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FILED

MAY 14 1999

BANKRUPTCY COURT
OAKLAND, CALIFORNIA

ORIGINAL

9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA

11 In re)
12)
KENETECH WINDPOWER, INC.,)
13)
14)
15 Debtor.)

Chapter 11
Case No. 96-44426-T

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**FINAL APPLICATION OF MURPHY
SHENEMAN JULIAN & ROGERS FOR
INTERIM ALLOWANCE OF FEES AND
EXPENSES (MAY 29, 1996 THROUGH
APRIL 7, 1999**

DATE: June 14, 1999
TIME: 10:00 a.m.
PLACE: Courtroom 201
1300 Clay Street
Oakland, California

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1 TO THE HONORABLE LESLIE TCHAIKOVSKY, UNITED STATES BANKRUPTCY JUDGE,
2 THE OFFICE OF THE UNITED STATES TRUSTEE AND OTHER PARTIES IN
INTEREST:

3 Murphy Sheneman Julian & Rogers ("MSJR"), formerly known
4 as Murphy, Weir & Butler ("MWB"), counsel for the Official Unsecured
5 Creditors' Committee (the "Committee") of Kenetech Windpower, Inc.
6 (the "Debtor" or "KWI"), appointed in this Chapter 11 case, submits
7 its final unsealed application (the "Final Application") for the
8 final application period of May 29, 1996, through and including
9 April 7, 1999 (the "Final Application Period"), for an order
10 (i) allowing total final compensation of \$1,743,888.35 in unsealed
11 fees and (ii) allowing total final reimbursement of \$371,403.32 in
12 expenses for the unsealed Final Application Period.

13 The total amount of fees and expenses for MSJR during the
14 Final Application Period is \$2,115,291.67, which consists of the
15 following: (i) \$28,836.18, the 20% holdback in fees attributable to
16 the period of October 1, 1998 through April 7, 1999 for which MSJR
17 has not yet been compensated for (\$30.00 reduced from the amount due
18 since an over-payment was made by KWI on the February invoice), (ii)
19 \$2,037,172.51, which represents the amounts already paid to MSJR for
20 the Final Application Period through Monthly Fee Applications (100%
21 fees and 100% expenses for the period of May 29, 1996 through
22 September 30, 1998 and 80% of the fees and 100% of the expenses for
23 the period of October 1, 1998 through February 28, 1999) and (iii)
24 \$49,282.98, which represents the amounts MSJR has not yet been
25 compensated for its monthly application covering the period of March
26 1, 1999 to April 7, 1999, (which MSJR expects to receive around May
27 21, 1999), pursuant to the "Order Establishing Procedures For
28 Interim Payment of Fees And Reimbursement Of Expenses For

1 Professionals And Committee Members" (the "Interim Fee Procedures
2 Order").

3 MSJR seeks final approval and ratification of the fees and
4 expenses previously allowed on an interim basis as well as final
5 allowance of the additional \$144,330.90 in fees and \$130,402.41 in
6 expenses incurred during the period of October 1, 1998 to April 7,
7 1999, (the "Final Interim Application Period"). MSJR is also
8 requesting \$6,500.00 in estimated fees for preparing this final
9 application.

10 I.

11 INTRODUCTION

12 The Debtor filed a petition for relief under Chapter 11 of
13 the Bankruptcy Code on May 29, 1996. On January 27, 1999, the
14 Debtor's and Creditors' Committees' First Amended Plan of
15 Reorganization (the "Plan") was confirmed and on April 8, 1999 the
16 Plan became effective.

17 On June 10, 1996, the Committee was appointed by the
18 Office of the United States Trustee. The Committee consists of the
19 following six creditors:

20 Avon Bearings Corporation
21 Electric Power Research Inst.
22 John Hancock Mutual Life Insurance
23 Louisville Gas & Electric
24 Pacific Gas & Electric Co.
25 Rotech Engineering

26 (As of April 3, 1997, Milwaukee Gear Company resigned from the
27 Committee.)

