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ATTORNEYS FOR THE DEBTORS AND DEBTORS IN POSSESSION

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

_____)	
In re	)	Chapter 11 Case
)	
MIRANT CORPORATION, <u>et al.</u>,	)	Case No. 03-46590 (DML)
	)	Jointly Administered
Debtors.)	
_____	)	Hearing Date and Time: To Be Set

**APPLICATION FOR ENTRY OF AN ORDER PURSUANT TO
SECTION 327(e) OF THE BANKRUPTCY CODE AUTHORIZING THE
EMPLOYMENT AND RETENTION OF HELLER EHRMAN WHITE AND
MCAULIFFE LLP AS SPECIAL COUNSEL TO THE DEBTORS**

TO THE HONORABLE D. MICHAEL LYNN, UNITED STATES BANKRUPTCY JUDGE:

Mirant Corporation (“Mirant”) and its affiliated debtors (collectively, the “Debtors”), as debtors in possession, file this application for entry of an order authorizing the retention of Heller Ehrman White & Mcauliffe LLP (“Heller”) as special counsel for the Debtors (the “Application”), and respectfully represent as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider the Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), and

(O). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The relief requested in the Application is authorized under 11 U.S.C. § 327(e) and may be implemented in accordance with Fed.R.Bankr.P 2014. This Application also includes an initial disclosure required by 11 U.S.C. § 329, Fed.R.Bankr.P 2016(b), and Local Bankruptcy Rule 2016.1.

PROCEDURAL BACKGROUND

2. The Cases. Commencing on July 14, 2003, and concluding in the early morning hours of July 15, 2003, (the “Petition Date”), certain of the Debtors (collectively, the “Initial Debtors”) filed voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the “Bankruptcy Code”).¹ On August 18, 2003, Mirant EcoElectrica Investments I, Ltd. and Puerto Rico Power Investments, Ltd. (collectively, the “New Debtors”) commenced chapter 11 cases under the Bankruptcy Code. On October 3, 2003, the following additional Debtors filed voluntary petitions in this Court for relief under chapter 11: (i) Mirant Wrightsville Management, Inc.; (ii) Mirant Wrightsville Investments, Inc.; (iii) Wrightsville Power Facility, L.L.C.; and (iv) Wrightsville Development Funding, L.L.C. (collectively, the “Wrightsville Debtors”). The Debtors continue to manage and operate their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

3. The Cases are Jointly Administered. On July 15, 2003, this Court granted the motion for an order requesting that the bankruptcy estates of the Initial Debtors be jointly

¹ Concurrently, Mirant caused two of its Canadian subsidiaries, Mirant Canada Energy Marketing, Ltd and Mirant Canada Energy Marketing Investments, Inc. (collectively, the “Canadian Debtors”) to commence plenary insolvency proceedings (the “Canadian Proceedings”) in the Court of Queen’s Bench of Alberta Judicial District of Calgary (the “Canadian Court”) pursuant to the *Companies’ Creditors Arrangement Act*. The Canadian Debtors are subject to the sole and exclusive jurisdiction of the Canadian Court.

administered. On September 8, 2003, the Court entered the order approving joint administration of the cases of the New Debtors with those of the Initial Debtors. Also on September 8, 2003, the Court granted the motion for an order directing that orders entered in the cases of the Initial Debtors be made applicable to those of the New Debtors. On October 21, 2003, the Court entered an order approving joint administration of the cases of the Wrightsville Debtors with those of the Initial Debtors. Also on November 5, 2003, the Court entered an order directing that certain orders entered in the cases of the Initial Debtors be made applicable to the Wrightsville Debtors.

4. The Committees. Three official committees have been appointed by the Office of the United States Trustee for the Northern District of Texas in these administratively consolidated cases. Specifically, an official unsecured creditors' committee and an official committee of equity security holders have been appointed for Mirant Corporation and official unsecured creditors' committee has been appointed for Mirant Americas Generation, LLC (collectively, the "Committees").

FACTUAL BACKGROUND

The Debtors' Business Operations

5. Mirant and its direct and indirect subsidiaries comprise one of the world's largest generators and marketers of electricity. Through its direct and indirect subsidiaries, Mirant produces, sells and delivers reliable energy products and services to utilities, municipal systems, aggregators, electric-cooperative utilities, producers, generators, marketers and large industrial customers in North America, the Philippines and the Caribbean. Mirant's core business centers on the production and sale of electricity and electrical capacity (essentially the

ability to produce electricity on demand). Mirant currently owns or controls more than 21,800 megawatts of electric generating capacity around the world, of which more than 18,000 megawatts is located in the United States. In 2002, Mirant produced 73 million megawatt-hours of electricity, sold 312 million megawatt-hours of electricity and sold or marketed an aggregate average of 21 billion cubic feet per day of natural gas.

