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REORGANIZATION COUNSEL TO MIRANT CORPORATION
AND ITS CHAPTER 11 DEBTOR AFFILIATES

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

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

SUMMARY FOR THE FIRST AND FINAL APPLICATION OF WHITE & CASE LLP, FOR THE DEBTORS AND DEBTORS-IN-POSSESSION, FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES ADVANCED AND REIMBURSEMENT OF HOLDBACKS

Name of Applicant:		White & Case LLP	
Role in Case:		Counsel to Mirant Corporation and its Affiliated Debtors	
Application Period:		July 14, 2003 to January 3, 2006	
	Fees	**Expenses**	**Total**
Total Amounts Requested:	$ 80,104,489.50	$ 5,155,180.14	$ 85,259,669.64
Amounts Previously Paid	$ 80,034,600	$ 5,217,375.94	$85,251,975.94
Unpaid	$85,284,436.22	$ (94,656.10)	$233.4

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MIRANT CORPORATION, et al.,	)	Case No. 03-46590 (DML)
	)	Jointly Administered
Debtors.	)	
	)	Hearing Date & Time: To Be Set

FINAL APPLICATION OF WHITE & CASE LLP, AS REORGANIZATION COUNSEL FOR MIRANT CORPORATION AND ITS AFFILIATED DEBTORS, FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD JULY 14, 2003 THROUGH JANUARY 3, 2006

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

White & Case, LLP ("W&C") submits this final application to the Court for an Order allowing and authorizing payment of the following amounts that W&C incurred in connection with services rendered as reorganization counsel to Mirant Corporation ("Mirant Corp.") and its chapter 11 debtor affiliates (together with Mirant Corp., "Mirant"):

	Fees	Expenses	Total
Total Amount Requested	$80,104,489.50	$5,155,180.14	$85,259,669.64
Total Amount Paid on an Interim Basis	$80,034,600.00	$5,217,375.94	$85,251,975.94
Unpaid Amount	$ 94,889.50	$ (94,656.10)	$233.4

1. W&C has not charged Mirant certain fees and expenses in excess of $8.8 million, and $100,000 respectively, which are held in a "holding account," described in more detail below. The period covered by this final application (the "Fee Period") commenced on July 14, 2003 and ended on January 3, 2006, the effective date (the "Effective Date") of Mirant's chapter 11 plan (the "Plan").

2. Mirant's chapter 11 cases (the "Chapter 11 Cases") were the most complicated and successful cases in U.S. history. W&C's services and efforts promoted an exceptional result for creditors and stakeholders in the Chapter 11 Cases. In support of this application, W&C represents as follows:

I. THE ROLE OF REORGANIZATION COUNSEL IN A MEGA CASE

3. Reorganization counsel actively participates in, and oversees, virtually every aspect of a chapter 11 reorganization. Reorganizations are arduous and complex undertakings even for relatively small business debtors. For the so-called "mega" case debtors, the complications and entanglements increase exponentially. On the part of counsel, they require client counseling and education, extensive due diligence, innovation, organization and control of thousands of moving parts, building consensus among diverging interests, resolution of material claims and other issues

impacting the debtor's business operations, responsiveness (to the client, to the committees, to the court and to the SEC, IRS, FERC and other governmental units), directing traffic, and every other task imaginable, from the seemingly glamorous to the mundane. Accordingly, it takes an army to reorganize a mega chapter 11 debtor. Most of counsel's work takes place in the trenches and outside the presence of the court, examiners and most parties in interest.

4. Initially, counsel must secure the debtor's business operations and ensure that the debtor can operate in chapter 11. A chapter 11 case's success and efficiency depend, in part, upon the quality of counsel and initial efforts to establish procedures and provide information to the court and creditors concerning how the case will proceed. In addition to those efforts, dedicated teams of professionals must conduct extensive investigations and identify information critical to standard pleadings and documents initially filed in the case. That work proceeds primarily outside the courtroom.

5. In addition, gating items impacting a debtor's ability to reorganize also often reveal themselves during the initial phases of a case. Understanding those items assists a debtor in proactively dealing with the challenges that impact its reorganization options.

6. A debtor, however, cannot always be so proactive. Creditors and parties in interest file and prosecute contested matters outside the control of the debtor. Contested matters do not always involve a dispute between the debtor and a party in interest. They often involve inter-creditor or committee disputes, in which the debtor often has to play referee by analyzing and producing information, participating in litigation and ultimately helping the parties build a consensus to resolve the dispute. Regardless of whether a dispute involves the debtor directly, the debtor's counsel will actively participate in most disputes, meetings, phone calls, court appearances, trials and correspondence (usually via email on an around-the-clock basis). For those reasons, the professional fees of the debtor's counsel generally exceed other professional fees.

7. Such disputes significantly increase where, as here, complex corporate and financial structures necessitate the creation and participation of three official committees, which expended approximately $52 million in fees litigating and negotiating matters in this case. Moreover, those Mirant structures, coupled with the potential effect of federal and state regulatory activity, also required the establishment of several ad hoc committees, the appointment of an examiner and active participation by other major parties in interest. The other major parties in interest include electric utilities and commodity trading parties, which often aggressively litigate regulatory and contractual issues at the heart of their business, as well as the MIRMA Owner/Lessors[1], pass-through certificate holders, Phoenix[2] and others. Both the Ad Hoc Committees and selected other parties in interest conducted extensive litigation and negotiation such that their fees will likely total between $64.3 million and $78.3 million, respectively. Lead reorganization counsel must participate, many times actively, in each of these disputes.

8. Lead counsel fees, not including ad hoc committee fees, in some of the most recent large chapter 11 cases illustrate these points:[3]

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[1] Mirant Mid-Atlantic LLC ("MIRMA") leases (the "MIRMA Leases") undivided interests in assets (the "MIRMA Leased Assets") from the person identified as owners, or any successors in interest thereto (the "MIRMA Owner/Lessors").

[2] "Phoenix" means, collectively, (a) Phoenix Partners LP, (b) Phoenix Partners II LP, (c) Phoenix Fund III LP and (d) Phaeton International (BVI) Ltd.

[3] Note that the amounts are in millions. The amounts included in the chart are W&C's best estimate of these statistics based upon publicly available documents and pleadings.

Case	Assets/ Liabilities[4]	Length of Case	Lead Reorganization Counsel Fees[5]	Committee Counsel Fees[6]	Lead Reorganization to Committee Counsel Fee Ratio
Enron	61/49	2 yrs/8 mos	$149.00	$96.70	1.54
Mirant	9/11	2 yrs/6 mos	80	52	1.54
Kmart	17/11.3	1 yr/3 mos	53.4	14.3	3.73
Worldcom	107/41	1 yr/4 mos	35.6	14.8	2.41
NRG	10.9/11.6	6 months	13.8	4.7	2.94

9. In Mirant's Chapter 11 cases, W&C professionals rendered services to the estates over a 905-day period. W&C professionals spent approximately 187,000 hours working toward a reorganization that yielded unexpected recoveries to all of Mirant's stakeholders, including equity holders. Counsel spent a significant portion of its efforts crafting and executing novel programs that generated significant value for Mirant and its stakeholders. For example, W&C either created or played a significant role in the following activities:

- Plan Creation. W&C assisted in formulating, negotiating and confirming the Plan, pursuant to which the reorganized business has approximately $4.2 million of debt (as compared to approximately $8.6 million of debt at the commencement of the Chapter 11 Cases).

- Unexpected Plan Distribution. W&C helped to create a plan in which all of Mirant's stakeholders received the following recoveries under the Plan: (1) all creditors recovered 100 cents on the dollar plus post-petition interest; and (2) holders of prepetition equity interests in Mirant Corp., whose stock was trading as low as $0.29 less than nine moths before the Effective Date, received distributions of the common stock issued by New Mirant (the "New Mirant Common Stock") under the Plan and warrants, which resulted in the recovery by such holders of $1.95 per share (as of February 1, 2006) of prepetition equity interests in Mirant Corporation.

- Exit Financing Facility Closing. W&C assisted in negotiating and closing an innovative two-part exit financing facility that included a public offering of long-term senior notes at a favorable 7.35% interest rate.

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[4] Figures represent billions of dollars.

[5] Figures represent millions of dollars.

