

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	
	)	Chapter 11
	)	
SOUTHCROSS ENERGY PARTNERS, L.P.,	)	Case No. 19-10702 (MFW)
<i>et al.</i> ,	)	
	)	
Debtors. <sup>1</sup>	)	Jointly Administered
	)	
	)	Hearing Date: December 19, 2019 at 10:30 a.m. (ET)
	)	Obj. Deadline: December 2, 2019 at 4:00 p.m. (ET)
	)	

**NOTICE OF SECOND INTERIM APPLICATION OF DAVIS POLK & WARDWELL  
LLP FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED  
AND REIMBURSEMENT OF EXPENSES INCURRED AS COUNSEL TO THE  
DEBTORS AND DEBTORS IN POSSESSION  
FOR THE PERIOD JULY 1, 2019 THROUGH SEPTEMBER 30, 2019**

Name of applicant:	<u>Davis Polk &amp; Wardwell LLP</u>
Authorized to provide professional services to:	<u>The above-captioned debtors and debtors in possession</u>
Date of retention:	<u>May 3, 2019 <i>nunc pro tunc</i> to</u> <u>April 1, 2019</u>
Interim period for which compensation and reimbursement are sought:	<u>July 1, 2019 through September 30, 2019</u>

<sup>1</sup> The debtors and debtors in possession in these Chapter 11 Cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors' mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.



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Amount of compensation sought as actual, reasonable, and necessary:	<u>\$3,316,748.75<sup>2</sup></u>
Amount of expense reimbursement sought as actual, reasonable and necessary:	<u>\$14,924.60<sup>3</sup></u>
Total allowed fees paid to date:	<u>\$5,902,637.25</u>
Total allowed expenses paid to date:	<u>\$38,828.94</u>
Blended rate in this application for all attorneys	<u>\$1,008.29</u>
Blended rate in this application for all timekeepers	<u>\$978.74</u>
Number of professionals included in this application	<u>40</u>
Number of professionals not included in staffing plan	<u>8</u>
If applicable, difference between fees budgeted in Exhibit D and compensation sought for this period	<u>N/A</u>
Number of professionals billing fewer than 15 hours to this application during this period	<u>11</u>
Any rates higher than those approved or disclosed at retention? If yes, calculate and disclose the total compensation sought in this application using the rates originally disclosed	<u>N/A</u>

This is a(n):      monthly   X   interim      final application

Prior monthly applications filed:

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<sup>2</sup> This amount reflects a reduction in fees in the amount of \$214,864.64 on account of the following:  
(a) \$5,559.25 for non-working travel time to comply with the UST Guidelines (as defined below); and  
(b) \$209,305.39 of voluntary write-offs.

<sup>3</sup> This amount reflects a reduction in expenses in the amount of \$4,093.92 on account of the following:  
(a) \$1,805.10 for word processing, reproduction, and overtime meals charges to comply with the UST Guidelines; and  
(b) \$2,288.82 of voluntary write-offs.

<b>Date Filed</b>	<b>Docket Number</b>	<b>Period Covered</b>	<b>Total Fees/Expenses Allowed</b>	<b>Fees/Expenses Authorized To Be Paid<sup>4</sup></b>
6/3/19	245	4/1/19-4/30/19	\$1,791,971.75/\$11,652.23	\$1,791,971.75/\$11,652.23
6/27/19	345	5/1/19-5/31/19	\$1,679,305.25/\$9,936.16	\$1,679,305.25/\$9,936.16
7/23/19	391	6/1/19-6/30/19	\$670,767.25/\$4,263.25	\$670,767.25/\$4,263.25
8/30/19	452	7/1/19-7/31/19	\$775,004.00/\$3,743.84	\$623,003.20/\$3,743.84
10/11/19	534	8/1/19-8/31/19	\$1,421,987.25/\$9,233.46	\$1,137,589.80/\$9,233.46
10/30/19	648	9/1/19-9/30/19	\$1,119,757.50/\$1,947.30	\$895,806.00/\$1,947.30

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<sup>4</sup> These amounts reflect 80% of the fees for professional services rendered and 100% of the actual necessary costs and expenses incurred.

