

**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION**

In re:

WALTER ENERGY, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 15-02741-TOM11

Joint Administration Requested

**INTERIM ORDER (A) (I) PROHIBITING UTILITY COMPANIES FROM  
ALTERING, REFUSING OR DISCONTINUING UTILITY SERVICES,  
(II) DEEMING UTILITY COMPANIES ADEQUATELY ASSURED OF  
FUTURE PERFORMANCE, (III) SETTING A FINAL HEARING RELATED  
THERETO; AND (B) GRANTING RELATED RELIEF**

Upon consideration of the motion (the “Motion”)<sup>2</sup> of Walter Energy, Inc. and its affiliated debtors and debtors-in-possession in the above captioned cases (each a “Debtor” and collectively, the “Debtors”), requesting entry of interim and final orders pursuant to section 366 of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004: (i) prohibiting Utility Companies from altering, refusing, or discontinuing Utility Services, (ii) deeming Utility Companies adequately assured of future performance, (iii) establishing procedures for determining adequate assurance of payment, and (iv) setting a final hearing related thereto, all as described more fully in the Motion; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these

<sup>1</sup> Walter Energy, Inc. (9953); Atlantic Development and Capital, LLC (8121); Atlantic Leaseco, LLC (5308); Blue Creek Coal Sales, Inc. (6986); Blue Creek Energy, Inc. (0986); J.W. Walter, Inc. (0648); Jefferson Warrior Railroad Company, Inc. (3200); Jim Walter Homes, LLC (4589); Jim Walter Resources, Inc. (1186); Maple Coal Co., LLC (6791); Sloss-Sheffield Steel & Iron Company (4884); SP Machine, Inc. (9945); Taft Coal Sales & Associates, Inc. (8731); Tuscaloosa Resources, Inc. (4869); V Manufacturing Company (9790); Walter Black Warrior Basin LLC (5973); Walter Coke, Inc. (9791); Walter Energy Holdings, LLC (1596); Walter Exploration & Production LLC (5786); Walter Home Improvement, Inc. (1633); Walter Land Company (7709); Walter Minerals, Inc. (9714); and Walter Natural Gas, LLC (1198). The location of the Debtors’ corporate headquarters is 3000 Riverchase Galleria, Suite 1700, Birmingham, Alabama 35244-2359.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.



cases and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that adequate and proper notice of the Motion has been given and that no other or further notice need be given; and a hearing having been held to consider the relief requested in the Motion; and upon the record of the hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and all other parties in interest; and the legal and factual bases set forth in the Motion having established just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor; it is hereby ORDERED that:

1. The Motion is GRANTED on an INTERIM BASIS to the extent provided herein.
2. The Debtors are authorized, but not directed, to pay on a timely basis and in accordance with their prepetition practices all undisputed invoices for postpetition Utility Services provided by the Utility Companies to the Debtors.
3. The Debtors shall, on or before twenty-one (21) days after the Petition Date, deposit a sum of approximately \$1.8 million, an amount equal to 50% worth of the Debtors' average monthly cost of the Utility Services, based on the past twelve months of service (the "Utility Deposit"), into a newly created segregated bank account (the "Utility Deposit Account," which shall constitute adequate assurance of payment for each Utility Company for postpetition Utility Services provided to the Debtors. The Utility Deposit Account may be either interest-bearing or non-interest-bearing, at the Debtors' election.
4. The Utility Deposit Account shall be maintained with a minimum balance of \$1.8 million, an amount equal to 50% of the Debtors' average monthly cost of the Utility Services, based on the past twelve months of service, which may be adjusted by the Debtors: (i) to account

for the termination of Utility Services by the Debtors regardless of any Requests (as defined in the Motion) or agreements with Utility Companies; (ii) in accordance with the terms of any agreement between the Debtors and the affected Utility Company; and (iii) the inclusion of Adequate Assurance for Additional Utilities.

