

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

40-7580

In re: ) Chapter 11  
)  
FANSTEEL INC., et al.,<sup>1</sup> ) Case No. 02-10109 (JJF)  
) (Jointly Administered)  
Debtors. )  
) Hearing Date: February 7, 2002 at 4:30 p.m. (only if  
) necessary)  
) Objection Deadline: February 5, 2002 at 4:00 p.m.

**SUPPLEMENTAL NOTICE OF PRESENTMENT OF BRIDGE ORDER AND MOTION  
FOR ORDER UNDER 11 U.S.C. § 366 (i) PROHIBITING UTILITY COMPANIES  
FROM ALTERING, REFUSING, OR DISCONTINUING SERVICES,  
(ii) FINDING ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE UTILITY  
SERVICE, AND (iii) ESTABLISHING PROCEDURES FOR DETERMINING  
REQUESTS FOR ADDITIONAL ASSURANCES**

**TO:** Office of the United States Trustee for the District of Delaware; Debtors' Top 20  
Unsecured Creditors; Counsel to Debtors' proposed postpetition lenders; Utility  
Companies; and Parties requesting notice pursuant to Bankruptcy Rule 2002.

On January 15, 2002, the above-captioned debtors and debtors in possession  
(collectively, the "Debtors") filed the *Motion For Order Under 11 U.S.C. § 366 (i) Prohibiting  
Utility Companies From Altering, Refusing, Or Discontinuing Services, (ii) Finding Adequate  
Assurance Of Payment For Future Utility Service, And (iii) Establishing Procedures For  
Determining Requests For Additional Assurances* (the "Motion") with the United States  
Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801  
(the "Bankruptcy Court"). A copy of the Motion is attached hereto as Exhibit A.

PURSUANT TO SECTION 366 OF THE BANKRUPTCY CODE, THE  
BANKRUPTCY COURT HAS ENTERED A BRIDGE ORDER PROHIBITING UTILITIES

<sup>1</sup> The Debtors are the following entities: Fansteel Inc., Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc.

27311-001\DOCS\_DE:38664.1  
01/22/02

Nm 5501 Add: Rids Ogc Mail Center

FROM ALTERING, REFUSING OR DISCONTINUING SERVICE TO THE DEBTOR.<sup>2</sup> A COPY OF THE BRIDGE ORDER IS ATTACHED HERETO AS EXHIBIT B.

RESPONSES OR OBJECTIONS TO THE MOTION, IF ANY, MUST BE IN WRITING AND FILED WITH THE BANKRUPTCY COURT AND SERVED SO AS TO BE RECEIVED NO LATER THAN 4:00 P.M. ON FEBRUARY 5, 2002.

At the same time, you must also serve a copy of the response or objection upon counsel for the Debtors: (i) Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, 16<sup>th</sup> Floor, P.O. Box 8705, Wilmington, Delaware 19899-8705 (Courier 19801) and (ii) Jeffrey S. Sabin, Esquire, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022; (iii) the Office of the United States Trustee, Attn. David Buckbinder, Esquire, J. Caleb Boggs Federal Building, 844 King Street, Suite 2313, Lock Box 35, Wilmington, Delaware 19801; (iv) counsel to the Official Committee of Unsecured Creditors (if any); and (iv) counsel for the postpetition lenders, Jeffrey N. Rich, Esquire, Kirkpatrick & Lockhart LLP, 1251 Avenue of the Americas, New York, New York 10020-1104.

IF NO OBJECTIONS ARE TIMELY FILED AND SERVED, THE COURT MAY ENTER AN ORDER APPROVING THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

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<sup>2</sup> The Bridge Order Pursuant to Section 366(a) of the Bankruptcy Code Prohibiting Utilities From Altering, Refusing, or Discontinuing Service To The Debtors was entered on January 17, 2002 by The Honorable Peter J. Walsh, Chief Judge, United States Bankruptcy Court for the District of Delaware.

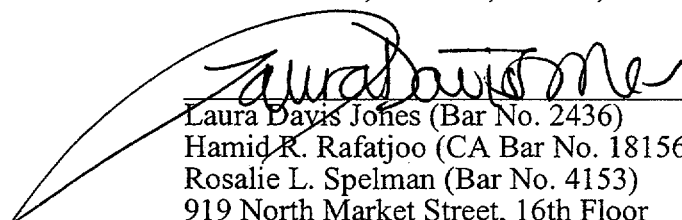
IF OBJECTIONS OR RESPONSES ARE TIMELY FILED AND SERVED IN ACCORDANCE WITH THE PRECEDING PARAGRAPH, A HEARING ON THE MOTION WILL BE HELD ON **FEBRUARY 7, 2002 AT 4:30 P.M. EASTERN TIME** BEFORE THE HONORABLE JOSEPH J. FARNAN, JR., DISTRICT JUDGE, IN THE UNITED STATES COURT FOR THE DISTRICT OF DELAWARE, 844 NORTH KING STREET, 6th FLOOR, WILMINGTON, DELAWARE.