**PLEASE TAKE NOTICE** that Davis Polk & Wardwell LLP ( “**Davis Polk**”), counsel to the above-captioned debtors and debtors in possession (the “**Debtors**”), files this second interim application for the allowance of compensation for services rendered and reimbursement of expenses incurred (the “**Second Interim Fee Application**”) during the period July 1, 2019 through September 30, 2019 (the “**Second Interim Fee Period**”) in accordance with the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, entered on May 6, 2019 [D.I. 191] (the “**Interim Compensation Order**”).<sup>5</sup>

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Interim Compensation Order, objections, if any, to this Second Interim Fee Application must be filed with the United States Bankruptcy Court for the District of Delaware and served on Davis Polk at the address set forth below and the Notice Parties so as to be **received by December 2, 2019 at 4:00 p.m. (prevailing Eastern Time)**.

**PLEASE TAKE FURTHER NOTICE** that a hearing to consider this Second Interim Fee Application will be held before the Honorable Mary F. Walrath, United States Bankruptcy Court Judge, at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Courtroom 1, Wilmington, Delaware 19801 on **December 19, 2019 at 10:30 a.m. (prevailing Eastern Time)**.

**PLEASE TAKE FURTHER NOTICE** that (i) attached hereto as **Exhibit A** is a summary of compensation by each Davis Polk professional that worked on the above-captioned chapter 11 cases during the Second Interim Fee Period, (ii) attached hereto as **Exhibit B** is a summary of compensation by project category for the Second Interim Fee Period, (iii) attached hereto as **Exhibit C** is a summary of expenses incurred by Davis Polk during the Second Interim Fee Period, (iv) attached hereto as **Exhibit D** is Davis Polk’s budget for the Second Interim Fee Period, (v) attached hereto as **Exhibit E** is Davis Polk’s staffing plan for the Second Interim Fee Period, and (vi) attached hereto as **Exhibit F** is the certification of Darren S. Klein in support of the Second Interim Fee Application.

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<sup>5</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Interim Compensation Order.

**PLEASE TAKE FURTHER NOTICE THAT IF NO TIMELY OBJECTIONS ARE FILED TO THIS SECOND INTERIM FEE APPLICATION, THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE MAY ENTER AN ORDER GRANTING THIS SECOND INTERIM FEE APPLICATION WITHOUT A HEARING.**

Dated: November 18, 2019  
New York, New York

DAVIS POLK & WARDWELL LLP

/s/ Darren S. Klein

Marshall S. Huebner (admitted *pro hac vice*)

Darren S. Klein (admitted *pro hac vice*)

Steven Z. Szanzer (admitted *pro hac vice*)

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*Counsel to the Debtors and  
Debtors in Possession*