[6] This figure reflects only official committee fees in millions of dollars. It does not include the fees of ad hoc committees or other large parties in interest that engaged in extensive litigation.

- Trading Protocol Creation. W&C assisted in developing and implementing a precedent-setting trading protocol that preserved the trading business, which was essential to the preservation of the going concern of Mirant's business.

- Claims Resolution Program Creation. W&C worked towards developing and implementing a claims resolution program that reduced hundreds of billions from the claims register and resolved substantially all material prepetition litigation in a compressed time period.

- Contract Review and Rejection. W&C actively participated in the development and implementation of procedures for reviewing over 13,000 executory contracts and unexpired leases and rejecting those that were unprofitable, resulting in a cost savings exceeding $500 million; and

- Asset Sales. W&C assisted Mirant in selling power generating and other major assets, yielding approximately $336,443,307 to the estates, and 23 asset sales utilizing a novel procedure for the sale of miscellaneous assets, yielding at least $1 million in value to the estates.

10. W&C lawyers also spent considerable time responding to the hundreds of inquiries, proceedings, contested matters and adverse positions taken by parties in interest in these cases. W&C experts in tax, securities, energy, litigation, banking and bankruptcy played pivotal roles in the analysis, defense, prosecution and ultimate resolution of many of the "gating items" that threatened to block the formulation and development of a Plan. For example:

- California Energy Crisis Litigation. When the California Parties[7] moved to withdraw the reference on five adversary proceedings that Mirant had commenced for the purpose of resolving matters arising our to the California Energy Crisis, W&C was required to investigate, litigate, negotiate and ultimately reach a resolution that added value to the estates. A dedicated team of W&C energy and bankruptcy experts did so in a way that resolved $10 billion in claims, allowing Mirant to restructure its business.

- PEPCO Litigation. When Potomac Electric Power Company ("PEPCO") moved to withdraw the reference on Mirant's motion to reject a "Back-to-Back" power purchase agreement, W&C was required to investigate, research, conduct discovery, coordinate efforts with the committees, respond to pleadings filed by all parties in interest, manage appeals and communicate

[7] "California Parties" means Pacific Gas & Electric Company ("PG&E"), Southern California Edison Company, San Diego Gas and Electric Company, the California Public Utilities Commission ("CPUC"), the California Department of Water Resources, the California Electricity Oversight Board, and the Attorney General of the State of California ("California AG").

with three courts during in excess of two years of litigation. Such efforts included drafting forty one pleadings and appellate briefs related to the Back-to-Back agreement, fifteen of which were responsive to motions and applications filed by PEPCO and others and producing thousands of pages of discovery, while preparing for and attending dozens of hearings and arguments. A dedicated team of W&C professionals litigated those matters over two years of late nights, weekends and holidays.

- Valuation Proceeding. When the equity committee moved to compel a shareholders' meeting and the Court set a valuation proceeding, W&C was required to take the lead and manage the process, while assisting Mirant to remain the "honest broker." W&C's litigation efforts therein included the production of documents, preparing and producing fact and expert witnesses for depositions and trial, taking depositions, preparing emergency pleadings and conducting a trial that required the preparation and exchange of over 1,000 trial exhibits. A dedicated team of over forty W&C professionals managed that process for four and a half months and twenty-seven total Court days. During that time period, depositions of eighteen witnesses were taken and defended, over one million pages of documents were reviewed for production and five motions and applications were filed and argued.

- MIRMA Litigation. When the MIRMA Owner/Lessors and Indenture Trustee moved to dismiss MIRMA's chapter 11 cases and an adversary proceeding that Mirant had commenced to address cash flow and plan structural issues, W&C was required to engage in extensive litigation. That effort included preparing and filing forty-three pleadings, twenty-three of which were responsive.

- Intercompany Transactions Analysis. When it appeared that the analysis and resolution of intercompany transactions would divide the constituencies, preventing a consensus over the terms of a chapter 11 Plan, W&C was required to conduct an extensive analysis of Mirant's entangled records for presentation to the constituencies. A dedicated team of W&C lawyers and other estate professionals worked together for over a year to produce a 300-page intercompany transactions analysis.

II. EXHIBITS TO THE FEE APPLICATION

11. The following Exhibits are attached to this Application:

Exhibit A, "Fee and Expenses Requested and Received," is a table of fees and expenses requested and paid on an interim basis throughout the case.

Exhibit B, "Service Category Summary," identifies the billing categories (and amounts billed to such categories) that W&C created in compliance with the UST Guides and at the request of Mirant.

Exhibit C, "Professionals Summary," identifies all of the W&C professionals who worked on the case, their billing rates and how many hours each professional billed during the Fee Period.[8]

Exhibit D, "Project Summary," is organized by service category and includes a list of all W&C professionals who billed time to each service category.[9]

Exhibit E, "Expense Summary," is a chart of all of the expenses charged to Mirant during the Fee Period

Exhibit F, "Amounts Uncharged," is a chart containing the monthly detail behind the fees that we not charged to Mirant during the case.

Exhibit G, "Summary of Services," is a narrative summary of the various key projects W&C completed for Mirant.

Exhibit H, "W&C Attorney Hearing Attendance," identifies the W&C attorneys who appeared at the hearings in Mirant's cases.

III. BACKGROUND AND QUALIFICATIONS OF W&C

12. W&C's retention by Mirant was approved on July 18, 2003, effective July 14, 2003 (the "Petition Date"), when the Court entered an "Order Pursuant to Section 327(a) of the Bankruptcy Code Authorizing the Employment and Retention of White & Case LLP As Attorneys for the Debtors" (the "Retention Order"). W&C served as Mirant's reorganization counsel throughout the Fee Period on the terms and conditions set forth in the Retention Order.

13. The W&C attorneys responsible for administering the Chapter 11 Cases have extensive experience in insolvency and corporate reorganization law, and limit their practice primarily to those areas. Other W&C attorneys who rendered services to Mirant possess expertise in tax, energy, securities, banking, litigation and environmental law. All attorneys who rendered

[8] Note that the total fees incurred by W&C professionals during the Fee Period reflected in Exhibit C are $80,143,768.50. That amount does not reflect a total of $39,279, in fees that were credited to Mirant during the case. Such credits are identified in **Exhibit A**.

[9] See Footnote 8 concerning discrepancy between fees reflected in Exhibit D and total fees being requested by W&C.

services to Mirant during the Fee Period, including their billing rates throughout the Fee Period, are identified on **Exhibit C**. The background and qualifications of those attorneys are available on W&C's web site at www.whitecase.com.

A. W&C's Financial Restructuring Expertise

14. W&C has an extensive financial restructuring and insolvency practice comprised of a team of some 150 lawyers in 25 countries with expertise in a wide range of industries, including regulated industries such as insurance, financial services and energy/power. It was recognized as a leading practice in publications worldwide, most recently in the 2004 edition of IFLR1000.

15. Thomas Lauria spearheaded the W&C team handling this matter. Mr. Lauria regularly represents bondholders, bank groups, strategic and financial investors, miscellaneous creditor constituencies, sovereigns and debtors in connection with bankruptcy and restructuring matters in a variety of industry and market sectors. He has also spoken and written on various bankruptcy and restructuring topics including comparative insolvency law systems and related cross-border issues enterprise valuation, liquidating plans, and alternative dispute resolution procedures.

16. Mr. Lauria's chapter 11 debtor representations include one of the nation's largest managed health care providers, one of the largest suppliers of cable television materials and equipment, and the successful chapter 11 sale of one of the largest independent specialty retailers of cellular and wireless products in the United States, the largest passenger bus carrier in the United States, a Texas-based steel manufacturer, a Florida-based plastics manufacturer, a chain of congregate care facilities, the largest pay-telephone manufacturer in the United States and a major sugar cane plantation.

