

IT IS SO ORDERED.

Dated: 02:24 PM October 18 2006



**UNITED STATES BANKRUPTCY COURT
 NORTHERN DISTRICT OF OHIO
 EASTERN DIVISION**

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 In re: :
 : Case No. 06-51848
 CEP HOLDINGS, LLC, et al.,¹ : (Jointly Administered)
 :
 Debtors. : Chapter 11
 :
 : Honorable Marilyn Shea-Stonum
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**FINAL ORDER, PURSUANT TO SECTION 366 OF
 THE BANKRUPTCY CODE: (A) PROHIBITING UTILITIES
 FROM ALTERING, REFUSING OR DISCONTINUING SERVICES
 TO, OR DISCRIMINATING AGAINST, THE DEBTORS ON ACCOUNT
 OF PREPETITION INVOICES; (B) DETERMINING THAT THE
 UTILITIES ARE ADEQUATELY ASSURED OF FUTURE PAYMENT;
 (C) ESTABLISHING PROCEDURES FOR DETERMINING REQUESTS
 FOR ADDITIONAL ASSURANCE; AND (D) PERMITTING UTILITY
 COMPANIES TO OPT OUT OF THE PROCEDURES ESTABLISHED HEREIN**

¹ The Debtors include: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC.

Upon the motion (the “**Motion**”)² of CEP Holdings, LLC and its affiliated debtors and debtors-in-possession (each a “**Debtor**” and collectively, the “**Debtors**” or “**CEP**”) in the above captioned cases (the “**Cases**”) for entry of interim and final orders pursuant to section 366 of the Bankruptcy Code: (a) prohibiting Utilities from altering, refusing or discontinuing services to, or discriminating against, the Debtors on account of prepetition invoices; (b) determining that the Utilities are adequately assured of future payment; (c) establishing procedures for determining requests for additional assurance; and (d) permitting Utility Companies to opt out of the procedures established therein; the Court having entered its Order granting the Motion or an interim basis on September 27, 2006 (Docket No. 83) (the “**Prior Order**”); American Electric Power (“**AEP**”), Carolina Power & Light d/b/a Progress Energy Carolinas (“**CPL**”), Exelon Energy Company (“**Exelon**”) and Dominion East Ohio (“**DEO**,” and together with AEP, CPL and Exelon, the “**Objecting Parties**”) having filed a Procedures Objection to the Motion (Docket No. 118) (the “**Objection**”); the Court having reviewed the Motion and having heard the statements of counsel in support of the relief requested therein at hearing before the Court (the “**Hearing**”); and upon the Mallak Affidavit; and the Court having found and concluded that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding, (iii) notice of the Motion was sufficient under the circumstances, and (iv) the legal and factual bases set forth in the Motion, the Mallak Affidavit, and at the Hearing establish just cause for the relief granted herein; and this Court having determined that granting the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; and after due deliberation and sufficient cause appearing therefore;

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein, and the Objection is resolved as described herein. Except as provided herein, the Prior Order is amended and superseded in its entirety by this Order.

2. Subject to the procedures described below, no Utility Company (a) may alter, refuse, terminate or discontinue utility services to, and/or discriminate against, the Debtors on the basis of the commencement of these Cases or on account of outstanding prepetition invoices or (b) require additional assurance of payment, other than the Proposed Adequate Assurance, as a condition to the Debtors receiving such utility services.

3. In no event may any Utility Company apply any postpetition payment to amounts due and owing for utility services rendered to the Debtors prior to the Petition Date. All postpetition payments made by the Debtors shall be treated as security deposits or applied to invoices for postpetition utility services.