**EXHIBIT A****COMPENSATION BY PROFESSIONAL  
JULY 1, 2019 THROUGH SEPTEMBER 30, 2019**

<b>Name of Professional Individual</b>	<b>Position, Year Assumed Position, Prior Relevant Experience, Year of Obtaining Relevant License to Practice</b>	<b>Hourly Billing Rate</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
<b>Partners</b>				
Birnbaum, Harold	Partner; joined partnership in 2016; admitted New York 2009	\$1,585	93.0	\$147,405.00
Blanco, Maurice	Partner; joined partnership in 2008; admitted New York 2002	\$1,645	27.1	\$44,579.50
Crandall, Jeffrey P.	Partner; joined partnership in 2011; admitted New York 1983	\$1,645	5.0	\$8,225.00
Curran, William A.	Partner; joined partnership in 2017; admitted New York 2010	\$1,445	20.1	\$29,044.50
Huebner, Marshall S.	Partner; joined partnership in 2002; admitted New York 1994	\$1,645	5.2	\$8,554.00
Klein, Darren S.	Partner; joined partnership in 2016; admitted New York 2008	\$1,585	157.5	\$249,637.50
Moskowitz, Elliot	Partner; joined partnership in 2010; admitted New York 2002	\$1,645	64.4	\$105,938.00
Schweiger, Darren M.	Partner; joined partnership in 2019; admitted New York 2012	\$1,345	9.3	\$12,508.50
<b>Partner Total:</b>			<b>381.6</b>	<b>\$605,892.00</b>
<b>Counsel</b>				
Finelli, Jon	Counsel; joined Davis Polk 2018; admitted New York 2008	\$1,225	24.5	\$30,012.50
Kennedy, Susan D.	Counsel; joined Davis Polk 1985; admitted New York 1984	\$1,225	21.3	\$26,092.50
Szanzer, Steven Z.	Counsel; joined Davis Polk 2016; admitted New York 2001	\$1,225	549.7	\$673,382.50
<b>Counsel Total:</b>			<b>595.5</b>	<b>\$729,487.50</b>
<b>Associates, Law Clerks, and Legal Assistants</b>				
Ariel, Donny	Associate; joined Davis Polk 2019; admitted New York 2016	\$1,010	251.1	\$253,611.00
Brockway, Henry	Associate; joined Davis Polk 2019; admitted New York 2019	\$645	7.6	\$4,902.00
Brownstone, Adam R.	Associate; joined Davis Polk 2019; admitted Washington, D.C. 2017	\$930	15.1	\$14,043.00
Bullitt, Stockton	Associate; joined Davis Polk 2018; admitted New York 2019	\$645	117.5	\$75,787.50
Burke, Arthur M.T.	Associate; joined Davis Polk 2015; admitted New York 2016	\$1,010	232.3	\$234,623.00

<b>Name of Professional Individual</b>	<b>Position, Year Assumed Position, Prior Relevant Experience, Year of Obtaining Relevant License to Practice</b>	<b>Hourly Billing Rate</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Cheng, Katherine	Associate; joined Davis Polk 2015; admitted New York 2015	\$1,040	148.7	\$154,648.00
Corbett, Richard	Associate; joined Davis Polk 2015; admitted New York 2016	\$1,010	13.7	\$13,837.00
Erickson, Jarret	Associate; joined Davis Polk 2018; admitted New York 2018	\$735	75.4	\$55,419.00
Feldstein, Rachel M.	Associate; joined Davis Polk 2018; admitted New York 2019	\$645	63.2	\$40,764.00
Green, Thomas S.	Associate; joined Davis Polk 2019; admitted New York 2016	\$1,010	181.3	\$183,113.00
Hines, Christian	Associate; joined Davis Polk 2018; admitted New York 2019	\$645	172.6	\$111,327.00
Holt, Christopher W.	Associate; joined Davis Polk 2018; admitted New York 2014	\$1,075	34.4	\$36,980.00
Johnson, Elizabeth	Associate; joined Davis Polk 2017; admitted New York 2018	\$735	9.4	\$6,909.00
Kasprisin, Justin Alexander	Associate; joined Davis Polk 2017; admitted New York 2012	\$735	13.6	\$9,996.00
Lim, Soo	Associate; joined Davis Polk 2017; admitted New York 2018	\$735	254.5	\$187,057.50
Malinowsky, Thomas D.	Associate; joined Davis Polk 2015; admitted New York 2016	\$1,010	129.9	\$131,199.00
Marzorati, Luca	Associate; joined Davis Polk 2018; admitted New York 2019	\$645	72.2	\$46,569.00
Mehes, Adam	Associate; joined Davis Polk 2011; admitted New York 2011	\$1,075	36.8	\$39,560.00
Meyer, Daniel E.	Associate; joined Davis Polk 2018; admitted New York 2018	\$735	40.5	\$29,767.50
Moyal, Shay	Associate; joined Davis Polk 2018; admitted New York 2018	\$645	62.9	\$40,570.50
Owens, Khadijah A.	Associate; joined Davis Polk 2018; admitted New York 2019	\$645	182.5	\$117,712.50
Patel, Rahul K.	Associate; joined Davis Polk 2019; admitted Washington, D.C. 2017	\$930	12.8	\$11,904.00
Pearlman, Andrew J.	Associate; joined Davis Polk 2014; admitted New York 2015	\$1,040	12.2	\$12,688.00
Schak, Benjamin M.	Associate; joined Davis Polk 2015; admitted New York 2014	\$1,075	26.3	\$28,272.50
Slansky, Aliza	Associate; joined Davis Polk 2015; admitted New York 2014	\$1,040	62.7	\$65,208.00
Smith, Hilary	Associate; joined Davis Polk 2017; admitted New York 2018	\$735	5.8	\$4,263.00
Taylor, Brittany	Associate; joined Davis Polk 2018; admitted New York 2019	\$645	5.0	\$3,225.00
Giddens, Magali	Legal Assistant; joined Davis Polk 2019	\$425	154.6	\$65,705.00