Dated: January 22 2002

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New York, New York 10022  
Telephone: (212) 756-2000  
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and

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Laura Davis Jones (Bar No. 2436)  
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919 North Market Street, 16th Floor  
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Facsimile: (302) 652-4400

[Proposed] Counsel for Fansteel Inc., et al.  
Debtors and Debtors In Possession

# **EXHIBIT A**

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
FANSTEEL INC., et al.,<sup>1</sup> ) Case No. 02-\_\_\_\_ ( )  
) (Jointly Administered)  
Debtors. )  
)  
)  
)

**MOTION FOR ORDER UNDER 11 U.S.C. § 366 (i) PROHIBITING UTILITY COMPANIES FROM ALTERING, REFUSING, OR DISCONTINUING SERVICES, (ii) FINDING ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICE, AND (iii) ESTABLISHING PROCEDURES FOR DETERMINING REQUESTS FOR ADDITIONAL ASSURANCES**

Fansteel Inc. ("Fansteel"), a Delaware corporation and its wholly-owned direct and indirect subsidiaries, Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc., debtors and debtors-in-possession herein (each a "Debtor" and, collectively, the "Subsidiaries", and together with Fansteel, the "Debtors") hereby move this Court for an order under Section 366 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code") (i) prohibiting utility companies from altering, refusing, or discontinuing service; (ii) finding adequate assurance of payment for future utility service; (iii) establishing procedures for determining requests for additional adequate assurance of payment for future utility services, and (iv) authorizing Debtors to supplement the

<sup>1</sup> The Debtors are the following entities: Fansteel Inc., Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc.

list of utility companies to add utility companies not listed therein but subsequently identified (the "Motion"). In support of this Motion, Debtors respectfully represent as follows:<sup>2</sup>

### Jursidiction

1. This Court has jurisdiction over this Motion under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §-157(b)(2). Venue of this proceeding and this Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicate for the relief sought herein is Section 366 of the Bankruptcy Code.

3. As there are no novel issues of law presented herein, Debtors waive their right to file a brief in support of the Motion pursuant to D.Del.L.R. 7.1.2(a), incorporated by reference into the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware by Del.Bankr.L.R. 1001-1(b). Because of the nature of the relief requested in this Motion, Debtors believe that no briefing is required.

### Background

4. Fansteel and the other eight Debtors (each a direct or indirect wholly-owned subsidiary of Fansteel) have been engaged for over 70 years in the business of manufacturing and marketing specialty metal products with today's operations being conducted at ten manufacturing facilities (five of which are owned by Fansteel) in nine states. Collectively, Debtors have approximately 1,250 employees, substantially all on a full time basis, including approximately 365 employees that are working under collective bargaining agreements with four

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<sup>2</sup> The facts and circumstances supporting this Motion are set forth in the Affidavit of Gary L. Tessitore, the Chief Executive Officer of Fansteel Inc., in Support of First Day Motions, filed contemporaneously herewith.

different unions. Each Debtor is operated separately, with separate employees, separate operations and separately maintained books and records.

**A. Pre-Petition Unsecured Lenders**

5. Prior to the Petition Date, The Northern Trust Company ("NTC"), as agent for itself and M&I Bank ("M&I"), had extended to Fansteel a \$30 million unsecured revolving facility (the "Pre-Petition Credit Facility"), which provided for up to \$20 million in revolving advances for working capital and up to \$10 million in letters of credit. Fansteel is the only borrower under the Pre-Petition Credit Facility and none of the other Debtors has any obligations thereunder; however, under the Pre-Petition Credit Facility, Fansteel agreed not to permit any of its direct or indirect subsidiaries (including all of the other Debtors) to incur indebtedness or to pledge any of their assets, subject to certain exceptions. As of the Petition Date, there was approximately \$8.5 million outstanding under the Pre-Petition Credit Facility in addition to \$6.5 million in outstanding letters of credit, which includes a \$3.7 million letter of credit in favor of the NRC.<sup>3</sup>

**B. Causes Leading to the Bankruptcy Filings**

6. The operations of Debtors' respective businesses have involved compliance with state and federal environmental laws, including the Atomic Energy Act. The Debtors' bankruptcy cases are an outgrowth of the discontinuation of one of Fansteel's operations that was conducted from the 1950s through 1989 at a site owned and operated by

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<sup>3</sup> There is a second letter of credit in favor of the NRC in the amount of approximately \$750,000, which is not issued pursuant to the Pre-Petition Credit Facility.

Fansteel in Muskogee, Oklahoma (the "Muskogee Site"). At the Muskogee Site, Fansteel, in accordance with a license obtained from the U.S. Nuclear Regulatory Commission (the "NRC") in 1967, processed tantalum ore for further processing at Fansteel's plant in North Chicago. Tantalum naturally occurs with other metals, including uranium and thorium, each of which is radioactive, and the processing of tantalum results in, among other things, radioactive residues and soils. Fansteel, in accordance with applicable regulations promulgated by the NRC, is required, upon discontinuance of its business to remediate these residues and soils.

7. In 1989, Fansteel discontinued its operations at the Muskogee Site.

Notwithstanding such discontinuation, Fansteel has remained at all times in compliance with its NRC license, and has maintained the Muskogee Site in a manner that protects the health and safety of its employees and the public. Following its discontinuation of operations at the Muskogee Site, Fansteel developed a method to reprocess the residues at the Muskogee Site and to remediate the contaminated soils, and obtained the approval of the NRC for various aspects of such reprocessing and remediation. Unfortunately, due to operational problems in the plant and the significant decline in the price of tantalum during the second and third quarters of 2001, operation of the reprocessing facility was determined to be uneconomic, requiring Fansteel, as a matter of generally accepted accounting principals, in its financial statements for the quarter ended September 30, 2001, to write off the costs that Fansteel had expended in designing and building the reprocessing plant (approximately \$32 million), and to take an immediate reserve for the reasonably anticipated costs of remediating the radioactive residues and soils that remain on the Muskogee Site without regard to any reprocessing (an approximately \$57 million reserve).