4. A Utility Company shall be entitled to an Adequate Assurance Deposit in the amount set forth on **Exhibit A** to the Motion, provided that: (a) it requests such deposit in writing no later than 30 days after the Petition Date (the “**Request Deadline**”) and sends such request to (i) CEP Holdings, LLC, 3560 W. Market Street, Suite 340, Akron, OH 44333 (Attn: Joseph Mallak), (ii) Baker & Hostetler LLP, 3200 National City Center, 1900 East 9th Street, Cleveland, OH 44114-3485 (Attn: Joseph F. Hutchinson, Jr., Esq.) and (iii) McGuire Woods, Dominion Tower, 625 Liberty Avenue, 23rd Floor, Pittsburgh, PA 15222 (Attn: Sally E. Edison, Esq.); (b) such requesting Utility Company does not already hold a deposit equal to or greater than the Adequate Assurance Deposit (which existing deposit shall be deemed to be the

Adequate Assurance Deposit); and (c) such requesting Utility Company is not currently paid in advance for its services.

5. A Utility Company's request for, and acceptance of, an Adequate Assurance Deposit shall be deemed an acknowledgement and admission from the Utility Company that the Adequate Assurance Deposit is the form of adequate assurance that is satisfactory to it, within the meaning of section 366 of the Bankruptcy Code. Likewise, any Utility Company that does not request an Adequate Assurance Deposit by the Request Deadline and does not file a Procedures Objection to opt out of the Adequate Assurance Procedures (as described below), shall be deemed to have adequate assurance that is satisfactory to it, within the meaning of section 366 of the Bankruptcy Code. Any Adequate Assurance Deposit requested by, and provided to, any Utility Company pursuant to the procedures described herein shall be returned to the Debtors at the conclusion of these Cases, if not returned or applied earlier.

6. The following Adequate Assurance Procedures are approved in all respects:

- (a) Any Utility Company desiring assurance of future payment for utility service beyond the Proposed Adequate Assurance must serve an Additional Assurance Request so that it is received by the Debtors by the Request Deadline at the following addresses: (i) CEP Holdings, LLC, 3560 W. Market Street, Suite 340, Akron, OH 44333 (Attn: Joseph Mallak); (ii) Baker & Hostetler LLP, 3200 National City Center, 1900 East 9th Street, Cleveland, OH 44114-3485 (Attn: Joseph F. Hutchinson, Jr., Esq.); and (iii) McGuire Woods, Dominion Tower, 625 Liberty Avenue, 23rd Floor, Pittsburgh, PA 15222 (Attn: Sally E. Edison, Esq.).
- (b) Any Additional Assurance Request must (i) be made in writing; (ii) set forth the location(s) for which utility services are provided and the relevant account number(s); (iii) describe any deposits, prepayments or other security currently held by the requesting Utility Company and (iv) explain why the requesting Utility Company believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment.
- (c) Upon the Debtors' receipt of an Additional Assurance Request at the addresses set forth above, the Debtors shall have the greater of (i) 14 days from the receipt of such Additional Assurance Request or (ii) 30 days

from the Petition Date (collectively, the “**Resolution Period**”) to negotiate with the requesting Utility Company to resolve its Additional Assurance Request. The Resolution Period may be extended by agreement of the Debtors and the applicable Utility Company.

- (d) The Debtors, in their discretion, may resolve any Additional Assurance Request by mutual agreement with the requesting Utility Company and without further order of the Court, and may, in connection with any such resolution, in their discretion, provide the requesting Utility Company with additional adequate assurance of future payment in a form satisfactory to the Utility Company, including, but not limited to, cash deposits, prepayments and/or other forms of security, if the Debtors believe such additional assurance is reasonable.
- (e) If the Debtors determine that an Additional Assurance Request is not reasonable, and are not able to resolve such request during the Resolution Period, the Debtors, during or immediately after the Resolution Period, will request a Determination Hearing, pursuant to section 366(c)(3)(A) of the Bankruptcy Code.
- (f) Pending the resolution of the Additional Assurance Request at a Determination Hearing, such particular Utility Company shall be restrained from discontinuing, altering or refusing service to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.
- (g) Other than through the Opt-Out Procedures, any Utility Company that does not comply with the Adequate Assurance Procedures shall be deemed to find the Proposed Adequate Assurance satisfactory to it and is forbidden from discontinuing, altering or refusing service on account of any unpaid prepetition charges, or requiring additional assurance of payment (other than the Proposed Adequate Assurance).

