

EXHIBIT A

EXHIBIT A
CLAIMS ESTIMATION PROCEDURES

In re Mirant Corporation, et al.

A. Overview of Claims Estimation Procedures.¹

These procedures for the estimation of claims pursuant to section 502(c) of the Bankruptcy Code (the “Estimation Procedures”) have been approved by the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division (the “Bankruptcy Court”) in the jointly administered chapter 11 cases currently pending with respect to Mirant Corporation and its debtor subsidiaries (collectively, the “Debtors”). The Estimation Procedures were established for the purpose of facilitating the Debtors’ emergence from chapter 11 protection by streamlining the process of allowing certain claims, the liquidation of which would otherwise cause undue delay. ~~<The>~~ **In the absence of a Bankruptcy Court order providing otherwise, the** estimation of any claim against any of the Debtors (a “Claim”)² in accordance with the Estimation Procedures will be binding for all purposes, including, but not limited to, **classification under,** feasibility of, voting on and distribution under a chapter 11 plan of reorganization for the Debtors, **as well as the establishment of particular estate liability.**

B. Notice Package.

The Notice Package includes (a) the Estimation Notice, (b) the Estimation Request and (c) a copy of the Estimation Procedures.

1. **Estimation Notice.** The approved form of notice of intent to estimate (the “Estimation Notice”) is attached hereto as Exhibit A. The Estimation Notice states, among other things, the time and date of the estimation hearing (the “Estimation Hearing”) and the time and date that the holder of the Claim to be estimated (the “Claimant”) may file and serve a response (a “Response”) to the Estimation Request (as defined below).

2. **Estimation Request.** The approved scope of the information to be included in a request to estimate a Claim pursuant to the Estimation Procedures, is attached hereto as Exhibit B (the “Estimation Request”). The Estimation Request must, among other things, state (a) the claim number assigned to the proof of claim on the Debtors’ claims register, (b) the name and address of the Claimant, (c) the “Track” to which the Claim will be assigned for purposes of preparation for and appearance at the Estimation Hearing, (d) the Debtors’ estimation of the total amount of the Claim that should be allowed (“Debtors’ Estimate”), (e) the legal and factual bases for the Debtors’ Estimate, and (f) the evidence the Debtors intend to rely on in support of the Debtors’ Estimate. With the exception of the matters included under item (f) above, absent further order of the Bankruptcy Court, the Estimation Request may not exceed twenty-five (25) pages.

¹ **Unless otherwise provided, parties should assume that all deadlines stated herein are based upon calendar days, as opposed to business days.**

² **These Estimation Procedures apply on a Claim, as opposed to a Claimant, basis.**

3. Service of Notice Package. The Notice Package must be (a) served via overnight delivery, email or facsimile upon (i) the Claimant, (ii) any party whose name appears in the signature block on the proof of claim, (iii) any attorney who has entered a notice of appearance on the Claimant's behalf in the Debtors' chapter 11 cases, (iv) counsel for each of the official committees (collectively, the "Committees") appointed in the Debtors' chapter 11 cases, (v) the Examiner and counsel for the Examiner appointed in the Debtors' chapter 11 cases, and (vi) the Office of the United States Trustee (the parties listed in (i)-(<iv>vi) above, collectively, the "Estimation Service List"); and (b) filed electronically with the Clerk of the Bankruptcy Court.

4. ~~<Stay of Pending Claim Objections and Adversary Proceedings. Unless otherwise stated in the Estimation Notice, the service of a Notice Package operates as an automatic stay of any pending claim objection, contested matter or adversary proceeding involving the liquidation of the Claim that is the subject of the Notice Package. The Debtors may move the Court for additional relief under section 105(a) of the Bankruptcy Code for a stay of an action or proceeding pending in another forum, including, but not limited to, an administrative agency.>~~ Burden Under Section 502(c).

