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ATTORNEYS FOR THE DEBTORS AND DEBTORS-IN-POSSESSION

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

In re)	
)	Chapter 11 Case
)	
MIRANT CORPORATION, <u>et al.</u> ,)	Case No. 03-46590 (DML)
)	Jointly Administered
Debtors.)	
)	Requested Date and Time: May 26,
)	2004 at 10:30 a.m.

**REQUEST FOR EXPEDITED HEARING TO CONSIDER DEBTORS'
MOTION TO REJECT EXECUTORY CONTRACTS AMONG MIRANT
AMERICAS ENERGY MARKETING INVESTMENTS, INC., TRANSCANADA
PIPELINES LIMITED, TRANSCANADA ENERGY LTD. AND
TRANSCANADA GAS SERVICES INC.**

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

Mirant Corporation (“Mirant”) and its affiliated debtors (collectively, “Mirant” or the “Debtors”), as debtors-in-possession, file this Request for Expedited Hearing (the “Request”) to consider the “*Debtors’ Motion To Reject Executory Contracts Among Mirant Americas Energy Marketing Investments, Inc., TransCanada Pipelines Limited, TransCanada Energy Ltd., And TransCanada Gas Services Inc.*” (the “Motion”). The Debtors hereby respectfully request

that the Court hear the Motion on an expedited basis on **May 26, 2004 at 10:30 a.m.** In support of this Request, the Debtors state as follows:

As set forth in greater detail in the Motion, the Motion requests authority, pursuant to section 365(a) of title 11, United States Code (11 U.S.C. §§ 101 et seq., as amended) (the “Bankruptcy Code”) to reject the Firm Gas Transportation Capacity Agreements and Firm Service Capacity Release (collectively, the “Contracts”), which were described in that certain Purchase And Sale Agreement (Margin) (the “PSA”), dated October 10, 2001 entered into among, Mirant Americas Energy Marketing Canada, Ltd., a Canadian corporation (“MCEM”),¹ Mirant Americas Energy Marketing Investments, Inc., a corporation incorporated under the laws of the State of Georgia (“MAEMII” and, collectively with MCEM, defined as the “Purchasers” under the PSA), TransCanada Pipelines Limited, a Canadian corporation (“TransCanada Pipelines”), TransCanada Energy Ltd., a Canadian corporation (“TransCanada Energy”), and TransCanada Gas Services Inc., a corporation incorporated under the laws of the State of Delaware (“TransCanada Gas” and collectively with TransCanada Pipelines and TransCanada Energy, the “TransCanada Entities”).

Pursuant to the PSA, the Purchasers agreed to purchase substantially all of the TransCanada Entities’ assets, liabilities, property, and business and are jointly and severally liable for all obligations that arise under the PSA. The Contracts are the only remaining assets, liabilities, properties or businesses purchased under the PSA that have not been sold to a third party or expired by their own terms. As this Court may recall, on October 2, 2003, pursuant to

¹ On July 14, 2004, MCEM commenced insolvency proceedings (the “Canadian Proceedings”) under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 as amended (the “CCAA”), and is subject to the jurisdiction of the Court of Queen’s Bench of Alberta Judicial District of Calgary. PricewaterhouseCoopers, Inc. is the Monitor in the CCAA proceedings.

Court order in the Canadian Proceedings, Mirant Canada² engaged in a sales process designed to sell its Canadian trading business as a going concern. At the close of bidding there were no offers for Mirant Canada as an ongoing business. Rather, the offers consisted of various combinations of offers to purchase certain specific assets. To that end, in March 2004, Mirant Canada assigned most of the TransCanada transportation contracts to Tenaska Marketing Canada, a division of TMV Corp. (“Tenaska”). The TransCanada Gas transportation contracts and the firm capacity release contract that have not been assigned to Tenaska are the Contracts with respect to which rejection is sought herein.

