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8 **UNITED STATES BANKRUPTCY COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**

10
11 In re) No. 01-30923 DM
12 PACIFIC GAS AND ELECTRIC) Chapter 11
13 COMPANY,)
14 Debtor.) Date: October 22, 2001
Time: 1:30 p.m.
15 Ctrm: Hon. Dennis Montali
235 Pine Street, 22nd Floor
16 San Francisco, California

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18 **SUPPLEMENTAL DECLARATION OF PATRICIA A. MARTIN IN SUPPORT OF**
UNITED STATES TRUSTEE'S REPLY OBJECTION TO
19 **PROFESSIONAL FEE APPLICATIONS OF**

20 **DEBTOR'S PROFESSIONALS:**

21 **HELLER, EHRMAN, WHITE & McAULIFFE, LLP**
22 **ERNST & YOUNG CORPORATE FINANCE LLC**

23 **AND**

24 **OFFICIAL UNSECURED CREDITORS' COMMITTEE'S PROFESSIONALS:**

25 **MILBANK, TWEED, HADLEY & McCLOY**

26
27 I, Patricia A. Martin, declare:

28 1. I am a Bankruptcy Analyst employed by the United States Department of
Justice, Office of United States Trustee for the Northern District of California. I am the

1 U.S. Trustee bankruptcy analyst who has been assigned to review and monitor the
2 professional fees in the Chapter 11 Pacific Gas and Electric Company case. I previously
3 filed a declaration in support of the U.S. Trustee's objections to various professionals' first
4 fee applications in this case, including that of the Milbank firm, which were the subject of a
5 court hearing held on October 22, 2001.

6 2. One of the U.S. Trustee's objections to the fees being sought by the Milbank
7 firm was that the firm's fee application, as submitted, did not justify approximately \$660,000
8 in services which appeared to be related to regulatory and legislative matters. The firm
9 had interspersed these services in three billing categories - business operations, other
10 litigation and business analysis. My previous declaration included a rough analysis of these
11 three billing categories which totaled \$1,033,445 and which appeared to include non-
12 regulatory matters (\$373,635) and regulatory/legislative (\$659,810). A copy of this previous
13 exhibit is attached hereto as Exhibit A.

14 3. I have reviewed the Supplemental Declarations of Edwin F. Feo in which Mr.
15 Feo provided a detailed breakdown and explanation of Milbank's regulatory and legislative
16 services which were included without any specificity in the three general billing categories
17 described above.

18 4. Mr. Feo has now identified thirty-five billing subcategories and has included,
19 as an exhibit to his declaration, Milbank's time entries, annotated by the new subcategory.
20 Mr. Feo's declaration did not provide a calculation or an even an estimate of the hours and
21 fees attributable to the newly defined subcategories. The lack of this information makes it
22 difficult for the U.S. Trustee's objection and Milbank's response to be fully and equitably
23 considered from either party's perspective.

24 5. To assist the parties in interest and the court to resolve this particular
25 component of the U.S. Trustee's objection to Milbank's fees, I entered the subcategory
26 information supplied by Mr. Feo into the Milbank fee database which was electronically
27 submitted to the Office of the U.S. Trustee, re-analyzed and re-sorted the three billing
28 categories totaling roughly \$1,033,400 which included the roughly \$660,000 identified

1 earlier by the U.S. Trustee as largely legislative/regulatory in nature. Attached hereto as
2 Exhibit B is a summary of the re-categorized \$1,033,400 fees. Also attached are separate
3 exhibits for each re-categorized, re-sorted category as follows: Exhibit C - Business
4 Operations, Exhibit D - Other Litigation, and Exhibit E - Business Analysis.

5 6. Exhibits C, D, and E include shaded areas. The time entries which have
6 been shaded are time entries which were either (a) allocated by Mr. Feo or the Milbank
7 professional between several subcategories or (b) allocated evenly between identified
8 subcategories by me in the analysis since no specific allocation was provided. (If an
9 allocation was made by me, a "u" is entered in the subcategory column.)

10 I declare under penalty of perjury of the laws of the State of California that the
11 foregoing is true and correct. Executed this ___ day of November, 2001, at San Francisco,
12 California.

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15 Patricia A. Martin
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