<b>Name of Professional Individual</b>	<b>Position, Year Assumed Position, Prior Relevant Experience, Year of Obtaining Relevant License to Practice</b>	<b>Hourly Billing Rate</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Volano, Theresa	Legal Assistant; joined Davis Polk 2019	\$425	17.1	\$7,267.50
<b>Associates, Law Clerks, and Legal Assistants Total:</b>			<b>2,411.7</b>	<b>\$1,986,928.50</b>
<b>TOTAL</b>			<b>3,388.8</b>	<b>\$3,322,308.00</b>



Grand Total	\$3,322,308.00
Attorney Compensation	\$3,249,335.50
(less 50% discount for non-working travel time)	(\$5,559.25)
Total Attorney Compensation after Discount	\$3,243,776.25
Net Total	\$3,316,748.75
Total Attorney Hours	3,217.1
Blended Attorney Rate <sup>1</sup>	\$1,008.29
Total Hours for all Timekeepers	3,388.8
Blended Rate for all Timekeepers	\$978.74

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<sup>1</sup> The Blended Attorney Rate includes Law Clerks who became barred attorneys during the Second Interim Fee Period.

**EXHIBIT B****COMPENSATION BY PROJECT CATEGORY  
JULY 1, 2019 THROUGH SEPTEMBER 30, 2019**

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
Hearing Preparation	9.8	\$13,049.00
Business Operations	7.3	\$8,942.50
Asset Dispositions	1534.0	\$1,477,716.50
Corporate Governance, Board Matters and Communications	130.3	\$145,831.50
Creditor/Equity Issues	32.8	\$31,100.00
Davis Polk Retention	5.3	\$3,975.50
Employee/Labor Issues	5.6	\$6,650.00
Financing, Cash Collateral and Adequate Protection	133.1	\$131,286.00
General Case Administration	69.5	\$73,534.00
Leases and Contracts	79.8	\$88,890.00
Litigation	833.2	\$851,117.00
Non-Davis Polk Retention and Fee Issues	11.1	\$10,902.50
Plan/Disclosure Statement	159.5	\$176,331.00
Preparation of Fee Statements/Applications and Budget	227.4	\$142,520.50
Acquired Entities	20.2	\$17,988.00
Reporting	121.0	\$131,355.50
Non-Working Travel Time (50%)	4.5	\$5,559.25
<b>Total</b>	<b>3,384.4</b>	<b>\$3,316,748.75</b>