17. Mr. Lauria's recent creditor representations include the senior secured lenders in connection with the restructuring of a Colombian power plant, the bondholders of a major logistics

and shipping company in North America in connection with its ongoing restructuring efforts, a Mexican airline in connection with the insolvency of a Peruvian airline, the bondholders and ultimately the official creditors committee of a major textile manufacturer, the official bondholders' committee in the chapter 11 case of a leading comic book and entertainment company, the official creditors committee in the chapter 11 case of the largest producer and distributor of gourmet coffee products in the United States, and a sovereign nation in connection with the insolvency of two Ecuadorian banks. He has also advised various entities in connection with the potential purchase of the business or assets of chapter 11 debtors in diverse businesses including retail department stores, managed healthcare services, international electronics distribution, telemarketing services, salons and hair care products and aircraft manufacturing. Mr. Lauria also represents major financial institutions in connection with the provision of debtor-in-possession and confirmation financing.

B. Hourly Rates

18. W&C charged rates comparable to those of professionals with practices litigating cases of this size and magnitude. For example, the billing rates of the reorganization counsel in the following mega cases filed over the course of the past few years range as follows: [10]

Case	Level of Attorney	Billing Rate
NRG/Calpine (Kirkland & Ellis)	1st – 5th Year 6th – 9th Year Partner/Counsel	$295 - $510 $330 - $595 $545 - $850
Friedman's/Delphi/Refco (Skadden Arps)	1st – 5th Year 6th – 9th Year Partner/Counsel	$295 - 480 $460 - $495 $585 - $835
Adelphia (Willkie Farr)	1st – 5th Year 6th – 9th Year Partner/Counsel	$240 - $480 $455 - $555 $530 - $810
Enron/Worldcom (Weil Gotshal)	1st – 5th Year 6th – 9th Year Partner/Counsel	$150 - $470 $270 - $675 $375 - $775

[10] Note that the amounts included in the chart are W&C's best estimate of these statistics based upon publicly available documents and pleadings.

19. To provide effective, efficient representation to the estates, W&C attempted to allocate responsibilities among professionals based upon each professional's hourly rate, respective expertise and knowledge of particular aspects of the case. To the extent possible, W&C assigned projects to individuals with the lowest hourly rates consistent with the level of experience and skill appropriate to the task. For example, W&C partners had primary responsibility for interacting with management, the Bankruptcy Court and Mirant's key creditor constituencies, including the official committees, ad hoc committees, significant counterparties, regulatory agencies and banks. Senior associates, on the other hand, oversaw a wide range of matters, including supervising the preparation, review and revision of the numerous pleadings that have been filed in these cases; coordinating the efforts of professionals who were required to submit employment applications; interacting with the Office of the United States Trustee; and spending significant time coordinating efforts with Haynes and Boone ("H&B"), with primary attention to avoiding duplication of services. Junior-level W&C associates were tasked with conducting legal research to support the numerous pleadings filed in these cases, preparing and filing such pleadings, monitoring the Court's docket, and continuously updating the master task list that W&C maintains in these cases.

20. In addition, W&C implemented an innovative billing option that permitted all of its attorneys to enter a portion of their time on certain projects and tasks in a special "holding account." Attorney time for services was placed into the holding account under a number of different circumstances. For example, while W&C attorneys were finalizing the disclosure statement at the printer's office, there was some "down time" while the disclosure statement was being revised by the printer during which time the attorneys may not have been actively working on Mirant matters, but rather, waiting for the revised document to be completed. However, those attorneys were essentially "on call" during the entire time while they were at the printer's office. Although some attorneys spent an entire 24-hour period at the printer working to finalize the

disclosure statement (and in some cases, several consecutive 24-hour periods), a portion of the attorneys' "down time" was entered into the holding account and not directly billed to Mirant. Another example of "holding account" time arose when, in an emergency, a senior associate was required to conduct legal research on an issue that a junior associate could have performed (e.g., over the weekend with a Monday morning deadline). In such an instance, the senior associate may have spent approximately the same amount of time researching a legal issue and reviewing the relevant cases as the junior associate would have, but the senior associate placed a portion of the time into the holding account to make up for the fact that the final cost may have been less expensive if the work was performed by a junior associate because of the latter's lower billing rate.

21. There were several benefits to the holding account that inured to Mirant. First, the creation of the holding account enabled W&C time keepers to scrutinize their own billing entries much more carefully than what may normally occur, rather than simply billing all of their time and leaving it up to the attorneys responsible for finalizing the invoices to determine what should be billed to the client and what should be held in the holding account. By enabling the time keeper to make a qualitative judgment about their own time and effort (at the time the services are performed and the time entry is made), each time keeper was responsible for ensuring that only truly compensable time was billed to Mirant, and other time which may be compensable was placed into the holding account. Second, the attorneys responsible for finalizing and ensuring the integrity of the billing statements would review holding account entries with higher scrutiny to reflect the fact that the time keeper considered (at some level) that consideration should be given as to whether the time entries were place in the holding account. This was especially crucial given the number of W&C professionals who billed time to Mirant and the number and variety of services that were being performed at any given time during the Chapter 11 Cases.

22. In sum, by adding an additional level of scrutiny and accountability for each timekeeper with respect to holding account entries, W&C believes that compensable time was placed in the holding account rather than billed to the client.

C. No Duplication of Effort

23. Wherever possible, W&C professionals did not duplicate efforts with one another or with any other estate professionals. With respect to Court appearances, more than one W&C attorney would appear in person or telephonically when necessary. The matters addressed during the hundreds of hearings held in these cases often necessitated the appearance of more than one attorney. While a number of factors warranted the participation of more than one W&C attorney for some hearings, the most common one was the complexity of the matters to be heard. That complexity, coupled with the Court's routinely hearing of 10-15 matters during a scheduled Mirant hearing date, often necessitated in more than one attorney attending a hearing. Even when complexity did not require multiple attorneys, in other instances, an attorney that negotiated a deal was required to appear in Court to make the applicable record. In each instance where more than one W&C professional attended a hearing, either the professional's appearance was required to provide support to the presenting attorney or witness, or W&C did not charge Mirant for the professional's time.

24. W&C consensually resolved most of the hundreds of contested matters that arose in these cases. Many of those resolutions were reached on the courthouse steps, during Court intermissions, or very late in the evening before the hearing. Frequently, such resolutions would not occur until professionals had traveled to Fort Worth and met face-to-face.[11]

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[11] Attached hereto as **Exhibit H** is a chart identifying the W&C attorneys who appeared at most of the hearings in Mirant's Chapter 11 Cases. W&C prepared **Exhibit H** to address the FRC's comments in the *Ninth Quarterly Report Of The Fee Review Committee* filed by the FRC on February 28, 2006. Due to the short period of time W&C had to

(continued…)

25. In addition to those efforts, W&C routinely helped Mirant establish dedicated teams consisting of professionals from several retained firms to handle particularly complex matters. In each case, it did so to more efficiently complete specified tasks or to maximize the expertise benefits Mirant received from its retained professionals. Typically, those dedicated teams included at least one member of H&B or Forshey & Prostok ("F&P") to either address local practice issues or to utilize H&B or F&P expertise within a particular area when doing so would render services in a more cost-efficient manner. Mirant also utilized multiple firms in a proceeding where doing so produced the most efficient use of estate resources.

IV. COMPENSATION

A. W&C's Prepetition Compensation

26. Before the Petition Date, W&C provided significant reorganization services to Mirant. Those services include the negotiation, drafting and solicitation of Mirant's proposed prepackaged chapter 11 plan of reorganization, which was ultimately not approved by the requisite number of stakeholders. They also included the preparation of materials in connection with the filing of Mirant's chapter 11 case, including at least 15 emergency "first day" motions and applications. As explained in W&C's retention application, Mirant paid W&C $14,222,685.05 in the year preceding the Chapter 11 Cases in connection with those services. At the Petition Date, W&C held a retainer in the amount of $2,132,080.97. On account of fees and expenses incurred for the month of December, 2003, W&C drew down on that retainer in the amount of $1,800,099.38. W&C currently holds a retainer in the amount of $331,981.59.

(…continued)

prepare the chart, the chart is preliminary and W&C may supplement the chart before the hearing on this Application.

