UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA

IN RE:	*	**CASE NO. 05-17697**
	*	
ENTERGY NEW ORLEANS, INC.	*	**CHAPTER 11**
	*	
DEBTOR	*	**SECTION "B"**
	*	
* * * * * * *	*	

SECOND INTERIM APPLICATION OF GORDON, ARATA, McCOLLAM, DUPLANTIS & EAGAN, L.L.P, AS SPECIAL COUNSEL TO THE DEBTOR-IN-POSSESSION, FOR ALLOWANCE OF FEES AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM AUGUST 1, 2006 THROUGH NOVEMBER 30, 2006

1.	Name of applicant:	Gordon, Arata, McCollam, Duplantis & Eagan, L.L.P.
2.	Role of applicant:	Special Counsel for the Debtor-in-Possession
3.	Name of certifying professional:	Wendy Hickok Robinson
4.	Date Case filed:	September 23, 2005
5.	Date of application for employment:	March 23, 2006
6.	Date of order approving employment:	April 13, 2006
7.	Date of this Application:	January 11, 2007
8.	Dates of services covered:	August 1, 2006 through November 30, 2006

FEES

9.	Total fee requested for this period (80% granted by fee statements equal to $12,592.00 plus 20% holdback fee, pending court approval of this fee application, equal to $3,148.00):	$ 15,740.00
10.	Balance remaining in fee retainer account, not yet awarded:	No retainer account
11.	Fees paid or advanced for this period, by other sources:	None
12.	Net amount of fees requested for this period:	$ 15,740.00

EXPENSES

13.	Total expense reimbursement requested for this period:	$ 332.07
14.	Balance remaining in expense retainer account, not yet received:	No retainer account
15.	Expenses paid or advanced for this period, by other sources:	None
16.	Net amount of expense reimbursements requested for this period: (#13 – (#14 + #15)):	$332.07
17.	Gross award requested for this period: (#9 + #13):	$16,072.07
18.	Net award requested for this period: (#12 + #16):	$16,072.07
19.	If Final Fee Application, amounts of net awards requested in interim applications but not previously awarded (total from History of Fees and Expenses, following pages):	N/A
20.	Total fee and expense award requested (#18):	$16,072.07

HISTORY OF FEES AND EXPENSES

1.	Dates, source and amounts of retainers received:	No retainers have been received.
2.	Dates, source and amounts of third party payments received:	No third party payments have been received.
3.	Prior fee and expense awards:	First Interim Application for Compensation in amount of $49,783.50 in fees and $964.52 in expenses was granted on October 12, 2006

GORDON, ARATA, McCOLLAM, DUPLANTIS & EAGAN, L.L.P. ("Applicant"), as special counsel to the Debtor-in-Possession, hereby files its *Second Interim Application for Allowance and Payment Of Compensation And Reimbursement Of Expenses To Gordon, Arata, McCollam, Duplantis & Eagan, L.L.P., As Special Counsel To The Debtor-In-Possession For The Period From August 1, 2006 Through November 30, 2006*, pursuant to 11 U.S.C., sections

330 and 331 and Bankruptcy Rule 2016(a), for professional services and expenses and, in support thereof, the Applicant states:

I. JURISDICTION

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this Application is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

II. INFORMATION ABOUT THE APPLICANT AND THE APPLICATION

2. On September 23, 2005 (the "Petition Date"), Entergy New Orleans, Inc. (the "Debtor") filed a petition for relief under Title 11, Chapter 11 of the Bankruptcy Code in the Eastern District of Louisiana. The Debtor continues to operate its business and manage its properties as a debtor-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108. No Trustee or examiner has been appointed in this Case. An Unsecured Creditors Committee has been appointed in this Case.

3. Prior to the petition date, Applicant represented Debtor in a regulatory case filed with the City Council of New Orleans. The decision of the City Council was appealed to and upheld by the Civil District Court for the Parish of Orleans. That opinion was subsequently appealed to Louisiana's Court of Appeals for the Fourth Circuit, *Reverend C.S. Gordon, Jr., et al. v. The Council of the City of New Orleans and Entergy New Orleans, Inc*., No. 2005-CA-1381 (the "Regulatory Appeal"). This appeal was delayed by the events surrounding Hurricane Katrina, then stayed by Debtor's Chapter 11 petition. On December 6, 2005, the Gordon plaintiffs filed a Motion for Relief from Automatic Stay with this Court, seeking relief from the stay in order to prosecute their Regulatory Appeal. The Court granted the Motion at a hearing on

January 25, 2006, which allowed the Louisiana Fourth Circuit to proceed with the Regulatory Appeal.