5. Pending entry of the Final Order, the Utility Companies are prohibited from: (i) altering, refusing or discontinuing Utility Services on the basis of the commencement of the Chapter 11 Cases, on account of any unpaid invoice for Utility Services provided before the Petition Date, or on account of any objections to the Debtors' proposed adequate assurance; or (ii) demanding or requiring the Debtors to furnish any additional deposit or other security to the Utility Companies for the continued provision of Utility Services.

6. The Debtors' proposed Assurance Procedures are approved, on an interim basis and pending entry of a final order, as follows:

- (a) If a Utility Company is not satisfied with the assurance of future payment provided by the Debtors, the Utility Company must serve a written request (a "Request") upon (x) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, New York, 10019, Attention: Michael Rudnick (email: [mrudnick@paulweiss.com](mailto:mrudnick@paulweiss.com)), Ann Young (email: [ayoung@paulweiss.com](mailto:ayoung@paulweiss.com)), and Claudia Tobler ([ctobler@paulweiss.com](mailto:ctobler@paulweiss.com)) and Bradley Arant Boult Cummings LLP, One Federal Place, 1819 Fifth Avenue North, Birmingham, Alabama 35203, Attention: Jay Bender (email: [jbender@babc.com](mailto:jbender@babc.com)); or James Bailey (email: [jbailey@babc.com](mailto:jbailey@babc.com)); and (y) counsel to the Steering Committee, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attention: Ira Dizengoff (email: [idizengoff@akingump.com](mailto:idizengoff@akingump.com)), Akin Gump Strauss Hauer & Feld LLP, 1333 New Hampshire Ave, N.W., Washington, DC 20036, Attention: James Savin (email: [jsavin@akingump.com](mailto:jsavin@akingump.com)) and Burr Forman, 420 North 20th Street, Suite 3400, Birmingham, Alabama 35203, Attention: Michael L. Hall (email: [mhall@burr.com](mailto:mhall@burr.com)) and D. Christopher Carson (email: [ccarson@burr.com](mailto:ccarson@burr.com)) (i) setting forth the location(s) for which Utility Services are provided, the account number(s) for such location(s), and the outstanding balance for each account, (ii) providing a report on and certifying the Debtors' payment history on each account for the previous twelve (12) months, (iii) disclosing any existing security

deposit, and (iv) providing an explanation of why the Utility Deposit is not Adequate Assurance of payment.

- (b) Without further order of the Court, the Debtors may enter into agreements granting additional Adequate Assurance to a Utility Company or extending the Debtors' time to file a Determination Motion (as defined below); provided, however, that the Debtors shall consult with the advisors of the Steering Committee with respect to any proposed Adequate Assurance of \$500,000 or more for any individual Utility in excess of the Utility Deposit.
- (c) If the Debtors believe a Request is unreasonable, then they shall, within thirty (30) days after receipt of a Request (or such later date agreed to by the Debtors and the requesting Utility Company), file a motion (the "Determination Motion") pursuant to section 366(c)(3) of the Bankruptcy Code seeking a determination from the Court that the Utility Deposit, plus any additional consideration offered by the Debtors, constitutes Adequate Assurance of payment. Pending notice and a hearing on the Determination Motion, the Utility Company that is the subject of the unresolved Request may not alter, refuse, or discontinue services to the Debtors.
- (d) The Utility Deposit shall be deemed Adequate Assurance of payment for any Utility Company that fails to make a Request within fourteen (14) days of entry of the Final Order.
- (e) Pending resolution of any such Determination Motion, the Utility Company serving such Request shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of the commencement of the Chapter 11 Cases, unpaid charges for prepetition services, or on account of any objections to the Debtors' proposed Adequate Assurance.
- (f) Should the Debtors identify additional Utility Companies (each, an "Additional Utility Company"), the Debtors will amend the Utility Services List and file a notice of the amendment. The Debtors will serve copies of the notice of the amendment, this Motion, the Interim Order (if and when entered), and the Final Order (if and when entered) on each Additional Utility Company and counsel to the Steering Committee.
- (g) Upon any amendment to the Utility Service List, the Debtors will increase the amount of the Utility Deposit by an amount equal to 50% of the Debtors' average monthly payment for Utility Services provided by such Additional Utility Company. Any increase to the Utility Deposit will be based on the Debtors' average expenses for Utility Service provided by any Additional Utility Company over the twelve (12) months preceding the amendment to the Utility Service List.