6. Mirant employs thousands of employees worldwide, some of whom are based at Mirant's corporate headquarters in Atlanta and most of whom are based at operating facilities. In 2002, Mirant recorded a \$542 million loss in earnings before interest, taxes and depreciation ("EBITDA") on a consolidated basis. Its 2002 operating revenues were approximately \$6.4 billion.

RETENTION OF HELLER EHRMAN WHITE & MCAULIFFE LLP

7. By this Application, the Debtors seek to employ and retain Heller as their special counsel in connection with the matters described in more detail below, nunc pro tunc to the Petition Date. Pursuant to section 327(e) of the Bankruptcy Code, the Debtors request that the Court approve the employment of Heller as their special counsel during these chapter 11 cases.

8. Heller has served as project counsel on the Mirant Oregon-Coyote Springs 2 (Boardman, OR) project since its acquisition from Enron in 2000. At present the project is jointly owned by Avista Corporation and Mirant Oregon, LLC (a non-Debtor), as equal co-tenants. Heller continues to represent the interests of both owners in connection with the development, permitting and operation of this facility. The Debtors have engaged Heller in connection with the failure of the project's transformer, recovery of insurance moneys and

potential legal action against the transformer manufacturer. Heller will also issue an opinion letter regarding this project in connection with the Debtors' debtor in possession financing facility.

9. Heller has also served as project counsel on the Mint Farm Generation-Mint Farm Project (Longview, WA), since inception. Heller has performed services in connection with the development, permitting and construction of the facility. At present, construction on the project has been suspended.

10. During the Debtors' chapter 11 cases, the Debtors anticipate that Heller will continue to serve as project counsel to the Coyote Springs 2 project (including work related to the failed transformer), and assist with non-bankruptcy-related aspects any sale or financing of the Mint Farm project.

11. The Debtors believe that it is crucial that Heller be employed in their chapter 11 cases to ensure that they can draw upon Heller's vast knowledge regarding the matters described above. The Debtors will require Heller to play a role in the chapter 11 cases to ensure that the Debtors are receiving as much value as possible and that none of the professionals are "reinventing the wheel." If the Court did not authorize the Debtors' employment of Heller in their chapter 11 cases as described above, the Debtors, their estates and all parties in interest would be unduly prejudiced by the time and related expense for other counsel to familiarize themselves with the matters described above.

12. Heller will not render any services typically performed by a debtor's bankruptcy counsel. Among other things, Heller will not ordinarily be involved in the interfacing with this Court nor will Heller render services in connection with the administration of the Debtors' chapter 11 cases. As noted above, to the extent any issues in the bankruptcy case

require Heller's knowledge of the matters described above, the Debtors reserve the right to request Heller's involvement.

CONFLICTS

13. To the best of the Debtors' knowledge, the members, counsel and associates of Heller do not have any connection with or any interest adverse to the Debtors, their creditors, or any other party in interest, or their respective attorneys and accountants, except as set forth herein and in the annexed affidavit of Scott MacCormack, a partner of Heller (the "MacCormack Affidavit"). In connection with the Debtors' retention of Heller, Heller has requested entry of an order substantially in the form of order appended hereto as Exhibit 1.

14. Notwithstanding the foregoing, the Debtors hereby disclose to the Court, in connection with the representation of all of the Debtors by Heller, that there are certain interrelationships between and among the Debtors. The Debtors do not believe, however, that their relationships to one another pose any conflict of interest in these chapter 11 cases because of their general unity of interest at all levels. Accordingly, the Debtors submit that Heller's representation of all the Debtors is permissible under the Bankruptcy Code and is in the best interests of all parties in interest.

COMPENSATION

15. During the year prior to the Debtors' chapter 11 Petition Date, Heller received approximately \$166,000.00 from the Debtors in connection with Heller's pre-petition services, and has received no compensation as of the date hereof for its proposed post-petition representation of the Debtors. Heller is owed approximately \$1,232.41 for services rendered to, and cost incurred on behalf of, the Debtors prior to the petition date.

16. Subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and orders of the Court, the Debtors propose to pay Heller its customary hourly rates for services rendered to entities in chapter 11 that are in effect from time to time, as set forth in the MacCormack Affidavit, and to reimburse Heller according to its customary reimbursement policies for entities that are in chapter 11, and submits that such rates are reasonable.

17. Heller states that it has neither shared, nor agreed to share (a) any compensation it has received or may receive with any other party or person, other than the principals and regular employees of Heller, or (b) any compensation another person or party has received or may receive.

NOTICE

18. Notice of this Application has been given to the Office of the United States Trustee for the Northern District of Texas and all parties on the Limited Service List. The Debtors submit that no other or further notice need be provided.