- a. Burden. The Debtors are required to demonstrate in the Estimation Request (or application described below in Section 5(b)(i) of this Paragraph) that estimation of each particular Claim affected by the Estimation Request is authorized under section 502(c) of the Bankruptcy Code.
- b. Deadlines and Hearing Date. If the Claimant has appropriate grounds to assert that estimation of a particular Claim is not authorized under section 502(c) of the Bankruptcy Code, the Claimant may file and serve on the Estimation Service List an objection setting forth the legal basis for the objection within ten (10) days after service of the Estimation Request. A hearing on the Claimant's objection will take place on the next Mirant hearing date that is three (3) business days after the Debtors' receipt of the objection.
- c. If a Claimant fails to timely file an objection to an Estimation Request, it is presumed that the Debtors have sustained their burden to demonstrate that estimation of the affected Claim is authorized under section 502(c), and estimation of the Claims subject to the Estimation Request shall proceed in accordance with these Estimation Procedures.

5. Estimation of Claims Subject to Pending Proceedings.

- a. Estimation of Claims Subject to Proceedings Pending in Forum Other than Bankruptcy Court. The Debtors may seek to initiate estimation proceedings in accordance with this Paragraph B(1)-(4), with respect to any Claim that is, at such time, already the subject of a proceeding in a court other than the Bankruptcy Court where the Debtors'

chapter 11 cases are pending (“Pending Proceeding”).

b. Procedure for Seeking to Estimate Claims Subject of Pending Proceedings. The following procedures apply to the Debtors’ request to estimate a Claim subject of a Pending Proceeding.

- i. Application. The Debtors must file and serve on the Estimation Service List and the affected Claimant an application: (a) requesting that the Debtors be permitted to serve a Notice Package in accordance with this Paragraph B, (b) satisfying the requirements of Paragraph B(4)(a), and (c) may include a request that the Bankruptcy Court stay the other Pending Proceeding.**
- ii. If Stay of Pending Proceeding Requested. If in the application described above the Debtors seek to stay a Pending Proceeding, cause to do so shall be established in the application. Cause shall include a showing by the Debtors that the Claimant has materially impeded the progress or failed to adhere to deadlines in the Pending Proceeding.**
- iii. Deadlines for Response and Hearing Date. Claimants affected by the application may file a response to the application within ten (10) days after service of the application. The Debtors are permitted to file and serve upon the Estimation Service List and the affected Claimant a reply to any response or objection within three (3) business days before the hearing on the application. A hearing on the application shall take place no earlier than 23 days after service of the application.**

C. Estimation of Claims.

1. Assignment of Claim to Track. Each Estimation Request shall identify the Track to which the Claim has been assigned.¹³

a. Track 1: Prepetition Litigation on Appeal.

¹³ The Debtors and the Claimant may agree, at any time, to change the Track to which the Claim is assigned without ~~<Court order>~~ Bankruptcy Court order. If the Claimant disagrees with the Track to which a particular claim has been assigned and the Debtors and the Claimant do not agree to seek to estimate the claim in another Track, nothing herein prohibits the Claimant from seeking relief from the Bankruptcy Court to proceed in an alternative Track within five (5) days after service of the Notice Package. Tracks are assigned on a per-Claim, as opposed to per-Claimant, basis (e.g., one proof of claim may include Claims that are assigned to separate tracks).

- i. In addition to the items required to be included in the Notice Package, the Notice Package will include copies of any appellate briefs that were filed with the reviewing court and an appendix consistent with Bankruptcy Rule 8009(b).⁴
- ii. No later than twenty (20) days after the service of the Notice Package, the Claimant may electronically file with the Clerk of the Bankruptcy Court and serve its ~~<response>~~**Response** to the Debtors' Estimate, which, absent further order of the **Bankruptcy** Court, may not exceed twenty-five (25) pages. The Claimant may file an appendix to supplement the record filed by the Debtors consistent with Bankruptcy Rule 8009(b).
- iii. No later than ten (10) days after the service of the Claimant's response, the Debtors may file their reply in accordance with Paragraph F below, which, absent further order of the **Bankruptcy** Court, shall not exceed ten (10) pages (excluding evidentiary submissions).
- iv. The Estimation Hearing will take place no earlier than forty-five (45) days after the date of service of the Notice Package.⁵
- v. The Claimant and the Debtors are each entitled to thirty (30) minutes of oral argument during the Estimation Hearing, after which the **Bankruptcy** Court will estimate the Claim.
- vi. **No discovery or testimony is permitted in Track 1.**

