

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

In re:)	Chapter 11
)	
WELDED CONSTRUCTION, L.P., <i>et al.</i> , ¹)	Case No. 18-12378 (KG)
)	
Debtors.)	(Jointly Administered)
)	Ref. Docket Nos. 12, 13 & 45

**CERTIFICATION OF COUNSEL REGARDING
ORDER APPROVING SECOND COMMITMENT LETTER
FROM TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC**

On October 22, 2018, the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) filed the *Debtors Motion for Entry of an Order, Pursuant to Sections 105(A), 363(B), 503(B)(L), 1107(A) and 1108 of the Bankruptcy Code, Authorizing, but Not Directing (I) the Debtors to Pay Certain Prepetition Claims, Conditioned Upon Prior Customer Payment, (II) the Debtors to Honor Customer Obligations, (III) the Debtors to Implement Control Procedures for Customer Project Funding and Completion, and (IV) Granting Related Relief* (the “**Customer Procedures Motion**”)² [Docket No. 12].

On October 23, 2018, the Court entered an order approving the Customer Procedures Motion on a final basis (the “**Customer Procedures Order**”) [Docket No. 42], establishing procedures for entry by the Debtors into certain customer agreements without further Court approval. Among other things, Customer Procedures Order authorized and approved the Debtors to enter into Customer Project Completion Agreements with some or all of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Welded Construction, L.P. (5008) and Welded Construction Michigan, LLC (9830). The mailing address for each of the Debtors is 26933 Eckel Road, Perrysburg, OH 43551.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Customer Procedures Order, the Transco Interim Order (as defined below), or this Certification, as applicable.



their Customers. That same day, the Court entered the *Order Approving Commitment Letter from Transcontinental Gas Pipe Line Company, LLC* (the “**Transco Interim Order**”) [Docket No. 45], pursuant to which the Court approved a Commitment Letter that provided for a week’s funding from Transcontinental Gas Pipe Line Company, LLC (“**Transco**”) to fund the Atlantic Sunrise Pipeline project (the “**Project**”) for the period from October 22, 2018 through and including October 29, 2018.

Over the past week, the Debtors have been involved in negotiations with Transco regarding arrangements for the timely completion of the Project, but have not yet reached a comprehensive agreement. As the result of those negotiations to date, however, the Debtors and Transco have reached an agreement to continue funding the Project for another week pending the completion of negotiations on a more comprehensive agreement through a second interim commitment letter (the “**Commitment Letter**”), as set forth in Exhibit 1 appended to the proposed form of order (the “**Proposed Order**”), attached hereto as Exhibit A.

Although the Customer Procedures Order permits the Debtors to enter into Customer Project Completion Agreements without further order of the Court, Transco has requested such an order. Therefore, the Debtors request that the Court enter the Proposed Order approving the Commitment Letter at its earliest convenience without further notice or hearing.

Dated: October 29, 2018
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Justin H. Rucki

M. Blake Cleary (No. 3614)

Sean M. Beach (No. 4070)

Justin H. Rucki (No. 5304)

Rodney Square

1000 North King Street

Wilmington, DE 19801

Telephone: (302) 571-6600

Facsimile: (302) 571-1253

Proposed Counsel to the Debtors

EXHIBIT A

Proposed Order

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

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In re:)	Chapter 11
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WELDED CONSTRUCTION, L.P., <i>et al.</i> , ¹)	Case No. 18-12378 (KG)
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Debtors.)	(Jointly Administered)
)	Ref. Docket Nos. 12, 13, 45 & _____

**ORDER APPROVING SECOND COMMITMENT LETTER FROM
TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC**

Upon consideration of that certain second commitment letter from Transcontinental Gas Pipe Line Company, LLC (“**Transco**”), covering the period October 30, 2018 to November 4, 2018 and attached hereto as **Exhibit 1** (the “**Commitment Letter**”);² and due and proper notice of the Commitment Letter and the request of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for the entry of this Order having been given under the circumstances; and it appearing that the Court has jurisdiction to consider the Commitment Letter and enter this Order in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having considered the *Declaration of Frank Pometti in Support of Debtors’ Chapter 11 Petitions and First-Day Motions* (the “**First Day Declaration**”), the *Debtors’ Motion for Entry of an Order, Pursuant to Sections 105(a), 363(b), 503(b)(1)*,

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² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Commitment Letter.