B. Standards Applicable to Final Allowance of W&C's Compensation

27. The Retention Order directs that W&C be compensated "in accordance with the procedures set forth in sections 330(a) and 331 of the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure, Local Rules and any such procedures as may be fixed by order of this Court." Retention Order, p. 2.[12]

28. On or about August 1, 2003, the Court entered its Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Chapter 11 Professionals and Committee Members (the "Initial Fee Procedures Order"). Thereafter, on or about August 27, 2003, the Court entered its Memorandum Order Regarding Compensation of Professionals (the "Fee Procedures Memorandum"), providing for the formation of a Fee Review Committee (the "FRC") to be chaired by Dean Nancy B. Rapoport of the University of Houston School of Law, as Fee Examiner. In support of the Fee Procedures Memorandum, this Court entered its Order Regarding Fee Review Committee Procedures and Standards on November 6, 2003 (the "FRC Procedures Order"). On or about January 20, 2004, the Court entered its Memorandum Order Consolidating Certain Professional Fee Orders (the "Consolidated Fee Procedures Order"), consolidating and amending in some respects the prior fee orders. On February 14, 2006, the Court entered the Scheduling and Procedures Order Governing Compensation Applications (the "Compensation Order") governing the process for the preparation of professional fee applications in these cases.

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[12] The factors contained in section 330 are similar to those adopted by the Fifth Circuit in the case Johnson v. Georgia Highway Exp., Inc., 488 F.2d 714 (5th Cir. 1974). Courts still consider the following "Johnson Factors" to determine the reasonableness of chapter 11 professional fees: (1) The time and labor required; (2) The novelty and difficulty of the questions; (3) The skill requisite to perform the legal service properly; (4) The preclusion of other employment by the attorney due to acceptance of the case; (5) The customary fee; (6) Whether the fee is fixed or contingent; (7) Time limitations imposed by the client or other circumstances; (8) The amount involved and the results obtained; (9) The experience, reputation, and ability of the attorney; (10) The "undesirability" of the case; (11) The nature and length of the professional relationship with the client; and (12) Awards in similar cases. Per the Compensation Order, this Application and accompanying Exhibits were crafted to address the relevant Johnson Factors in the context of tasks accomplished and results achieved by W&C.

C. Interim Fee Procedures and the Fee Review Committee

29. The Court also established "interim fee procedures," pursuant to which Mirant could pay estate professionals 80% of their fees and 100% of their expenses on a monthly basis. The following procedures applied to the payment of interim professional fees and expenses:

- Each professional seeking compensation and reimbursement of expenses incurred in connection with the Chapter 11 Cases was required to prepare and furnish the FRC with a monthly fee statement. Each monthly fee statement detailed the services rendered and expenses incurred during the prior month for which compensation and reimbursement was sought.
- If no objections to the monthly fee statement were made within ten (10) days of receipt of the monthly fee statement, Mirant was authorized to pay the professional eighty percent (80%) of the fees and one hundred percent (100%) of the out-of-pocket expenses identified in each monthly fee statement.
- In addition to submitting monthly fee statements, each professional was required to submit a compensation statement on a quarterly basis. Each quarterly compensation summary contained a chart providing information about the time expended per task, separated by professional, rank, hourly rate and office, as well as expenses incurred in relation to the task.
- The quarterly compensation summaries were submitted to the FRC and certain other parties in interest for review.
- If no objections to the quarterly compensation summary were made within fifteen (15) days of receipt of the monthly fee statement, Mirant would immediately pay any unpaid fees and out-of-pocket expenses identified in the quarterly compensation summary.

30. Since September 2003, W&C submitted to the FRC 30 monthly fee statements, each seeking compensation and reimbursement of expenses for the prior month. W&C also submitted to the FRC ten quarterly compensation summaries. A table containing the amounts requested and paid pursuant to the interim fee procedures is appended hereto as **Exhibit A.** W&C made certain voluntary adjustments to its monthly fee requests. Those adjustments are also identified in **Exhibit A.** In most instances, W&C made those adjustments before submitting the monthly fee statement to the FRC. However, in certain limited circumstances, W&C adjusted monthly fee requests after

submitting the monthly fee statement to the FRC and paid by Mirant. In all such instances, adjusted amounts were credited to Mirant in connection with later monthly fee statements.

V. COMPENSATION REQUESTED

31. W&C hereby requests final approval and allowance of the following amounts for services rendered and expenses incurred during the Fee Period:

Fees:	**$ 80,104,489.50**
Expenses:	**$ 5,155,180.14**
Total:	**$ 85,259,669.64**

32. W&C's fees include the amount of $69,889.00 for services rendered during December, 2005 (the "December Supplement"). The billing entries contained in the December Supplement were inadvertently omitted from W&C's December 2005 Monthly Statement. W&C has submitted those entries to the FRC and indicated its intent to seek allowance, but not payment, of that amount, pursuant to this Application.[13]

33. The Compensation Requested does not include additional fees and expenses W&C incurred in connection with the preparation of this Application. W&C will submit a supplemental request for allowance and payment of those amounts at the hearing on the final fee application.

34. The compensation requested is net of roughly $8.8 million in fees and $100,000 in expenses for which W&C did not charge Mirant in the exercise of its independent billing judgment. **Exhibit F** includes monthly breakdown of fees not charged to Mirant during the Fee Period. **Exhibit E** includes a monthly breakdown of expenses adjusted or not charged to Mirant during the Fee Period.

[13] As explained in the expense reimbursement section of this Application, W&C has determined to credit TO Mirant certain expenses that were previously reimbursed and paid to W&C. Those adjustments will be credited against the amounts contained in the December Supplement.

VI. NARRATIVE HISTORY OF MIRANT'S CHAPTER 11 CASE

A. Mirant's Business

35. At the Petition Date, Mirant's assets and liabilities were recorded at approximately $8 billion and $9 billion, respectively. 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.

36. Mirant's core business centers on the production and sale of electricity and electrical capacity (essentially the ability to produce electricity on demand). The energy generating Mirant entities are essentially "merchant generators" of electricity. Mirant's plants generate electricity sold in competitive markets on a daily basis.

37. Mirant formulated its prepetition business plan and structure in response to energy industry deregulation in the early 1990s. Mirant organized and structured itself such that: (a) various subsidiaries separately owned its principal generating assets (i.e., the plants) in order to diversify, insulate and protect themselves; (b) Mirant's trading organization, Mirant Americas Energy Marketing, LP ("MAEM"), was a party to all of the agreements and relationships that allowed Mirant's operating subsidiaries to buy and sell fuel and electricity (this includes interconnection agreements, pipeline agreements, transmission agreements and fuel agreements); and (c) another subsidiary, Mirant Services, LLC ("Mirant Services"), employed all of Mirant's employees. In sum, Mirant Corp. provided the infrastructure for the operation of its subsidiaries and the Mirant entities were fully integrated entities.

38. That corporate structure complicated many aspects of the reorganization process, including the investigation and identification of intercompany and avoidable transactions, the

analysis of substantive consolidation scenarios and the formulation and development of the Plan of reorganization.

39. The difficulties resulting from that structure were further compounded by the turbulent, uncharted waters of significant competition in a politically charged regulatory environment. Moreover, many of the markets in which Mirant participates suffered from material over-capacity. Market, regulatory and competitive factors impacted Mirant's use of the tools of the Bankruptcy Code, including decisions related to the assumption or rejection of executory contracts and leases, settlements of material claims and asset sales.

40. In addition, many of the assumptions upon which Mirant structured its business changed. As noted, although Mirant formed its business to harness the benefits of deregulated markets, those markets never fully deregulated, or close thereto. The resulting dynamics, along with other factors, placed an incredible strain, both internally and externally, prior to and during the pendency of these cases.

B. Mirant's Chapter 11 Cases

41. The Chapter 11 Cases were among the largest chapter 11 cases in U.S. history. Even so, their complexity exceeded their girth. They required the appointment of three official committees, the establishment of at least three ad hoc committees, the appointment of an examiner, active participation by other major parties in interest (including the MIRMA Owner/Lessors, pass-through certificate holders, PEPCO, and others), the Fee Examiner and the employment of numerous financial and legal professionals. From July 14, 2003 to January 3, 2006, 12,949 documents were docketed in Mirant's main bankruptcy case. That number excludes the hundreds of documents filed in the thirty-eight related adversary proceedings and thousands of documents prepared and filed in connection with fifteen appeals in the case. Approximately 215 Court days were utilized during these cases.

