

**FILED**

**NOV 27 2001**

UNITED STATES BANKRUPTCY COURT  
SAN FRANCISCO, CA

1 JAMES L. LOPES (No. 63678)  
 2 WILLIAM J. LAFFERTY (No. 120814)  
 3 JULIE B. LANDAU (No. 162038)  
 4 HOWARD, RICE, NEMEROVSKI, CANADY,  
 5 FALK & RABKIN  
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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  
 17 PACIFIC GAS AND ELECTRIC  
 18 COMPANY, a California corporation,  
 19 Debtor.

No. 01-30923 DM

Chapter 11 Case

Date: December 3, 2001  
 Time: 1:30 p.m.  
 Place: 235 Pine Street, 22nd Floor  
 San Francisco, California

Federal I.D. No. 94-0742640

20 SUPPLEMENTAL APPLICATION FOR AUTHORITY TO EMPLOY  
 21 REAL ESTATE APPRAISERS AND BROKERS, FOR APPROVAL OF  
 22 PAYMENTS TO APPRAISERS AND BROKERS WITHIN SPECIFIED  
 23 PARAMETERS, AND FOR NUNC PRO TUNC APPROVAL FOR  
 24 EMPLOYMENT OF TERRA PROPERTIES

SUPPL. APPLICATION FOR AUTHORITY TO EMPLOY REAL ESTATE APPRAISERS AND BROKERS

*3554*

HOWARD  
 RICE  
 NEMEROVSKI  
 CANADY  
 FALK  
 & RABKIN  
 A Professional Corporation

1 Pacific Gas and Electric Company, the debtor and debtor-in-possession in the  
2 within case ("PG&E"), filed its Application for Authority to Employ Real Estate Appraisers  
3 and Brokers, for Approval of Payments to Appraisers and Brokers within Specified  
4 Parameters and for Nunc Pro Tunc Approval for Employment of Terra Properties (the  
5 "Application"), on November 7, 2001. This Supplemental Application is filed to request  
6 that two additional brokers be added to the list of brokers to be employed by PG&E pursuant  
7 to the Application.

8  
9 I. ADDITIONAL LISTING BROKERS

10 Pursuant to Section 327(a) of the Bankruptcy Code and Rule 2014(a) of the  
11 Federal Rules of Bankruptcy Procedure, PG&E requests that two additional brokers be  
12 added to the list of "Listing Only Brokers" (as set forth on Exhibit B-2 attached to the  
13 Declaration of Tammie Candelario in support of the Application) to be employed by PG&E  
14 (the "Additional Listing Brokers"), as follows:

15 Tremolada & Company  
16 Two Embarcadero Center, Suite 430  
San Francisco, CA 94111

17 The Axiant Group  
18 Two Embarcadero Center, Suite 430  
San Francisco, CA 94111

19 The declarations on behalf of the above entities, with the necessary disclosures  
20 and other information to be provided by professionals to be employed pursuant to 11 U.S.C.  
21 Section 327(a), are attached hereto as Exhibit A and Exhibit B.

22 PG&E believes that the Additional Listing Brokers are well-qualified to perform  
23 brokerage services for PG&E. The individual broker who owns Tremolada & Company  
24 ("T&C") and is also the president of The Axiant Group, Jeff Tremolada, has performed  
25 brokerage services for PG&E for many years. The reason that the Additional Listing  
26 Brokers were not previously included in the Application is that T&C holds a pre-petition  
27 claim against PG&E. T&C has decided to waive its pre-petition claim in order to resolve  
28

1 any question of its disinterestedness.<sup>1</sup> The Axiant Group does not hold a pre-petition claim,  
2 but, due to its association with T&C through Jeff Tremolada, was not previously included in  
3 the Application.

4 PG&E is informed and believes that, except as set forth above, the Additional  
5 Listing Brokers do not have any connection with PG&E's creditors, shareholders or any  
6 other parties in interest, or their respective attorneys and accountants. In addition, PG&E is  
7 informed and believes that the Additional Listing Brokers have no known connection with  
8 the United States Trustee or any person employed in the office of the United States Trustee.  
9 Based upon the statements set forth in the declarations of the Additional Listing Brokers,  
10 PG&E is informed and believes that the Additional Listing Brokers are disinterested persons  
11 under Section 101(14) of the Code, and do not hold or represent any interests adverse to the  
12 estate.

13 PG&E seeks to employ the Additional Listing Brokers on the same terms and  
14 conditions, including the payment terms, as set forth in the Application with respect to the  
15 Listing Brokers.

## 16 17 II. SUPPLEMENTAL DISCLOSURE RE BT COMMERCIAL

18 PG&E also submits herewith, as Exhibit C attached hereto, the Supplemental  
19 Declaration of C. Michael Kamm, on behalf of BT Commercial Real Estate ("BT  
20 Commercial"), to disclose that a broker associated with BT Commercial holds a pre-petition  
21 claim against PG&E. As set forth in the Supplemental Kamm Declaration, BT Commercial  
22 itself does not hold a pre-petition claim against PG&E and the broker who holds the claim  
23 will not be involved in any capacity in the real estate services to be performed by BT  
24 Commercial for PG&E. PG&E does not believe that this creates any adverse interest or  
25 disinterestedness issue with respect to BT Commercial.

26  
27 <sup>1</sup>The waiver is set forth in Paragraph 6 of the Declaration of Jeff Tremolada, attached  
28 as Exhibit A hereto.

1 III. REQUEST FOR LIMITED NOTICE

2 Chapter 11 professional employment applications are required to be served on the  
3 United States Trustee pursuant to the United States Trustee Guidelines, but are not ordinarily  
4 served on all parties as there is no requirement for such service under the Federal Rules of  
5 Bankruptcy Procedure or the Bankruptcy Local Rules. However, PG&E served the previous  
6 Application on the "Special Notice List" pursuant to the Case Management Order filed on  
7 June 14, 2001, based on the fact that PG&E is also seeking authority to compensate the  
8 appraisers and brokers within certain parameters; in the case of broker commissions, PG&E  
9 is requesting such authority without the necessity of any subsequent fee application or court  
10 order. This Supplemental Application requests that the Additional Listing Brokers be added  
11 on the same terms and conditions, including payment parameters, as set forth in the  
12 Application. PG&E does not seek to modify the terms of the Application, other than to add  
13 the two brokers to the group of potential listing brokers approved for employment by PG&E  
14 in the event of property sales. Therefore, PG&E has served this Supplemental Application  
15 only on the United States Trustee, counsel to the Creditor's Committee, and the indenture  
16 trustee and its counsel.

17 WHEREFORE, PG&E respectfully requests that it be authorized to employ and  
18 pay the Additional Listing Brokers on the terms and conditions set forth herein and in the  
19 Application.

20 DATED: November 27, 2001

21 Respectfully,

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

24 By: *Julie Landau*  
25 JULIE B. LANDAU

26 Attorneys for Debtor and Debtor in Possession  
27 PACIFIC GAS AND ELECTRIC COMPANY

28 WD 112001/1-1419904/959479/v1