1107(a) and 1108 of the Bankruptcy Code, Authorizing, But Not Directing (I) the Debtors to Pay Certain Prepetition Claims, Conditioned upon Prior Customer Payment, (II) The Debtors to Honor Customer Obligations, (III) the Debtors to Implement Control Procedures for Customer Project Funding and Completion, and (IV) Granting Related Relief (the “**Customer Programs Motion**”) and the declaration of Stephen D. Hawkins submitted in connection with the Customer Programs Motion (the “**Hawkins Declaration**”); and it appearing from the First Day Declaration, the Customer Programs Motion, the Hawkins Declaration, the record of the October 23, 2018 hearing in these chapter 11 cases, and the terms of the Commitment Letter that the Commitment Letter and the relief provided for herein is in the best interest of the Debtors, their estates, and their creditors, and an appropriate exercise of the Debtors’ business judgment; and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Commitment Letter is approved, and the terms and conditions of the Commitment Letter are incorporated into this Order as if fully set forth herein. The Estimated Prepayment of \$1,800,000 shall be made to the Debtors by wire transfer of immediately available funds as soon as reasonably practicable after the entry of this Order and in any event not later than one (1) business day following the date of the entry of this Order.

2. Notwithstanding any language in any order authorizing and approving post-petition financing in these chapter 11 cases, the funds provided by Transco under the Commitment Letter (the “**Transco Funds**”) shall be free of and not encumbered by any liens or claims under any such financing or any other liens or claims of any other party. Unless otherwise agreed to in writing by Transco, the Transco Funds shall be used by the Debtors solely

to fund the Atlantic Sunrise Pipeline project for the period from October 30, 2018 through and including November 4, 2018.

3. The Commitment Letter shall be valid and enforceable against any trustee appointed in the chapter 11 cases, upon the conversion of any of the chapter 11 cases to a case under chapter 7 of the Bankruptcy Code or in any other proceedings related to any of the foregoing (any “**Successor Cases**”), or upon the dismissal of any of the chapter 11 cases or Successor Cases.

4. Except as may be expressly set forth in the Commitment Letter, nothing in this Order, nor as a result of any payment made pursuant to this Order: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code, or an admission as to the validity of any claim against the Debtors and their estates in these chapter 11 cases; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates; or (c) shall be construed as a promise to pay a claim.

5. The provisions of this Order shall be binding upon and inure to the benefit of Transco and the Debtors and each of their respective successors and assigns (including any trustee or other fiduciary hereinafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors) whether in these chapter 11 cases, in any Successor Cases, or upon dismissal of any such chapter 11 or chapter 7 case.

6. The Debtors are authorized to execute and deliver such other instruments or documents and take such other action as may be necessary or appropriate to implement and effectuate the relief granted by this Order.

7. Notwithstanding any provision in the Federal Rules of Bankruptcy Procedure to the contrary: (a) this Order shall be effective immediately and enforceable upon its entry; (b) the Debtors are not subject to any stay in the implementation, enforcement, or realization of the relief granted in this order; and (c) the Debtors are authorized and empowered, and may in their discretion and without further delay, take any action necessary or appropriate to implement this Order.

