

T. Glover Roberts
Richard G. Grant
ROBERTS & GRANT, P.C.
The Centrum
3102 Oak Lawn Ave., Suite 700
Dallas, Texas 75219
Telephone: 214-210-2929
Facsimile: 214-210-2949

**COUNSEL FOR
WASHINGTON GAS ENERGY SERVICES, INC.**

**IN 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. 03-46591(DML)
)	Jointly Administered
Debtors.)	
)	

**OBJECTION OF WASHINGTON GAS ENERGY
SERVICES, INC. TO DEBTORS' MOTION FOR AN
ORDER PURSUANT TO SECTIONS 365 AND 554 OF THE BANKRUPTCY CODE
AUTHORIZING AND APPROVING A PROCEDURE
FOR THE REJECTION OF CERTAIN EXECUTORY CONTRACTS**

Washington Gas Energy Services, Inc. ("WGES") objects to the Debtors' Motion For An Order Pursuant To Sections 365 And 554 Of The Bankruptcy Code Authorizing A Procedure For The Rejection Of Certain Executory Contracts (the "Contract Rejection Motion") on only five days' advance notice to affected counterparties with a proposed contract rejection effective date the same as the rejection notice date. In support of this objection, WGES states:

1. By their Contract Rejection Motion, the Debtors seek Court approval of an expedited procedure for the rejection of executory contracts that Debtors deem to be burdensome and unnecessary in Debtors' business judgment pursuant to §365(a) of the Bankruptcy Code. If

no objection is filed with the Court by a notified counterparty within this abbreviated notice period, the contract would be deemed rejected as of the date of the Rejection Notice to the counterparty. *Inter alia*, even if a timely objection is filed with the Court and a hearing is held, Debtors propose that the contract would be deemed rejected as of the date of the rejection notice to the counterparty, not as of the date of the Court Order or other date designated by the Court.

2. As noted in the Objection to the Debtors' motion filed by Potomac Electric Power Company (Pepco) on July 16, 2003, among the executory contracts that may be subject to the procedures adopted by the Court in a ruling on the Debtors' motion are wholesale supply contracts between Debtors and Pepco. WGES also is a counterparty to executory wholesale supply contracts with Debtors, and these contracts are also subject to FERC jurisdiction and regulations.

3. WGES supplies significant numbers of retail electricity customers in the District of Columbia and Maryland based on wholesale supply contracts with Debtors. Rejection of such contracts by Debtors are affected with the same public interest and by the same FERC jurisdictional effects that apply to any wholesale supply contract that serves the consuming public under the Federal Power Act. Given the complexity of arranging for replacement supplies under these contracts, WGES believes that counterparties with wholesale supply contracts with Debtors should be entitled to the twenty days notice required under Fed. R. Bankr. P. 2002(a). Streamlining of contract rejection is not facilitated by shortening the notice time from twenty (20) days to five (5) days.

4. Daily deliveries are made by Debtors to wholesale purchasers like WGES under long term wholesale supply contracts. It is neither reasonable nor feasible to designate contract rejection effective dates as the dates of notice of rejection to counterparties from Debtors. The

public interest requires consideration for the planning needed to make alternative arrangements for the daily deliveries to the consuming public that would cease under rejected contracts. Such planning requires a reasonable period after any Court order approving any motion to reject wholesale electricity supply contracts. At the very minimum, effective contract rejection dates should be a commercially reasonable period after a Court approval after appropriate notice and a hearing, WGES suggests that the effective contract rejection date, if such Motion if approved by the Court, should be sixty (60) days after the entry of a final Court order approving any rejection unless otherwise agreed to by the debtor and the counterparty.

5. This Contract Rejection Motion also tramples on the concepts of due process and fair play, not to mention good and sufficient notice, which is required under the Bankruptcy Code. In addition to creating a self-executing contract rejection mechanism that can avoid court approval and scrutiny, the Debtors propose an unfair and exceedingly short notice period of five (5) days. Effectively, the mechanism would create a snare where a party affected by the rejection of its contract with the Debtors might miss or overlook this narrow window of opportunity to object to the rejection and forever lose its right to bring the issue before the Court.

6. Moreover, the Debtors seek approval to implement a procedure that applies only the “business judgment” test of the Debtors as the determining factor in the rejection of certain executory contracts. If they are successful in achieving approval of this five day notice and someone misses this objection deadline, the Debtors have not only trampled on basic rights of parties to the contracts in question, but they have also avoided the Section 365 (a) test of the contract rejection and the application of the Court’s judgment since rejection not be “subject to the Court’s approval”.


7. If nothing else, a procedure that circumvents the Court's review and approval process should not be condoned, and this Contract Rejection Motion should be denied.