b. **Track 2: Summary Proceedings.**

- i. No later than twenty (20) days after the date of service of the Notice Package, the Claimant may electronically file with the Clerk of the Bankruptcy Court and serve (a) its response to the Debtors' Estimate in accordance with Paragraph E.1 below, and (b) the affidavits of not more than three (3) witnesses substantiating the Claim and any other documentary evidence (including any and all expert reports) substantiating the Claim.
- ii. No later than ten (10) days after the service of the Claimant's response, the Debtors may electronically file with the Clerk of the Bankruptcy Court and serve a reply in accordance with Paragraph F below.

⁴ **Excluding the pleadings and transcript that would constitute part of the appendix under Rule 8009(b)(6), (8) & (9).**

⁵ **As set forth in the order approving these Estimation Procedures, any findings of fact made by the trial court are binding upon the Bankruptcy Court.**

- iii. The Estimation Hearing will take place no earlier than forty-five (45) days after the date of service of the Notice Package.
 - iv. Any evidentiary objections must be asserted no later than three (3) business days before the Estimation Hearing. Parties are required to work in good faith to reach agreement regarding stipulations of admissibility of any evidence to be presented to the **Bankruptcy** Court. Evidence will be presented to the **Bankruptcy** Court in accordance with local practice, procedures and any applicable local bankruptcy rules.
 - v. The Claimant and the Debtors are each entitled to thirty (30) minutes of oral argument during the Estimation Hearing, after which the **Bankruptcy** Court will estimate the Claim.
 - vi. **No discovery or live testimony is permitted in Track 2.**
- c. **Track 3: Complex Disputes.**
- i. No later than thirty (30) days after the date of service of the Notice Package, the Claimant may electronically file with the Clerk of the Bankruptcy Court and serve (a) a response to the Debtors' Estimate in accordance with Paragraph E.1 below, and (b) the affidavits of up to five (5) witnesses substantiating the Claim and any other documentary evidence (including any and all expert reports) substantiating the Claim.
 - ii. No later than twenty (20) days after the service of the Claimant's response, the Debtors may electronically file with the Clerk of the Bankruptcy Court and serve a reply in accordance with Paragraph F below.
 - iii. Any evidentiary objections must be asserted no later than five (5) business days before the Estimation Hearing. Parties are required to work in good faith to reach agreement regarding stipulations of admissibility of any evidence to be presented to the **Bankruptcy** Court. Evidence will be presented to the **Bankruptcy** Court in accordance with local practice, procedures and any applicable local bankruptcy rules.
 - iv. The Estimation Hearing will take place no earlier than sixty (60) days after the date of service of the Notice Package.
 - v. During the Estimation Hearing, except as otherwise ordered by the **Bankruptcy** Court, the Claimant and the Debtors are each entitled to (a) one (1) hour of oral argument; (b) three (3) hours to cross-examine the opposing party's affiants, and (c) one (1) hour to present any rebuttal testimony and evidence. Thereafter, the

Bankruptcy Court will estimate the Claim.

- vi. **No direct testimony is permitted during the Estimation Hearing, and additional discovery is permitted only in accordance with Paragraph C.2. below.**

2. **Discovery Period.** Before a Track 3 Estimation Hearing, the Claimant and Debtors may request additional discovery:

- a. **Depositions.**
- i. **By the Debtors.** After submission of the Response, the Debtors may take the deposition of any affiant supporting the Response. Each deposition will last no longer than three (3) hours.
- ii. **By the Claimant.** After service of the Estimation Notice, the Claimant may take the deposition of any affiant supporting the Estimation Request. Each deposition will last no longer than three (3) hours.
- b. **Document Requests.** After filing and service of the Response, the Debtors and Claimant may request that the other party produce documents relevant to the estimation of the Claim that were not filed with the Notice Package or Response. All such requests must be made no later than three (3) business days after the service of the Claimant's ~~<response>~~**Response.** The recipient of a document request must produce responsive documents no later than ten (10) days after receipt of the document request.
- c. **Discovery by Parties Other Than Claimant or Debtors.** Absent agreement by the Debtors or Bankruptcy Court order, parties in interest other than the Debtors and the Claimant are not entitled to take discovery in connection with estimation proceedings. Any request to take discovery made by a party in interest other than the Debtors or Claimant must be electronically filed with the Clerk of the Bankruptcy Court and served via email (if practicable) and overnight delivery on the Estimation Service List, Debtors' counsel and the Claimant, no later than three (3) days after service of the Response. The Bankruptcy Court will hold a hearing on any such request during the next regularly scheduled hearing date that is at least two (2) days after the request is made.