42. With the assistance of W&C, Mirant's reorganization was completed in four phases:

Phase 1: July 2003 – November 2003	Stabilization of Business and Trading Operations Evaluation of Business Model Secure Debtor-in-possession Financing Implementation of Chapter 11 Processes Establishment of Information Flow Extensive Due Diligence of Books and Records Commencement of Litigation in Contested Matters Stabilization of Canadian Bankruptcy Filing
Phase 2: December 2003 – April 2004	Identification of Gating Items Analysis and Reporting of Intercompany Transactions Formulation of Business Plan Operational Improvements at Plant and Corporate Level Assumption, Rejection or Re-negotiation of Contracts and Leases Litigation in Contested Matters and Initiation of Adversary Proceedings Investigation of Avoidance Actions Negotiation of Resolution of Canadian Bankruptcy
Phase 3: May 2004 – December 2004	Appointment of Examiner Intense Litigation over Gating Items Development of Claims Resolution and Estimation Procedures Finalization of Business Plan Plan Negotiations Exploration of Exit Financing Needs and Opportunities Investigation of Avoidance Actions Asset Sales Repatriation Solution for $80 million of Cash Realized From Canadian Bankruptcy
Phase 4: January 2005 – Effective Date (January 3, 2006)	Resolution of Gating Items Resolution of Disputed Material Claims Commencement of Avoidance Actions (or Execution of Tolling Agreements) Valuation and Impairment Hearing Disclosure Statement Hearing Negotiation and Closing of Exit Financing Plan Confirmation and Effectiveness Formulation and Implementation of Procedures to Expedite Distribution

C. Phase 1: July 2003 – November 2003

1. *Commencement of Cases and Establishment of Committees and Key Creditor Participants*

43. Mirant Corp. and seventy-four of its affiliates commenced these Chapter 11 Cases on the Petition Date by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On various dates thereafter, nine additional wholly owned subsidiaries of Mirant commenced and

joined the Chapter 11 Cases. The Chapter 11 Cases were jointly administered for procedural purposes. Mirant Corp. and its chapter 11 debtor affiliates operated their businesses as a debtor-in-possession during the Chapter 11 Cases.

44. Also on the Petition Date, two of Mirant's Canadian subsidiaries filed applications for creditor protection under the Companies Creditors' Arrangement Act ("CCAA") in Canada. Like chapter 11, the CCAA allows for reorganization under the protection of the court system.

45. During the Chapter 11 Cases, the UST appointed three official committees: (1) a committee of unsecured creditors for Mirant Corp. (the "Corp. Committee"); (2) a committee of unsecured creditors for Mirant Americas Generation (the "MAG Committee"); and (3) a committee of equity security holders (the "Equity Committee," together with the Corp. Committee and MAG Committee, the "Committees"). During later phases of the cases, a number of ad hoc committees or groups were formed and became active in the case. Those ad hoc committees included the Ad Hoc Committee of MAG Bondholders (the "MAG Ad Hoc Committee"), the Ad Hoc Committee of Mirant Corporation Bondholders (the "Mirant Ad Hoc Committee"), the Ad Hoc Committee of New York Taxing Authorities, the Ad Hoc Committee of Pass-Through Certificate Holders associated with the MIRMA disputes (the "MIRMA Ad Hoc Committee") and the Ad Hoc Committee of the MIRMA Owner Lessors (the "Owner Lessors Ad Hoc Committee"). Other key creditor participants in the cases included, the California Parties, PEPCO, Deutsche Bank, AG, New York Branch ("Deutsche Bank"), Wells Fargo Bank, N.A. ("Wells Fargo"), Lehman Commercial Paper Inc. ("Lehman"), Wachovia Bank, National Association ("Wachovia"), Credit Suisse First Boston ("CSFB") and Phoenix. W&C estimates that the total fees incurred by the ad hoc committees and key creditor participants in these cases will total between $64.3 million to $78.3

million:[14]

Creditor	Estimated Fees
MIRMA Ad Hoc Committee/Owner Lessors Ad Hoc Committee	$16 - $20 million
MAG Ad Hoc Committee	$3.5 million
Mirant Ad Hoc Committee	$300,000
Phoenix Partners	$5.3 million
PEPCO	$9 million
California Parties	$20-$30 million
Deutsche Bank	$2.5 million
Wachovia and CSFB	>$4 million
Wells Fargo	$2.5 million
Lehman	$1.2 million
TOTAL	**$64.3-$78.3 million**

2. *Stabilization of Business and Trading Operations and Evaluation of Business Model*

46. Mirant's most pressing initial emergency was preserving its trading operations. The possibility that counterparties to Mirant's trading contracts would exercise trading contract termination rights under the "safe harbor" provisions of the Bankruptcy Code significantly threatened Mirant's trading operations and trading book. To prevent this, within hours of filing the case, Mirant successfully proposed a program that was designed to limited risks associated with the trading contract termination and created an environment conducive to the continuation of the trading operations. The trading protocol yielded significant benefit to the estates. Ultimately, the program preserved $150 million in value and ensured that core operating functions, such as the purchase of fuel, the sale of energy, the management of risk and the optimization of Mirant's generating assets, continued without interruption.

47. A second initially pressing matter for Mirant was preserving tax loss attributes of

[14] Note that the amounts included in the chart are W&C's best estimate of these fees.

approximately $1 billion at the beginning of the case that were projected to ultimately result in future tax savings of between $200-$400 million. Mirant successfully moved to establish procedures requiring holders of claims, preferred securities and preferred claims to provide advance notice of their intent to buy or sell claims and interests in Mirant.

48. During the first phase of the case, Mirant engaged in a number of activities to stabilize its business operations and ensure it could operate as a chapter 11 debtor-in-possession. At that same time, Mirant began to evaluate its prepetition business model in light of the changed regulatory environment.

3. *Debtor-in-possession Financing*

49. On November 5, 2003, Mirant entered into a two-year debtor-in-possession credit facility for up to $500 million with General Electric Capital Corporation ("GECC"), which required extensive negotiation and analysis.

4. *Complying with Chapter 11 Guidelines Responding to Creditor and Shareholder Inquiries and Establishing Information Flow*

50. During the first phase of the case, Mirant and its professionals also embarked on an extensive due diligence investigation of Mirant's books and records, which would form the basis of the Schedules of Assets and Liabilities and Statement of Financial Affairs, the 300-page intercompany claims report, avoidance action review and countless other documents and other matters reported to the Court, Committees and other parties in interest.

5. *Litigation in Contested Matters*

51. Much of the litigation that began in phase one of the case continued throughout the case and thereafter. One notable example was the litigation with PEPCO over Mirant's rejection of an agreement with respect to certain power purchase agreements (the "Back-to-Back Agreement"). In phase one of the case, that litigation involved Mirant's rejection of the Back-to-Back Agreement, litigating a temporary restraining order issued by the Bankruptcy Court enjoining PEPCO from

taking any action to require Mirant to comply with the terms of the Back-to-Back Agreement and opposing a withdrawal of the reference on Mirant's motion to reject. Another example was litigation of Mirant's motion pursuant to section 505 of the Bankruptcy Code to have the Court determine Mirant's disputes with New York taxing authorities.

52. Also during this phase, the MAG Committee moved on an emergency basis for an order allowing the members of the MAG Committee to trade claims and equity interests in Mirant, subject to the members setting up ethical screens within their firms. Other litigation and contested matters that arose during the first phase of the case included: (a) motion to lift the automatic stay filed by at least eight creditors and parties in interest; and (b) eight adversary proceedings commenced by creditors or by Mirant.

D. Phase 2: December 2003 – April 2004

1. *Identification of Gating Items*

53. As noted, "gating items" that threaten to block the development and confirmation of a plan often reveal themselves in the early phases of the case. Here, those gating items began to take shape during the second phase of the case. Key gating items that W&C identified, investigated or litigated during the second phase included:

- resolution of the rejection of the Back-to-Back Agreement with PEPCO that concerned $550 - $600 million in negative cash flow to Mirant;
- litigation with the California Parties concerning claims related to the California energy crisis that would have materially impacted the reorganization of the Mirant entities in California;
- identification and resolution of the thousands of prepetition intercompany transactions that impacted Mirant's ability to build a consensus among the Mirant Americas Generation, LLC ("MAG") and Mirant Corp. creditors;
- analysis of the complexities of, and alternatives related to, the MIRMA Leases that would (i) impact Mirant's cash flows, available distribution proceeds and debt capacity and (ii) dictate the substantive provisions of MIRMA's Plan of reorganization; and

- continued litigation with the New York municipalities concerning over $250 million in refunds related to overpaid property taxes that would impact creditor recoveries at the New York debtor level.