8. Fansteel's plight was further aggravated by the actions of NTC and M&I.

In mid October 2001, Fansteel promptly informed NTC of the prospective write-off and reserve required with respect to the Muskogee Site, and requested waivers of any events of default arising under the Pre-Petition Credit Facility as a result thereof, as well as an amendment of the loan documents governing the Pre-Petition Credit Facility in order either to allow Fansteel sufficient additional availability under the Pre-Petition Credit Facility or to allow Fansteel's subsidiaries to borrow funds on a secured basis which, in either case, would have provided the Debtors with sufficient liquidity to avoid a bankruptcy filing. However, NTC refused these requests and, on November 19, 2001, accelerated the Pre-Petition Credit Facility, froze all of the Debtors' accounts that were maintained at NTC and M&I and set-off amounts owed under the Pre-Petition Credit Facility against those accounts. As a result of the freeze and such set-off, the Debtors no longer had access to the funds necessary to operate their respective businesses and a bankruptcy filing became inevitable.

#### Relief Requested

9. By this Motion, Fansteel seeks entry of an order (i) prohibiting the Utility Companies (as defined herein) from altering, refusing, or discontinuing service; (ii) finding adequate assurance of payment for future utility service; (iii) establishing procedures for determining requests for additional assurance of payment for future utility services; and (iv) authorizing Debtors to supplement the list of utility companies in Exhibit A annexed hereto (the "Utility Companies") to add utility companies not listed on Exhibit A, but subsequently identified.

### Basis For Relief Requested

10. Debtors use electricity and telephone services from the Utility Companies listed on Exhibit A annexed hereto. Any interruption in such utility services would cause irreparable harm to Debtors and seriously undermine Debtors' reorganization efforts.

11. Debtors have generally paid their pre-petition utility bills in full and on time. To the best of Debtors' knowledge, as of the Petition Date, there are no defaults with respect to any utility bills. In addition, there are no arrearages of any significance, other than amounts not yet due or invoiced or amounts that have not been paid on invoices received immediately prior to the Petition Date.

12. Debtors have sufficient cash reserves and anticipate that they will have access to sufficient cash to pay promptly all of their respective obligations for post-petition utility services on an ongoing basis and in the ordinary course of their business.

13. Finally, the Utility Companies are further protected by section 503(b)(1)(A) of the Bankruptcy Code, which provides that actual and necessary expenses of preserving a debtor's estate are entitled to administrative expense status, and by Section 507(a)(1) of the Bankruptcy Code, which gives first priority to administrative expenses.<sup>4</sup> Utility charges clearly constitute necessary expenses of preserving the relevant Debtor's estate.

14. Accordingly, the Utility Companies will not be prejudiced if they continue to furnish and render to Debtors the services that such companies rendered in the past. Debtors submit that the Utility Companies already have adequate assurance of future payment as required

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<sup>4</sup> Section 503(b)(1)(A) of the Code defines "administrative expenses" to include "the actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case." 11 U.S.C. § 503 (2001). Section 507(a) of the Bankruptcy Code sets out the priority accorded by law to claims against a debtor in bankruptcy.

under Section 366 of the Bankruptcy Code, by virtue of (i) Debtors' history of prompt and full payment of outstanding bills, (ii) Debtors' current and projected financial status, and (iii) the classification of post-petition services as administrative expenses. In addition, Fansteel's California Drop Forge plant has paid a security deposit in the amount of \$34,700 to Southern California Gas Company, P.O. Box C, Monterey Park, California 91756 ("SC"). SC is the only utility company that holds a Debtors' deposit. Therefore, it is unnecessary, and would be a careless use of available funds, for Debtors to provide additional assurance of future payment in the form of deposits or other security with each of the other Utility Companies.

#### Applicable Authority

15. Section 366(a) of the Bankruptcy Code prohibits a utility from discriminating against a debtor based on the debtor's commencement of a chapter 11 case or a payment default arising as a result of the commencement of such case. 11 U.S.C. § 366 (2001). A utility company may alter, refuse, or discontinue service to a debtor only if such utility has not been provided, within twenty (20) days after the petition date, adequate assurance of payment for post-petition service. 11 U.S.C. § 366(b) (2001).

16. Bankruptcy courts in this district and elsewhere have routinely waived the deposit requirement set forth in Section 366(b) of the Bankruptcy Code<sup>5</sup> when the debtor has an excellent history of prompt and full payment of utility bills and shows sufficient cash reserves from which to make future post-petition payments. See In re Demp, 22 B.R. 331, 332 (Bankr. E.D. Pa. 1982) ("[W]here the debtor has a history of prompt and complete payment, in addition

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<sup>5</sup> Section 366(b) of the Code provides in relevant part that a utility may alter, refuse, or discontinue service unless, within 20 days after the petition date, the debtor "furnishes adequate assurance of payment, in the form of a deposit or other security." 11 U.S.C. § 366 (2001).

to being completely current in the pre-petition utility payments, a cash deposit would be unnecessary."); In re Caldor, Inc., 199 B.R. 1 (S.D.N.Y. 1996), aff'd, Virginia Elec. & Power Co. v. Caldor, Inc., 117 F.3d 646, 650 (2d Cir. 1997) (adequate assurance of payment might in certain cases require nothing more than what the Code already provides; "[A] bankruptcy court's authority to 'modify' the level of the 'deposit or other security,' provided under § 366(b), includes the power to require no 'deposit or other security' where none is necessary to provide a utility supplier with 'adequate assurance of payment.'" (internal cites omitted).<sup>6</sup> Moreover, as the legislative history to Section 366 of the Bankruptcy Code provides:

If an estate is sufficiently liquid, the guarantee of an administrative expense priority may constitute adequate assurance of payment for future services. It will not be necessary to have a deposit in every case.

H.R. Rep. No. 95-595, 350 (1977), reprinted in 1978 U.S.C.C.A.N. 5787, 6306.

17. Uninterrupted utility service is vital to the continued operation of Debtors' businesses and, therefore, to the success of Debtors' reorganization. Based upon the foregoing, the relief requested herein is necessary and in the best interests of the Debtors' estates and their respective creditors.

