

ENTERED

WANA C. MARSHALL, CLERK

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

THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

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

**FINAL ORDER PURSUANT TO SECTIONS 105(a) AND 363(b) OF THE
BANKRUPTCY CODE (i) AUTHORIZING THE AMENDMENT OF A CERTAIN
PREPETITION CREDIT FACILITY TO PERMIT THE EXTENSION OR
REPLACEMENT OF OUTSTANDING LETTERS OF CREDIT, (ii) AUTHORIZING
THE EXECUTION OF AN AGREEMENT RELATED TO THE FOREGOING AND
(iii) CONFIRMING CERTAIN MATTERS RELATED TO THE FOREGOING**

Upon consideration of the motion, dated September 9, 2003 (the "Motion"),¹ of Mirant Corporation and its affiliated debtors (collectively, the "Debtors"), as debtors-in-possession, for the entry of an order pursuant to sections 105(a) and 363(b) of the Bankruptcy Code: (i) authorizing Mirant to amend the Four Year Credit Agreement for the purposes of extending Existing Letters of Credit, (ii) authorizing Mirant to execute and perform its obligations under the Amendment Agreement, and (iii) confirming that (A) Mirant's reimbursement obligations in respect of any drawing under an Extended Letter of Credit shall constitute a prepetition unsecured claim against Mirant with respect to the Bankruptcy Cases (without waiver or prejudice to any objection by a party in interest to the "allowance" of such prepetition unsecured claims); and (B) the issuance of any Extended Letter of Credit pursuant to

¹ Capitalized terms not otherwise defined herein shall bear the same meanings ascribed to them in the Motion.

the terms of the Amendment Agreement will not be recharacterized or otherwise deemed to constitute a new extension of credit for the purposes of section 364 of the Bankruptcy Code or otherwise; and it appearing that the Court has jurisdiction over this matter and the relief requested in accordance with 28 U.S.C. sections 157 and 1334; and it appearing that sufficient notice has been provided under the exigent circumstances of the Motion as it pertains to the Amendment Agreement and those Existing Letters of Credit set forth on Exhibit "A" hereto ("Designated Letters of Credit"); and a first interim hearing having been held on September 12, 2003, and a second interim hearing having been held on September 17, 2003 (together, the "Interim Hearings"), in each case, to consider the Motion on an interim basis as it relates to the Amendment Agreement and those certain Existing Letters of Credit considered thereat; and an interim order having been entered by this Court following each of the Interim Hearings (collectively, the "Interim Orders"); and a hearing having been held on October 8, 2003 to consider the Motion on a final basis as it relates to the Amendment Agreement and the Designated Letters of Credit (the "Final Hearing"); and upon the record of the Interim Hearings and the Final Hearing and all of the proceedings heard before the Court; and it further appearing that the relief requested in the Motion is in the best interests of the Debtors and their estates and creditors; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that, the Motion is granted to the extent set forth herein; and it is further

ORDERED that, Mirant be authorized to exercise its rights and perform its obligations under the Amendment Agreement with respect to the Designated Letters of Credit,

and to execute such other agreements, documents or instruments as may be necessary in furtherance of the transactions contemplated thereby; and it is further

ORDERED that the reimbursement obligations with respect to any drawings under any Extended Letter of Credit extended pursuant to the Amendment Agreement (including, any Evergreen Letter of Credit renewed pursuant to its terms or otherwise) shall constitute prepetition unsecured claims against Mirant with respect to the Bankruptcy Cases (without waiver or prejudice to any objection by a party in interest to the “allowance” of such prepetition unsecured claims); and it is further

ORDERED that, the issuance of any Extended Letter of Credit pursuant to the terms of the Amendment Agreement (including the renewal of any Evergreen Letter of Credit pursuant to its terms or otherwise) will not be recharacterized or otherwise deemed to constitute a new extension of credit for the purposes of section 364 of the Bankruptcy Code or otherwise; and it is further

ORDERED that, the Debtors shall provide reasonable prior notice to the Committees of their intention to extend any of the Designated Letters of Credit and provide summary information relating thereto, including, the principal amount, the beneficiary, the purpose for which such Designated Letter of Credit was originally issued, the Scheduled Expiry Date, the Relevant Termination Date and a brief explanation of the Debtors’ determination to extend the same, provided that, in the event that the Debtors fail to comply with the terms of this paragraph with respect to any Designated Letter of Credit, the Issuing Bank shall not be liable to

any person for any matter arising out of any extension of such Designated Letter of Credit which is carried out in accordance with the terms of the Amendment Agreement; and it is further