D. **Debtors' ~~<Counterclaims.~~ For purposes of set-off, the Debtors may assert any counterclaims (each, a "Counterclaim") against a Claimant whose Claim is the subject of an Estimation Request by setting forth in the Estimation Request**~~**< the legal and factual bases for the Counterclaim, including names of all persons employed by or within the control of the Debtors who are likely to have discoverable information relating to the Counterclaim and any documents that the Debtors may rely upon in support of the Counterclaim.**~~**>Affirmative Defenses. In the absence of an order of the Bankruptcy Court providing otherwise, a counterclaim may not be estimated pursuant to these**

Estimation Procedures, except to the extent such counterclaim serves as an affirmative defense to the Claim subject to estimation (“Affirmative Defense”). Any such Affirmative Defense will be evaluated in the estimation proceeding and used for purposes of determining the estimated claim amount only, and shall not be used for any other purpose in any other proceeding. The legal and factual bases for the Affirmative Defense shall be set forth in the Estimation Request.

E. Claimant’s Response.

1. Response. Within the applicable response period, the Claimant must electronically file with the Clerk of the Bankruptcy Court and serve via overnight delivery and email (if practicable) a ~~<response>~~ Response to the Debtors’ Estimate containing the information set forth in Exhibit C attached hereto~~<3>~~, and any information and documents required to be produced in accordance thereto, upon the Estimation Service List and counsel for the Debtors. Absent further order of the Bankruptcy Court, the Claimant’s ~~<response>~~ Response may not exceed twenty-five (25) pages (excluding evidentiary submissions).

2. Claimant’s Response to <Counterclaim> Affirmative Defense. If the Debtors assert ~~<a Counterclaim>~~ an Affirmative Defense in the Estimation Request, the Claimant must electronically file with the Clerk of the Bankruptcy Court and serve a Response (the “~~<Counterclaim>~~ Affirmative Defense Response”) containing the information set forth in Exhibit C attached hereto. The ~~<Counterclaim>~~ Affirmative Defense Response must be filed and serve via overnight delivery and email (if practicable) upon the Estimation Service List and counsel for the Debtors within thirty (30) days after the date of service of the ~~<Counterclaim>~~ Estimation Request.

3. Failure to File Response. If a Claimant fails to file and serve a timely Response in compliance with these procedures, the Bankruptcy Court may enter an order estimating and fixing the Claim in the amount of the Debtors’ Estimate, without any requirement for argument or further submission.

4. Failure to Comply with Estimation Procedures. If either party fails to comply with the procedures and requirements, including, but not limited to, the discovery requirements set forth herein, the opposing party may request at the Estimation Hearing that the Bankruptcy Court enter an order estimating and fixing the Claim in the amount sought by such party without any requirement for argument or further submission.

F. Debtors’ Reply.

If a Claimant timely serves a Response, the Debtors may, in their discretion, pursuant to the requirements set forth for the Track to which the Claim has been assigned, electronically file with the Clerk of the Bankruptcy Court and serve a Reply upon the Claimant and the Estimation Service List. The Reply may include (a) the Debtors’ arguments and defenses with respect to the Debtors’ Estimate, and (b) affidavits controverting any evidence supporting the Response as well as any additional affidavits substantiating the Debtors’ Estimate~~<. If the Debtors assert a Counterclaim against the Claimant (that was not asserted in the Notice Package), the Debtors may also set forth in the Reply the elements supporting such Counterclaim, and~~

~~provide disclosures consistent with the disclosures required in the Response.~~;

G. **Estimation Hearing.**

1. **Hearing.** Unless otherwise ordered by the Bankruptcy Court, an Estimation Hearing will be held for each Claim on the date specified in the Estimation Notice.

