

ORIGINAL

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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In re: : **Chapter 11**
: :
TIDEWATER INC., et al., : **Case No. 17-11132 (BLS)**
: :
: : **(Jointly Administered)**
Debtors.¹ : **Re: Docket No. 9**
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**INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 366
AND 105(a) (I) APPROVING DEBTORS' PROPOSED FORM
OF ADEQUATE ASSURANCE OF PAYMENT TO UTILITY
PROVIDERS, (II) ESTABLISHING PROCEDURES FOR RESOLVING
OBJECTIONS BY UTILITY PROVIDERS, AND (III) PROHIBITING UTILITY
PROVIDERS FROM ALTERING, REFUSING OR DISCONTINUING SERVICE**

Upon the motion, dated May 17, 2017 (the “**Motion**”)² of Tidewater Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), pursuant to sections 366 and 105(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, for an interim order (the “**Interim Order**”) (a) approving the Debtors’ proposed form of adequate assurance of payment to Utility Providers, (b) establishing procedures for resolving objections by Utility Providers, and (c) prohibiting Utility Providers from altering, refusing, or discontinuing Utility Services, all as more fully set forth in the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, if any, are: Tidewater Inc. (7776), Tidewater Marine Western, Inc. (1064), Tidewater Corporate Services, L.L.C. (7776), Tidewater Marine, L.L.C. (7779), Cajun Acquisitions, LLC (2365), Gulf Fleet Supply Vessels, L.L.C. (2194), Hilliard Oil & Gas, Inc. (4727), Java Boat Corporation (0278), Pan Marine International Dutch Holdings, L.L.C., Point Marine, L.L.C. (9586), Quality Shipyards, L.L.C. (2335), S.O.P., Inc. (3464), Tidewater Marine Alaska, Inc. (7549), Tidewater Marine International Dutch Holdings, L.L.C. (2289), Tidewater Marine Sakhalin, L.L.C. (7779), Tidewater Mexico Holding, L.L.C. (8248), Tidewater Venture, Inc. (7694), Twenty Grand (Brazil), L.L.C. (7730), Twenty Grand Marine Service, L.L.C. (7730), Zapata Gulf Marine, L.L.C. (5513), Tidewater GOM, Inc. (2799), Tidewater Subsea, L.L.C. (2022), Tidewater Subsea ROV, L.L.C. (3832), Tidewater Marine Fleet, L.L.C., Tidewater Marine Hulls, L.L.C., Tidewater Marine Ships, L.L.C., and Tidewater Marine Vessels, L.L.C. The Debtors’ principal offices are located at 601 Poydras Street, Suite 1500, New Orleans, Louisiana 70130.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 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 February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing to consider the relief requested in the Motion on an interim basis (the “**Hearing**”); and upon the Fanning Declaration, filed contemporaneously with the Motion, and the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003, and is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court 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 set forth herein.
2. Absent compliance with the procedures set forth in the Motion and this Interim Order, the Utility Providers, including, without limitation, those listed on **Exhibit C** to the Motion, are prohibited from altering, refusing, or discontinuing Utility Services or otherwise discriminating against the Debtors on account of any unpaid prepetition charges or any perceived

inadequacy of the Debtors' Proposed Adequate Assurance and are deemed to have received adequate assurance of payment in compliance with section 366 of the Bankruptcy Code.

3. As adequate assurance, the Debtors shall deposit the Adequate Assurance Deposit (as may be amended or modified in accordance with the procedures described herein and in the Objections Procedures) in a segregated account (the "**Utility Deposit Account**") within five (5) business days of entry of this Interim Order.

4. The Adequate Assurance Deposit shall automatically, without further Court order, be available to the Debtors upon the effective date of a chapter 11 plan for the Debtors; *provided*, that, there are no outstanding disputes related to postpetition payments due.