54. Resolution of the gating items required close coordination with other courts, including the District Courts in the Northern District of Texas, Northern District of California and the Southern District of New York, the Fifth and Ninth Circuits and the Supreme Court of the State of New York.

2. *Analysis of Intercompany Transactions*

55. As noted, thousands of complicated intercompany transactions needed to be investigated, analyzed and explained to the Committees before they could begin substantive Plan negotiations. With the aid of the professionals who conducted extensive due diligence of Mirant's books and records, Mirant prepared a 300-page report of intercompany transactions for presentation to the Committees.

3. *Formulation of Business Plan*

56. By the second phase of the case, Mirant had completed its re-evaluation of its business model and developed a new business plan that would address the market as it existed in January, 2004. Mirant presented its new business plan to the Committees and other parties in interest. That presentation formed the basis for the substantive plan discussions that took place during the remaining phases of the case.

4. *Operational Improvements at Corporate and Plant Level*

57. During the second phase of the case, Mirant identified and began to implement processes to address problems and inefficiencies at the plant and corporate level. Those processes reduced Mirant's capital budget by hundreds of millions of dollars, helping Mirant emerge as a more efficient market leader. Those processes also provided the market, creditors and others

comfort that Mirant was creating a leaner and more efficient company through the chapter 11 process.

5. *New and Continued Litigation and Investigations*

58. Mirant began the investigation of claims and cases of action, including causes of action against the Southern Company ("Southern") and other related parties. Mirant also began to substantively review and analyze the MIRMA Leases. Mirant also explored various potential levels of substantive consolidation among the Mirant entities.

E. Phase 3: May 2004 – December 2004

1. *Appointment of Examiner*

59. On April 7, 2004, the Court authorized the UST to appoint William K. Snyder as the Examiner in the Chapter 11 Cases.

2. *Continued Litigation of Gating Items*

60. Mirant made significant progress towards resolving gating items during the third phase of the case. Following are examples of such progress:

- Settling New York Tax Disputes. With respect to the litigation concerning $250 million in refunds owing from the New York taxing authorities, the Bankruptcy Court issued an order retaining jurisdiction over the tax matter. But the Court abstained from hearing the tax disputes, provided that they were tried in the Supreme court of the State of New York within 8 months. Shortly after entry of that order, Mirant obtained settlements with 6 of the 8 municipalities, leaving only 2 contested tax disputes with the Counties of Haverstraw and Stoney Point.

- Defeated MIRMA Motion to Dismiss. With respect to the MIRMA Lease analysis, Mirant commenced an adversary proceeding seeking either (a) to re-characterize the leverage lease financing as debt, or (b) in the alternative, various rulings that would assist MIRMA in its rejection analysis. Shortly thereafter, MIRMA successfully opposed a motion of the MIRMA Owner/Lessors and Indenture Trustee to dismiss MIRMA's Chapter 11 Case and the adversary proceeding described above.

- Advanced PEPCO Litigation. Mirant continued litigation with PEPCO in the District Court, on remand, in connection with Mirant's motion to reject the Back-to-Back Agreement.

- Preliminary Settlement with California Parties. Mirant's litigation successes with the California Parties in both the District Court and Bankruptcy Court ultimately assisted in reaching a preliminary settlement of over $10 billion of potential claims for an amount that allowed Mirant to successfully restructure its California businesses.

3. *Development of Claims Resolution and Estimation Procedures*

61. Mirant's review of the proofs of claim filed by the December 16, 2003 bar date revealed the need to establish a protocol resolving over 8,800 proofs of claim totaling $268 billion filed against the estates. Unlike in most chapter 11 cases where claims litigation proceeds well after plan confirmation, Mirant made the strategic decision to resolve material claims pre-confirmation. Pre-confirmation resolution was the only way to provide key creditor constituencies with sufficient comfort regarding likely creditor recovery scenarios and to ensure to engage in meaningful Plan discussions.

62. Toward that end, Mirant proposed a novel set of claim objection procedures that replaced the confusing "book-form" claim objection typically used in chapter 11 cases. Mirant negotiated and litigated for months with some of its largest creditors, including the California Parties, PEPCO and Enron Corp. Litigation utilizing Mirant's 4 tier claim objection procedures, coupled with later-developed claims estimation procedures, yielded unprecedented results:

- 6500 claim objections filed before the Effective Date;
- 60 "Material Tier IV" claim objections filed; 44 resolved without need for heavy litigation or estimation; and
- $235.7 billion in claims reduced or expunged at the Effective Date.

4. *Finalization of Business Plan*

63. Mirant fine-tuned the business plan that was previously developed and presented to the key constituencies. That business plan would ultimately form the basis for Mirant's Plan.

5. *Plan Negotiations*

64. The finalization of the business plan, progress towards the resolution of material

claims and a clearer focus concerning intercompany transactions enabled Mirant and key creditor constituencies to engage in meaningful Plan discussions during the third phase of the case. During this time, the parties engaged in numerous telephone discussions and in person meetings for the purpose of resolving matters blocking agreements necessary for a Plan.

6. *Avoidance Action Investigation*

65. Mirant conducted an intense investigation of Southern spin-off and related transactions during the third phase of the case. It also analyzed other potentially avoidable prepetition transactions.

7. *Asset Sales*

66. Most of Mirant's asset sales were negotiated and closed during the third phase of the case. Significantly, Mirant sold 15 major assets during this period, including the sale of sizable power generating facilities, for a total amount of approximately $336,443,307. In addition, Mirant obtained approval of procedures for selling miscellaneous assets not exceeding $150,000. Mirant sold 23 small assets under those procedures, for a total of approximately $1.1 million.

F. Phase 4: January 2005 – Effective Date January 3, 2006

1. *Resolution of Remaining Gating Items*

67. During the final phase of the case, Mirant resolved each of the gating items to the extent necessary to confirm a plan. Two of the gating items -- the litigation with PEPCO and the disputes with the New York taxing authorities -- remained unresolved at confirmation. Significantly, however, Mirant's resolution of the other gating items yielded significant value to the estates:

- California Litigation Settlement. In exchange for broad releases that disposed of over $10 billion of claims filed by the California Parties, Mirant agreed to assign $283 million in receivables to certain of the California Parties and awarded an aggregate general unsecured claim against MAEM in the amount of $185 million to such parties.

- MIRMA Litigation Settlement. In the summer of 2005, Mirant began negotiating with the MIRMA Owner/Lessors in order to consensually resolve the litigation between the parties. The Indenture Trustee joined these negotiations in the fall of 2005. The negotiations were successful, resulting in the execution of a preliminary term sheet that was filed with the Bankruptcy Court in November 2005, although negotiations were still ongoing. Finally, at the hearing to confirm Mirant's Plan of Reorganization on December 1, 2005, the parties announced a consensual resolution to be incorporated into the plan that would include, among other things, MIRMA's assumption of the MIRMA Leases. The resolution of the MIRMA Lease litigation prevented a negative impact on cash flows and debt capacity, paving the way for distributions under the Plan and closing of the Exit Financing and MIRMA's emergence from chapter 11.

2. *Resolution of Substantially All Disputed Material Claims*

68. As noted above, although most of the material claims were resolved in the third phase of the case, Mirant continued settling and litigating certain material claims with parties such as Kern River Gas Transmission Company ("Kern River"), GTN Transmission Northwest Corporation ("GTN") and TransCanada (as defined below), during the fourth phase of the case.

3. *Commencement of Avoidance Actions*

69. The investigation of the transfers by Mirant to Southern in connection with the separation of the companies, including the initial public offering on October 3, 2000 and the ultimate spin-off on April 2, 2001, revealed the existence of significant claims and causes of action against Southern and related parties. In June 2005, Mirant commenced an adversary proceeding against Southern seeking to avoid over $2,000,000,000 in fraudulent transfers from Mirant to Southern under sections 544 and 550 of the Bankruptcy Code.