**EXHIBIT C****EXPENSE SUMMARY  
JULY 1, 2019 THROUGH SEPTEMBER 30, 2019**

<b>Expense Category</b>	<b>Service Provider (if applicable)</b>	<b>Total Expenses</b>
Word Processing & Secretarial	N/A	N/A
Computer Research	LexisNexis and Westlaw	\$8,821.89
In-House Reproduction at \$0.10 per page (Duplication/Printing)	N/A	\$657.26
Travel Expenses	Various Providers	\$3,451.14
Business Meals	Various Providers	\$1,681.45
Outside Documents & Research	Restructuring Concepts/netDockets, PACER, and Courtlink	\$312.86
<b>Total</b>		<b>\$14,924.60</b>

**EXHIBIT D****BUDGET BY PROJECT CATEGORY  
FOR JULY 1, 2019 TO SEPTEMBER 30, 2019**

<b><u>Project Category</u></b>	<b><u>Estimated Hours</u></b>	<b><u>Estimated Fees</u></b>
Asset Dispositions	1,304 – 2,071	\$1,256,000 – \$1,995,000
Corporate Governance, Board Matters and Communications	111 – 176	\$124,000 – \$197,000
Creditor/Equity Issues	28 – 45	\$26,000 – \$42,000
Davis Polk Retention	4 – 7	\$3,000 – \$5,000
Employee/Labor Issues	5 – 8	\$6,000 – \$9,000
Financing, Cash Collateral and Adequate Protection	113 – 180	\$112,000 – \$177,000
General Case Administration	60 – 95	\$63,000 – \$99,000
Leases and Contracts	68 – 108	\$76,000 – \$120,000
Litigation	708 – 1,125	\$723,000 – \$1,149,000
Non-Davis Polk Retention and Fee Issues	9 – 15	\$9,000 – \$15,000
Non-Working Travel Time	8 – 12	\$5,000 – \$8,000
Plan/Disclosure Statement	136 – 216	\$150,000 – \$238,000
Preparation of Fee Statements/Applications and Budget	193 – 306	\$121,000 – \$192,000
Reporting	103 – 163	\$112,000 – \$177,000
Hearing Preparation	9 – 14	\$11,000 – \$18,000
Business Operations	6 – 9	\$8,000 – \$12,000
Acquired Entities	17 – 27	\$15,000 – \$24,000
<b>Total</b>	<b>2,882 – 4,577</b>	<b>\$2,819,000 – \$4,478,000</b>

**EXHIBIT E****STAFFING PLAN BY TIMEKEEPER CATEGORY  
FOR JULY 1, 2019 TO SEPTEMBER 30, 2019**

<b>Category of Timekeeper</b>	<b>Number of Timekeepers Expected To Perform Significant Work Across All Matters During the Budget Period</b>	<b>Average Hourly Rate<sup>1</sup></b>
Partner	7	\$1,600
Counsel	2	\$1,230
Associate	22	\$900
Paraprofessional	1	\$430
Law School Graduates	0	\$645
<b>Total</b>	<b>32</b>	<b>\$1,030</b>

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<sup>1</sup> The Average Hourly Rate is a weighted blended rate based on the individual hourly rate of, and projected number of hours to be worked by, each timekeeper during the budget period.

**EXHIBIT F**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)	Chapter 11
	)	
SOUTHCROSS ENERGY PARTNERS, L.P.,	)	Case No. 19-10702 (MFW)
<i>et al.</i> ,	)	
	)	
Debtors. <sup>1</sup>	)	Jointly Administered
	)	
	)	<b>Obj. Deadline: December 2, 2019 at 4:00</b>
	)	<b>p.m. (ET)</b>
	)	

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**CERTIFICATION REGARDING SECOND INTERIM FEE APPLICATION OF  
DAVIS POLK & WARDWELL LLP FOR ALLOWANCE OF COMPENSATION FOR  
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED  
AS COUNSEL TO THE DEBTORS AND DEBTORS IN POSSESSION  
FOR THE PERIOD JULY 1, 2019 THROUGH SEPTEMBER 30, 2019**

1. I am an attorney admitted to practice law in the State of New York and a partner at the law firm Davis Polk & Wardwell LLP (“**Davis Polk**”), located at 450 Lexington Avenue, New York, New York. I am familiar with the work performed on behalf of the Debtors by Davis Polk.

