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Hearing Date: May 22, 2008 at 10:00a.m.  
Objection Deadline: May 15, 2008

Attorneys for Creditor  
Merced Irrigation District

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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QUEBECOR WORLD (USA) INC., et al., : Chapter 11  
Debtor(s). : Case Nos. 08-10152 (JMP)  
 : (Jointly Administered)  
 :  
 : Honorable James M. Peck  
 :  
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**APPLICATION BY MERCED IRRIGATION DISTRICT FOR ALLOWANCE OF  
ADMINISTRATIVE EXPENSE CLAIM, PURSUANT TO 11 U.S.C. § 503(b)(9), FOR  
GOODS DELIVERED TO DEBTORS WITHIN TWENTY (20) DAYS OF THE  
BANKRUPTCY FILING**

Merced Irrigation District (“Merced” or “Movant”), by and through its counsel, Downey Brand LLP, hereby moves this Court for an Order allowing it an administrative expense claim in the amount of \$245,436.80, pursuant to 11 U.S.C. § 503(b)(9) for the value of goods sold by Merced and received by the Debtors in the ordinary course of their business within twenty (20) days prior to the commencement of these cases. In support of the instant application, Merced respectfully sets forth and states as follows:

## **JURISDICTION**

1. This Court has jurisdiction over the matters set forth in the instant application pursuant to 28 U.S.C. § 157 and 1334. This is a “core” proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. Venue of this proceeding in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

## **BACKGROUND**

3. On January 21, 2008 (the “Filing”), the Debtors filed voluntary petitions under Chapter 11 of the Bankruptcy Code (11 U.S.C. §§ 101 et seq.) (the “Code”).

4. Merced is a public entity which, among other things sells electricity to customers within its service territory.

5. As set forth in the accompanying affidavit of Cindy Ardison, sworn to April 14, 2008, Merced sold and delivered electricity (“Goods”) to the Debtors in the ordinary course of the Debtors’ business to the Debtor’s printing facility located in Merced, California..

6. The value of the electricity received by the Debtors from Merced within twenty (20) days prior to the Filing Date, from January 1, 2008 through January 20, 2008, is \$245,436.80. See Exhibit “A.”

## **BASIS FOR THE RELIEF SOUGHT**

7. Section 503(b)(9) of the Code provides, in relevant part, as follows:

After notice and a hearing, there shall be allowed, administrative expenses . . . including the value of any goods received by the debtor within 20 days before the date of commencement of a case under [the Bankruptcy Code] in which the goods have been sold to the debtor in the ordinary course of such debtor’s business.

8. Here, it is indisputable that the Goods were received by the Debtors within twenty (20) days before the Filing Date, and that such Goods were sold to the Debtors in the ordinary course of its business.

9. Accordingly, pursuant to Section 503(b)(9) of the Code, Merced is entitled to an administrative expense claim for the value of the Goods in the amount of \$245,436.80.

10. To the extent that the Court grants motions filed by other creditors not only for the allowance, but also for the immediate payment, of administrative claims for goods delivered to the Debtors within twenty (20) days of the filing date, it is respectfully requested that the Court also grant such relief to Merced.<sup>1</sup>

**WAIVER OF MEMORANDUM OF LAW**

11. It is respectfully requested that the Court waive the requirement under the Local Rules for the filing of a separate memorandum of law, as there are no novel issues of law presented in this motion requiring the filing of same.

**NO PRIOR APPLICATION**

12. No prior application for the relief requested herein has been made to this or any other Court.

WHEREFORE, Merced respectfully requests that the Court enter an Order allowing Merced an administrative expense claim in the amount of \$245,436.80, pursuant to 11 U.S.C. § 503(b)(9), together with such other and further relief as the Court deems just and proper.

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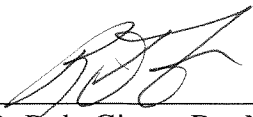
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<sup>1</sup> See motions filed by WCJ Pilgrim Wire, LLC, Ecological Fibers, Inc., and AEP Industries, Inc., creditors, now returnable on April 17, 2008, for the allowance and the immediate payment of administrative expense claims pursuant to Section 503(b)(9) of the Code. Notably, the Debtors, in their “limited” objection to these motions, did not dispute that movants were entitled to administrative expense treatment under Section 503(b)(9) of the Code, but only objected to the immediate payment of same.

Dated: Sacramento, CA  
April 14, 2008

DOWNEY BRAND LLP

By:  \_\_\_\_\_

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Attorneys for Creditor Merced Irrigation  
District

**MID MERCED IRRIGATION DISTRICT**  
ELECTRIC SERVICES

Statement for:  
**ENERGY CHARGES**

Date of Statement: February 8, 2008

Please make checks payable to:  
**MERCED IRRIGATION DISTRICT**  
744 W. 20TH STREET  
P.O. BOX 2288  
MERCED, CA 95344 • (209) 722-3041

Customer: **QUEBECOR**  
MERCED 0702  
P.O. Box 182893  
Spokane, OH 43218-2893

Invoice No.: 2007-12-31 2008-01-20  
Customer Acct. No.: 1791  
Meter I.D.: 224483

SERVICE PERIOD:		BILLING	USAGE	DEMAND	PRORATED	POWER
From:	To:	DAYS:	(KWH)	(PEAK KW)	DEMAND (KW)	FACTOR
12/31/07	01/20/08	20	3,316,645	10,281.6	6,633.3	85%

Location Address: 2201 Cooper Avenue, Merced, California

DESCRIPTION OF CHARGES:	RATE:	AMOUNT
Customer Charge / month	\$ 800	\$ 516.13
Energy Charge / kWh	\$ 0.06250	207,290.31
Demand Charge / kW	\$ 4.50	29,849.85
Base Load Req'm't Credit / month	\$ (8,333)	(5,376.13)
Mandated Fees	2.50%	5,807.00
Public Benefits Charge	2.85%	6,619.98
State Surcharge / kWh	\$ 0.00022	729.66
Other:		
Other:		
<b>TOTAL CURRENT CHARGES:</b>		<b>\$245,436.80</b>
Previous Balance:		<b>\$418,057.86</b>
Payment (unpaid) Thank you!		-
<b>CURRENT AMOUNT DUE:</b>	February 28, 2008	<b>\$663,494.66</b>

Payment due 20 days after date of statement

Please return this portion with payment.  
REMITTANCE FOR ELECTRIC SERVICES STATEMENT  
MERCED IRRIGATION DISTRICT ELECTRIC SERVICES

Customer: QUEBECOR  
Account Number: 1791  
Amount Due: **\$663,494.66**  
Amount of Payment: \_\_\_\_\_  
Payment Due Date: **February 28, 2008**

EXHIBIT A