- (h) Any Additional Utility Company served with notice of an amendment to the Utility Services List may serve a Request in compliance with these Assurance Procedures within 21 days of filing and service of the applicable amendment to the Utility Services List. Upon receipt of any Request by an Additional Utility Company, the Debtors may file a Determination Motion pursuant to paragraph (c) above, and pending resolution of such Determination Motion, the Additional Utility Company shall be subject to paragraph (d) and (e) above.
- (i) The Utility Deposit, as increased pursuant to paragraph (g) above, shall be deemed Adequate Assurance of payment for any Additional Utility Company that fails to serve a Request within 21 days of filing and service of the applicable amendment to the Utility Services List pursuant to the Assurance Procedures.

7. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Interim Order or any payment made pursuant to this Interim Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim or lien against the Debtors, a waiver of the Debtors' rights to subsequently dispute such claim or lien, or the assumption or adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

8. Any payment made or to be made under this Order, and any authorization contained in this Order, shall be subject to the terms of the Interim Cash Collateral Order and related final order.

9. Any objection to the entry of the Final Order must be filed with the Court and served on the following parties: (i) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, New York, 10019, Attention: Kelley Cornish (email: kcornish@paulweiss.com) and Claudia Tobler (email: ctobler@paulweiss.com) and Bradley Arant Boult Cummings LLP, One Federal Place, 1819 Fifth Avenue North, Birmingham, Alabama 35203, Attention: Jay Bender (email: jbender@babco.com) and James Bailey (email: jbailey@babco.com); (ii) the Office of the Bankruptcy Administrator for the

Northern District of Alabama, 1800 Fifth Avenue North, Birmingham, Alabama 35203, Attention: Tom Corbett (email: [Thomas\\_corbett@almba.uscourts.gov](mailto:Thomas_corbett@almba.uscourts.gov)) and Jon Dudeck (email: [jon\\_dudeck@almba.uscourts.gov](mailto:jon_dudeck@almba.uscourts.gov)); (iii) counsel to the Steering Committee, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attention: Ira Dizengoff (email: [idizengoff@akingump.com](mailto:idizengoff@akingump.com)), Akin Gump Strauss Hauer & Feld LLP, 1333 New Hampshire Ave, N.W., Washington, DC 20036, Attention: James Savin (email: [jsavin@akingump.com](mailto:jsavin@akingump.com)) and Burr Forman, 420 North 20th Street, Suite 3400, Birmingham, Alabama 35203, Attention: Michael L. Hall (email: [mhall@burr.com](mailto:mhall@burr.com)) and D. Christopher Carson (email: [ccarson@burr.com](mailto:ccarson@burr.com)); (iv) counsel to the administrative agent for the Debtors' prepetition secured credit facility; (v) counsel to any statutory committee appointed in these cases; and (vi) any party that has requested notice pursuant to Bankruptcy Rule 2002, in each case to allow actual receipt by no later than 4:00 p.m. (CDT) on August 11, 2015 (the "Objection Deadline").

10. The Debtors may file an omnibus reply to any objection with the Court and serve such reply via email on or before 12:00 p.m. (Central Daylight Time) on the day that is at least two business days before the date of the final hearing on the Motion.

11. If timely objections are received by the Objection Deadline there shall be a hearing on August 18, 2015, at 10:00 a.m. (Central Daylight Time) to consider such timely objections to the Motion and the Debtors' omnibus reply.

12. If no objections are timely filed and served by the Objection Deadline as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court a final order substantially in the form of the Final Order annexed to the Motion, which order shall be

submitted and may be entered with no further notice or opportunity to be heard afforded any party and the Motion shall be approved *nunc pro tunc* to the Petition Date.

13. Within two (2) days after the date of entry of this Interim Order, the Debtors will serve a copy of this Interim Order on the Utility Companies listed in Exhibit C to the Motion via facsimile, email or first-class mail.