The Mirant Entities entered into the PSA in order to purchase substantially all of the TransCanada Entities assets and business, of which the Contracts were a minor component. Even at the time the PSA was executed, the Mirant Entities did not need, and could not use, the Firm Gas Transportation Capacity or the Firm Capacity Release. The Firm Gas Transportation Capacity and the Firm Capacity Release are not currently, and have not previously, been used to supply the Debtors’ power plants. The Mirant Entities agreed to accept assignment of the Firm Gas Transportation Capacity and the Firm Capacity Release (and take responsibility for the obligations thereunder) only as part of the overall transaction.

It is necessary for the Debtors to have the matter heard on May 26, 2004 because the relief requested will relieve the Debtors of having to pay demand charges with respect to the Firm Gas Transportation Capacity of approximately \$105,000 due on June 1, 2004. If the Motion is granted prior to June 1, 2004, the Debtors will avoid that cost. The Debtors have had numerous discussions with TransCanada Gas in an effort to obviate the need for filing the

² “Mirant Canada” is defined as: Mirant Canada Energy Marketing Investments, Inc. and Mirant Canada Energy Marketing Ltd., collectively.

Motion.³ Unfortunately, the Debtors have not yet been able to reach an amicable resolution with TransCanada Gas. However, if the hearing on the Motion is not expedited, the Debtors may be obligated to pay another month of demand charges for a contract that they have determined should be rejected. It is the Debtors' view that they should not be penalized by having to pay another month of \$105,000 in demand charges when the reason the Motion was not filed sooner was because the Debtors were negotiating in good faith with the TransCanada Entities to reach a consensual agreement.

Pursuant to this Court's *Order Granting Debtors' Motion Pursuant to Section 105 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 9014(a) for an Order Establishing Uniform Schedule for the Filing and Service of Responses and Objections to Contested Motions*, if the Court grants this request, responses and objections to the Motion must be filed and served no later than **4:00 p.m. (Central Time) on May 24, 2004**.

Therefore, the Debtors request that the Court enter an Order setting a hearing on the Motion for **May 26, 2004 at 10:30 a.m.** and requiring responsive pleadings to be filed and served so they are received by no later than **4:00 p.m. (Central Time) on May 24, 2004**.

³ The Debtors specifically draw this Court's attention to the fact that they are reviewing and analyzing the applicability section 508 of Bankruptcy Code with respect to monies sought to be recovered by TransCanada in these estates vis-à-vis any sums obtained by TransCanada in the Canadian Proceeding.

Respectfully submitted this 12th day of May, 2004.

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ATTORNEYS FOR THE DEBTORS AND
DEBTORS-IN-POSSESSION

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he 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 and the addresses set forth below via email, facsimile or overnight mail, as appropriate, on the 12th day of May, 2004.

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/s/ Robin E. Phelan

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

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

**ORDER EXPEDITING CONSIDERATION OF DEBTORS' MOTION TO
REJECT EXECUTORY CONTRACTS AMONG MIRANT AMERICAS ENERGY
MARKETING INVESTMENTS, INC., TRANSCANADA PIPELINES LIMITED,
TRANSCANADA ENERGY LTD. AND TRANSCANADA GAS SERVICES INC.**

Came before the Court for consideration the Request for Expedited Hearing (the "Request") regarding the "*Debtors' Motion To Reject Executory Contracts Among Mirant Americas Energy Marketing Investments, Inc., TransCanada Pipelines Limited, TransCanada Energy Ltd., And TransCanada Gas Services Inc.*" (the "Motion") filed by Mirant Corporation and its above-captioned affiliated debtors (collectively, the "Debtors"). After considering the Request and the representations made therein, the Court finds that the Request has merit and should be granted. It is therefore, hereby

ORDERED that the Request is granted in full and in all respects; and it is further

ORDERED that the hearing on the Motion is set for May 26, 2004 at 10:30 a.m.; and it is further

ORDERED that responses and objections to the Motion must be filed and served upon Debtors' counsel, counsel for the Official Committees, the U.S. Trustee and such other persons identified in the Certificate of Service to the Motion to ensure receipt by no later than 4:00 p.m. (prevailing central time) on Monday, May 24, 2004.

ORDERED that the Debtors shall serve immediately a copy of this Order on all parties upon whom the Debtors served the Motion.

SIGNED: _____

Honorable D. Michael Lynn
United States Bankruptcy Judge