18. Debtors propose to serve the order granting the Motion upon the Utility Companies within five (5) business days of the date of its entry. Debtors further propose that any Utility Company may request additional assurance of payment for future utility services under Section 366(b) of the Bankruptcy Code by serving upon counsel for Debtors on or before

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<sup>6</sup> Moreover, the rights of the Utility Companies are not prejudiced because they are always permitted to come before this Court and seek relief upon a change in circumstances.

thirty (30) days from the date of entry of the order granting the Motion a request for additional assurances (the "Additional Assurance Request").

19. If a Utility Company makes a timely Additional Assurances Request which Debtors believe is reasonable, Debtors shall be entitled to comply with such Additional Assurance Request without further order of the Court. However, if a Utility Company makes an Additional Assurances Request to which Debtors do not consent, Debtors shall schedule a prompt hearing with respect to a determination of adequate assurance as to payment to such Utility Company.

20. This procedure, which would avoid the need for requests to modify or amend any order granting this Motion, yet still afford any such identified Utilities Companies their due process rights, previously has been approved by this Court. See, e.g., In re Trans World Airlines, Inc., et al., Case No. 01-0056 (PJW) (Bankr. D. Del. Jan. 10, 2001); In re United Artists Theatre Co., et al., Case No. 00-3514 (SLR) (Bankr. D. Del. Sept. 7, 2000); Safety-Kleen, No. 00-2303 (PJW) (Bankr. D. Del. June 13, 2000); In re Eagle Food Ctrs., No. 00-1311 (RRM) (D. Del. March 2, 2000).

21. In addition, Debtors request that, notwithstanding the filing of any objection to the Motion, the terms of the order granting the Motion remain in full force and effect pending the disposition of such objection.

22. Finally, Debtors request that the Court enter an order authorizing Debtors to supplement the list of Utility Companies on Exhibit A hereto to add utility companies not currently listed therein, but subsequently identified, provided that Debtors (i) give notice and a copy of the order granting this Motion to the utility companies so added to the list on Exhibit A

and (ii) file with the Court a supplement to Exhibit A adding the name of the utility company so served. Debtors request that a utility company so served be subject to the scope of the order.

Notice

23. Notice of this Motion has been given to (i) the Office of the United States Trustee and (ii) Debtors' proposed postpetition lenders.

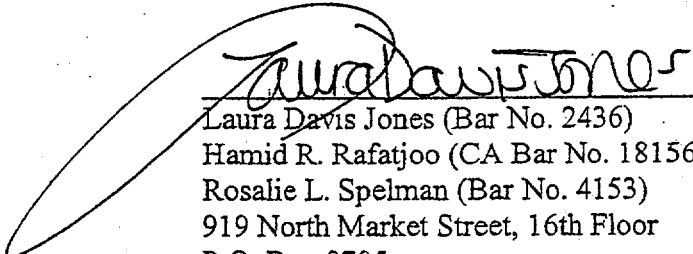
WHEREFORE, Debtors respectfully request that this Court enter an order (i) prohibiting Utility Companies from altering, refusing, or discontinuing service, (ii) finding adequate assurance of payment for future utility service, (iii) establishing procedures for determining requests for additional assurance of payment for future utility services under section 366 of the Code, (iv) authorizing Debtors to supplement the list of Utility Companies on Exhibit A annexed hereto to add utility companies not listed therein but subsequently discovered, and (v) granting Debtors such other and further relief as is just.

Dated: January 14, 2002

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New York, New York 10022  
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Telephone: (302) 652-4100  
Facsimile: (302) 652-4400

[Proposed] Counsel for Fansteel Inc., et al.  
Debtors and Debtors In Possession

EXHIBIT A

FANSTEEL'S UTILITY COMPANIES

Utility Name And Address	Account Number(s)
<b>Fansteel Inc.</b>	
Adelphia Business Solutions (Telephone) P.O. Box 932003 Atlanta, GA 31193-2003	100-452-0612
Ameritech (Telephone) Bill Payment Ctr Carol Stream, IL 60663-0001	847 689-4471 155 8 847-Z97-0427 974 5 708 Z83-0077 655 7
AT&T (Telephone) P.O. Box 9001309 Louisville, KY 40290-1309	020 743 8918 001
AT&T (Telephone) P.O. Box 9001310 Louisville, KY 40290-1310	058 550 2005 001
Sprint (Telephone) P.O. Box 930331 Atlanta, GA 31193-0331	13084489
Commonwealth Edison (Electric) Bill Payment Center Chicago, IL 60668	222585006
North Shore Gas (Heat & Fuel) P.O. Box 0 Chicago, IL 60690-3991	9 5000 2629 1372
First Energy Solution Corp. 395 Ghent Road Akron, OH 44333-2678	No account number
City of North Chicago (Water & Sewer) 1850 Lewis Ave North Chicago, IL 60064-2050	401-0038-00-00
<b>Wellman Dynamics</b>	
Alliant Energy (Heat, Lights) P.O. Box 77004 Madison, WI 53707-1004	82-01-154-2492-01 82-01-856-2522-02 82-01-154-2521-01 82-01-162-3445-01
Creston Municipal (Water, Sewage) Creston, IA 50801 P.O. Box 405, 116 W. Adams	432500500 4325000000