14. Notwithstanding Bankruptcy Rule 6003, this Order shall be effective and enforceable upon entry hereof.

15. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

16. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Interim Order.

Dated: July 16, 2015

/s/ Tamara O. Mitchell  
Tamara O. Mitchell  
United States Bankruptcy Judge

## Notice Recipients

District/Off: 1126-2  
Case: 15-02741-TOM11

User: Itumlin  
Form ID: pdf000

Date Created: 7/16/2015  
Total: 30

### Recipients of Notice of Electronic Filing:

aty	Patrick Darby	pdarby@bab.com
aty	Benjamin Shaw Goldman	bgoldman@handarendall.com
aty	Bill D Bensinger	bdbensinger@csattorneys.com
aty	D Christopher Carson	ccarson@burr.com
aty	Daniel D Sparks	ddsparks@csattorneys.com
aty	Glen Marshall Connor	gconnor@qcwdr.com
aty	James Blake Bailey	jbailey@bab.com
aty	Jay R. Bender	jbender@bab.com
aty	Jennifer Brooke Kimble	jkimble@rumberger.com
aty	Michael Leo Hall	mhall@burr.com
aty	R. Scott Williams	swilliams@rumberger.com
aty	Robert A Morgan	rmorgan@rosenharwood.com
aty	William (Will) Lee Thuston, Jr.	wlt@csattorneys.com

TOTAL: 13

### Recipients submitted to the BNC (Bankruptcy Noticing Center):

db	Walter Energy, Inc.	3000 Riverchase Galleria	Suite 1700	Birmingham, AL 35244-2359
cr	WHH Real Estate, LLC	c/o Daniel D. Sparks	505 20th Street North	Suite 1800 Birmingham, AL 35203
cr	Cowin & Company, Inc.	c/o Daniel D. Sparks	505 20th Street North	Suite 1800 Birmingham, AL 35203
cr	Nelson Brothers, LLC	c/o Daniel D. Sparks	505 20th Street North	Suite 1800 Birmingham, AL 35203
ba	J. Thomas Corbett	Bankruptcy Administrator	1800 5th Avenue North	Birmingham, AL 35203
cr	United Mine Workers of America	c/o Sharon L. Levine	Lowenstein Sandler, LLP	65 Livingston Avenue & 6 Becker Farm Rd Roseland, NJ 07068
crmc	Steering Committee	c/o Akin Gump Strauss Hauer & Feld LLP	One Bryant Park	Bank of America Tower New York, NY 10036-6745
intp	Wilmington Trust, National Association	Corporate Capital Markets	50 South Sixth Street Ste	1290 Minneapolis, MN 55402
intp	Scott Greissman	White & Case LLP	1155 Avenue of the Americas	New York, NY 10036
cr	Alabama State Port Authority	c/o Benjamin S. Goldman, Esquire	2001 Park Place North	Suite 1200 Birmingham, AL 35203
cr	Thompson Tractor Co., Inc.	c/o Benjamin S. Goldman, Esquire	2001 Park Place North	Suite 1200 Birmingham, AL 35203 UNITED STATES
cr	Parker Towing Company, Inc.	c/o Benjamin S. Goldman, Esquire	2001 Park Place North	Suite 1200 Birmingham, AL 35203 UNITED STATES
cr	RGGS Land & Minerals, LTD., L.P.	c/o Robert A. morgan	ROSN HARWOOD, kPA	2200 Jack Warner Parkway, Suite 200 P. O. Box 2727 Tuscaloosa, AL 35403-2727
aty	Ira Dizengoff	Akin Gump Strauss Hauer & Feld LLP	One Bryant Park	New York, NY 10036
aty	James Savin	Akin Gump Strauss Hauer & Feld LLP	1333 New Hampshire Ave NW	Washington, DC 20036
aty	Kristine Manoukian	Akin Gump Strauss Hauer & Feld LLP	One Bryant Park	New York, NY 10036
smg	Thomas Corbett	BA Birmingham	1800 5th Avenue North	Birmingham, AL 35203

TOTAL: 17