28 On June 25, 1996 and July 10, 1996, this Court entered the
orders authorizing the Committee to retain MWB as counsel in
connection with this Chapter 11 case effective as of June 18, 1996.

1 MWB filed the first Application of Murphy, Weir & Butler
2 or Interim Allowance of Fees and Expenses (June 18, 1996 through
3 September 30, 1996) on October 30, 1996 (the "First Interim
4 Application"). In the First Interim Application, MWB requested
5 \$291,278.70 in fees and reimbursement of \$46,087.22 in expenses for
6 the period from June 18, 1996, through and including September 30,
7 1996 (the "First Interim Application Period").

8 A hearing was held on MWB's First Interim Application on
9 December 16, 1996. The Court took the matter under submission, and
10 issued a ruling on April 1, 1997. MWB's professional fees in the
11 amount of \$289,977.20 and expenses in the amount of \$39,200.78 were
12 approved by the Court for the fees and expenses incurred during the
13 First Interim Fee Application Period.

14 A hearing was held on MWB's Second Interim Fee Application
15 on April 14, 1997. MWB's professional fees in the amount of
16 \$324,973.30 and expenses in the amount of \$24,569.69 were approved
17 by the Court for the fees and expenses incurred during the Second
18 Interim Fee Application period of October 1, 1996 through and
19 including January 31, 1997.

20 A hearing was held on MWB's Third Interim Fee Application
21 on August 25, 1997. MWB's professional fees in the amount of
22 \$245,755.80 and expenses in the amount of \$27,956.18 were approved
23 by the Court for the fees and expenses incurred during the Third
24 Interim Fee Application period of February 1, 1997 through and
25 including May 31, 1997.

26 A hearing was held on MWB's Fourth Interim Fee Application
27 on December 15, 1997. MWB's professional fees in the amount of
28 \$241,884.20 (the Court requested MSJR to discount \$304.00 in fees)

1 and expenses in the amount of \$32,184.30 were approved by the Court
2 for the fees and expenses incurred during the Fourth Interim Fee
3 Application period of June 1, 1997 through and including September
4 30, 1997.

5 A hearing was held on MWB's Fifth Interim Fee Application
6 on April 20, 1998. MWB's professional fees in the amount of
7 \$163,123.20 and expenses in the amount of \$18,823.15 were approved
8 by the Court for the fees and expenses incurred during the Fifth
9 Interim Fee Application period of October 1, 1997 through and
10 including January 1, 1998.

11 A hearing was held on MSJR's Sixth Interim Fee
12 Applications (for the sealed and unsealed billing categories) on
13 August 17, 1998. MSJR's professional fees in the amount of
14 \$219,177.90 and expenses in the amount of \$40,559.83 were approved
15 by the Court for the unsealed fees and expenses incurred during the
16 Sixth Interim Fee Application period of February 1, 1998 through and
17 including May 31, 1998.

18 A hearing was held on MSJR's First Amended Seventh Interim
19 Fee Applications (for the sealed and unsealed billing categories) on
20 December 14, 1998. MSJR's professional fees in the amount of
21 \$114,665.85 and expenses in the amount of \$57,706.98 were approved
22 by the Court for the unsealed fees and expenses incurred during the
23 Seventh Interim Fee Application Period of June 1, 1998 through
24 September 30, 1998. Per the request of the Court, all of the
25 previous fee applications, declarations and orders approving the fee
26 applications have been provided to the Court.

27 As of January 27, 1999, the Confirmation Date of the Plan,
28 Murphy Sheneman Julian & Rogers was no longer required to provide

1 the 10% courtesy discount on its hourly professional billing rates.

2 As of February 1, 1999, billing rates charged by Murphy
3 Sheneman Julian & Rogers for attorneys and legal assistants have
4 been increased. These new rates are reflected in this application.
5 Notice of the billing rate adjustment was provided to the Debtors,
6 the Committee members, and the special notice list.