4. On March 23, 2006, the Debtor filed an *Application for an Order Authorizing the Debtor to Employ and Retain Gordon, Arata, McCollam, Duplantis & Eagan, L.L.P. as Limited Purpose Special Counsel Pursuant to 11 U.S.C. § 327(e)* (the "Application for Employment") (Docket No. 720). By order dated April 13, 2006 (Docket No. 757), the Court authorized the representation of the Debtor by the Applicant (the "Retention Order"). The Retention Order conditioned the Applicant's compensation upon application and a hearing consistent with the requirements of 11 U.S.C. §§ 330 and 331.

5. On September 13, 2006 Applicant filed its *First Interim Application for Allowance and Payment Of Compensation And Reimbursement Of Expenses To Gordon, Arata, McCollam, Duplantis & Eagan, L.L.P., As Special Counsel To The Debtor-In-Possession For The Period From April 13, 2006 Through July 31, 2006.* No objections to the First Interim Application were filed. Following a hearing on October 11, 2006, the Court granted the First Interim Application for Compensation in the amount of $49,783.50 in fees and $964.52 in expenses on October 12, 2006.

6. The Applicant submits this Second Interim Application pursuant to sections 328, 330, 331 and 503(b) of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, and the U.S. Department of Justice, Executive Office for the United States Trustee's Guidelines for Reviewing the Application for Compensation and Reimbursement of Expenses filed under 11 U.S.C. § 330 (the "Guidelines"). Also, the Applicant submits this Application pursuant to the *Order Granting Motion for an Administrative Order Establishing Procedures for*

Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members (Docket No. 27).

7. The Applicant requests an award of legal fees and the reimbursement of expenses incurred by the Applicant for services rendered in connection with the Regulatory Appeal, in the amount of $16,072.07, comprised of: (i) $15,740.00 for services rendered during the period August 1, 2006 through November 30, 2006 (the "Application Period"); and (ii) $ 332.07 as reimbursement for the actual and necessary expenses incurred by Applicant during the Application Period.

8. This request is the Applicant's Second Interim Application to the Court for compensation and Reimbursement of expenses for services rendered as counsel to the Debtor. No understanding exists between the Applicant and any other person for the sharing of compensation sought by this Applicant, except among Applicant's partners and associates.

9. In accordance with the Guidelines, the following exhibits are annexed to this Application:

Exhibit 1: Statements: (a) No. 238040 and (b) No. 238478. The statements contain a summary of professional and paraprofessional time by activity code category; a summary and breakdown of requested reimbursement of expenses and disbursements; and a detailed description of the services rendered and expenses and disbursements.

Exhibit 2: Summary of Professional and Paraprofessional Time.

Exhibit 3: Summary of Professional and Paraprofessional Time by Activity Code Category.

Exhibit 4: Summary of Requested Reimbursement for Expenses.

10. The Applicant has expended a total of 102.2 hours during the Application Period in rendering necessary and beneficial legal services to the Debtor. Exhibit 2 (Summary of Professional and Paraprofessional Time), and pages 4 of (a) and 5-6 of (b) of Exhibit 1 contain a

list of the Applicant's professionals and paraprofessionals who have provided services to the Debtor during the Application Period, the hourly rate charged by each and a summary of time expended by each. Exhibit 3 (Summary of Professional and Paraprofessional Time by Activity Code Category), and pages 1-4 of (a); and 1-5 of (b) of Exhibit 1, contain a summary of professional and paraprofessional time by activity code as required by, and in compliance with, the Guidelines. Exhibit 4 (Summary of Requested Reimbursement for Expenses), and pages 4-5 of (a); and 6-7 of (b) of Exhibit 1, contain a summary of the Applicant's total actual and necessary out-of-pocket expenses and disbursements, on behalf of the Debtor, for which the applicant seeks reimbursement in accordance with section 330(a)(1)(B) of the Bankruptcy Code, the Bankruptcy Rules, and the Guidelines. The expense and disbursements summarized are those that the Applicant typically would invoice to its non-bankruptcy clients.