Waste Management (Garbage)  
P.O. Box 9001185  
Louisville, KY 40290-1185

516-0000547-1595-8  
516-0000005-1595-7

Iowa Telecom (Telephone)  
PO Box 10481  
Des Moines, IA 50306-8100

82532012  
81505224  
82525741  
82534546

US Cellular (Cell Phone)  
PO Box 0203  
Palatine, IL 60055-0203

933248312  
930048110

Verizon Wireless (Cell Phone)  
PO Box 790422  
St. Louis, MO 63179-0422

1044-3666354  
1044-7024978

MCI Worldcom  
20855 Stone Oak Parkway  
San Antonio, TX 78258

8770111984

Local Link (Internet)  
PO Box 835  
Sioux Falls, SD 57101-0835

5150105

Crestland Coop (Gasoline, Diesel)  
300 Osage St  
Creston, IA 50801

3106

**Fansteel Washington Mfg.**

AT&T (Telephone)  
P.O. Box 2969, Omaha, NE 68103-2969

0207565781001  
0532414377001  
0192796258001  
881167042856

IES Utilities (Electric & Gas)  
P.O. Box 77004, Madison, WI 53707-1004

86-01-172-2273-01

Iowa Telecom (Telephone)  
P.O. Box 1046, Newton, IA 50208-1046

15529471

MCI Worldcom (EDI), PO Box 93372  
Chicago, IL 60673-7372

M0007728

McLeod USA (800#/Long Dist)  
P.O. Box 3243, Milwaukee, WI 53201-3243

134125

US Cellular (Cellular), P.O. Box 0203  
Palatine, IL 60055-0203

476052924

City of Washington (Water), P.O. Box 516  
Washington, IA 52353

2309100, 2309300, 2309600

Bellsouth (Telephone-EHP Warehouse)  
P.O. Box 70807, Charlotte, NC 28272-0807

803533-74003511896

Dept. of Public Utilities (Elec/Water-EHP Warehouse), 64352-8  
P.O. Box 1057  
Orangeburg, SC 29116-1057

**American Sintered Technologies**

Allegheny Power (Electric) 1 37 05 410 04050 1  
P.O. Box 640575  
Pittsburgh, PA 15264-0575

Alltel Corp. (Local Phone) 020 239 469  
P.O. Box 8813  
Little Rock AR 72231-8813

AT & T (Long Distance phone) 019 119 6655 001  
P.O. Box 371430  
Pittsburgh, PA 15250-7430

BOC GASES (Hydrogen/Nitrogen) Cust #7304250  
P. O. Box 360904M Accts. Rec. #63 03715  
Pittsburgh, PA 15259-6904

Emporium Borough (Garbage) M-0002016  
421 N. Broad Street  
Emporium, PA 15834

Emporium Water Company (Water) 2016  
RR04 BOX 488  
Emporium, PA 15834

Mid Cameron Authority (Sewage) M-0002016  
421 N. Broad Street  
Emporium, PA 15834

National Fuel (Gas) RBA No. 3028316 07  
P.O. BOX 5036  
ERIE, PA 16554

Quantumlink Communications (Long Distance) 700037-3452-0000  
P.O. Box 21380  
Tulsa, OK 74121-1380

Sprint (Long Distance) 923005788  
5420 LBJ Freeway  
Dallas, TX 75240

Penncom Internet Company (Internet Connection) 16537  
200 Liberty Street  
Warren, PA 16365

Verizon Wireless (Cell phone) 203068664-00001  
P.O. Box 41556  
Philadelphia, PA 19101-1556

**Schulz Products**

AT & T, P.O. Box 78522 030057187001  
Phoenix, AZ 85062-8522

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Gas Company, P. O. Box C Monterey Park, CA 91756	03601746005
Pacific Bell, Payment Center Van Nuys CA 91388-0001	6262876484
San Gabriel County Water Dist., P.O. Box 2227, San Gabriel, CA 91778	2283-1 / 2284-1
Athens Services P. O. Box 60009 City of Industry, CA 91716-0009	23948-000
Southern California Edison Co P.O. Box 600 Rosemead, CA 91771-0001	2-03-659-4984
Escast, Inc.	
Airtouch Paging P.O. Box 672038 Dallas, TX 75267-2038	
Ameritech, P.O. Box 4520 Carol Stream, IL 60197-4520	63029589608483
AT&T P.O. Box 8212 Aurora, IL 60572-8212	2568320285
AT&T Wireless P.O. Box 8220 Aurora, IL 60572-8220	152689840
AT&T Easy Services 5501 LBJ Freeway Dallas, TX 75240	
BellSouth 85 Annex Atlanta, GA 30385	25683202850290544
BFI Central Texas Landfills P.O. Box 99833 Chicago, IL 60690	005032
Browning Ferris Ind. BFI La Feria, TX 78559	5513004328
Browning-Ferris Ind. Chicago Area Dist. #0733 Louisville, KY 40290	5513004328
Browning Ferris Industries Rio Grande Commercial District Phoenix, AZ 85062	005032

Central Power & Light  
P.O. Box 2121  
Corpus Christi, TX 78403

597291012

Comed, Bill Payment Center  
Chicago, IL 60668-0001

Culligan, 1099 Enterprise Ct.  
Nokomis, FL 34275-3621

856369

Culligan Water Condition  
120 Bridge Street  
Wheaton, IL 60187

183350

GTE Florida  
Tampa, FL 3363120 Bridge Street  
Wheaton, IL 601870

Changed to Verizon

MCI Telecommunications  
P.O. Box 93372  
Chicago, IL 60673

M0100123

MCI World Com.  
P.O. Box 85053  
Louisville, KY 40285

08662546984

MCI World Com.  
P.O. Box 96023  
Charlotte, NC 28296

8770102806

Netcom  
Attn: Dep. 720  
San Jose, CA 95113

Southwestern Bell  
P.O. Box 4845  
Houston, TX 77097

439891900

Sprint  
P.O. Box 650270  
Dallas, TX 75265

368914551

SunCom  
Tritel Communications Inc.  
Birmingham, AL 35246

00102124549

Verizon Florida Inc.  
P.O. Box 920041  
Dallas, TX 75392

154214066919920503

Verizon Credit Inc.  
P.O. Box 650478  
Dallas, TX 75265-0478

154214066917920503

Westel  
P.O. Box 2245  
Austin, TX 78768

705325

Western Gas Resources, Inc.  
Dallas, TX 75284

XO Communications 0461444  
1400 Parkmoor  
San Jose, CA 95126

**Fansteel Inc. -Lexington**

Browning-Ferris Industries (Waste Disposal- Trash) 0341602  
P.O. Box 9001265  
Louisville, KY 40290-1265

