100% of expenses | |
| 3 | Twelfth (May 1, 2002 – | \$183,784 | 85% of fees and | \$183,784 |
| 4 | May 31, 2002) | | 100% of expenses | |
| 5 | Thirteenth (June 1, 2002 – | \$81,860 | 85% of fees and | \$81,860 |
| 6 | June 30, 2002) | | 100% of expenses | |
| 7 | Fourteenth (July 1, 2002 – | \$204,553 | 85% of fees and | \$204,553 |
| 8 | July 31, 2002) | | 100% of expenses | |
| 9 | Fifteenth (August 1, 2002 | \$127,849 | 85% of fees and 100% of | \$127,849 |
| 10 | – August 31, 2002) | | expenses | |
| 11 | Fourth Interim (April 1, | \$106,253 | 15% holdback fees (\$109,606) | \$106,253 |
| 12 | 2002 – July 31, 2002) | | net voluntary write-off (\$3,353) | |
| 13 | Sixteenth (September 1, | \$84,985 | 85% fees and 100% expenses | \$84,985 |
| 14 | 2002 – September 30, | | | |
| 15 | 2002) | | | |
| 16 | Seventeenth (October 1, | \$113,478 | 85% fees and 100 % expenses | \$113,478 |
| 17 | 2002 – October 31, 2002) | | | |
| 18 | Eighteenth (November 1, | \$315,139 | 85% fees and 100 % expenses | \$315,139 |
| 19 | 2002 – November 30, | | | |
| 20 | 2002) | | | |
| 21 | Nineteenth (December 1, | \$227,074 | 85% fees and 100 % expenses | \$227,074 |
| 22 | 2002 – December 31, | | | |
| 23 | 2002) | | | |
| 24 | Fifth Interim (August 1, | \$115,270 | 15% holdback fees | \$115,270 |
| 25 | 2002 – November 30, | | | |
| 26 | 2002) | | | |

| | | | | |
|----|----------------------------|-------------|-------------------------------|-------------|
| 1 | Twentieth (January 1, 2003 | \$160,122 | 85% fees and 100% expenses | \$160,122 |
| 2 | - January 31, 2003) | | | |
| 3 | Twenty-first (February 1, | \$133,793 | 85% fees and 100% expenses | \$133,793 |
| 4 | 2003 - February 28, 2003) | | | |
| 5 | Twenty-second (March 1, | \$160,446 | 85% fees and 100% expenses | \$160,446 |
| 6 | 2003 - March 31, 2003) | | | |
| 7 | Twenty-third (April 1, | \$163,638 | 85% fees and 100% expenses | \$163,638 |
| 8 | 2003 - April 30, 2003) | | | |
| 9 | Twenty-fourth (May 1, | \$157,479 | 85% fees and 100% expenses | \$157,479 |
| 10 | 2003 - May 31, 2003) | | | |
| 11 | Sixth Interim (December 1, | \$116,680 | 15% holdback fees | \$116,680 |
| 12 | 2002 - March 31, 2003) | | | |
| 13 | Twenty-fifth (June 1, 2003 | \$105,311 | 85% of fees and 100% expenses | \$105,311 |
| 14 | - June 30, 2003) | | | |
| 15 | Twenty-sixth (July 1, 2003 | \$209,335 | 85% of fees and 100% expenses | \$209,335 |
| 16 | - July 31, 2003) | | | |
| 17 | Twenty-seventh (August 1, | \$109,631 | 85% of fees and 100% expenses | \$109,631 |
| 18 | 2003 - August 31, 2003) | | | |
| 19 | Total Paid to the | \$6,976,478 | | \$6,976,478 |
| 20 | Firm to Date | | | |

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 21, 2003) | \$26,697 | 15% fee holdback |

| Application Period | Amount | Description |
|---|-----------|------------------|
| 2003) | | |
| Twenty-fifth (June 1, 2003 – June 30, 2003) | \$18,258 | 15% fee holdback |
| Twenty-sixth (July 1, 2003 – July 31, 2003) | \$35,651 | 15% fee holdback |
| Twenty-seventh (August 1, 2003 – August 31, 2003) | \$19,298 | 15% fee holdback |
| Total Owed to Firm to Date | \$128,354 | |

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 this case during the period covered by this Application and the hourly rate for each such professional; and (b) attached as Exhibits 2-1 and 2-2 are 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.

7. The Firm 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, 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 October 31, 2003.

9. The interim compensation and reimbursement of expenses sought in this

1 Application is on account and is not final. Upon the conclusion of this case, the Firm will
2 seek fees and reimbursement of the expenses incurred for the totality of the services
3 rendered in the case. Any interim fees or reimbursement of expenses approved by this Court
4 and received by the Firm will be credited against such final fees and expenses as may be
5 allowed by this Court.

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

12
13 WHEREFORE, the Firm respectfully requests that the Debtor pay compensation to the Firm
14 as requested herein pursuant to and in accordance with the terms of the 'ORDER
15 ESTABLISHING INTERIM FEE APPLICATION AND EXPENSE REIMBURSEMENT
16 PROCEDURE.'

17
18 Dated: October 31, 2003

FTI Consulting Inc.

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20 By: 

21 Thomas Lumsden
22 Senior Managing Director
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