2. I have reviewed the *Notice of Second Interim Application of Davis Polk & Wardwell LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred As Counsel to the Debtors and Debtors In Possession For the Period July*

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<sup>1</sup> The debtors and debtors in possession in these Chapter 11 Cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

1, 2019 Through September 30, 2019 (the “**Second Interim Fee Application**”) to certify to certain matters addressed in the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* entered on May 6, 2019 [D.I. 191] (the “**Interim Compensation Order**”).<sup>2</sup> The Second Interim Fee Application covers the period July 1, 2019 through September 30, 2019 (the “**Second Interim Fee Period**”).

3. I have reviewed the Second Interim Fee Application, including each Monthly Fee Application relating to the Second Interim Fee Period covered by the Second Interim Fee Application, and I hereby certify that, to the best of my knowledge, such applications comply with the Interim Compensation Order and the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. In addition, I hereby certify that, in accordance with the Interim Compensation Order, and in connection with preparing the Second Interim Fee Application, Davis Polk has made a reasonable effort to comply with the U.S. Trustee’s requests for information and additional disclosures set forth in the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013 (the “**U.S. Trustee Guidelines**”). Accordingly, Davis Polk responds to the questions identified in the U.S. Trustee Guidelines as follows:

Question 1: Did you agree to any variations from, or alternatives to, your standard or customary billing rates, fees, or terms for services pertaining to this engagement that were provided during the application period? If so, please explain.

Answer: As disclosed in the *Application of Debtors for Authority to Employ and Retain Davis Polk & Wardwell LLP as Attorneys for the Debtors Nunc Pro Tunc to the Petition Date* (the “**Retention Application**”), Davis Polk has agreed to negotiated discounts off of its standard rates.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Interim Compensation Order.



Question 2: If the fees sought in the Second Interim Fee Application as compared to the fees budgeted for the time period covered by the Second Interim Fee Application are higher by 10% or more, did you discuss the reasons for the variation with the client?

Answer: The fees sought in the Second Interim Fee Application do not exceed the fees budgeted.

Question 3: Have any of the professionals included in the Second Interim Fee Application varied their hourly rate based on geographic location of the bankruptcy case?

Answer: As disclosed in the Retention Application, no.

Question 4: Does the Second Interim Fee Application include time or fees related to reviewing or revising time records or preparing, reviewing, or revising invoices?

Answer: The Second Interim Fee Application includes time and fees related to reviewing or revising time records or preparing, reviewing, or revising invoices in connection with the preparation of Monthly Fee Applications relating to the Second Interim Fee Period covered by the Second Interim Fee Application. Davis Polk is seeking compensation for approximately 145.2 hours and \$76,482 in fees related to reviewing and revising time records with respect to the preparation of such fee applications.

Question 5: Does the Second Interim Fee Application include time or fees for reviewing time records to redact any privileged or other confidential information? If so, please quantify hours and fees.

Answer: The Second Interim Fee Application includes time and fees related to reviewing time records to redact any privileged or other confidential information. Such charges are included in the time charges set forth in the response to question 4 and are not separately calculated.

Question 6: Did the Second Interim Fee Application include any rate increases since retention in these cases:

Answer: No.

Question 7: Did the client agree when retaining Davis Polk to accept all future rate increases? If not, did Davis Polk inform the client that they need not agree to modified rates or terms in order to have you continue the representation, consistent with ABA Formal Ethics Opinion 11-458?

Answer: The client was informed regarding Davis Polk's rates and future rate increases as part of its approval of Davis Polk's retention application.

/s/ Darren S. Klein

Darren S. Klein (admitted *pro hac vice*)