ORDERED that, if, following notification to the Committees of its intention to extend a Designated Letter of Credit, the Debtors determine that such Designated Letter of Credit shall not be so extended, the Debtors shall immediately notify the Committees of such determination, provided that, in the event that the Debtors fail to comply with the terms of this paragraph with respect to any Designated Letter of Credit, the Issuing Bank shall not be liable to any person for any matter arising out of any extension of such Designated Letter of Credit which is carried out in accordance with the terms of the Amendment Agreement; and it is further

ORDERED that, nothing in this Order shall prejudice the ability of any Committee to seek appropriate relief from this Court with respect to any Designated Letter of Credit or any action, or inaction taken or to be taken by the Debtors in relation thereto, provided that requisite notice of any application for such relief shall be served on counsel to the agent to the Lenders and the Issuing Bank; and it is further

ORDERED that, the extension of any Designated Letter of Credit in accordance with the terms of this Order shall be valid and binding upon all parties to the Credit Agreement in accordance with the terms thereof and this Order, provided however, that nothing herein shall prejudice the rights of the Lenders or the Issuing Bank to dishonor or challenge the drawing of any Extended Letter of Credit under the Credit Agreement or under applicable law; and it is further

ORDERED that, to the extent applicable, the stay imposed by Bankruptcy Rule 6004(g) is hereby waived; and it is further

ORDERED that, the Court shall retain jurisdiction to hear and determine all matters relating to implementation and enforcement of this Order.

Signed: October 9, 2003



HONORABLE D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE

PREPARED BY:

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-and-

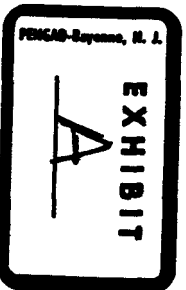
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ATTORNEYS FOR THE DEBTORS
AND DEBTORS IN POSSESSION

MIRANT CORP. FOUR YEAR FACILITY AGREEMENT

EXHIBIT A

L/C NUMBER	EXPIRY DATE	BENEFICIARY	UNFUNDED LC BALANCE	PRINCIPAL AMOUNT ISSUED
SM201003W	11/15/2003	Cape Light Compact	1,031,000.00	1,031,000.00
SM201724W	11/15/2003	TXU Energy Trading	10,000,000.00	10,000,000.00
LC870-131459	11/30/2003	Pacific Gas & Electric Company	1,797,274.68	46,100,000.00
LC870-133919	11/30/2003	The Detroit Edison Company	690,560.00	690,560.00
SM200909W	11/30/2003	Kern River Gas Transmission	74,760.00	74,760.00
SM200915W	11/30/2003	Kern River Gas Transmission	14,791,589.00	16,800,070.00
SM201010W	11/30/2003	TransCanada	25,683,096.77	31,000,000.00
SM201867W	11/30/2003	American Electric Power Service Corp	11,320,000.00	11,320,000.00
SM203376W	11/30/2003	Georgetown Municipal Light	200,000.00	200,000.00
LC870-132043	12/1/2003	ATCO	240,000.00	240,000.00
LC870-132492	12/15/2003	American Electric Power Service Corp.	680,000.00	680,000.00
LC870-132743	12/15/2003	Exelon Generation Company, LLC	10,000,000.00	10,000,000.00
LC870-134923	12/15/2003	Southern Natural Gas	443,200.00	443,200.00
SM202991W	12/15/2003	Reliant Energy Services	14,607,216.00	46,500,000.00
SM203381W	12/15/2003	Potomac Power Resources	50,000.00	50,000.00
SM201317W	12/18/2003	Municipal Electric	3,000,000.00	3,000,000.00
LC870-132426	12/22/2003	PG&E Transmission	3,725,202.00	3,725,202.00
LC870-124536	12/23/2003	US Bank Trust National Association	83,500,000.00	83,500,000.00
SM203393W	12/26/2003	Coral Canada US Inc	7,500,000.00	7,500,000.00
LC870-133217	12/30/2003	Morgantown OL1	19,653,113.96	19,653,113.96
LC870-133218	12/30/2003	Dickerson OL3	957,580.08	957,580.08
LC870-133219	12/30/2003	Dickerson OL1	7,193,166.35	7,193,166.35
LC870-133220	12/30/2003	Morgantown OL7	2,477,414.09	2,477,414.09
LC870-133221	12/30/2003	Morgantown OL6	1,981,931.27	1,981,931.27
LC870-133222	12/30/2003	Morgantown OL5	1,486,448.46	1,486,448.46
LC870-133223	12/30/2003	Morgantown OL4	4,507,583.96	4,507,583.96
LC870-133224	12/30/2003	Morgantown OL3	4,507,583.96	4,507,583.96
LC870-133225	12/30/2003	Morgantown OL2	15,909,663.68	15,909,663.68
LC870-133226	12/30/2003	Dickerson OL4	1,654,854.32	1,654,854.32
LC870-133227	12/30/2003	Dickerson OL2	957,580.08	957,580.08
SM201005W	12/30/2003	Nova Gas Transmission	32,000,000.00	32,000,000.00
LC870-132071	12/31/2003	TransCanada	24,477,623.91	91,442,000.00
LC870-133492	12/31/2003	Engage Energy America, LLC	2,300,000.00	2,300,000.00
LC870-134741	12/31/2003	ISO New England	16,399,740.83	18,000,000.00
LC870-134854	12/31/2003	TransCanada	18,630,345.27	49,238,000.00
SM200289W	12/31/2003	Texas Genco, LP	17,000,000.00	17,000,000.00
SM200296W	12/31/2003	Texas Genco, LP	3,500,000.00	3,500,000.00
SM201478W	12/31/2003	Nova Gas	220,000.00	220,000.00
SM201548W	12/31/2003	Vector Pipeline	100,000.00	100,000.00
SM201660W	12/31/2003	The Bank of Nova Scotia	1,200,000.00	1,200,000.00
SM203047W	12/31/2003	Oneok Energy Marketing	1,924,500.00	1,924,500.00
SM421240	12/31/2003	Texas Eastern Transmission	5,302,616.13	5,500,000.00
SM203318W	1/1/2004	Southern California Edison Company	1,007,842.00	1,007,842.00



