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**COUNSEL TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF MIRANT CORPORATION, ET AL.**

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

IN RE:	§ Chapter 11
	§
MIRANT CORPORATION, <i>et al.</i> ,	§ Case No. 03-46590-DML-11
	§
Debtors.	§ Jointly Administered

**APPLICATION FOR AN ORDER AUTHORIZING THE EMPLOYMENT
AND RETENTION OF PA CONSULTING GROUP, INC. PURSUANT
TO SECTIONS 328 AND 1103 OF THE BANKRUPTCY CODE TO
PERFORM CERTAIN ENERGY INDUSTRY CONSULTING SERVICES
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF
MIRANT CORPORATION, *ET AL.*, EFFECTIVE AS OF APRIL 29, 2004**

The official committee of unsecured creditors of Mirant Corporation, *et al.* (the “Mirant Committee”) requests by this application (this “Application”) the entry of an order, substantially in the form submitted herewith, authorizing the Mirant Committee to retain and employ PA Consulting Group, Inc. (“PA”), effective as of April 29, 2004, as energy industry consultant for the Mirant Committee in the above-captioned cases, pursuant to sections 328 and

1103(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and respectfully represents as follows:

Background

1. On July 14-15, 2003 and thereafter (the “Petition Date”), Mirant Corporation (“Mirant”) and certain of its affiliates (collectively, the “Debtors”) filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On April 7, 2004, the Court entered an order directing the United States Trustee for the Northern District of Texas (the “UST”) to appoint an examiner (the “Examiner”) in these cases, and on April 13, 2004, the UST appointed William K. Snyder as Examiner.

3. Prior to the commencement of the Debtors’ chapter 11 cases, Citibank, N.A. (“Citibank”) (presently a member and chair of the Mirant Committee) and Credit Suisse First Boston, in their role as agents for Mirant’s prepetition lenders (together, the “Agents”), engaged in restructuring negotiations with the Debtors. In connection with such negotiations and their analysis of the Debtors’ businesses, the Agents retained Shearman & Sterling (n/k/a Shearman & Sterling LLP, hereafter “S&S”) as counsel, and S&S, in turn, engaged the energy consulting services of PA as well as the financial advisory services of FTI Consulting, Inc. (“FTI”). The services rendered by PA and FTI (and Capstone (as defined herein)) in connection with such engagement, and which continued even past the Petition Date, are referred to herein as, the “Consulting Services.”

4. On March 19, 2004, the Agents filed a motion seeking authorization to share certain prepetition confidential information and analysis prepared by PA and FTI with the Mirant

Committee (the “Prepetition Information Motion”). On March 29, 2004, the Debtors filed a motion entitled “Debtors’ Motion to Enforce Confidentiality Order and/or Clarify Its Terms” (the “Information Blocking Motion”) whereby the Debtors sought to prevent Citibank from sharing confidential committee information with PA and Capstone Corporate Recovery, LLC (“Capstone”), who were continuing to serve as advisors to Citibank.¹

5. At the April 7, 2004 hearing on those motions (the “April 7th Hearing”), the Court granted the Prepetition Information Motion and ruled that the Agents are authorized to share certain prepetition information developed by PA and FTI with the Mirant Committee. In addition, the Court approved the Information Blocking Motion in part and denied it in part. Specifically, the Court ruled that Citibank could not share confidential Committee information with professional advisors retained by Citibank as an individual member. In reaching that decision, the Court indicated that it wanted to avoid a situation where there was an imbalance in the information available to the different committee members. The Court did, however, leave open the possibility that such information sharing would be permissible if Citibank agreed to share fully the work product of its advisors with the entire Mirant Committee. The Debtors’ noted, and the Court also left open, the option of the Mirant Committee seeking to retain the services of PA and Capstone in lieu of existing financial advisors.

6. Following the April 7th Hearing, PA and Capstone began to share prepetition information with the Mirant Committee. Based on its review of those materials, the Mirant Committee has determined that, notwithstanding the Debtors’ assertions that they have been forthcoming with information, FTI and PA appear actually to have had better transparency with respect to the Debtors’ financial affairs than the financial advisors retained by the Mirant

¹ In January 2004, a number of professionals employed by FTI – including the primary professionals involved with the Mirant assignment – left FTI to form Capstone.