5. The following Objection Procedures are hereby approved:

- a. The Debtors will mail a copy of this Interim Order and the Motion (including the Proposed Final Order) to each Utility Provider within two (2) business days after entry of this Interim Order by the Court.
- b. If a Utility Provider is not satisfied with the Proposed Adequate Assurance, it must serve a written request (a "**Request**") upon the proposed counsel to the Debtors: Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Christina M. Brown, Esq.), and the Request must set forth: (i) the location(s) for which Utility Services are provided; (ii) the account number(s) for such location(s); (iii) the outstanding balance for each account; and (iv) an explanation of why the Utility Provider believes the Adequate Assurance Deposit is not sufficient adequate assurance of future payment.
- c. If the Debtors, in their reasonable discretion and after consultation with counsel to the Unofficial Noteholder Committee, counsel to the Credit Agreement Agent, and counsel to any statutory committee appointed in these chapter 11 cases, determine that a Request or any consensual agreement reached in connection therewith is reasonable, the Debtors, without further order of the Court, may enter into agreements granting additional adequate assurance to the Utility Provider serving such Request and, in connection with such agreements, provide the Utility Provider with additional adequate assurance of payment, including payments on

prepetition amounts owing, cash deposits, prepayments, or other forms of security.

- d. The Debtors, after consultation with counsel to the Unofficial Noteholder Committee, counsel to the Credit Agreement Agent, and counsel to any statutory committee appointed in these chapter 11 cases, shall have (14) days after receipt of such Request, or such longer period as may be agreed to between the Debtors and the Utility Provider, to resolve such Request. If no resolution is reached, the Debtors shall seek to have the Request heard at the next omnibus hearing in the chapter 11 cases or at such other or later hearing as may be agreed to between the Debtors and the Utility Provider.
- e. Absent compliance with the procedures set forth in the Motion and this Interim Order, the Debtors' Utility Providers are prohibited from altering, refusing, or discontinuing service on account of any unpaid prepetition charges and are deemed to have received adequate assurance of payment in compliance with section 366 of the Bankruptcy Code.

6. The Adequate Assurance Deposit shall be deemed adequate assurance of payment, and any Utility Provider, for whom (i) an Adequate Assurance Deposit was deposited in the Utility Deposit Account and (ii) was served with a copy of this Interim Order, that does not make a Request or otherwise comply with the Objection Procedures shall be prohibited from altering, refusing, or discontinuing Utility Services, including as a result of the Debtors' failure to pay charges for prepetition Utility Services or to provide adequate assurance of payment in addition to the Proposed Adequate Assurance.

7. The inclusion of any entity in, as well as any omission of any entity from, the Utility Services List shall not be deemed an admission by the Debtors that such entity is, or is not, a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

8. The Debtors are authorized, in their sole discretion, to amend the Utility Services List to the extent the Debtors terminate the services of any Utility Provider or identify

additional Utility Providers and this Interim Order shall apply to any such Utility Provider that is added to the Utility Services List.

9. The Debtors shall increase the amount of the Adequate Assurance Deposit in the event an additional Utility Provider is added to the Utility Services List by an amount equal to two (2) weeks of Utility Services provided by such additional Utility Provider, calculated using the historical average for such payments during the past twelve (12) months.

10. The Debtors shall serve a copy of this Interim Order and the Motion upon any Utility Provider added to the Utility Services List.

11. The Debtors may terminate the services of any Utility Provider and are immediately authorized to reduce the Adequate Assurance Deposit by the amount held on account of such terminated Utility Provider; *provided*, that, there are no outstanding disputes related to postpetition payments due. The Debtors may amend the Utility Services List to delete a Utility Provider only if it has provided two (2) weeks' advance notice to such Utility Provider, and has not received any objection from such Utility Provider. If an objection is received and such objection cannot be consensually resolved, the Debtors shall request a hearing before this Court at the next omnibus hearing date, or such other date that the Debtors and the Utility Provider may agree.

12. Nothing contained in the Motion or this Interim Order, nor any payment made pursuant to the authority granted by this Interim Order is intended to be or shall be construed as (a) an admission as to the validity of any claim against the Debtors, (b) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors, (c) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (d) an approval, assumption, adoption, or

rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code.

13. Notwithstanding entry of this Interim Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by, any party.

14. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

15. Under the circumstances of these chapter 11 cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a).

16. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

17. The Debtors are authorized to take all action necessary to the relief granted in this Interim Order.

18. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Interim Order.

19. The final hearing to consider the relief requested in the Motion shall be held on June 14, 2017 at 10:00 a.m. (Prevailing Eastern Time) and any objections or responses to the Motion shall be filed and served so as to be actually received on or before **4:00 p.m.** (Prevailing Eastern Time) on June 7, 2017.

Dated: May 19, 2017
Wilmington, Delaware



THE HONORABLE BRENDAN L. SHANNON
CHIEF UNITED STATES BANKRUPTCY JUDGE