Browning-Ferris Industries (Waste Disposal- Metal 0423475  
Shavings)  
P.O. Box 9001265  
Louisville, KY 40290-1265

Columbia Gas of KY., Inc. (Natural Gas – Winter 12986450 001 0  
Heating)  
P.O. Box 2200  
Lexington, KY 40588-2200

Kentucky Utilities Co. (Electricity) 236901-010 2  
P.O. Box 14242  
Lexington, KY 40512-4242

Kentucky Utilities Co. (Electricity) 394902-010 8  
P.O. Box 14242  
Lexington, KY 40512-4242

Kentucky Utilities Co. (Electricity) 237901-010 1  
P.O. Box 14242  
Lexington, KY 40512-4242

KY American Water Co. (Watwe/Sewer) 380-03774872-002  
P.O. Box 484  
Charleston, WV 25322-0484

KY American Water Co. (Watwe/Sewer) 380-03824841-003  
P.O. Box 484  
Charleston, WV 25322-0484

AT&T (Telephone) 171 782 1154 522  
P.O. Box 9001309  
Louisville, KY 40290-1309

Cellular One (Cell Phone) 00147939  
P.O. Box 7839  
Cross Lanes, WV 25355

Cellular One (Cell Phone) 00007486  
P.O. Box 7839  
Cross Lanes, WV 25355

New South Communications (Telephone) 107307  
2 North Main Street  
Greenville, SC 29601-2719

Sprint PCS (Cell Phone)  
P.O. Box 740219  
Cincinnati, OH 45274-0219

0075513641-7

Verizon (Telephone)  
P.O. Box 17577  
Baltimore, MD 21297-0513

000011951760 50Y

Verizon North (Telephone)  
P.O. Box 920041  
Dallas, TX 75392-0041

12 5955 2759131033

**Fansteel Inc. -Muskogee**

AT&T (Telephone)  
P.O. Box 2969  
Omaha, NE 68103-2969

014 024 3483 0001

AT&T (Telephone)  
P.O. Box 2969  
Omaha, NE 68103-2969

019 106 6156 0001

Cellular One (Telephone)  
P. O. Box 268873  
Oklahoma City, OK 73126-8873

RS6C011176 0  
RS6C016850 4  
039 0142357 4

Cellular One  
P.O. Box 268955 (Telephone)  
Oklahoma City, OK 73126-8921

039 0145212 4

Cingular Wireless (Telephone)  
P.O. Box 630069  
Dallas, TX 75263-0069

703072222

MCI Worldcom Comm Serv (Telephone)  
P.O. Box 856059  
Louisville, KY 40285-6059

5P489164

Southwestern Bell Telephone Co (Telephone)  
P.O. Box 4842  
Houston, TX 77097-0077

918-687-1549-924-2  
918-682-3975-941-5

Southwestern Bell Wireless (Telephone)  
P.O. Box 630069  
Dallas, TX 75263-0069

703072222

Southwestern Bell (Telephone)  
P.O. Box 4699  
Houston, TX 77097-0075

918-687-6303-285-5

U.S. Cellular - OK (Telephone)  
Dept. 650684  
Dallas, TX 75265-0684

559914120

Verizon Wireless (Telephone)  
P.O. Box 36387  
Houston, TX 77236

09134784-916105

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Skytel Corp.(Paging Service)  
P.O. Box 931683  
Atlanta, GA 31193-1683

910238

NET1 Limited (Internet)  
P.O. Box 2883  
Muskogee, OK 74402

Oklahoma Gas & Electric Co. (Electric)  
P.O. Box 24990  
Oklahoma City, OK 73124-0990

39777-8  
39770-3  
39764-  
39757-0  
39749-7

CMS Marketing Services & Trading Co. (Natural Gas)  
P.O. Box 7247-8311  
Philadelphia, PA 19170-8311

L00736

Oklahoma Natural Gas Co (Natural Gas)  
P.O. Box 1234  
Tulsa, OK 74186-1234.

511-0742102-011

City of Muskogee (Water)  
P.O. Box 1927  
Muskogee OK 74402-1927

43514

Waste Management (Waste Disposal)  
P.O. Box 78251  
Phoenix, AZ 85062-8251

650-0358794-1006-2

**Fansteel Inc. - California Drop Forge**

L.A. Municipal Services (Water & Electric)  
P.O. Box 10324  
Van Nuys, Ca 91410-0324

1610158401033000000301  
1610158401033009001301  
1610158401033000000001  
1615554500950000000301  
1615554500926000000001  
1612068400203000000301

Sempra Energy (Natural Gas)  
P.O. Box 51345  
Los Angeles, Ca 90051-5645

1865370792511

So California Gas Company (Natural Gas)  
P.O. Box C  
Monterey Park, CA 91756

1865370792511  
06491942006  
07751942009

Pacific Bell (Telephone)  
Payment Center  
Van Nuys, CA 91388

3382617597  
2136179743  
3232249489  
3232769782  
3342648610  
9604560638

A T & T (Long Distance)  
P.O. Box 78522  
Phoenix, AZ 85062-8522

0302880881001

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A T & T Wireless (Cell Phones)  
P.O. Box 30519  
Los Angeles, CA 90030-9827