2. **Evidentiary and Legal Record.** The Bankruptcy Court will not consider any evidence unless submitted by the Claimant or the Debtors in accordance with these Estimation Procedures; provided, however, that the Bankruptcy Court may allow or require additions to the record, including but not limited to, newly discovered evidence, when deemed necessary or appropriate.

3. **Resolution.** Following the ~~<parties' submission to the Bankruptcy Court of proposed findings of fact and conclusions of law and any post trial briefs>~~ **Estimation Hearing**, the Bankruptcy Court will estimate the relevant Claims ~~<and Counterclaims>~~ **(considering any Affirmative Defenses)** for all purposes, including ~~<for purposes of>~~, **but not limited to, classification under**, feasibility of, voting on and distribution under a chapter 11 plan of reorganization ~~<of>~~ **for the Debtors, as well as the establishment of particular estate liability, unless otherwise ordered by the Bankruptcy Court.** Nothing in these Estimation Procedures will be construed to limit either the Debtors' or a Claimant's valid right of setoff to the extent available under state law as preserved under section 553 of the Bankruptcy Code, or a Claimant's valid right of recoupment under non-bankruptcy law. Pursuant to section 502(d) of the Bankruptcy Code, any Claim of a Claimant from which property is recoverable under section 542, 543, 550, or 553 or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548 or 549 of the Bankruptcy Code will be disallowed, unless such Claimant has paid the amount or turned over such property under section 522(i), 542, 543, 550, or 553.

H. **Settlement of Claim Amount.**

1. At any time after the service of the Notice Package, the Debtors and a Claimant may negotiate a settlement of the allowed amount of the Claim (the "Settled Claim Amount").

2. **Settlements Not Requiring Bankruptcy Court Approval.**

- a. If the Settled Claim Amount is equal to or less than ~~<(i) Twenty Million Dollars (\$20,000,000.00), or (ii)>~~ one hundred and twenty percent (120%) the Debtors' Estimate, the Debtors will electronically file with the Clerk of the Bankruptcy Court and serve upon the affected Claimant and the Estimation Service List a "Notice of Settled Claim Amount" setting forth the Settled Claim Amount.
- b. **Objections.** Any objection to the Settled Claim Amount must be electronically filed with the Clerk of the Bankruptcy Court and served via overnight delivery and email (if practicable) upon (1) counsel for the Debtors, (2) the affected Claimant and (3) the Estimation Service List, on or before the fifth (5th) **business** day after filing and service of the Notice

of Settled Claim Amount.

- c. Effective Date of Settled Claim Amount. A Settled Claim Amount is effective and binding upon all parties in interest on the sixth (6th) business day after the date of service of the Notice of Settled Claim Amount without further Bankruptcy Court order if there are no timely objections to the Settled Claim Amount.
- d. Hearing. If a party in interest timely files an objection to the Settled Claim Amount, the Bankruptcy Court will hold a hearing for approval of the Settled Claim Amount under Bankruptcy Rule 9019 on the next regularly scheduled Mirant hearing date. The Notice Package, any Response or Reply filed in accordance with these Estimation Procedures and the Notice of Settled Claim Amount will constitute the record for any hearing for approval of a Settled Claim Amount (“Rule 9019 Record”).

3. Settlements Requiring **Bankruptcy** Court Approval.

- a. If the Settled Claim Amount exceeds ~~<(i) Twenty Million Dollars (\$20,000,000.00), or (ii)>~~ one hundred and twenty percent (120%) of the Debtors’ Estimate, the Debtors will electronically file with the Clerk of the Bankruptcy Court a motion for approval of the Settled Claim Amount under Bankruptcy Rule 9019(a) (“Rule 9019 Motion”).
- b. Objections. Any objection to the Rule 9019 Motion must be electronically filed with the Clerk of the Bankruptcy Court and served via overnight delivery and email (if practicable) upon (1) counsel for the Debtors, (2) the affected Claimant and (3) the Estimation Service List, not later than five (5) business days before the first scheduled hearing on the Rule 9019 motion.
- c. Hearing. The Rule 9019 Motion will be set for hearing on the next regularly scheduled Mirant hearing date that is not less than twenty (20) days after the date on which the Rule 9019 motion was filed.
- d. Effective Date of Settled Claim Amount. The Settled Claim Amount shall be effective and binding upon all parties in interest upon the entry by the Bankruptcy Court of an order granting the Rule 9019 Motion.