For the foregoing reasons, WGES respectfully submits that the five day advance notice period proposed by Debtors is unreasonable and should be rejected in favor of a twenty day notice period called for by the federal bankruptcy rules, followed by a hearing on the contract rejection issue in question, with the Court's approval or disapproval of each of contract rejection issue on a case by case basis. And WGES prays for such other, further and general relief as be just and appropriate under the circumstances.

Dated: July 23, 2003

Respectfully Submitted,

ROBERTS & GRANT, P.C.

By: 

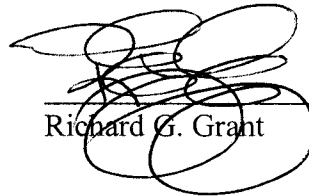
T. Glover Roberts
Tex. Bar No. 17048800
Email: groberts@robertsandgrant.com
Richard G. Grant
Tex. Bar No. 08302650
Email: rgrant@robertsandgrant.com

ROBERTS & GRANT, P.C.
The Centrum, Suite 700
3102 Oak Lawn Avenue
Dallas, Texas 75219
Tel: 214-210-2929
Fax: 214-210-2949

COUNSEL TO WASHINGTON GAS
ENERGY SERVICES, INC.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true, correct and complete copy of the foregoing Objection of Washington Gas Energy Services, Inc. to Debtors' Motion for An Order Authorizing and Approving A Procedure For the Rejection Of Certain Executory Contracts was transmitted via United States Mail, First Class, postage prepaid, to the addresses set forth on the attached service list on July 23, 2003 and to counsel for the Debtor via electronic mail on July 23, 2003.


Richard G. Grant

Al Hernandez
Pershing Securities Corporation
1 Pershing Plaza
Jersey City, NJ 07399

Alan Sidrane
Credit Lyonnais New York Branch
1301 Avenue of the Americas
New York, NY 10019

Andrea Augustina/Scott Habura
Deutsche Bank Securities Inc.
1251 Avenue of the Americas
New York, NY 10020

Angela D. Dodd
Securities and Exchange Commission
Midwest Regional Office
175 W. Jackson Blvd., Suite 900
Chicago, IL 60604

Anthony Ianno
JP Morgan Chase
277 Park Avenue
New York, NY 10072

Attorney General
Office of the Attorney General
714 Jackson St., 6th Floor
Dallas, TX 75202

Attorney General of Georgia
40 Capitol Square, SW
Atlanta, GA 30303

Benjamin C. Ackerly
Hunton & Williams
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, VA 23219

Bert Valdman
JP Morgan Chase
277 Park Avenue
New York, NY 10072

Bill Rhodes
Bank of Tokyo-Mitsubishi Trust Co.
1251 Avenue of the Americas
New York, NY 10020-1104

Billy B. Dixon
BP America, Inc.
501 Westlake Park Blvd.
Houston, TX 77079

Brian Regan
New York Mercantile Exchange, Inc.
World Financial Center
One North End Avenue
New York, NY 10282

Bruce R. Zrinsky
Cadwalder, Wickersham & Taft
100 Maiden Lane
New York, NY 10038

Caperton Putt
Wachovia Securities
GA9174, 999 Peachtree Street
Atlanta, GA 30309

Carl Shafer
Bank One NA
1717 Main Street, 4th Floor
Dallas, TX 75201

Carlos Lede
UBS Securities LLC
677 Washington Blvd.
Stamford, CT 06901

Cecile Lamarco
The Bank of New York
One Wall Street
New York, NY 10286

Charles Greer
The Royal Bank of Scotland PLC
101 Park Avenue
New York, NY 10178

Charles O'Neil
INO Bank NY
1325 Avenue of the Americas
New York, NY 10019

Credit Suisse First Boston
c/o Issuer Services
ADP Proxy Services
51 Mercedes Way
Edgewood, NY 11717

Cynthia Grimm/Michael McKenney
Bank of America Securities LLC
100 North Tryon
Charlotte, NC 28255-0001

Daniel Allen
Morgan Stanley Senior Funding, Inc.
1633 Broadway, 25th Floor
New York, NY 10019

Darrell Stanley
Credit Lyonnais Americas
1301 Travis Street, Suite 2100
Houston, TX 77002

David A. Leslie
Citibank, N.A.
3800 Citibank Center, B3-15
Tampa, FL 33610

David Bennett
Thompson & Knight, LLP
1700 Pacific Avenue, Suite 3300
Dallas, TX 75201-4693

David Kalal
UBS Warburg
Impaired Loan Mgmt/Stamford Branch
677 Washington Blvd.
Stamford, CT 06901

