**UNITED STATES BANKRUPTCY COURT**
**FOR THE NORTHERN DISTRICT OF GEORGIA**
**NEWNAN DIVISION**

| | | |
|---|---|---|
| **In re** | ) | **Chapter 11** |
| | ) | |
| **DAN RIVER INC., *et al.*** | ) | **Case Nos. 04-10990 through 04-10993** |
| | ) | **Jointly Administered** |
| | ) | |
| **Debtors.** | ) | **Judge Drake** |
| | ) | |

**STIPULATION AND AGREED ORDER DEEMING**
**SCANA ENERGY MARKETING, INC.**
**ADEQUATELY ASSURED OF PAYMENT PURSUANT TO SECTION 366**

Dan River Inc., The Bibb Company LLC, Dan River International Ltd., and Dan River Factory Stores, Inc. (collectively, the "Debtors") and SCANA Energy Marketing, Inc. ("SEMI") stipulate as follows:

1. Prior to their filing bankruptcy petitions on March 31, 2004 (the "Petition Date"), the Debtors were indebted to SEMI in the amount of $507,020.66 for pre-petition utility services, which amount remains outstanding and unpaid.

2. Pursuant to this Court's April 1, 2004 Order (A) Deeming Utilities Adequately Assured of Payment, (B) Prohibiting Utilities from Altering, Refusing, or Discontinuing Services, and (C) Establishing Procedures for Resolving Requests for Additional Assurance, SEMI served a timely request for additional assurance of payment from the Debtors.

3. In response to that request for additional assurance of payment, the Debtors and SEMI, subject to the approval of this Court, negotiated a mutually agreeable resolution to SEMI's request, and the Debtors and SEMI desire to enter into this stipulation to memorialize that agreement.

4. The parties stipulate, and this Court orders as follows:

a. SEMI may proceed to make a draw in the amount of $507,020.66 under Letter of Credit No. SC100015U dated November 26, 2003 and issued by Wachovia (the "Letter of Credit"), so as to fully satisfy all of the Debtors' pre-petition indebtedness to SEMI.

b. SEMI shall continue to provide utility services to the Debtors on the payment and credit terms as they existed between the Debtors and SEMI prior to the Petition Date.

c. The Debtors shall pay in full, on a timely basis and in accordance with their pre-petition practices, all undisputed invoices in respect of post-petition utility services provided by SEMI.

d. Unpaid charges relating to undisputed invoices in respect of post-petition utility services provided by SEMI shall be granted administrative expense priority pursuant to Sections 503(b)(1)(A) and 507(a)(1) of the Bankruptcy Code.

e. If there is a default by the Debtors with respect to the payment of post-petition utility services, as to which there is not a good faith dispute, and the default is not cured within ten (10) days after written and electronic notice thereof from SEMI to the undersigned counsel for the Debtors (such written notice being given by email and First Class Mail), then SEMI may terminate post-petition services to the Debtors without further order of the Court.

f. Based on the Debtors' satisfactory pre-petition payment history with SEMI, the Debtors' administrative solvency, and the administrative priority to which any unpaid charges for post-petition utility services would be entitled,

SEMI is adequately assured of payment for its provision of post-petition utility services to the Debtors without need for either a post-petition deposit or a replacement of the Letter of Credit.

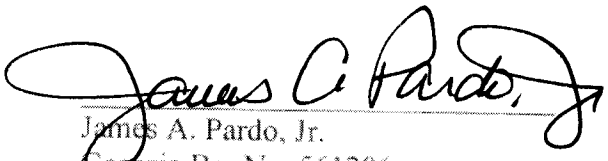
**SO ORDERED.**

At Newnan, Georgia this __ day of _____, 2004.

W. HOMER DRAKE, JR.
UNITED STATES BANKRUPTCY JUDGE

Stipulated and Agreed:

KING & SPALDING LLP



James A. Pardo, Jr.
Georgia Bar No. 561206
Allen C. Winsor
Georgia Bar No. 770964
191 Peachtree Street
Atlanta, Georgia 30303
(404) 572-4600
Fax (404) 572-5149
Attorneys for the Debtors

DUANE MORRIS LLP

Anne L. Blitch
Georgia Bar No. 452910
1180 West Peachtree Street
Suite 700
Atlanta, Georgia 30309-3448
(404) 253-6962
Fax (404) 253-6901

and

David B. Wheeler
MOORE & VAN ALLEN PLLC
40 Calhoun Street
Suite 300
Charleston, South Carolina 29401
(843) 579-7000
Fax (843) 579-8727
Attorneys for
SCANA Energy Marketing, Inc.