70. Mirant also commenced at least eight other adversary proceedings seeking to avoid prepetition transfers under sections 544, 548 and 550 of the Bankruptcy Code in July 2005. After extensive analysis of potential preference claims suggested that recoveries would be minimal, Mirant declined to pursue any preference actions under section 547 of the Bankruptcy Code.

4. *Impairment Hearing*

71. One key to the success of the proposed capital structure under the Plan was maintaining and reinstating certain advantageous, existing long-term debt obligations. To effectuate this, the long-term debt needed to be rendered "unimpaired." Vigorous litigation with the MAG Committee and certain bondholders paved the way to Plan confirmation.

5. *Valuation Hearing*

72. In response to the Equity Committee's motion to compel a shareholders meeting and disputes among the stakeholders as to Mirant's enterprise value, on February 11, 2005, the Court issued an order scheduling a valuation hearing. Eighteen other parties filed notices of intent to participate in the valuation hearing. Five parties actively participated in an extensive discovery process involving millions of pages of documents. The valuation hearing posed an enormous challenge for Mirant. Not only was Mirant required to prepare and present its position as to enterprise value, but it was also required to produce and explain massive quantities of data and documents to all parties. Between April 18, 2005 and June 27, 2005, the Court conducted a hearing over the course of twenty-seven court days in which over one thousand exhibits were exchanged among the six different parties who actively participated in the hearing. In addition to fact witnesses, eight expert witnesses also testified in connection with ten expert reports. Hundreds of demonstrative exhibits were also prepared and made part of the valuation hearing record.

6. *Disclosure Statement Hearing*

73. Mirant filed the Disclosure Statement on January 19, 2005. It was amended on March 25, 2005 and September 30, 2005, to incorporate the Bankruptcy Court's ruling and agreements with creditors and parties in interest. The Bankruptcy Court approved the Disclosure Statement by order dated September 30, 2005. Solicitation of votes on Mirant's Plan took place thereafter. Remarkably, the hearing on Mirant's Disclosure Statement took place over the course of

only one Court day – dramatically shorter than the six, nine, and twelve court-day contentious disclosure statement hearings in the chapter 11 cases of PG&E, Enron and WorldCom, respectively. The brevity of Mirant's Disclosure Statement hearing was the result of the consensual resolution of most of over forty formal objections to the Disclosure Statement.

7. *Negotiation and Close of Exit Financing*

74. Mirant obtained exit financing ("Exit Financing") to fund Mirant's North American day-to-day business operations and to provide liquidity to meet working capital requirements, including potential collateral requirements resulting from changes in commodity prices. The Exit Financing, which closed on the Effective Date, consisted of: (a) a $800,000,000 senior secured revolving credit facility (the "Revolving Credit Facility") and up to $700,000,000 senior secured tranche B term loan facility (the "Term Facility" and together with the Revolving Credit Facility, the "Senior Secured Facilities") and (b) an offering (the "Offering") of $850 million of their 7.375% Senior Notes due 2013 (the "Notes"). Few chapter 11 debtors have reduced their exit financing costs through the public market. Here, Mirant was able to achieve this result in a few weeks through, in part, the efforts of W&C.

8. *Plan Confirmation and Effective Date*

75. On January 19, 2005, Mirant filed a proposed Plan (the "January 19 Plan"), which was amended on March 25, 2005 (the "March 25 Plan") and then again on September 22, 2005, to reflect the terms of the deal reached between Mirant and its key constituencies. The Bankruptcy Court confirmed Mirant's *Amended and Restated Second Amended Joint Chapter 11 Plan of Reorganization for Mirant Corporation and its Affiliated Debtors* pursuant to an order (the "Confirmation Order") entered on December 9, 2005 (attached as Exhibit 1 to the Confirmation Order) . The Effective Date of the Plan is January 3, 2006.

76. The Plan is extremely complicated. It resolved the remaining gating items to the extent necessary for Mirant to reorganize. It provided for the operation of Mirant's business, subject to some structural changes designed to improve operational efficiency, facilitate and optimize its ability to meet financing requirements and accommodate the enterprise's new debt structure.

9. *Components of Plan*

Debt	Reorganized business has approximately $4.2 billion of debt, compared to approximately $8.6 billion at commencement.
Settlement of Intercompany Claims	(1) Mirant Corp., MAEM, MAI and other Mirant Corp. chapter 11 subsidiaries ("Mirant Debtors") treated as one estate, thereby (a) eliminating any distributions under the Plan in respect of intercompany claims between and among those entities, and (b) limiting recoveries of holders of claims guarantees by multiple Mirant entities; (2) the estates of MAG and its chapter 11 debtor subsidiaries ("MAG Debtors") were treated as a single estate, eliminating intercompany claim distributions and multiple recoveries on guarantee claims, as described in (a) and (b) above and (3) all claims and actions between the Mirant Debtors and the MAG Debtors will be released.
Issuance of Equity Securities and Warrants:	"New Mirant Common Stock" was issued to holders of claims and equity interests in Mirant, and warrants issued to subordinated debt holders and equity holders. The New Mirant Common Stock was trading at $22.50 per share on the Effective Date and $24.60 at the close of trading on February 28, 2006.
Contribution of Value to MAG	Assets transferred to New MAG Holdco or its subsidiaries, including (1) Mirant's trading and marketing business and Mirant Zeeland, LLC; (2) Mirant Peaker LLC and Mirant Potomac LLC to MIRMA. Other value contributed to New MAG Holdco includes commitments to make prospective capital contributions of $150,000,000 for the refinancing of certain MAG debt that matures in 2011 and, under certain circumstances, up to $265,000,000 for environmental capital expenditures
New York Debtors to Remain in Chapter 11	Mirant Bowline, LLC ("Mirant Bowline"), Mirant New York, Inc., Mirant Lovett, LLC, Mirant NY-Gen, LLC and Hudson Valley Gas Corporation will remain in chapter 11 until certain litigation matters are resolved by settlement or through litigation
Mirant's Assets Transferred to New Mirant	Substantially all of the assets of Mirant were transferred to New Mirant, which now serves as the corporate parent of the enterprise

Old Mirant and Trading Debtors[15] Transferred to Plan Trust	Mirant and the Trading Debtors were transferred to the Plan Trust.
Exit Financing	Mirant successfully obtained Exit Financing in an aggregate principal amount of $2.35 billion, including a public offering of long-term senior notes in the aggregate amount of $850 million at a favorable interest rate of 7.35% and senior secured credit facilities in the aggregate principal amount of $1.5 billion, consisting of an $800 million revolving credit facility and a $700 million term loan ($200 million of the proceeds of which are to be used as cash collateral for the issuance of synthetic letters of credit).

VII. SUMMARY OF SERVICES RENDERED

77. The Chapter 11 Cases were challenging and involved large and complex debtors operating in a sophisticated regulated industry. As a result, Mirant and W&C faced various challenges in addition to those of even large conventional chapter 11 cases. Cataloging the detail of every W&C activity would be near impossible and undoubtedly beyond the scope of anything the Court or the FRC wished to read. This Application, instead, describes events requiring the most time and effort of W&C. Attached as **Exhibit G** is a detailed narrative summary of the various key projects W&C completed for Mirant. When reading the summary, the FRC and the Court should consider the following:

[15] The "Trading Debtors" are Mirant Americas Development, Inc., Mirant Americas Production Company, MAEM, Mirant Americas Retail Energy Marketing, LP and Mirant Americas Gas Marketing I – Mirant Americas Gas Marketing XV.

Time and Labor Required	During the 905 days of the case, W&C lawyers and paraprofessionals rendered approximately 187,000 hours of service to the estates.
Novelty, Difficulty and Time-Sensitivity of Issues; Expertise and Skill Required and Utilized to Resolve those Issues	W&C was retained by Mirant because it had the reputation and ability to guide Mirant through its complicated chapter 11 case. As expected, Mirant's chapter 11 case required the analysis and resolution of numerous novel issues that required the expertise and utilization of skilled W&C attorneys with expertise in bankruptcy, tax, environmental, securities, banking, and litigation. Many of those issues needed to be resolved within short time frames imposed by the client, Court, key creditors or parties in interest.
Results Achieved	W&C helped Mirant achieve unexpected and unprecedented results in this chapter 11 case. While the particular results of the various projects are described below, the most remarkable results in these cases relate to creditor and shareholder recoveries. W&C played a key role in building the consensus that resulted in those recoveries.

