

THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

AWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

_____)	
In re)	Chapter 11 Case
MIRANT CORPORATION, <u>et al.</u> ,)	Case No. 03-46590(DML)11
)	
)	Jointly Administered
Debtors.)	
_____)	

**AGREED ORDER PURSUANT TO 11 U.S.C. § 327(e)
AUTHORIZING THE EXPANDED SCOPE OF EMPLOYMENT AND RETENTION OF
MCDERMOTT WILL & EMERY LLP AS SPECIAL COUNSEL
FOR THE DEBTORS AS OF NOVEMBER 1, 2003**

Upon consideration the following pleadings filed by Mirant Corporation and its chapter 11 Debtors affiliates (collectively, the “Debtors”): (1) Application (the “Initial Application”) for Entry of an Order Authorizing the Retention of McDermott Will & Emery LLP (“MWE”); (2) the First Supplemental Application for Entry of an Order Pursuant to 11 U.S.C. § 327(e) Expanding the Scope of Retention and Employment of McDermott Will & Emery LLP as Special Counsel for the Debtors (the “First Supplemental Application”); and (3) the Second Supplemental Application for Entry of an Order Pursuant to 11 U.S.C. § 327(e) Expanding the Scope of Retention and Employment of McDermott Will & Emery LLP as Special Counsel for the Debtors as of November 1, 2003 (the “Second Supplemental Application”). The Court finds that:

1. It has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

The Court further finds that this is a core proceeding pursuant to 28 U.S.C. § 157.

2. On August 8, 2003, the Debtors filed the Initial Application effective as of the Petition Date to continue to advise and represent them in connection with the Commodities Market Advice (as that term is defined in the Initial Application).

3. In support of the Initial Application, Paul J. Pantano, a partner of MWE, submitted an affidavit detailing the terms and conditions of the work MWE would be performing for the Debtors, as well as describing MWE's connections with the Debtors, their non-debtor affiliates, as well as the Debtors' professionals, officers and directors, significant equity holders, secured lenders, bondholders and trustees, top 50 unsecured creditors (on a consolidated basis) and other significant parties in interest (the "Pantano Affidavit").

4. On September 10, 2003, this Court entered an interim order approving the Initial Application (the "Interim Order"). Pursuant to the Interim Order, the Debtors were authorized to retain MWE, on an interim basis, to represent them in connection with Commodities Market Advice. Pursuant to its terms, the Interim Order became a final order on October 7, 2003 because no party in interest objected to the retention of MWE.

5. On October 24, 2003, the Debtors filed the First Supplemental Application, seeking entry of an order authorizing the expansion of the scope of MWE's representation effective as of the Petition Date to represent them in connection with the California Regulatory Matters (as that term was defined in the First Supplemental Application). In connection with the First Supplemental Application, Paul J. Pantano submitted a supplemental declaration detailing the terms and conditions of the work the Debtors had asked MWE to perform (the "Pantano Supplemental Declaration").

6. On February 17, 2004, the Debtors filed the Second Supplemental Application, seeking entry of an order authorizing a further expansion of the scope of MWE's

representation as of November 1, 2003 to represent them in connection with business lines regulated by the FCC, the New England ISO and NEPOOL, as further described in the Second Supplemental Application. In support of the Second Supplemental Application, Paul J. Pantano submitted a second supplemental declaration detailing the terms and conditions of the work the Debtors had asked MWE to perform (the "Pantano Second Supplemental Declaration").

7. After reviewing the Initial Application, First Supplemental Application, Second Supplemental Application and the Pantano Affidavits and Declarations in support of those applications, and the other motions, pleadings, and papers filed in these chapter 11 cases, together with the representations on the record, the Court finds that (i) the expansion of MWE's scope of employment is in the best interest of the Debtors and their respective estates, and (ii) MWE and its partners, counsel and associates do not hold or represent an interest adverse to the Debtors or their estates in the matters upon which they are to be engaged such that would disqualify MWE from the representation of the Debtors as special counsel. IT IS THEREFORE


ORDERED that the First and Second Supplemental Applications are approved; and it is further

ORDERED that pursuant to 11 U.S.C. § 327(e), the Debtors and Debtors-in-Possession are hereby authorized to employ MWE to render services within the scope of services identified on Exhibit 1 hereto, as of the dates specified in Exhibit 1; and it is further

ORDERED that MWE shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be applicable, from time to time, and such other procedures as may be fixed by order of this Court; and it is further

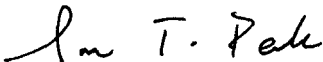
ORDERED that to the extent of any conflict between the terms and conditions of the First and Second Supplemental Applications and this Order, the terms and conditions of this Order shall govern; and it is further

DATED: March 25, 2004



HONORABLE D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE

AGREED:

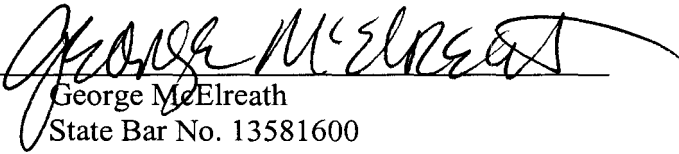


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Exhibit 1

SCOPE OF MCDERMOTT EMPLOYMENT

Initial Application – Retroactive to Petition Date:

1. Tax matters that related to Mirant’s trading activities, tax hedging, and derivatives and financial products (the “Commodities Market, Derivatives and Financial Products Tax Advice”);
2. An investigation being conducted by the Commodity Futures Trading Commission styled “In re Certain Trading by Energy and Power Marketing Firms” (the “Commodities Market Investigation”); and
3. Commodities Markets regulatory advice (collectively, with the Commodities Market Investigation and the Commodities Market, Derivative and Financial Products Tax Advice, the “Commodities Market Advice”).

First Supplemental Application – Retroactive to Petition Date:

- California Refund Case pending before both the Federal Energy Regulatory Commission (“FERC”) and the Ninth Circuit Court of Appeals;
- Various investigations being conducted by FERC involving the Debtors’ California businesses and operations;
- Pacific Northwest Refund case pending before FERC;
- Annual filings and other proceedings in connection with the Debtors’ Reliability Must Run Agreements in California;
- Certain filings with and submissions to FERC to change tariffs and procedures in connection with the California ISO;
- Complaint filed by the California Attorney General, which is on appeal in the Ninth Circuit Court of Appeals, with respect to the Debtors’ market based rate authority;
- Any appeals related to these California Regulatory Matters set forth above; and
- other possible California or Pacific Northwest or West-wide regulatory matters which may arise in the future.

Second Supplemental Application – Retroactive to (See Below)

- Effecting *pro forma* and other license transfers with the U.S. Federal Communications Commission (“FCC”) to reflect the bankruptcy status of the Debtors, as of November 1, 2003;
- Filings, notifications, waivers and other submissions with the FCC in connection with wireless license construction, renewal, and outstanding audits, as of November 1, 2003;
- Performing additional tasks as necessary to secure and verify FCC licenses held by or to perfect pending applications on behalf of the Debtors, as of November 1, 2003; and
- Advising the Debtors on local commercial market issues before the NE ISO and NEPOOL related to market or cost-of-service issues involving the Kendall and Canal Plants, as of December 1, 2003.