Deborah Gravinese
TD Securities (USA) Inc.
31 West 52nd Street
New York, NY 10019-6101

Dennis Klejna
Refco Group Ltd., LLC
One World Financial Center
200 Liberty Street, Tower A
New York, NY 10281-1094

Edward Hamway/Chris Kinney
Barclays Bank plc
200 Park Avenue, 4th Floor
New York, NY 10166

Environmental Protection Agency
Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, GA 30303-3104

Environmental Protection Agency
EP A East
1201 Constitution Ave. NW #4101 M
Washington, DC 20004

Environmental Protection Agency
Fountain Place 12th Floor
1445 Ross Avenue, #1200
Dallas, TX 75202-2733

Felicia LaForgia
Westdeutsche Landesbank Girozentri
1211 Avenue of the Americas
New York, NY 10036

Fernando Ferreyea
Dexia Credit Local
445 Park Avenue, 8th Floor
New York, NY 10022

Frank Sandler
Bank of Nova Scotia
One Liberty Plaza, 26th Floor
New York, NY 10006

Frank Turner
Lehman Brothers, Inc.
745 Seventh Avenue, 3rd Floor
New York, NY 10019

Fred C. Thurston
Dresdner Bank, A.G.
75 Wall Street, 25th Floor
New York, NY 10005-2889

Frederic Sosnick
Sheannan & Sterling
599 Lexington Avenue
New York, NY 10022-6069

Gauri Ketcher
The Royal Bank of Scotland plc
101 Park Avenue
New York, NY 10178

Gen Simms
Wachovia Securities
Class Action and Bankruptcy
111 8th Avenue
New York, NY 10011

George F. McElreath
U.S. Trustee's Office
1100 Commerce Street, Room 9C60
Dallas, TX 75242

Georgia Department of Labor
148 Andrew Young International Blvd
Atlanta, GA 30303-1751

Internal Revenue Service
Special Procedures Staff
Mail Code 5020-DAL
1100 Commerce St., Room 9B8
Dallas, TX 75242

Jacqueline Brunetto
KBC Bank N.V.
245 Peachtree Center Ave., Suite 2550
Atlanta, GA 30303

James Masters
Mizuho Corporate Bank
191 Peachtree Street, NE, Suite 3825
Atlanta, GA 30303

James S. Carr
Kelley Drye & Warren LLP
101 Park Avenue
New York, NY 10078

Jill Akre
Wachovia Securities
1339 Chestnut Street, 3rd Floor
Philadelphia, PA 19107

John Byrne
Lehman Brothers Inc.
70 Hudson Street
Jersey City, NJ 07302

John Dorans
Citigroup/Salomon Smith Barney
250 West Street, 8th Floor
New York, NY 10013

John Lasher
Deutsche Bank Trust Company
America
648 Grassmere Park Road
Nashville, TN 37211

John Mancuso
Bank of New York/UBS AG Designed
One Wall Street, 14th Floor
New York, NY 10286

John R. Weiss
Katten Muchin Zavis Rosenman
525 W. Monroe Street, Suite 1600
Chicago, IL 60661-3693

Joseph I. Callahan
State Street Bank and Trust Company
1776 Heritage Drive
Global Corporation Action Unit
Quincy, MA 02171

Joseph P. Collins
Mayer, Brown & Platt
190 South LaSalle St.
Chicago, IL 60603

Judith Elkin
Haynes and Boone
901 Main Street, Suite 3100
Dallas, TX 75202-3789

Karen Greene/Amelia Henson
The Northern Trust Company
801 Canal C-In
Chicago, IL 60607

Keith Frohilcher
US Bank National Association
1555 Rivercenter Drive, Suite 0300
Milwaukee, WI 53212

Ken Donohue
JP Morgan Securities Inc.
34 Exchange Place
Jersey City, NJ 07302

Kenneth I. Bauer
Bank One NA
One Bank One Plaza, 8th Floor
Chicago, IL 60607

Larry Hammond
Barclays Capital
222 West Broadway
New York, NY 10038

Lisa J. Mellencamp
Duke Energy Trading & Marketing
5400 Westheimer Court
Houston, TX 77056

Malgalie R. Salas
Federal Energy Regulatory
Commission
888 First Street, NE
Washington, DC 20426

Mark B. Cohen/Anica Trifan
Deutsche Bank AG
60 Wall Street
New York, NY 10019

Marvin J. Goldstein/Mark A. Speiser
Stroock & Stroock & Lavan, LLP
180 Maiden Lane
New York, NY 10038-4982

Melissa Tarasovich
Boston Safe Deposit & Trust Co.
525 William Penn Place
Pittsburgh, PA 15259

