

ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

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)11
)	Jointly Administered
Debtors.)	
)	Hearing Date and Time: No hearing
)	required

**ORDER PURSUANT TO 11 U.S.C. § 327(e) AND 328 FURTHER EXPANDING SCOPE
OF EMPLOYMENT AND RETENTION OF PAUL, HASTINGS,
JANOFSKY & WALKER LLP AS SPECIAL COUNSEL FOR THE
DEBTORS, EFFECTIVE AS OF APRIL 8, 2004**

Came on for consideration the Second Supplemental Application for Entry of an Order pursuant to 11 U.S.C. § 327(e) and 328 Expanding the Scope of Employment and Retention of Paul, Hastings, Janofsky & Walker LLP (“Paul Hastings”) as Special Counsel for the Debtors, as of April 8, 2004 (the “Second Application to Expand”), of Mirant Corporation and its affiliated debtors (collectively, the “Debtors”). The Court finds that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. The Court further finds that this is a core proceeding pursuant to 28 U.S.C. § 157. After reviewing the Second Application to Expand, and the other motions, pleadings and papers filed in these chapter 11 cases; the Court finds that (i) the proposed expanded scope of employment of Paul Hastings as special counsel to the Debtors is in the best interest of the Debtors and their respective estates, and (ii) Paul Hastings and its partners, counsel and associates do not hold or represent an interest adverse to the Debtors or their estates in the matters upon which they are to be engaged such that would disqualify Paul Hastings from the representation of the Debtors as special counsel. The Court further finds that

the Second Application to Expand should be **GRANTED** subject to the terms set forth below.

IT IS THEREFORE

ORDERED that the Second Application to Expand is hereby GRANTED pursuant to 11 U.S.C. § 327(e) and 328 for the purposes set forth in the Second Application to Expand, effective as of April 8, 2004; and it is further

ORDERED that the scope of Paul Hastings' employment, including the scope approved pursuant to the Original Employment Application (as defined in the Second Application to Expand), is set forth on Exhibit 1 hereto; and it is further

ORDERED that Paul Hastings shall be compensated (i) in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be applicable, from time to time; (ii) this Court's Memorandum Order Consolidating Certain Professional Fee Orders dated January 20, 2004; and (iii) such other procedures as may be fixed by order of this Court; and it is further

ORDERED that to the extent of any conflict between the terms and conditions of the Application and this Order, the terms and conditions of this Order shall govern; and it is further

DATED: April 26, 2004



HONORABLE D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Approved Scope As of the Petition Date:

- Paul Hastings will continue to represent Mirant Mid-Atlantic in connection with its ongoing collective bargaining negotiations (and federally supervised mediation) with Local 1900 of the International Brotherhood of Electrical Workers.
- Paul Hastings will continue to represent Mirant NY in connection with its collective bargaining agreement executed June 2003 post-execution and ancillary issues arising therefrom.
- Paul Hastings will continue to represent Mirant in connection with the sale of its Shady Hills, West Georgia and Wrightsville projects, including the formulation and preparation of applicable transitional documents.
- Paul Hastings will continue to represent Mirant in connection with minority ownership of entities located in the Caribbean, which representations includes advising Mirant on corporate governance and shareholder matters with respect to these entities.
- Paul Hastings will continue to represent an employee of Mirant in connection with an ongoing SEC investigation into Mirant's accounting policies.
- Paul Hastings will also represent Mirant and the other Debtors in connection with operational matters that arise in connection with the Debtors' investments and interest in the following projects:

1st Rochdale Cooperative
Group, Ltd.
Barry Street
Birchwood
Bordon
Bronx Energy Center
Curacoa Investment Ltd.
Heenah
Kendall
Mint Farm
Perryville
River Valley
Roanoke
Shady Hills

Shoreham Project
State Line Energy
Staten Island
Thermo Ecotek
Thoroughbred
Toltec Project
Trinidad
Valencia Energy
Western Power Distribution
Holdings, Ltd.
West Georgia
Wichita Falls
Wrightsville Project

Approved Scope As of February 18, 2004:

- All matters related to the investigation by the United States Senate Permanent Subcommittee on Investigations concerning tax credits provided under Section 29 of the Internal Revenue Code for the sale of coal-based synthetic fuel.

Approved Scope As of April 8, 2004:

- Advice relating to personnel and employment law matters such as Family and Medical Leave, state and federal discrimination law compliance, wage and hour matters and other human resources practices.