7. The Opt-Out Procedures described in the Prior Order are approved in all respects. Any Utility Company that did not timely file a Procedures Objection is deemed to consent to, and shall be bound by, the Adequate Assurance Procedures.

8. A Utility Company shall be deemed to have adequate assurance of payment under section 366 of the Bankruptcy Code unless and until: (a) the Debtors, in their discretion, agree to (i) an Adequate Assurance Request or (ii) an alternative assurance of payment with the Utility

Company during the Resolution Period; or (b) this Court enters an order at any Determination Hearing requiring that additional adequate assurance of payment be provided.

9. The Objection is in the process of being resolved pursuant to a separate stipulation between the Debtors and the Objecting Parties, the main terms of which have already been agreed to by the Debtors and the Objecting Parties. If, for some reason, a separate stipulation is not finalized and executed by October 23, 2006, the Objecting Parties may re-notice their Objection for hearing on November 7, 2006 at 10:00 a.m. unless resolved prior to that time.

10. The Debtors are authorized, in their sole discretion, to amend the Utility Service List to add or delete any Utility Company, and this Order shall apply to any such Utility Company that is subsequently added to the Utility Service List. Nothing herein constitutes a finding that any entity is or is not a Utility Company hereunder or under section 366 of the Bankruptcy Code, whether or not such entity is listed on the Utility Service List.

11. The Debtors shall serve a copy of this Order on each Utility Company listed on the Utility Service List within two business days of the date this Order is entered, and shall also serve this Order on each Utility Company subsequently added by the Debtors to the Utility Service List.

12. This Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Order.

13. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

14. Notwithstanding anything to the contrary, the terms of this Order shall be subject to the terms of the Emergency Order Authorizing Debtors to: (A) Use Cash Collateral on an Emergency Basis; (B) Incur Postpetition Debt on an Emergency Basis; (C) Grant Adequate Protection and Provide Security and Other Relief to Wachovia Capital Finance Corporation (Central); and (D) Grant Certain Related Relief (the “**Emergency Financial Order**”), the “**Final Hearing Order**” (as defined in the Emergency Order) and all amendments, modifications and supplements to the Emergency Financing Order and Final Hearing Order with WCFC’s consent, as the same are in effect from time to time.

IT IS SO ORDERED.

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Respectfully submitted by:

/s/ Joseph F. Hutchinson, Jr.
Joseph F. Hutchinson, Jr. (0018210)
Thomas M. Wearsch (0078403)
Eric R. Goodman (0076035)
BAKER & HOSTETLER LLP
3200 National City Center
1900 East 9th Street
Cleveland, Ohio 44114-3485

*Counsel for the Debtors and
Debtors-in-Possession*

Consented to and No Objection:

/s/ Jeremy Downs
Alan Solow
Jeremy Downs
Shira Isenberg
GOLDBERG KOHN
55 East Monroe
Suite 3700
Chicago, Illinois 60603

*Counsel to Wachovia Capital
Finance Corporation (Central)*

/s/ Mark Freedlander
Mark Freedlander
Sally Edison
MCGUIRE WOODS
Dominion Tower
625 Liberty Avenue
23rd Floor
Pittsburgh, PA 15222

*Proposed Counsel to the Official
Committee of Unsecured Creditors*

/s/ Maria D. Giannirakis
Maria D. Giannirakis
OFFICE OF THE UNITED
STATES TRUSTEE
Howard M. Metzenbaum US Courthouse
201 Superior Avenue, East
Suite 441
Cleveland, Ohio 44114

Office of the United States Trustee

/s/ Russell R. Johnson III
Russell R. Johnson III
2258 Wheatlands Drive
Manakin-Sabot, Virginia 23103

*Counsel for American Electric Power,
Carolina Power & Light, d/b/a Progress
Energy Carolinas, Exelon Energy Company,
and Dominion East Ohio*