19. No previous application for the relief sought herein has been made to this or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request entry of an order (i) approving the Debtors' retention of HELLER as special counsel for the Debtors pursuant to Bankruptcy Code section 327(e), and (ii) granting the Debtors such other and further relief that is consistent with the foregoing.

Dated: Fort Worth, Texas
November 6, 2003

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-and-

By /s/ Michelle C. Campbell
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ATTORNEYS FOR THE DEBTORS AND
DEBTORS-IN-POSSESSION

CERTIFICATE OF SERVICE

The undersigned hereby certifies that she has authorized BSI as service agent to cause to serve a true and correct copy of the foregoing Application upon all persons on the Limited Service List via first class mail, postage prepaid on the 7th day of November, 2003.

/s/ Michelle C. Campbell

Exhibit 1

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

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

**ORDER PURSUANT TO SECTIONS 327 AND 328 OF THE BANKRUPTCY CODE
AUTHORIZING EMPLOYMENT OF HELLER EHRMAN WHITE & MCAULIFFE
LLP AS SPECIAL COUNSEL TO THE DEBTORS**

Upon the Application (the “Application”), of Mirant Corporation and its affiliated debtors (collectively, the “Debtors”), as debtors-in-possession, for an order pursuant to sections 327(e) and 328 of title 11 of the United States Code (11 U.S.C. §§ 101 et seq.) (the “Bankruptcy Code”), authorizing the employment of Heller Ehrman White & McAuliffe LLP (“Heller Ehrman”) as special counsel to the Debtors, as more fully set forth in the Application; and it appearing that this Court has jurisdiction over this matter; and it appearing that due notice of the Application has been provided as set forth in the Application, and that no other or further notice need be provided; and it further appearing that the relief requested in the Application is in the best interests of the Debtors and their estates and creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that, pursuant to sections 327 and 328 of the Bankruptcy Code, to the extent deemed necessary or appropriate by the Debtors, the Debtors are authorized to employ Heller Ehrman, effective as of the date of the commencement of the Debtors’ chapter 11 cases; and it is further

ORDERED that, Heller Ehrman is authorized to represent parties in interest in the Debtors' chapter 11 cases, including but not limited to creditors of the Debtors, in matters directly relating to these chapter 11 cases and in other matters adverse to the Debtors; and it is further

ORDERED that, the Debtors retain the right to terminate the engagement of Heller Ehrman on behalf of the Debtors at any time, and for any reason, subject to payment of all fees and costs then earned or incurred by Heller Ehrman, and it is further

ORDERED that, Heller Ehrman 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 this Interim Order shall be effective from July 14, 2003 through and including the date of the final hearing on the Application; and it is further

ORDERED that to the extent of any conflict between the terms and conditions of the Application and the Interim Order, the terms and conditions of this Interim Order shall govern; and it is further

ORDERED that this Interim Order shall become a Final Order on the twenty-seventh (27th) day after entry of this Interim Order without further notice or hearing unless an

objection to the Interim Order is timely filed with the Court and served on counsel for the Debtors on or before twenty-six (26) days after entry of the Interim Order.

DATED: _____

HONORABLE D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE

Upon Submission, Please Return to:

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ATTORNEYS FOR THE DEBTORS AND
DEBTORS-IN-POSSESSION

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

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

**STATEMENT UNDER RULE 2016 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE AND SECTION 329 OF THE BANKRUPTCY CODE**

1. Heller Ehrman White & McAuliffe LLP (“Heller Ehrman”), pursuant to Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and section 329 of chapter 11 of title 11 of the United States Code (11 U.S.C. §§ 101 et seq.) (the “Bankruptcy Code”), states that it is a proposed ordinary course professional for the above-captioned debtors and debtors-in-possession (the “Debtors”) in these cases.

2. The Debtors have agreed to pay Heller Ehrman, at its customary hourly rates, for legal services to be rendered by Heller Ehrman to the Debtors relating to the Coyote Springs Unit 2 Project and the Mint Farm Generation Project. The Debtors have also agreed to reimburse Heller Ehrman for its actual and necessary expenses incurred in connection with these bankruptcy cases.

3. During the year prior to the Debtors’ chapter 11 petition date, Heller Ehrman received approximately \$166,000.00 from the Debtors in connection with Heller Ehrman’s pre-petition services and has received no compensation as of the date hereof for its proposed post-petition representation of the Debtors. Heller Ehrman is owed approximately \$1,232.41 for services rendered to, and cost incurred on behalf of, the Debtors prior to the petition date.

4. Heller Ehrman states that it has neither shared, nor agreed to share (a) any compensation it has received or may receive with any other party or person, other than the principals and regular employees of Heller Ehrman, or (b) any compensation another person or party has received or may receive.

Dated: NOVEMBER 6, 2003

HELLER EHRMAN WHITE & MCAULIFFE LLP



Scott W. MacCormack
Shareholder