Committee had during the postpetition period. By applications dated September 8, 2003 and September 11, 2003, respectively, the Mirant Committee requested authorization to retain Risk Capital Management Partners (“RCM”) and Huron Consulting Group LLC (“Huron”) to serve as advisors to the Mirant Committee. The Court approved the retention of RCM and Huron by orders docketed on September 29, 2003. Due to the extent of information and the knowledge base residing with PA and Capstone, the Mirant Committee desires the benefit of PA and Capstone’s services. Accordingly, the Mirant Committee is seeking by this Application to retain and employ PA as its energy industry consultant to replace RCM.² S&S, in consultation with the Agents, has agreed to release both PA and Capstone so that they may be retained by, and serve as consultants for, the Mirant Committee.

Jurisdiction and Venue

7. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these cases and this Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicates for the relief requested herein are sections 328 and 1103(a) of the Bankruptcy Code and Bankruptcy Rule 2014.

Proposed Retention

8. By this Application, the Mirant Committee seeks to employ and retain PA as its energy consultant during these chapter 11 cases, effective as of April 29, 2004.

9. Mirant and its direct and indirect subsidiaries comprise a competitive energy concern that generates and sells electricity in North America, the Philippines and the Caribbean. Through its direct and indirect subsidiaries, Mirant produces, sells and delivers reliable energy

² Contemporaneously herewith, the Mirant Committee is filing an application to employ and retain Capstone as its financial consultant.

products and services to utilities, municipal systems, aggregators, electric-cooperative utilities, producers, generators, marketers and large industrial customers. 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. Mirant employs in excess of 6,700 employees worldwide, of which approximately 1,000 employees are based at Mirant's corporate headquarters in Atlanta, Georgia, and approximately 5,700 employees are based at various other operating facilities.

10. The Debtors have distributed their confidential business plan and subsequently will propose a reorganization plan, both of which will require analysis of, among other things, debt capacity and enterprise valuation. Accordingly, the Mirant Committee requires the services of an experienced energy consultant to analyze certain unique aspects of the Debtors' businesses and financial affairs. In that regard, the Mirant Committee seeks to employ and retain PA as its energy consultant. Not only is PA intimately familiar with the Debtors' prepetition financial affairs, it also has experience at a national level in matters of this character and is well-qualified to perform the services required in these cases. Specifically, PA provides expertise in the operation and maintenance of electric generating plants and the management of portfolios of those assets. That expertise includes analyzing business plans and budgets, operating costs, management, power marketing, fuel procurement and transactions between individual projects and the corporate center. In consultation with the Mirant Committee and its other advisors, PA

may be requested by the Mirant Committee to perform professional services including, but not limited to, the following:

- Providing strategic advice with respect to energy industry specific issues in these chapter 11 cases;
- Analyzing technical aspects of the Debtors' business plans and models, with a particular emphasis on the Debtors' energy business plans;
- Analyzing the Debtors' energy business strengths, weaknesses and risks from the creditors' viewpoint;
- Providing advice on restructuring issues and options;
- Providing power marketing advice and analysis with respect to the Debtors' management, credit policy, hedging contracts and credit support;
- Providing advice on the Debtors' asset management and business infrastructure; and
- Providing other services as requested by the Mirant Committee.

11. PA has indicated its desire and willingness to act in these cases and to render the necessary professional services to the Mirant Committee in accordance with the terms set forth in this Application and as specifically requested by the Mirant Committee. In performing those tasks, PA will coordinate with the Mirant Committee's other retained professionals, in particular, Capstone and Miller Buckfire Lewis Ying & Co., LLC, to avoid any unnecessary duplication of services. The Mirant Committee will promptly transition services presently performed by RCM to PA and there will be no or minimal duplication of services between PA and RCM.

12. To the best of the Mirant Committee's knowledge, information and belief, except as set forth in the Declaration of Todd Filsinger (the "Filsinger Declaration") filed concurrently herewith, PA has no connection with, and holds no interest adverse to, the Debtors, their estates, their creditors, or any party in interest in these cases.

13. To the best of the Mirant Committee’s knowledge: (i) PA does not hold or represent any interest adverse to the Mirant Committee in the matters for which it is retained; (ii) PA is a “disinterested person” as that phrase is defined in section 101(14) of the Bankruptcy Code (as modified by section 1107(b) of the Bankruptcy Code); (iii) neither PA nor its professionals have any connection with the Debtors, the creditors or any other party in interest in these cases except as set forth in the Filsinger Declaration; and (iv) PA’s employment is necessary and is in the best interests of the Mirant Committee and the Debtors' estates.