LC870-132804	1/17/2004	Bankers Trust	3,723,000.00	3,723,000.00
SM200665W	1/31/2004	Natural Gas Pipeline	3,347,114.92	3,535,000.00
SM202048W	1/31/2004	The Travelers Indemnity Company	440,000.00	440,000.00
LC870-125842	2/2/2004	Lumbermens Mutual/Kemper	767,000.00	767,000.00
LC870-133237	2/2/2004	Northern Border Pipeline Co	16,577,489.75	19,057,139.00
SM200586W	2/15/2004	PG&E	8,250,000.00	8,250,000.00
SM202370W	3/10/2004	Baltimore Gas and Electric	25,000.00	25,000.00
LC870-134292	3/31/2004	Engage Energy America, LLC	6,000,000.00	6,000,000.00
SM202917W	3/31/2004	Southern Company Services	200,000.00	200,000.00
SM202938W	3/31/2004	Prince George's County Gov't	212,173.00	212,173.00
SM202990W	3/31/2004	Great Lakes Gas Transmission	639,287.11	643,000.00
SM203008W	3/31/2004	Gulf South Pipeline Company	250,000.00	250,000.00
SM203185W	4/30/2004	Chicopee Municipal Lighting Plant	5,150,000.00	5,150,000.00
SM421916W	4/30/2004	Duke Energy	500,000.00	500,000.00
SM203044W	5/3/2004	Perryville Energy Partners	35,000,000.00	35,000,000.00
SM421680W	5/28/2004	WPS Energy Services	3,200,000.00	3,200,000.00
SM421781W	5/31/2004	PGNTS Operating Co.	562,100.00	562,100.00
LC870-131087	6/1/2004	Georgia Power Company	8,000,000.00	8,000,000.00
LC870-134881	6/1/2004	Georgia Power Company	16,000,000.00	16,000,000.00
SM203380W	6/13/2004	California State Lands Commission	20,000.00	20,000.00
SM203285W	6/15/2004	Nicor Enerchange LLC	3,000,000.00	3,000,000.00
LC870-132706	6/30/2004	Midwest ISO	15,325.85	500,000.00
SM421733W	6/30/2004	El Paso	2,500,000.00	2,500,000.00
SM421852W	7/12/2004	New York Dept. of Environmental Conservation	4,275,087.00	4,275,087.00
LC870-131693	7/31/2004	Natural Gas Exchange Inc.	60,000,000.00	60,000,000.00
SM421787W	11/1/2004	Southwest Power Pool	525,000.00	525,000.00
LC870-131524	11/2/2004	New York Independent System Operator	9,200,000.00	9,200,000.00
SM203187W	11/15/2004	GE Capital Financial	1,500,000.00	1,500,000.00

LC TOTALS

564,562,064.43

750,608,553.21