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Re: Megan-Racine Associates, Inc.  
Case No. 92-00860 Chapter 11

### **LETTER DECISION AND ORDER**

On October 8, 1996, this Court heard argument on the Tenth Interim Application of Nixon, Hargraves, Devans and Doyle (“Nixon”), Debtor’s special regulatory counsel, initially appointed pursuant to an Order of this Court dated April 15, 1992.

At the October 8th hearing, the Court questioned the benefits to the Debtor during the period of January 1, 1996 through June 30, 1996, as well as the unusually large number of Nixon attorneys working on the case. The Court, however, awarded by Order dated November 26, 1996, fees of \$50,000 and reimbursement of expenses in the sum of \$6,495.79. The Court also granted Nixon the right to reapply for the balance of the fees sought, approximately \$55,000.

On December 6, 1996, Nixon filed with the Court the Affidavit of Robert L. Daileader, Jr. (“Daileader Affidavit”), in further support of the Tenth Application which details five distinct matters all of which are or were pending before the Federal Energy Regulatory Commission (“FERC”) and for which Nixon provided representation to the Debtor. The Daileader Affidavit also outlines the benefit or lack thereof of the services to the Debtor. The Daileader Affidavit also identifies various Nixon partners and associates working on particular aspects of primarily regulatory matters.

Upon review of the Daileader Affidavit, the Court will make an additional fee award of \$40,425.75<sup>1</sup> and directs that it be paid to the extent that Debtor currently has unrestricted funds on hand to do so. The balance of \$15,000 shall be considered on a subsequent interim application. The Court makes this additional interim award while reserving to itself the right to consider the necessity of the number of Nixon personnel working on Debtor’s regulatory and real property tax matter at the time of a final application filed pursuant to 11 U.S.C. § 330.

IT IS SO ORDERED.

Dated at Utica, New York

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<sup>1</sup>Paragraph 2 of the Daileader Affidavit references a previous agreement which the United States Trustee and Niagara Mohawk Power Corporation regarding a \$15,000 holdback.

this 29th day of January 1997

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STEPHEN D. GERLING  
Chief U.S. Bankruptcy Judge