VIII. SUMMARY OF COSTS AND EXPENSES

78. W&C seeks approval and allowance of Mirant's reimbursement of $5,155,180.14 in costs and expenses that W&C incurred during the Fee Period. The Compensation Order requires that an application seeking approval and allowance of expenses include a summary of all expenses by category. W&C's expense summary in compliance with the Compensation Order is attached as **Exhibit E**. Below is a description of W&C's accounting procedures for the general categories of costs and expenses for which it seeks reimbursement. The costs and expenses were billed to Mirant at the rates that W&C customarily applies to its non-debtor clients.

A. Adjustments

1. *Travel-Related Adjustments*

79. In June, 2005, the FRC requested to receive additional detail concerning W&C's

travel expenses for the remainder of the case. Beginning in June 2005, W&C began supplying the FRC with "Expense Riders" setting forth the detail behind W&C's travel expenses. W&C furnished the FRC with Expense Riders for the period December 2004 - September 2005. In connection with the preparation of the Expense Riders, W&C credited certain expenses when: (a) W&C deemed the expense too high and felt a credit was appropriate, (b) W&C was unable to locate sufficient detail behind the expense due in many cases to the biller's departure from the firm, or (c) the expense could be construed as inconsistent with the guidelines established by the Office of the United States Trustee.

80. W&C credited a total of $13,438.00 for the June 2005 - September 2005 period, as reflected in **Exhibit F**. Those amounts were credited to Mirant during the case. With respect to the December 2004 - May 2005 period, W&C has credited $42,910.91 to Mirant. As of the date of this Application, W&C has not fully completed the Expense Riders for October, November and December, 2005. However, the amount that W&C will be credited to Mirant on account of the appropriate adjustments made.

2. *Other Adjustments*

81. W&C's accounting system bills its regular clients for certain expenses, such as supplies and secretarial overtime, that are not compensable under the UST Guidelines. On most occasions, W&C did not seek reimbursement of such expenses in its Monthly Fee Applications. During the final fee application process, W&C identified certain additional expenses that should be credited back to Mirant. In total, $7,251.61 in expenses related to supplies and $44,367.90 in expenses related to secretarial overtime, have been credited in connection with this final fee request. In addition, W&C has credited certain other costs in the amount of $125.66 identified as "soft cost OHD" in W&C's expenses.

B. Expense Category Descriptions

1. *Airfare - $954,724.75*

82. W&C is an international firm with offices in 6 U.S. cities. W&C attorneys from each of those offices rendered services to Mirant during the Fee Period. Certain projects required W&C attorneys to travel between W&C's U.S. offices. Most of the travel in the cases was from Miami, New York or Los Angeles, to Fort Worth, Texas for the purposes of hearings in these cases.

2. *Travel Expense - $456,872.50*

83. W&C's hotel and other related travel expenses were booked to this category. With respect to travel to Fort Worth, W&C negotiated discounted rates with the Renaissance Worthington Hotel. W&C attorneys stayed at the Renaissance Worthington at reduced rates unless the hotel had no availability.

3. *Computer Legal Research - $1,965,912.14*

84. While representing Mirant, it was periodically necessary and cost efficient for W&C to conduct legal research through computer research services such as Westlaw and Lexis/Nexis. W&C bills the actual cost of using such services directly to its clients without surcharge. Under no circumstances does W&C mark-up or charge its clients any amount in addition to the per search charges assessed by Westlaw or Lexis/Nexis.

4. *Internet Service - $616.32*

85. Numerous W&C attorneys who were required to travel to Fort Worth, New York and Atlanta incurred expenses working on line from their hotel rooms. The average cost of hotel Internet service is approximately $10.00 per day.

5. *Conference Expense – $127,367.71*

86. For the convenience of attorneys and clients, W&C has contracted with an outside provider of telephone conferencing that can accommodate numerous participants. Such expenses

were booked to this category. Other expenses that may have been booked to this category include conference room and travel meals. W&C has provided additional detail concerning conference expenses in connection with the Expense Riders discussed above.

6. *Courier Service - $80,244.47*

87. When the exigencies of this case required, W&C used messenger services and air-courier services (such as FedEx) to deliver documents. When W&C uses these messenger and air-courier services, it charges its clients for the actual costs of the services without surcharge.

7. *Court Costs - $1,526.47*

88. W&C filed all pleadings in these cases electronically when electronic filing was available and permitted. Court filing fees, costs associated with procuring transcripts of hearings or depositions and some PACER and ECF fees were booked to this category.

8. *Depositions - $95,011.81*

89. Numerous depositions were taken during the fee period. Court reporter and expedited transcript costs were booked to this category.

9. *Facsimile - $33,157.07*

90. W&C professionals corresponded with parties in these cases via email whenever possible. There were numerous instances in this case, however, where the faxing of documents was the most economical and efficient method for transmitting documents. W&C does not charge its clients for facsimiles received. Because the facsimile equipment used by W&C cannot trace and recover long-distance charges, W&C does not charge its clients for telephone charges in connection with outgoing facsimiles. Instead, W&C charges $1.25 per page for each facsimile transmitted.

10. *Filing Fees - $13,288.20*

91. W&C booked charges related to PACER and ECF to this category that were not booked in the "Court Costs" category.

11. *Laser Document Printing/Duplicating - $168,889.56*

92. W&C ordinarily logs internal duplicating and bills these projects to its clients at $0.15 per page. During the Fee Period, W&C duplicated approximately 838,455 pages of documents at the rate of $0.15 per page, for a total charge of $125,768.25 and approximately $43,121.31 for outside duplication for a total of $168,889.56.

12. *Local Travel/Parking – $208,424.69*

93. Costs related to taxis, car services and parking were booked to this category.

13. *Postage - $5,207.16*

94. W&C bills to the client the cost of transmitting mail. Postage is logged and billed to the client through a computer system, which calculated postage costs at the rate set by the United States Postal Service for the weight and class of a given mailing. In addition, for large mailings, W&C occasionally uses an outside mailing house, whose charges are passed on to the client without surcharge.

14. *Telephone (Long Distance) - $100,870.48*

95. W&C only seeks reimbursement for actual charges in this expense category.

15. *Vendor Services - $985,776.72*

96. It was necessary during these cases for W&C to procure vendor services, such as trial preparation services, particularly in connection with at least 4 trials (Valuation, Kern River, City of Vernon, and MediaNews) that took place in this case. Costs associated with those services were booked to this category.

IX. CONCLUSION

Therefore, W&C requests that this Court enter an Order approving and authorizing payment of the following amounts that W&C has incurred in connection with its services to this estate during the Fee Period:

	Fees	Expenses	Total
Total Amount Requested	$80,104,489.50	$5,155,180.14	$85,259,669.64
Total Amount Paid on an Interim Basis	$80,034,600.00	$5,217,375.94	$85,251,975.94
Unpaid Amount	$ 94,889.50	$ (94,656.10)	$233.4

Dated: Miami, Florida
March 1, 2006

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ATTORNEYS FOR THE DEBTORS AND DEBTORS IN POSSESSION

CERTIFICATION OF CERTIFYING PROFESSIONAL

The undersigned hereby certifies that the undersigned has been designated by White & Case LLP as the Certifying Professional with respect to the Application, and that (a) the undersigned has read the Application; (b) to the best of the certifying professional's knowledge, information and belief, formed after reasonable inquiry, the compensation and expense reimbursement sought is in conformity with the Guidelines for Compensation and Expense Reimbursement of Professionals for the United States Bankruptcy Court, Northern District of Texas, effective January 1, 2001; and (c) the compensation and expense reimbursement requested are billed at rates in accordance with practices no less favorable than those customarily employed by White & Case LLP and generally accepted by White & Case LLP's clients.

The certifying professional certifies under penalty of perjury that the information contained in the Application and the foregoing statements are true and correct to the best of his knowledge.

/s/ Craig H. Averch

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the undersigned provided a true and correct copy of the forgoing to Bankruptcy Services LLC and directed them to effect service upon all persons on the Limited Service List via first class mail on the 1st day of March, 2006.

Michelle C. Campbell