7 Murphy Sheneman Julian & Rogers has represented the
8 Committee in all phases of this chapter 11 case. MSJR continues to
9 advise the post chapter 11 Committee and to work with the counsel
10 for the Debtor, F. Wayne Elggren and the Committee's financial
11 consultants who now functions as the Estate Manager, numerous
12 parties in interest, and other Court appointed professionals with
13 respect to issues related to the Debtor's reorganization effort. As
14 counsel to the Committee in this case, Murphy Sheneman Julian &
15 Rogers performs certain basic case functions including:

- 16 - representation of the Committee in discussions and
17 negotiations with the Debtor and other interested
18 parties concerning matters related to the Chapter 11
19 case;
- 20 - preparation and presentation of pleadings required to
21 present the Committee's position on matters before
22 the Court;
- 23 - representation of the Committee at hearings before
24 the Court that affect the Chapter 11 case;
- 25 - timely response to inquiries from the Court, the
26 U.S. Trustee, Court-appointed professionals, and
27 individual creditors and other parties in interest;
- 28 - review of the Debtor's monthly operating reports and
other financial projections and reports; and
- preparation of required fee applications.

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II.

CASE STATUS

During the Final Application Period, the Debtor has successfully emerged from chapter 11 bankruptcy. On September 9, 1998 the Debtor and Committee filed a Joint Plan of Reorganization with the Disclosure Statement. These documents were later amended and filed on October 22, 1998. On January 27, 1999, the Debtor's and Creditors' Committees' First Amended Plan of Reorganization (the "Plan") was confirmed and on April 8, 1999 the Plan became effective. As of the effective date of the Plan, MSJR also became the counsel for F. Wayne Elggren, who is the Estate Manager.

The Committee has continued to participate with the Debtor and the financial consultants in negotiating and finalizing the Plan of Reorganization, the Windplant Partnership Settlement Agreement, the ABAN claims, and the remaining disputed claims left to be resolved.

III.

RESPONSIBLE PERSONNEL

The persons assigned to this Chapter 11 case, their respective responsibilities, and their hourly rates are set forth below.

A. Attorneys.

Margaret Sheneman (MS) is a senior partner with over 20 years of experience in reorganization cases. During the Final Application Period, she was responsible for the overall case strategy of this Chapter 11 case. Her customary billing rate for all cases during October 1, 1998 to January 31, 1999 was \$335.00 per hour. However as agreed until February 1, 1999, MSJR discounted

1 their professional fees by 10%, thus Ms. Sheneman's billing rate
2 dropped to \$301.50 per hour. As of February 1, 1999 MSJR was no
3 longer required to discount their rates and MSJR's billing rates
4 were increased, therefore, Ms. Sheneman's rate became \$360.00.

5 J. Craig Gilliland (JCG), a senior partner with over 20
6 years of experience in liquidations and reorganization cases, was,
7 during the Final Application Period, responsible for separate
8 aspects of overall case strategy of this Chapter 11 case. The
9 customary billing rate for Mr. Gilliland for all cases during
10 October 1, 1998 to January 31, 1999 was \$315.00 per hour. However,
11 as agreed, MSJR discounted his billing rate to \$283.50 per hour. As
12 of February 1, 1999, Mr. Gilliland's rate was \$330.00.

13 Robert A. Trodella (RAT), an associate, assisted in legal
14 research regarding various issues. His customary billing rate for
15 all cases October 1, 1998 through January 31, 1999 is \$160, however,
16 with the 10% discount rate, his billing rate drops to \$144.00. As
17 of February 1, 1999, Mr. Trodella's rate was \$180.00.

18 **B. Legal Assistants.**

19 Cecily M. Caceu (CMC), a legal assistant, has over 12
20 years experience in reorganization cases. Ms. Caceu was responsible
21 for the administration of this Chapter 11 case, including
22 maintenance of the pleadings files, maintenance of the internal
23 calendar, document organization, communications to the Committee
24 members regarding meetings and telephone conference calls,
25 supervising the filing of pleadings with the Court, responding to
26 various document requests and preparing the fee applications.
27 Ms. Caceu holds a B.A. in Political Science and a paralegal
28 certificate. Her customary billing rate for all cases during