4. Bankruptcy Court Approval Not Granted. If the Bankruptcy Court does not approve the Settled Claim Amount, the Debtors, at their discretion, may elect to (a) engage in further negotiation with the Claimant or (b) deem settlement negotiations terminated and seek to estimate the Claim pursuant to the order approving these Estimation Procedures.

5. Binding Nature and Payment of Claims. Settled Claim Amounts approved pursuant to the procedures above, are binding on the affected Claimant for all purposes, including, but not limited to, classification under, feasibility of, ~~<the>~~ voting on and distribution under a chapter 11 plan of reorganization for the Debtors, as well as the establishment of

particular estate liability, unless otherwise ordered by the Bankruptcy Court. Under no circumstance may a settlement described above provide for the payment of a Claim other than in accordance with a confirmed chapter 11 plan of reorganization in the Debtors' chapter 11 cases **without further Bankruptcy Court order.**

6. Committees' Review of Proposed Settlements. The Debtors must provide the Committees, **the Examiner and counsel for the Examiner** with:

- a. three (3) days notice before filing a Notice of Settled Claim Amount that is between \$0 and \$5,000,000, and
- b. five (5) days notice before filing (1) a Notice of Settled Claim Amount that exceeds \$5,000,000 or (2) is the subject of a Rule 9019 Motion.

I. **Miscellaneous Provisions.**

1. Unless otherwise ordered by the Bankruptcy Court, the information required to be provided in the Estimation Request, the Response or the Reply is deemed to satisfy the mandatory disclosure required by Rule 26 of the Federal Rules of Civil Procedure, as applicable pursuant to Bankruptcy Rule 9014.

2. Participation by the Committees. The Committees reserve their rights under the Bankruptcy Code and Federal Rules of Bankruptcy Procedure to participate in the proceedings described in these Estimation Procedures.

3. Reservation of Rights.

- a. The Debtors hereby reserve the right to withdraw any Estimation Request and object to any Claim identified in an Estimation Request on any ground pursuant to the "Order Establishing Procedures for Objections to Proofs of Claim" or further Bankruptcy Court order.
- b. The Debtors hereby reserve the right to move the Bankruptcy Court for the entry of an order approving alternative estimation procedures with respect to any proof of claim filed against the Debtors' estates at the Debtors' sole discretion.

4. Modification of Procedures for Good Cause Shown. The Debtors or any party in interest may move for modification of these Estimation Procedures for good cause shown. A good cause showing must be made no later than the applicable Response deadline, or the next applicable deadline to which the proposed modification relates. Absent written agreement between the Debtors and the Claimant modifying these procedures, the **Bankruptcy** Court will determine whether good cause exists to modify the procedures at the next regularly scheduled Mirant hearing date that is at least three (3) **business** days after the modification request is made.

5. Status Conferences. At any time after the Claimant electronically files with the Clerk of the Bankruptcy Court and serves a Response, a discovery request or any other pleading, the Debtors may determine that a status conference in advance of the Estimation Hearing is

necessary. The Bankruptcy Court will conduct such a status conference on the next regularly scheduled Mirant hearing date that is at least three (3) days after the Debtors serve on the Claimant and Estimation Service List notice that a status conference has been scheduled. Unless otherwise stated in the notice of status conference or ordered by the Bankruptcy Court, the scheduling of a status conference does not stay the estimation proceedings or toll any applicable deadlines.

6. Applicability of Laws and Rules. Except as set forth herein, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the local rules of the Bankruptcy Court, the Federal Rules of Civil Procedure and the Federal Rules of Evidence apply to these Estimation Procedures and the estimation proceedings.

7. Not Applicable to Intercompany and Insider Claims. Absent further Bankruptcy Court order, these Estimation Procedures apply only to the estimation of Claims held by parties that are not one of the Debtors and are not intended to be utilized to facilitate the estimation of intercompany or insider claims.