Michael P. Massad
Hunton & Williams LLP
Energy Plaza, 30th Floor
1601 Bryan Street
Dallas, TX 75201

Monique Renta/David Sawyer
Credit Suisse First Boston
11 Madison Avenue
New York, NY 10010-3629

Neuberger Berman LLC
605 Third Avenue
New York, NY 10158

Neuberger Berman LLC
c/o Issuer Services
ADP Proxy Services
51 Mercedes Way
Edgewood, NY 11717

Noel Purcell
Mizhuo Corporate Bank
1251 Avenue of the Americas
New York, NY 10020

Office of Attorney General
Main Justice Building
10th & Construction Ave., NW, Room
5111
Washington, DC 20530

Pat Haller
Citigroup Global Markets Inc.
333 West 34th Street
New York, NY 10001

Patricia Baldwin
Goldman, Sachs & Co.
1 New York Plaza, 45th Floor
New York, NY 10004

Paul Kehoe
Dresdner Kleinwort Wasserstein
1301 Avenue of the Americas
New York, NY 10029-6163

Paul Silverstein
Andrews & Kurth LLP
805 Third Avenue
New York, NY 10022

Paula Dabner
JP Morgan Chase
14201 Dallas Parkway
Dallas, TX 75254

Peggy Peckham
Fleet National Bank
100 Federal Street, 12th Floor
Boston, MA 02110

Roger Frankel
Jonathan Guy
Swidler Berlin Shereff Friedman
3000 K Street, NW, Suite 300
Washington, DC 20007

Romalo Catalano
Merrill Lynch Professional Clearing
Co
101 Hudson Street
Jersey City, NJ 07302

Ron Zeller
TD Securities (USA) Inc.
31 West 52nd Street
New York, NY 10019-6101

Samuel Asiedu
Export Development Corporation
151 O'Connor
Ottawa, Canada KIA 1K3

Sander L. Esserman
Jo E. Hartwick
Stutzman Bromberg Esserman &
Plifka
2323 Bryan Street, 22nd Floor
Dallas, TX 75201

Sanjeeva Senananyake
CIBC World Markets Corp.
425 Lexington Avenue, 17th Floor
New York, NY 10022

Scott Reifer
Bank of Americas Securities LLC
300 Harman Meadow Blvd.
Secaucus, NJ 07094

Sean O'Sullivan
Bayerische Landesbank Girozentrale
560 Lexington Ave., 17th Floor
New York, NY 10022

Seth Grosshandler
Cleary Gottlieb Steen & Hamilton
One Liberty Plaza
New York, NY 10006

State Comptroller of Public Accounts
P.O. Box 13528
Austin, TX 78711

Stefan Huber
Landesban Rheinland-Phalz
Grosse Bleiche 54-56
Mainz
Germany D-55098

Steven A. Youngman
Weil, Gotshal & Manges, LLP
100 Crescent Court, Suite 1300
Dallas, TX 75201-6950

Subash Viswanathan
CommerzBank AG
2 World Financial Center
225 Liberty Street
New York, NY 10281-1060

T. Glover Roberts
Richard G. Grant
Roberts & Grant, P.C.
3102 Oak Lawn Avenue, Suite 700
Dallas, TX 75219

Texas Workforce Commission
TEC Building Bankruptcy
101 East 15th Street
Austin, TX 78778

Thomas E. Lauria
White & Case LLP
Wachovia Financial Center
200 South Biscayne Blvd.
Miami, FL 33131

Yoram Dankner
HypoVereinsbank
150 East 42nd Street
New York, NY 10017-4679

Trevor Houston
Citigroup/Salomon Smith Barney
2540 West Street, 8th Floor
New York, NY 10013

United States Attorney
Office of the U.S. Attorney
3rd Floor, 1100 Commerce St.
Dallas, TX 75242

Victor Reich
Morgan Stanley & Co., Inc.
One Pierrepont Plaza
Brooklyn, NY 11201

Vincent Marzella
Bear Stearns Securities Corp.
One Metrotech Center North, 4th Floor
Brooklyn, NY 11201-3862

Walter Hulse
UBS Warburg
299 Park Avenue
New York, NY 10171

Wells Fargo Bank Minnesota A
c/o Issuer Services ADP Proxy
Services
51 Mercedes Way
Edgewood, NY 11717

Wells Fargo Bank Minnesota NA
1600 East Madison Avenue
Mankato, MN 56001

William McCoy
Morgan Stanley
1221 Avenue of the Americas
New York, NY 10020

William Procasky
DZ Bank AG
609 Fifth Avenue
New York, NY 10017

Yasuo Imaizumi
Mizuho Corporate Bank
1251 Avenue of the Americas
New York, NY 10020