8. The Court retains jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: October ____, 2018
Wilmington, Delaware

Kevin Gross
United States Bankruptcy Judge

EXHIBIT 1

Commitment Letter



GAS PIPELINE — TRANSCO

2800 Post Oak Boulevard (77056) -or-
P.O. Box 1396
Houston, Texas 77251-1395

October 28, 2018

Welded Construction, L.P.
26933 Eckel Road
Perrysburg, OH 43551
Attention: Mr. Stephen Hawkins

Re: Williams Atlantic Sunrise – Interim Go Forward Work Structure with Welded (Spreads 5, 6, and 7) (Revision 2)

On October 20, 2018, Transcontinental Gas Pipe Line Company, LLC (“Transco”) and Welded Construction, LP (“Welded”) executed, and the Bankruptcy Court later approved, a Commitment Letter pursuant to which Transco prepaid \$4,600,000 for continuing the work under Transco-Welded contract 2016-0001 (the “Contract”) between October 22, 2018 and October 29, 2018 (First Commitment Letter). Transco and Welded now wish to address in the Second Commitment Letter (1) the funding of work between October 30, 2018 and November 4, 2018 (Week 2 Contract Work); and (2) the payment of accrued and unpaid pre-petition union dues and benefits that have or will become due and owing on or prior to November 4, 2018 (“Union Dues”).

Week 2 Contract Work:

After the court approval described below, Transco shall:

- (i) Pay \$1,800,000 to the Debtors operating account as a prepayment for the forecast for all labor and equipment costs (for Included Equipment) attributable to the Week 2 Contract Work (Week 2 Contract Prepayment), and
- (ii) directly pay all subcontractors, service providers and vendors attributable to the Week 2 Contract Work (but only to the extent not otherwise included in “equipment costs”). Welded and Transco will cooperate to identify the subcontractors, service providers and vendors necessary for the Week 2 Contract Work. To the extent of a dispute regarding whether the subcontractors, service providers or vendors were necessary for the Week 2 Contract Work, the Bankruptcy Court will resolve the dispute.

Transco will make the Week 2 Contract Prepayment promptly upon the entry of an agreeable order as set forth below, substantially in the form of order approving the First Commitment Letter.

The payment is for the benefit of the Project only and to be applied only to costs incurred during the time period stated above. Said amount is not to be construed as payment for, or payment which can be used for, payment of past due amounts owed by Welded in arrears, or payment of amounts Welded owes in connection with work performed for Welded's other clients. The pre-payment will be subject to a true up at the end of the week; in the event there is a remainder, that amount will be used for future work on the Project.

If Welded uses any portion of payment to pay past due amounts owed to its subcontractors, vendors, or suppliers, or debts or work associated with projects for other clients and, as a result, short pay invoices due on the Project, such short paid subcontractors, vendors, or suppliers would be protected under the payment bond provided in connection with the Project. Further, Transco is not compromising its ability to enforce the Project bond with respect to amounts Welded subcontractors, vendors, or suppliers may claim in relation to work previously performed or materials or equipment previously provided.

Union Dues:

Transco shall fund the following accrued and unpaid pre-petition Union dues and benefits (total of \$1,141,870.53):

Amount	Union	Due
\$63,063.44	PIBF - Welders/Helpers	10/23/2018
\$14,095.62	PIBF - Welders/Helpers	10/30/2018
\$1,064,152.27	IUOBEN - Operators	10/30/2018

Prior to payment of the Union Dues, Transco may perform due diligence to reasonably affirm that these amounts that have been incurred in connection with and only for the benefit of the Project. To that end, Transco and the surety Chubb may speak directly with the Unions to diligence the Union Dues and to assure the unions that such amounts will be satisfied to help assure that workers will continue to work on the Project, but subject to the agreement that a representative of the Debtors will participate in any such communications.

The Union Dues payment is without prejudice to the rights, remedies and defenses of Transco to assert that such payments were already paid based on an earlier Project invoice from Welded. To the extent there is a dispute as to whether the Union Dues are on account of the Project, the Bankruptcy Court shall resolve the dispute

Finally, Transco's payment of the Union Dues and the Week 2 Contract Prepayment are subject to the entry of a mutually agreeable order by the bankruptcy court approving this Second Commitment Letter and the payments contemplated herein.

Regards,



Evan Kirchen
Vice President of Project Execution – Atlantic Gulf
Transcontinental Gas Pipe Line Company, LLC

Acknowledged and agreed:



Stephen Hawkins
CEO
Welded Construction, L.P.