III. INDEXING OF TASKS BY ACTIVITY CODES, WITH DESCRIPTIONS

As set forth in the Exhibits to this Application, the Applicant has organized its time records by activity codes in accordance with the Guidelines. As is required for all work done for the Entergy companies, the Applicant has used the Litigation Code Set from the American Bar Association's Uniform Task-Based Management System. Accordingly, each of the time entries of the Applicant's attorneys and paralegals has been indexed into the categories listed below:

L120 – Analysis/Strategy: Study and review of pleadings; legal research regarding issues in litigation; communication with counsel regarding litigation strategy.

L140 – Document/File Management: Organization of pleadings.

L190 – Other Case Assessment, Development and Administration: Organization and compilation of pleadings and correspondence; review scheduling orders; preparation of hearing binders.

L510 – Appellate Motions and Submissions: preparation of motions and briefs to be filed with Fourth Circuit Court of Appeal; conferences with counsel regarding same; review of opposing party's motions.

L520 – Appellate Briefs: study and review of other parties' briefs; communication with Debtor and other counsel regarding briefs.

L530 – Oral Argument: Preparation for oral arguments in Fourth Circuit on behalf of the Debtor; communication with other counsel regarding same; attend and conduct oral argument; review demonstrative exhibits used by plaintiffs at oral argument.

IV. EVALUATION OF SERVICES RENDERED; FIRST COLONIAL CONSIDERATIONS

This Application has presented the nature and extent of the professional services the Applicant has rendered in connection with its representation of the Debtor for which the Applicant seeks compensation. The attached summaries, however, constitute only a summary of the time spent and cannot completely reflect the complexity of the issues and pressures of time and performance which have been placed on Applicant in connection with this Case.

"The Fifth Circuit uses the 'lodestar' method to calculate attorney's fees." *Transamerican Natural Gas Corp. v. Zapata Partnership, Ltd*. (*In re Fender*), 12 F.3d 480, 487 (5th Cir. 1994) (citation omitted). The lodestar is the number of hours reasonably expended multiplied by "the prevailing hourly rate in the community for similar work." *Id.* The request for fees may then be adjusted upward or downward based on the factors identified in *American Benefit Life Ins. Co. v. Baddock* (*In re First Colonial Corp.*), 544 F.2d 1291 (5th Cir. 1977), *cert denied*, 431 U.S. 904 (1977). Under *First Colonial*, the twelve factors a bankruptcy court should evaluate in awarding fees are:

(1) The time and labor required;

(2) The novelty and difficulty of the questions presented;

(3) The skill required to perform the legal services properly;

(4) The preclusion from other employment by the attorney due to the acceptance of the case;

(5) The customary fee for similar work in the community;

(6) Whether the fee is fixed or contingent;

(7) The time limitations imposed by the client or circumstances;

(8) The amount involved and the results obtained;

(9) The experience, reputation and ability of the attorney;

(10) The undesirability of the case;

(11) The nature and length of the professional relationship with the client; and

(12) Awards in similar cases.

A detailed description of the application of each of these factors relevant to this Application is set forth below. Based on the *First Colonial* factors and the standards established by Section 330 of the Bankruptcy Code, the Applicant believes that the fair and reasonable value of its services rendered during the Application Period covered is the total amount of $15,740.00, plus expenses of $332.07.

A. <u>Time, Nature and Extent of Services Rendered, Results Obtained and Related First Colonial Factors</u>.

The foregoing summary, together with the attached Exhibits, details the time, nature and extent of the Applicant's professional services in connection with the Regulatory Appeal. In brief, Applicant has spent a total of 102.2 hours on the Regulatory Appeal during the Application Period, analyzing complex legal issues and working diligently to prepare the pleadings necessary in the Appeal and to prepare for and conduct the oral argument in the Appeal.

B. Novelty and Difficulty of Questions Presented

The issues that have arisen in the Regulatory Appeal during the period encompassed by this Application demanded a high level of skill. Legal issues arising from public utility regulation are inherently complex, as they require a thorough understanding of intricate rate formulae, the multiple layers of federal, state and local laws which regulate utilities, and the intricate physical logistics of the utility system itself. Applicant spent considerable time and effort examining and analyzing these complex issues presented by the Regulatory Appeal.