14. Subject to the Court's approval, compensation will be payable to PA on an hourly basis, plus reimbursement of actual, necessary expenses incurred by PA. PA’s current rates by staff level are as follows:

Position Title	Hourly Rate
Partners	\$500 to \$650
Managing Consultants	\$380 to \$510
Consultants	\$275 to \$450
Principal Consultants	\$205 to \$325
Analysts	\$185 to \$235

PA’s rates are subject to periodic adjustment. Such rate adjustments will be disclosed to this Court and the Debtors.

15. The Mirant Committee understands that PA intends to apply to the Court for allowance of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, any applicable local rules, and the procedures established by order of this Court.

16. As set forth in the Filsinger Declaration, the sum of \$159,000.00 remains due and owing by the Agents to PA in connection with the pre and postpetition Consulting Services (the “Consulting Charges”). In an effort to expedite the retention process, the Mirant Committee

hereby submits this Application despite the fact that the Consulting Charges have not yet been paid. However, it is the understanding of the Mirant Committee that the Agents will be remitting the Consulting Charges to PA in the ordinary course and that PA has already terminated its services to the Agents.

17. The Mirant Committee submits that the prompt retention of PA on the terms and conditions set forth herein and in the Filsinger Declaration is necessary and in the best interests of the estates, and should be approved. Accordingly, the Mirant Committee submits that such employment should be granted and approved pursuant to sections 328(a) and 1103(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a).

Notice

18. Notice of this Application has been given to counsel to the Debtors, the UST, each of the official committees appointed in these cases, the Examiner and all other parties that have requested receipt of notices in these cases. In light of the nature of the relief requested herein, the Mirant Committee requests that such notice be deemed adequate and sufficient.

WHEREFORE, the Mirant Committee respectfully requests that the Court enter an order substantially in the form attached hereto (a) authorizing the Mirant Committee to retain PA, effective as of April 29, 2004, and (b) granting such further relief as is just and proper.

Submitted the 6th day of May, 2004.

ANDREWS KURTH LLP

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**COUNSEL TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS
OF MIRANT CORPORATION**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that she served the foregoing document on the Debtors' Master Service List on this 6th day of May 2004 via U.S. First Class Mail, postage paid.

/s/ Monica S. Blacker

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

IN RE:	§ Chapter 11
	§
MIRANT CORPORATION, <i>et al.</i> ,	§ Case No. 03-46590-DML-11
	§
Debtors.	§ Jointly Administered

**ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION
OF PA CONSULTING GROUP, INC. PURSUANT TO SECTIONS
328 AND 1103 OF THE BANKRUPTCY CODE TO PERFORM
ENERGY CONSULTING SERVICES FOR THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS OF MIRANT
CORPORATION, ET AL., EFFECTIVE AS OF APRIL 29, 2004**

Upon the application (the “Application”)¹ of the official committee of unsecured creditors of Mirant Corporation, *et al.* (the “Mirant Committee”), pursuant to sections 328 and 1103 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for an order authorizing the employment and retention of PA Consulting Group, Inc. (“PA”) to perform energy consulting services for the Mirant Committee, effective as of April 29, 2004; and the Court having jurisdiction over the Application pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Application being a core proceeding under 28 U.S.C. § 157(b)(2); and it appearing that notice of the Application was sufficient under the circumstances; and after due consideration of the Application and good cause appearing therefor, it is

¹ Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Application.

ORDERED that the Application be, and hereby is, granted, and the Mirant Committee is hereby authorized to employ and retain PA as its energy consultant on an interim basis; and it is further

ORDERED that parties in interest shall have twenty-six (26) days from the entry of this Order to file an objection to the permanent retention of PA. If no objections are filed, this Order shall become a final order without any further action or order of the Court on the twenty-seventh (27) day after entry of this Order; and it is further

ORDERED that PA shall apply to this Court for compensation and reimbursement of expenses in accordance with the terms of the Bankruptcy Code, Bankruptcy Rules and Orders of this Court; and it is further

ORDERED that the retention of PA shall be effective as of April 29, 2004.

SIGNED this ____ day of _____, 2004

HONORABLE D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE