

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

U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
**ENTERED**  
TAWANA C. MARSHALL, CLERK  
THE DATE OF ENTRY IS  
ON THE COURT'S DOCKET

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

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**ORDER GRANTING DEBTORS' TIER I OBJECTION TO CERTAIN PROOFS OF CLAIM FILED AGAINST THE DEBTORS' ESTATES (GROUP IV) PURSUANT TO 11 U.S.C. §§ 105(a), 502(b) AND FED. R. BANKR. P. 3007**

On July 2, 2004, Mirant Corporation and its Chapter 11 Debtors Affiliates (the "Debtors") filed and served the "Debtors' Tier I Objection To Certain Proofs Of Claim Filed Against The Debtors' Estates (Group IV) Pursuant To 11 U.S.C. §§ 105(a), 502(b) And Fed. R. Bankr. P. 3007" (the "Objection")<sup>1</sup> requesting entry of an Order disallowing the claims listed on Exhibit A hereto on the grounds that they are duplicates. The only response filed to the Objection was the "Nevada Department Of Taxation's Response To Debtors' Objection To Proof Of Claim (Tier I – Group IV)" (docket no. 4839).

The Court having reviewed the Objection, the Declaration of Carrienne Basler, the Exhibit, any responses filed thereto, and the Stipulations entered into between the Debtors and Wells Fargo, National Association (in its capacity as Successor Indenture Trustee) and Sacramento Municipal Utility District attached hereto as Exhibit B (the terms of the Stipulations are also reflected in Exhibit A); and it appearing that this Court has jurisdiction to consider this Objection and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b); and it

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<sup>1</sup> Capitalized terms not otherwise defined herein have those meanings ascribed to such terms in the Objection.

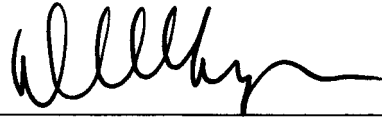
appearing that venue of this proceeding and this Objection is proper in this district in accordance with 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Objection having been given as set forth on the certificate of service annexed to the Objection and the affidavit filed by Bankruptcy Services LLC; and it appearing that no other or further notice is necessary; and it further appearing that the relief requested in the Objection is in the best interests of the Debtors, their estates and their creditors:

**IT HEREBY IS ORDERED THAT:**

1. The Objection is sustained.
2. The proofs of claim listed on Exhibit A under the heading “Claim to be Expunged” are claims that were amended or superseded. The claims register will be modified to record these claims as “identified as amended.” Each Claim to be Expunged is hereby disallowed.
3. The proofs of claim listed on Exhibit A under the heading “Remaining Claims” will remain on the claims registry. The Remaining Claims are neither allowed nor disallowed at this time and the Debtors reserve their right to object to the Remaining Claims on other grounds.
4. The Stipulations attached hereto as Exhibit B are hereby incorporated by reference and approved.
5. Nothing in the Objection, Exhibit A, or this Order constitutes a waiver of the Debtor’s rights to assert any claims, counterclaims, rights of offset or recoupment, preference actions, fraudulent-transfer actions, or any other bankruptcy or nonbankruptcy claims against the

Remaining Claims. This Order has no *res judicata* effect on the allowance or disallowance of the claims listed on Exhibit A other than duplication.

DATED August 11, 2004



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HONORABLE D. MICHAEL LYNN  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit A**  
**Amended Claims - Tier I, Group IV**

In re: Mirant Corporation et al.  
Case No. 03-46590 (DML)

Claim #	Date Filed	Debtor	Name and Address of Claimant	Secured	Administrative	Priority	Unsecured	Total
Claim To Be Expunged	6040	12/12/2003	Mirant Corporation	285 VENTURE, LLC	\$0.00	\$0.00	\$0.00	\$0.00
Remaining Claim	7701	2/5/2004	Mirant Corporation	285 VENTURE, LLC	\$0.00	\$0.00	\$16,725,000.00	\$16,725,000.00
Claim To Be Expunged	7681	01/20/2004	Mirant Corporation	AT&T CORP	\$0.00	\$0.00	\$19,597.61	\$19,597.61
Remaining Claim	7691	2/4/2004	Mirant Corporation	AT&T CORP	\$0.00	\$0.00	\$19,597.61	\$19,597.61
Claim To Be Expunged	7732	09/03/2003	Mirant Corporation	BELLSOUTH	\$0.00	\$0.00	\$5,969.88	\$5,969.88
Remaining Claim	7742	10/13/2003	Mirant Corporation	BELLSOUTH	\$0.00	\$0.00	\$6,119.06	\$6,119.06
Claim To Be Expunged	5589	12/05/2003	Mirant Corporation	CHOICE ENERGY LP	\$0.00	\$0.00	\$23,923.51	\$23,923.51
Remaining Claim	5793	12/9/2003	Mirant Corporation	CHOICE ENERGY LP	\$0.00	\$0.00	\$31,345.26	\$31,345.26
Claim To Be Expunged	7644	01/09/2004	Mirant Corporation	CITY AND COUNTY OF SAN FRANCISCO	\$0.00	\$0.00	\$373,750.00	\$373,750.00
Remaining Claim	7841	2/24/2004	Mirant Corporation	CITY & COUNTY OF SAN FRANCISCO	\$0.00	\$0.00	\$119,913.91	\$119,913.91
Claim To Be Expunged	5855	12/10/2003	Mirant Corporation	CITY OF WYANDOTTE	\$0.00	\$0.00	\$0.00	\$0.00

Exhibit A

Amended Claims - Tier I, Group IV

In re: Mirant Corporation et al.  
Case No. 03-46590 (DML)

Claim #	Date Filed	Debtor	Name and Address of Claimant	Secured	Administrative	Priority	Unsecured	Total
Remaining Claim	6041	12/12/2003	Mirant Corporation	CITY OF WYANDOTTE	\$0.00	\$0.00	\$0.00	\$0.00
Claim To Be Expunged	5309	11/24/2003	Mirant Corporation	COWLITZ COUNTY TREASURER	\$152,097.16	\$0.00	\$0.00	\$152,097.16
Remaining Claim	5750	12/8/2003	Mirant Corporation	COWLITZ COUNTY TREASURER OFFICE	\$1,031,607.27	\$0.00	\$0.00	\$1,031,607.27
Claim To Be Expunged	5224	11/19/2003	Mirant Mid-Atlantic, LLC	FOSTER WHEELER ENERGY CORPORATION	\$0.00	\$0.00	\$470,491.00	\$470,491.00
Remaining Claim	5798	12/9/2003	Mirant Mid-Atlantic, LLC	FOSTER WHEELER ENERGY CORPORATION	\$0.00	\$0.00	\$371,842.00	\$371,842.00
Claim To Be Expunged	7060	12/16/2003	Mirant Mid-Atlantic Services, LLC	GE ENERGY MANAGEMENT SERVICES, INC	\$0.00	\$0.00	\$49,900.00	\$49,900.00
Remaining Claim	7454	12/19/2003	Mirant Mid-Atlantic Services, LLC	GE ENERGY MANAGEMENT SERVICES, INC	\$0.00	\$0.00	\$26,828.00	\$26,828.00
Claim To Be Expunged	6693	12/15/2003	Mirant Americas Energy Marketing, LP	KERN RIVER GAS TRANSMISSION COMPANY	\$0.00	\$0.00	\$0.00	\$0.00
Remaining Claim	7573	1/13/2004	Mirant Americas Energy Marketing, LP	KERN RIVER GAS TRANSMISSION COMPANY	\$210,210,543.00	\$0.00	\$0.00	\$210,210,543.00
Claim To Be Expunged	7746	10/27/2003	Mirant Corporation	M W SCHOFIELD	\$530,394.62	\$0.00	\$0.00	\$530,394.62

## Exhibit A

## Amended Claims - Tier I, Group IV

In re: Mirant Corporation et al.  
Case No. 03-46590 (DML)

Claim #	Date Filed	Debtor	Name and Address of Claimant	Secured	Administrative	Priority	Unsecured	Total
Remaining Claim	7752	11/24/2003	Mirant Corporation	M W SCHIOFIELD	\$2,600,275.48	\$0.00	\$0.00	\$2,600,275.48
Claim To Be Expunged	5368	11/29/2003	Mirant Las Vegas, LLC	NEVADA DEPARTMENT OF TAXATION	\$0.00	\$0.00	\$1,701.48	\$1,851.95
Claim To Be Expunged	5526	12/02/2003	Mirant Las Vegas, LLC	NEVADA DEPARTMENT OF TAXATION	\$0.00	\$0.00	\$1,701.48	\$1,851.95
Remaining Claim	7704	2/17/2004	Mirant Las Vegas, LLC	NEVADA DEPT OF TAXATION	\$0.00	\$0.00	\$41,589.89	\$41,740.36
Claim To Be Expunged	5567	12/04/2003	Mirant Corporation	NEW STATES CONTRACTING LLC	\$223,465.40	\$0.00	\$0.00	\$223,465.40
Remaining Claim	6932	12/15/2003	Mirant Corporation	NEW STATES CONTRACTING LLC	\$223,966.93	\$0.00	\$0.00	\$231,032.76
Claim To Be Expunged	6765	12/15/2003	Wrightsville Power Facility, LLC	PULASKI COUNTY TREASURER	\$0.00	\$0.00	\$56.65	\$56.65
Remaining Claim	7860	3/19/2004	Mirant Corporation	PULASKI COUNTY, ARKANSAS	\$0.00	\$0.00	\$13.05	\$13.05
Claim To Be Expunged	3833	10/07/2003	Mirant Corporation	QUALITY INSPECTION SERVICES INC	\$0.00	\$0.00	\$35,706.00	\$35,706.00
Remaining Claim	7793	1/15/2004	Mirant Lovett, LLC	QUALITY INSEPCION SERVICES	\$0.00	\$0.00	\$0.00	\$35,706.00
Claim To Be Expunged	5667	12/04/2003	Mirant Corporation	RUSH, BARNEY S	\$0.00	\$0.00	\$23,438.00	\$560,562.00
								\$584,000.00

Exhibit A

Amended Claims - Tier I, Group IV

In re: Mirant Corporation et al.  
Case No. 03-46590 (DWL)

Claim #	Date Filed	Debtor	Name and Address of Claimant	Secured	Administrative	Priority	Unsecured	Total	
Remaining Claim	5866	12/10/2003	Mirant Corporation	RUSH, BARNEY S	\$0.00	\$0.00	\$689,950.00	\$0.00	\$689,950.00
Claim To Be Expunged	7753	12/01/2003	Mirant Corporation	SACRAMENTO MUNICIPAL UTILITY DISTRICT	\$0.00	\$0.00	\$1,337,196.00	\$1,337,196.00	
Remaining Claim	7858	2/26/2004	Mirant Corporation	SACRAMENTO MUNICIPAL UTILITY DIST (SMUD)	\$0.00	\$0.00	\$805,196.00	\$805,196.00	
Stipulation reached between Mirant Corporation and Sacramento Municipal Utility District - Claim numbers 7753, 7858, and 7938 will be expunged from the claims register. Claim number 7948 will remain on the claims register.									
Claim To Be Expunged	7390	12/11/2003	Mirant Americas Energy Marketing Investments, Inc.	STATE OF ARIZONA	\$0.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00
Remaining Claim	7711	2/2/2004	Mirant Americas Development, Inc	STATE OF ARIZONA	\$0.00	\$0.00	\$36,500.93	\$7,972.25	\$44,473.18
Claim To Be Expunged	7820	10/02/2003	Mirant Americas Production Company	STATE OF LOUISIANA	\$0.00	\$0.00	\$260,280.73	\$37,650.00	\$297,930.73
Remaining Claim	7821	12/5/2003	Mirant Americas Production Company	STATE OF LOUISIANA	\$0.00	\$0.00	\$74,298.22	\$10,747.35	\$85,045.57
Claim To Be Expunged	7239	12/16/2003	Mirant Americas Energy Marketing, LP	TEXAS EASTERN TRANSMISSION, LP	\$0.00	\$0.00	\$323,395.51	\$323,395.51	
Remaining Claim	7888	4/15/2004	Mirant Americas Energy Marketing, LP	TEXAS EASTERN TRANSMISSION, LP	\$0.00	\$0.00	\$20,000,000.00	\$20,000,000.00	
Claim To Be Expunged	5594	12/05/2003	Mirant Americas Generation, LLC	WELLS FARGO BANK MINNESOTA N.A.	\$0.00	\$0.00	\$407,401,388.89	\$407,401,388.89	

**Exhibit A**

**Amended Claims - Tier I, Group IV**

In re: Mirant Corporation et al.  
Case No. 03-46590 (DML)

Claim #	Date Filed	Debtor	Name and Address of Claimant	Secured	Administrative	Priority	Unsecured	Total			
Remaining Claim	6506	12/15/2003	Mirant Americas Generation, LLC	WELLS FARGO BANK MINNESOTA, 9.125% NOTES	\$0.00	\$0.00	\$0.00	\$407,401,388.89	\$407,401,388.89		
Claim To Be Expunged	5595	12/05/2003	Mirant Americas Generation, LLC	WELLS FARGO BANK MINNESOTA N.A.	\$0.00	\$0.00	\$0.00	\$460,943,750.00	\$460,943,750.00		
Remaining Claim	6508	12/15/2003	Mirant Americas Generation, LLC	WELLS FARGO BANK MINNESOTA, 8.50% NOTES	\$0.00	\$0.00	\$0.00	\$460,943,750.00	\$460,943,750.00		
Claim To Be Expunged	5593	12/05/2003	Mirant Americas Generation, LLC	WELLS FARGO BANK MINNESOTA N.A.	\$0.00	\$0.00	\$0.00	\$507,730,902.78	\$507,730,902.78		
Remaining Claim	6509	12/15/2003	Mirant Americas Generation, LLC	WELLS FARGO BANK MINNESOTA, 7.645% NOTES	\$0.00	\$0.00	\$0.00	\$507,730,902.78	\$507,730,902.78		
Claim To Be Expunged	5592	12/05/2003	Mirant Americas Generation, LLC	WELLS FARGO BANK MINNESOTA N.A.	\$0.00	\$0.00	\$0.00	\$306,180,000.00	\$306,180,000.00		
Remaining Claim	6510	12/15/2003	Mirant Americas Generation, LLC	WELLS FARGO BANK MINNESOTA, 7.20% NOTES	\$0.00	\$0.00	\$0.00	\$306,180,000.00	\$306,180,000.00		
Claim To Be Expunged	5591	12/05/2003	Mirant Americas Generation, LLC	WELLS FARGO BANK MINNESOTA NA	\$0.00	\$0.00	\$0.00	\$864,305,972.22	\$864,305,972.22		
Remaining Claim	6507	12/15/2003	Mirant Americas Generation, LLC	WELLS FARGO BANK MINNESOTA, 8.30% NOTES	\$0.00	\$0.00	\$0.00	\$864,305,972.22	\$864,305,972.22		
<b>Claims To Be Expunged Totals</b>					26		\$905,957.18	\$10,000.00	\$322,884.34	\$2,549,764,750.34	\$2,551,003,591.86

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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**

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In re	)	Chapter 11 Case
	)	
MIRANT CORPORATION, <u>et al.</u>	)	Case No. 03-46590 (DML)
	)	Jointly Administered
Debtors.	)	
	)	Hearing Date and Time: August 11, 2004
	)	

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**STIPULATION RESOLVING TIER I CLAIM OBJECTION TO  
CLAIMS OF WELLS FARGO BANK, N.A., NOT INDIVIDUALLY,  
BUT IN ITS CAPACITY AS SUCCESSOR INDENTURE TRUSTEE FOR  
7.625% SENIOR NOTES DUE 2006, 7.20% SENIOR NOTES DUE 2008,  
8.30% SENIOR NOTES DUE 2011, 8.50% SENIOR NOTES DUE 2021, AND  
9.125% SENIOR NOTES DUE 2031**

Mirant Americas Generation, LLC ("MAG") and Wells Fargo Bank, National Association, as successor by merger to Wells Fargo Bank Minnesota, N.A., not individually, but in its capacity as Successor Indenture Trustee for the 7.625% Senior Notes Due 2006, 7.20% Senior Notes due 2008, 8.30% Senior Notes due 2011, 8.50% Senior Notes due 2021, and 9.125% Senior Notes due 2031 ("Indenture Trustee"), through counsel, hereby agree, as follows:



## RECITALS

A. On July 14, 2003 and July 15, 2003 ("Petition Date"), Mirant Corporation and 74 of its wholly owned subsidiaries in the United States (collectively, the "Original Debtors") filed voluntary petitions for relief under chapter 11 of Title 11 of the of the United States Code (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the Northern District of Texas, Fort Worth Division ("Bankruptcy Court"). On August 18, 2003, October 3, 2003 and November 18, 2003, four additional wholly owned subsidiaries and four affiliates of Mirant commenced voluntary chapter 11 cases under the Bankruptcy Code (together with the Original Debtors, the "Debtors"). The Debtors' chapter 11 cases are being jointly administered for procedural purposes only under case caption In re Mirant Corporation *et al.*, Case No. 03-46590 (DML).

B. Three statutory committees (collectively, the "Committees") have been appointed by the Office of the United States Trustee for the Northern District of Texas ("UST") in these administratively consolidated cases.

C. On April 7, 2004, this Court authorized the UST to appoint an examiner in these cases to analyze certain potential causes of action and act as a referee with respect to certain disputes that arise among the Debtors, the Committees, or other parties in interest. The UST appointed William K. Snyder as the examiner in these cases.

D. The "Order Pursuant to Bankruptcy Rule 3003(c) (I) Establishing a Bar Date for Filing Certain Proofs of Claim; (II) Establishing Ramifications for Failure to Comply Therewith; (III) Approving Proof of Claim Form and Consolidated Notice of (A) Case Commencement, (B) Bar Date, and (C) Meeting of Creditors Under Section 341(a) of the Bankruptcy Code; and (IV) Approving Notice and Publication Procedures (the

“Bar Date Order”) established December 16, 2003 as the deadline by which creditors must file proofs of claim against Mirant Corporation’s bankruptcy estates (the “Bar Date”).

E. Subsequent to the December 16, 2004 Bar Date, the Court issued an order (the “Procedures Order”) establishing procedures for filing objections to and resolving proofs of claim filed against the Debtors’ estates.

F. The Procedures Order authorizes the Debtors to settle disputed proofs of claim against the Debtors’ estates. Pursuant to those procedures, the Debtors may but are not required to obtain Court approval of stipulations resolving proofs of claim.

G. On or about December 5, 2003, the Indenture Trustee filed, among others, the following proofs of claim against MAG’s bankruptcy estate: 5591, 5592, 5593, 5594, 5595 (the “Initial Claims”).

H. Subsequently, on or about December 15, 2003, the Indenture Trustee filed the following additional proofs of claim against MAG’s bankruptcy estate: 6506, 6507, 6508, 6509, and 6510 (the “Supplemental Claims”). The Indenture Trustee indicated on the face page of the Supplemental Claims that the Supplemental Claims amend but do not replace the Initial Claims.

I. Accordingly, on July 2, 2002, in an effort to clarify the claims register, the Debtors objected to the Initial Claims and requested that only the Supplemental Claims remain on the claims register. *See Tier I Objection To Certain Proofs Of Claim (Group IV) Pursuant To 11 U.S.C. §§ 105(a), 502(b), and Fed. R. Bankr. P. 3007* (the “Objection”).

J. The Indenture Trustee has since clarified that it is the Indenture Trustee's intent that claim number:

6510 is intended to supplement 5592;

6509 is intended to supplement 5593;

6507 is intended to supplement 5591;

6508 is intended to supplement 5595; and

6506 is intended to supplement 5594.

K. Accordingly, the Indenture Trustee and the Debtors have agreed that for purposes of the Debtors' reconciliation of the Indenture Trustee's claims, the supporting documentation for the Initial Claims and the Supplemental Claims will be read together, but only the Supplemental Claims will remain on the claims register.

#### **STIPULATION**

NOW, THEREFORE, MAG and the Indenture Trustee hereby agree and stipulate as follows:

1. The above recitals are hereby incorporated into this Stipulation.
2. The Indenture Trustee consents to the relief requested in the Objection; provided that the information and documentation supporting both the Initial Claims and the Supplemental Claims will be combined for purposes of the Debtors' reconciliation of the underlying merits of those claims.
3. The Initial Claims will be expunged from the claims register.
4. The Supplemental Claims will remain on the claims register.
5. The Indenture Trustee filed a number of other claims that are not affected by this Stipulation.

6. The parties hereby reserve all of their rights with respect to the underlying merits of the Supplemental Claims.

Dated: July 28, 2004


DEBTORS AND DEBTORS IN POSSESSION

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, AS SUCCESSOR  
INDENTURE TRUSTEE FOR THE  
7.625% SENIOR NOTES DUE 2006,  
7.20% SENIOR NOTES DUE 2008,  
8.30% SENIOR NOTES DUE 2011,  
8.50% SENIOR NOTES DUE 2021, AND  
9.125% SENIOR NOTES DUE 2031

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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
Debtors.	)	Jointly Administered
	)	Hearing Date and Time: To Be Set

**STIPULATION BY AND BETWEEN THE DEBTORS AND THE  
 SACRAMENTO MUNICIPAL UTILITY DISTRICT RESOLVING THE  
 DEBTORS' OBJECTION TO CERTAIN PROOFS OF CLAIM**

Mirant Corporation ("Mirant") and the Sacramento Municipal Utility District ("SMUD") enter into this Stipulation (the "Stipulation") resolving Mirant's objection to certain proofs of claim filed by SMUD.

**RECITALS**

A. On July 14, 2003 and July 15, 2003 ("Petition Date"), Mirant and 74 of its wholly owned subsidiaries in the United States (collectively, the "Original Debtors") filed voluntary petitions for relief under chapter 11 of Title 11 of the of the United States Code, as amended (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the Northern District of Texas, Fort Worth Division (the "Court"). On August 18, 2003, October 3, 2003 and November

**STIPULATION BY AND BETWEEN THE DEBTORS AND THE  
 SACRAMENTO MUNICIPAL UTILITY DISTRICT RESOLVING THE  
 DEBTORS' OBJECTION TO CERTAIN PROOFS OF CLAIM**

18, 2003, four additional wholly owned subsidiaries and four affiliates of Mirant commenced voluntary chapter 11 cases under the Bankruptcy Code (together with the Original Debtors, the “Debtors”). The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only under case caption *In re Mirant Corporation et al.*, Case No. 03-46590 (DML).

B. Three statutory committees (collectively, the “Committees”) have been appointed by the Office of the United States Trustee for the Northern District of Texas (the “UST”) in these administratively consolidated cases.

C. On April 7, 2004, this Court authorized the UST to appoint an examiner in these cases to analyze certain potential causes of action and act as a referee with respect to certain disputes that arise among the Debtors, the Committees, or other parties in interest. The UST appointed William K. Snyder as the examiner in these cases.

D. On or about December 1, 2003, SMUD filed a proof of claim No. 7753 (the “Original Proof of Claim”). On or about February 26, 2004, SMUD filed proofs of claim No. 7858 (the “First Amended Proof of Claim”), which amended and superseded the Original Proof of Claim, and No. 7938 (the “Duplicate Claim”), which is a duplicate of the First Amended Proof of Claim. On or about April 6, 2004, SMUD filed a proof of claim No. 7948 (the “Second Amended Proof of Claim”), which amended and superseded the First Amended Proof of Claim.

E. On June 8, 2004, the Court entered an order (the “Procedures Order”) establishing procedures (the “Claims Objection Procedures”) for the filing of omnibus objections to proofs of claim filed in these chapter 11 cases in furtherance of the reorganization efforts of the Debtors. The Procedures Order authorizes the Debtors to settle objectionable proofs of claim

against the Debtors' estates. Pursuant to those procedures, the Debtors may, but are not required to, obtain Court approval of stipulations resolving proofs of claim.

F. On July 2, 2004, in accordance with the Claims Objection Procedures, the Debtors filed the Tier I Objection to Certain Proofs of Claim Filed Against the Debtors' Estates (Group IV) Pursuant to 11 U.S.C. §§ 105(a), 502(b), and Fed. R. Bankr. P. 3007 (the "Objection"), seeking to disallow and expunge the proofs of claim (the "Amended Claims") listed on Exhibit A to the declaration in support of the Objection ("Exhibit A"), on the basis that such claims were amended or superseded by a subsequently filed proof of claim. The Objection provided that proofs of claim listed on Exhibit A amending or superseding previously filed claims (the "Remaining Claims") were to remain on the claims registry.

G. In the Objection, the Debtors inadvertently omitted the Second Amended Claim and listed the First Amended Proof of Claim as the Remaining Claim and the Original Proof of Claim as the Amended Claim to be expunged.

H. Desiring to resolve this oversight and avoid any litigation, the parties have agreed to stipulate to which of SMUD's claims are to be expunged.

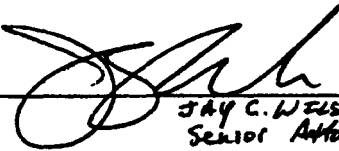
### **STIPULATION**

NOW, THEREFORE, Mirant and SMUD hereby agree and stipulate as follows:

1. The above recitals are hereby incorporated into this Stipulation.
2. The Original Proof of Claim, the First Amended Proof of Claim and the Duplicate Claim will be expunged from the Debtors' proof of claims register.
3. The Second Amended Proof of Claim will remain on the Debtors' proof of claims register; provided, however, that its date of filing will be deemed to relate back to the date of filing of the Original Proof of Claim, i.e., December 1, 2003.

4. The entry into this Stipulation shall not constitute a waiver by the Debtors of any rights, claims and defenses regarding the amount and/or allowance of the Second Amended Claim.

MIRANT CORPORATION, Debtor

By:   
Jay C. Wilson  
Senior Attorney, Mirant Corporation

THE SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: Wendy K. Laubach with permission  
by Ben Jones