C. Skill Requisite to Perform Services Properly

In rendering services to the Debtor, the Applicant has demonstrated substantial legal skill and expertise in the areas of public utility regulation and appellate advocacy. The Applicant has thoroughly reviewed and analyzed the issues presented by the Regulatory Appeal, worked diligently to prepare the appellate briefs and oral argument, and used the skill and experience of Applicant's attorneys to accomplish these tasks in an efficient and economical manner.

D. Preclusion from Other Employment by Attorney due to Acceptance of Case

The Applicant has devoted substantial time in the representation of the Debtor as set forth in Exhibit 1. The Applicant is not aware of any other, specific employment which was precluded by its continuing to represent the Debtor, but had the Applicant not so continued its representation, the time spent on this case would have been spent on other matters which would pay an hourly compensation comparable to the fees requested in this Application.

E. Customary Fee

The hourly rates charged by the Applicant, as set forth in Exhibit 1, range from $115 to $250 per hour for attorneys, and are $85 per hour for paralegals, which is customary for

professionals and paraprofessionals in the Eastern District of Louisiana of similar skill and experience.

F. Whether Fee is Fixed or Contingent

The Applicant's compensation in this matter is contingent to the extent that all fees due counsel in a pending bankruptcy proceeding are contingent upon the success of the case, the availability of cash, review by the United States Trustees' Office, and the approval of the Court. The Court should consider this factor, which supports a fee award in the amount requested. Moreover, the amount requested is consistent with what the Applicant would charge its clients in other, non-contingent, commercial cases.

G. Time Limitations Imposed by Client or Other Circumstances

There were no particular time limitations or other circumstances other than the time limitations imposed in most litigation by virtue of deadlines, periods of limitation, etc.

H. Experience, Reputation and Ability of Attorneys

The professional services rendered in this case have been performed by attorneys with extensive experience and a high level of skill in the areas for which they have been employed. Applicant submits that its attorneys, with varying levels of experience and seniority, have been used effectively and efficiently to meet the requirement of the tasks assigned. Applicant's expertise and experience in these matters has enabled the regulatory appeal to progress in an efficient manner.

I. Undesirability of Case

There are no particular factors that make this case more undesirable than others, except that Applicant represented and assisted Debtor without benefit of a retainer or guarantee of payment of fees.

J. Nature and Length of Professional Relationship With Client

The Applicant has significant background and experience with respect to the *Gordon* litigation, as it has represented the Debtor in the litigation leading up to the Regulatory Appeal since 1999. In addition, Applicant has represented Entergy Corporation and its various operating companies, including Debtor, for more than twelve years, and as a result has substantial experience with a broad range of issues affecting the Debtor and its affiliates. Debtor's general counsel does not currently possess such specialized knowledge, which makes Applicant's retention essential to the efficient and economical representation of the Debtor in the Regulatory Appeal.

K. Awards in Similar Cases

The amount requested by the Applicant is reasonable in terms of awards in cases of similar magnitude and complexity. The compensation that the Applicant requests complies with the mandate of the Bankruptcy Code, which requires that services be evaluated in light of comparable services performed in non-bankruptcy cases in the community. The fee that the Applicant requests, $15,740, reflects an average hourly rate of $154.01 for 102.2 hours of service.

CONCLUSION; PRAYER FOR RELIEF

WHEREFORE, the Applicant respectfully requests the Court to enter an order: (i) awarding the Applicant the sum of $15,740.00 as second interim compensation for services rendered, and $332.07 as second interim reimbursement for actual and necessary expenses incurred during the course of Applicant's representation of the Debtor during the Application period; (ii) authorizing and directing the Debtor to pay the Applicant the sum of $16,072.07,

representing fees and costs sought by the Appellant herein; and (iii) granting such other and further relief as this Court deems appropriate.

EWELL E. EAGAN, JR.
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By: /s/Wendy Hickok Robinson
Wendy Hickok Robinson, Bar # 25225
Ewell E. Eagan, Jr., Bar # 5239

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the above and foregoing document was served electronically on PACER system participants, and to those on the attached service list via United States Mail, properly addressed and postage prepaid, on the 11th day of January, 2007.

By: /s/Wendy Hickok Robinson
Wendy Hickok Robinson