<a.——>

Exhibit A

**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
)	
)	Estimation Hearing Date and Time:
)	[_____], 2004 at 10:30 a.m.

**NOTICE OF INTENT TO ESTIMATE ("ESTIMATION NOTICE")
PROOF OF CLAIM FILED BY _____ (NUMBER 0000)
ASSIGNED TO TRACK []**

PLEASE TAKE NOTICE that Mirant Corporation and its chapter 11 debtor affiliates (collectively, "Mirant") intend to estimate the proof(s) of claim (the "Claim") you filed against Mirant's bankruptcy estates pursuant to the attached Estimation Procedures. The "*Order Approving Claims Estimation Procedures*" (the "Estimation Procedures Order") entered by the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court") on _____, 2004 authorizes Mirant to serve this Estimation Notice and commence a proceeding to estimate the amount of your Claim. A copy of the Estimation Procedures Order is attached hereto and is also available on the Internet at www.alixpartners.com/cms. A hearing to establish the amount of your Claim (an "Estimation Hearing") described below ~~<will>~~may result in a binding estimation of the amount of your Claim for all purposes~~<of>~~, including, but not limited to, classification under, feasibility of, voting on and distribution under a chapter 11 plan of reorganization for ~~<Mirant>~~the Debtors, as well as the establishment of particular estate liability. Accordingly, you should read this Estimation Notice carefully and fully comply with the procedures set forth herein.

PLEASE TAKE FURTHER NOTICE that Mirant is seeking an order of the Bankruptcy Court estimating the amount of your Claim because Mirant has determined that the fixing or liquidation of your Claim would unduly delay the administration of Mirant's chapter 11 cases. The attached Estimation Request includes (a) Mirant's estimation of the total amount of the Claim that should be allowed (the "Debtors' Estimate") and (b) the substantive basis and documentation underlying Mirant's determination of the Debtors' Estimate. Below is a summary of the Debtors' Estimate:

<u>Claim Number</u>	<u>Debtor Against Which Claim is Asserted</u>	<u>Debtors' Estimate</u>

PLEASE TAKE FURTHER NOTICE that, if you disagree with the Debtors' Estimate, you will be given the opportunity to appear before the Bankruptcy Court to establish

the amount of your Claim, but you must serve a Response to this Estimation Notice in accordance with the procedures set forth herein and in the Estimation Procedures Order.

PLEASE TAKE FURTHER NOTICE that a hearing to establish the amount of your Claim will take place on [], at [] a.m. If you disagree with the Debtors' Estimate, you must file and serve a Response in accordance with this Notice and the Estimation Procedures Order and attend the Estimation Hearing. In the event that you fail to comply with the Estimation Procedures, the Debtors may request at the Estimation Hearing that the Bankruptcy Court enter an order estimating and fixing the Claim in the amount of the Debtors' Estimate assigned to the Claim in the Estimation Request, with no argument or further submission.

PLEASE TAKE FURTHER NOTICE that by _____ (the "Response Deadline"), you must file with the Bankruptcy Court and serve via overnight delivery and email (if practicable) a Response to the Estimation Request, on the following parties: (a) J. Christopher Shore, Esq., attorneys for the Debtors, White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, email: cshore@whitecase.com; and Michelle C. Campbell, Esq., attorneys for the Debtors, White & Case LLP, 633 West Fifth Street, Los Angeles, CA 90071, email: mcampbell@whitecase.com; (b) attorneys for the Official Unsecured Creditors' Committee for Mirant Americas Generation, LLC, [], email: []; (c) Monica S. Blacker, Esq., attorneys for the Official Unsecured Creditors' Committee for Mirant Corporation, Andrews Kurth LLP, 1717 Main Street, Suite 3700, Dallas, TX 75201, email: monicablacker@andrewskurth.com; ~~and~~ (d) Leslie H. Scharf, Esq., attorneys for the Official Committee of Equity Security Holders for Mirant Corporation, Brown Rudnick Berlack Israels LLP, 120 West 45th Street, New York, New York 10036, email: lscharf@brownrudnick.com~~<->~~; **(e) counsel for the Examiner []; and (f) the Office of the United States Trustee []**

PLEASE TAKE NOTICE that your Response should include all the information set forth in Exhibit C, attached to the Estimation Procedures annexed hereto, and the documents requested to be produced in connection with the Response.