16220824

A T & T (Long Distance)  
P.O. Box 10192  
Van Nuys, CA 91410-0192

0585474690001

Arch Wireless (Pagers)  
P.O. Box 660770  
Dallas TX 75266-0770

2030017-4

Waste Management - Sun Valley (Trash Services)  
P.O. Box 78251  
Phoenix, AZ 85062-8251

156-35079

SOS Ecology Management (Disposal, Hazardous  
Waste)  
14611 South Broadway  
Gardena, CA 90248

No Account Number

Safety Kleen (Disposal, Hazardous Waste)  
P.O. Box 12349  
Columbia, SC 29211-2349

0000323714

Fansteel Inc. - Plantsville

AT&T (Digital Services (Lex Line))  
P.O. BOX 9001307  
LOUISVILLE, KY 40290

8001-860-9588

AT&T (Long Distance Phone)  
P.O. BOX 2971  
OMAHA, NE 68103

1714442894171

AT&T (Global)  
7872 Collection Center Dr  
CHICAGO, IL 60693

FAN2

Cingular (Bob Hughey cell phone)  
PO BOX 9823  
NEW HAVEN, CT 06536

412900977

SNET (Basic phone service)  
PO BOX 1861  
NEW HAVEN, CT 06508

203471286798

Sprint PCS (Bob Root Cell Phone)  
P.O. Box 62071  
Baltimore, MD 21264

0073038000-2

Extreme Communications (Six Pagers)  
701 S. Stemmons Fwy. #260  
Lewisville, TX 75067

029475

Cox Communications (Internet Connection)  
P.O. Box 39

0015110023833501

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Newark, NJ 07101

UUNET Technologies, Inc. (Computer  
Communications)  
22001 Louden County Parkway  
Ashburn, VA 20147

Worldcom (Internet DSL)  
PO Box 85080 Attn A/R  
Richmond, VA 23285

XU62840

Conn. Light & Power Co. (Electricity)  
P.O. Box #2957  
Hartford, CT 06104

825183411  
827920712

Wesson Inc. (Oil)  
165 Railroad Hill St.  
Waterbury, CT 06722

289383

Hocon Gas Inc. (Gas)  
20 Railroad Hill Street  
Waterbury, CT 60708

013826

Southington Board of Water Co. (Water)  
65 High St.  
Southington, CT 06479

103464

Town of Southington (Wate)  
Sewer Department  
Southington, CT 06479

CTI (Thomas Register)  
Capital Telecommunication  
200 West Market Street  
York, PA 17401

107779

**Fansteel Inc. – Latrobe, PA**

Allegheny Pwr (Electricity)  
P.O. Box 640575  
Pittsburgh, PA 15264

1/23/22/000/32335/1  
1/23/22/000/32330/1  
1/22/22/000/32325/1

Unity Twp Mun. (Water/Sewage)  
P.O. Box 735  
Latrobe, PA 15650

1000450000

AT&T (Phone) P.O.  
Box 9001307  
Louisville, KY 40290

8001-796-2236  
146-567-2577-605  
8001-799-1433  
019-274-9603-01

Verizon (Phone)  
P.O. Box 646  
Baltimore, MD 21265

724-539-9701-622 95Y

USA Waste (Garbage)  
P.O. Box 830003  
Baltimore, MD 21283

670-148840

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Dominions Peoples (Gas)  
P.O. Box 26784  
Richmond, VA 23261

7-4621-0034-3711

**Fansteel Inc. – Gulfport, MS**

Mississippi Pwr (Electricity)  
P.O. Box 4275  
Gulfport, MS 39502

76171-44007

Harrison City (Water/Sewage)  
195 Main St. Biloxi, MS 39530

HC101101

Bell South (Phone)  
P.O. Box 740144  
Atlanta, GA 30374

228-863-2245 017 0599

BFI of Miss. (Garbage)  
Biloxi District, P.O. Box 9001202  
Louisville, KY 40290-1202

285056

TXU-Ensearch (Gas Carrier)  
1301 Fannin St. 2300  
Houston, TX 77002

5437

Entex (Gas) P.O. Box 1360 Gulfport, MS 39051

7-1130-0655-0-1

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Chapter 11
FANSTEEL INC., <u>et al.</u> , <sup>1</sup>	)	
Debtors.	)	Case No. 02-10109 (JJF)
	)	
	)	Jointly Administered

**ORDER UNDER 11 U.S.C. § 366 (i) PROHIBITING UTILITY COMPANIES  
FROM ALTERING, REFUSING, OR DISCONTINUING SERVICE;  
(ii) FINDING ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE  
UTILITY SERVICE; AND (iii) ESTABLISHING PROCEDURES FOR  
DETERMINING REQUESTS FOR ADDITIONAL ASSURANCES**

Upon the motion ("Motion") of Fansteel Inc. ("Fansteel"), a Delaware corporation and its wholly-owned direct and indirect subsidiaries, Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg., Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc., debtors and debtors-in-possession herein (each a "Debtor" and, collectively, the "Subsidiaries", and together with Fansteel, the "Debtors"), for an order under section 366 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code") (i) prohibiting utility companies from altering, refusing, or discontinuing service, (ii) finding adequate assurance of payment for future utility service, (iii) establishing procedures for determining requests for additional assurance of payment for future utility services, and (iv) authorizing Debtors to supplement the list of utility companies to add utility companies not listed therein but subsequently discovered; and this Court having determined that granting the relief requested in

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<sup>1</sup> The Debtors are the following entities: Fansteel Inc., Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc.

the Motion is in the best interests of Debtors, their respective estates and their creditors; and it appearing that notice of the Motion was good and sufficient under the circumstances and that no other or further notice is necessary; and upon the record of the case; and after due deliberation; and good and sufficient cause appearing therefor, it is hereby