PLEASE TAKE NOTICE that Mirant personnel will be available to discuss and potentially settle ~~<the Debtors' Estimate>~~ **issues raised in the attached "Estimation Request"** prior to the Estimation Hearing. To facilitate such a discussion, you may call [] at [] at any time before the Response deadline. [], or another appropriate Mirant representative, will be available to handle factual inquiries regarding this Estimation Notice, the Debtors' Estimate or the Estimation Request. Legal matters, however, will be referred to Mirant's attorneys.

Your discussions with [], Mirant personnel or Mirant's attorneys may result in an agreement to settle the Debtors' Estimate (as defined in the Estimation Procedures Order). If you do not reach a written agreement with Mirant before the Response Deadline, you **must** file a Response, in compliance with the procedures set forth in the Estimation Procedures.

PLEASE TAKE FURTHER NOTICE that nothing in this Estimation Notice or the accompanying Estimation Request constitutes a waiver of Mirant's right to assert any claims, counterclaims, rights of offset or recoupment, preference actions, fraudulent transfer actions, or

any other bankruptcy or nonbankruptcy claims against you. Mirant also reserves the right to assert objections to your Claim.

PLEASE TAKE FURTHER NOTICE that you may obtain copies of any proof of claim filed against Mirant's bankruptcy estates on the <~~internet~~>Internet at: www.alixpartners.com/cms. If you do not have access to the Internet, you can request a copy of any proof of claim from Bankruptcy Services, Inc., 757 Third Avenue, 3rd Floor, New York, NY 10017.

Dated: [_____], 2004

By:

Exhibit B

SCOPE OF ESTIMATION REQUEST

The Estimation Request should include the following:

1. The claim number assigned to the proof of claim on the Debtors' claims register;
2. The name and address of the Claimant;
3. The Track to which the Claim is assigned;
4. The basis for seeking estimation of the Claim pursuant to section 502(c) of the Bankruptcy Code ;
5. The Debtors' Estimate;
6. The legal and factual bases for the Debtors' Estimate;<-and>
7. Evidence supporting the Debtors' Estimate, including the affidavits of persons who can substantiate the Debtors' Estimate and any documents that the Debtors may rely upon in support of the Estimation Request; provided, however, nothing herein relieves the parties of their obligations under any confidentiality agreements with respect to any of these documents<->; **and**

8. The curriculum vitae of each affiant must be attached as an exhibit to the affidavit of such affiant.

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EXHIBIT C>

Exhibit C

SCOPE OF THE RESPONSE

The scope of Claimant's response should include the following:

1. Claim number(s) on docket;
2. Amount of Claim (if this amount differs from your filed Claim, please provide an explanation);
3. Debtor entities against which Claims are asserted;
4. Full legal name of Claimant;
5. Name, address(es), telephone number, and facsimile number of the person(s) (who may be the Claimant and/or the Claimant's legal representative) on whom the Debtors' attorneys should serve any Reply to the Response;
6. Brief description of the nature of the Claim, to the extent not already included in Claim;
7. A description of the factual and legal basis of the Claim (including a description of the contract, breach, event, incident, relationship, etc. giving rise to the Claim);
8. A copy of all documents and other evidence concerning or providing a factual or legal basis for the Claim or that the Claimant intends to use in any way in the estimation proceeding;
9. Names, addresses, telephone numbers, and any other applicable contact information of any third parties implicated by the Claim and/or named in litigation giving rise to the Claim;
10. A detailed description of the damages sought, including a calculation of and support for such damages that would sustain scrutiny in a court of law;and
- 11.** **11.**—Any expert reports upon which you intend to rely during the Estimation Hearing, **and**
- 12.** **If a Claimant is permitted to submit affidavits in support of a Response, the curriculum vitae of each affiant must be attached as an exhibit to the affidavit of such affiant.**

~~<*Note that the Bankruptcy Court may nevertheless consider any Counterclaim asserted by the Debtors as a defense or offset in connection with estimation of your Claim.>~~