ORDERED, that the Motion is granted; and it is further

ORDERED, that under Section 503(b)(1)(A) of the Bankruptcy Code, any unpaid post-petition utility charges of the utility companies listed on Exhibit A to the Motion ("Utility Companies") constitute actual and necessary expenses of preserving Debtors' estates, entitling the Utility Companies to an administrative expense priority under Section 507(a)(1) of the Bankruptcy Code; and it is further

ORDERED, that for purposes of this order, Debtors' regular and timely pre-petition history of payment to the Utility Companies, Debtors' ability to pay the Utility Companies for future services, and the allowance of post-petition obligations to the Utility Companies as administrative expense claims under Sections 503(b) and 507(a) of the Bankruptcy Code, constitute adequate assurance to the Utility Companies of payment for future utility services in accordance with Section 366(b) of the Bankruptcy Code; and it is further

ORDERED, that absent any further order of this Court, each of the Utility Companies may not alter, refuse or discontinue utility services including, but not limited to, the furnishing of electricity and telephone service, or any other utility of like kind furnished to any Debtor so long as such Debtor continues to pay for the outstanding utility services as they become due in the ordinary course after the Petition Date; and it is further

ORDERED, that absent any further order of this Court, no Debtor shall be required to make any post-petition deposits with the Utility Companies; and it is further

ORDERED, that within five (5) business days of the date of entry of this order, the Debtors shall serve by first-class United States mail a notice of entry of this order and the supporting Motion upon the Utility Companies listed on Exhibit A to the Motion; and it is further

ORDERED, that any Utility Company may request additional assurance of payment for future utility services under Section 366(b) of the Bankruptcy Code by serving upon co-counsel for Debtors on or before thirty (30) days from the date of entry of the order granting the Motion a request for additional assurances (the "Additional Assurance Request"); and it is further

ORDERED, that if a Utility Company makes a timely Additional Assurances Request which Debtors believe is reasonable, Debtors shall be entitled to comply with such Additional Assurance Request without further order of the Court; provided however, that if a Utility Company makes an Additional Assurances Request to which Debtors do not consent, Debtors shall schedule a prompt hearing with respect to a determination of adequate assurance as to payment to such Utility Company; and it is further

ORDERED, that this order shall be a final order as to all of the Utility Companies except any such Utility Company that serves a timely Additional Assurance Request; and it is further

ORDERED, that notwithstanding the filing of any Objection, the terms of this order shall remain in full force and effect pending the disposition of such Objection; and it is further

ORDERED, that Debtors shall (i) serve a notice and a copy of the Motion and this order on any utility company not listed on Exhibit A annexed to the Motion but that is subsequently identified and (ii) file with the Court a supplement to Exhibit A to the Motion adding the names of the utility companies so served, and this order will be deemed to apply to any such utility company from the date of such service.

Dated: January 22, 2002

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Judge Joseph J. Farnan, Jr.

## **EXHIBIT B**

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

In re	)	Chapter 11
	)	
FANSTEEL INC., et al., <sup>1</sup>	)	Case No. 02-10109 ( )
	)	(Jointly Administered)
	)	
Debtors.	)	

**BRIDGE ORDER PURSUANT TO SECTION 366(A)  
OF THE BANKRUPTCY CODE PROHIBITING UTILITIES FROM  
ALTERING, REFUSING, OR DISCONTINUING SERVICE TO THE DEBTORS  
PENDING RESOLUTION OF THE DEBTORS' MOTION FOR ENTRY OF AN ORDER  
(A) DEEMING UTILITIES ADEQUATELY ASSURED OF FUTURE PERFORMANCE  
AND (B) ESTABLISHING PROCEDURE FOR DETERMINING ADEQUATE  
ASSURANCES PURSUANT TO SECTION 366 OF THE BANKRUPTCY CODE**

Upon the motion (the "Motion")<sup>2</sup> of the above captioned debtors and debtors in possession in the Chapter 11 Cases seeking entry of an order pursuant to section 366 of the Bankruptcy Code (a) deeming utilities adequately assured of future performance and (b) establishing procedure for determining adequate assurances; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; ~~and notice of the Motion to be given such that any objections to the Motion would be due to be filed on or about \_\_\_\_\_, 2002; and the twenty-day period under 11 U.S.C. § 366(a), during which utilities are prohibited from altering, refusing, or discontinuing service (the "Stay~~

<sup>1</sup> The Debtors are the following entities: Fansteel, Inc.; Fansteel Holdings, Inc.; Custom Technologies Corp.; Escast, Inc.; Wellman Dynamics Corp.; Washington Mfg. Co.; Phoenix Aerospace Corp.; American Sintered Technologies, Inc.; and Fansteel Schulz Products, Inc.

<sup>2</sup> Capitalized terms not defined herein shall have the same meaning as in the Motion.



~~Period"), being set to expire on or about February 4, 2002, and after due deliberation and cause appearing therefor, it is hereby~~ **IT IS HEREBY**

ORDERED that, absent any further order of this Court, and pending resolution of the Motion, each of the Utility Companies is forbidden to discontinue, alter, or refuse service on account of unpaid charges, or to discriminate against the Debtors, or to require payment of a deposit or receipt of other security in connection with any unpaid charges for utility services furnished to the Debtors; and it is further

ORDERED that the Court retains jurisdiction to construe and enforce this Order, and it is further

ORDERED that notwithstanding the possible applicability of Fed. R. Bankr. P. 6004(g), 7062, 9014, or otherwise, the terms and conditions of this order shall be immediately effective and enforceable upon its entry.

Dated: Jan 17, 2002

P. J. A. W. M.  
Judge