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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re :
 : **Chapter 11**
WESTINGHOUSE ELECTRIC :
COMPANY LLC, *et al.*, : **Case No. 17-_____ (___)**
 :
Debtors.¹ : **(Joint Administration Pending)**
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**MOTION OF DEBTORS PURSUANT TO 11 U.S.C.
§§ 105(a), 362(d), 363(b), AND 507 AND FED. R. BANKR. P. 4001,
6003, AND 6004 FOR INTERIM AND FINAL AUTHORITY TO (I) PAY
PREPETITION WAGES, SALARIES, AND OTHER COMPENSATION AND
BENEFITS, (II) MAINTAIN EMPLOYEE BENEFIT PROGRAMS AND PAY
RELATED ADMINISTRATIVE OBLIGATIONS, AND (III) TO AUTHORIZE
BANKS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS**

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: Westinghouse Electric Company LLC (0933), CE Nuclear Power International, Inc. (8833), Fauske and Associates LLC (8538), Field Services, LLC (2550), Nuclear Technology Solutions LLC (1921), PaR Nuclear Holding Co., Inc. (7944), PaR Nuclear, Inc. (6586), PCI Energy Services LLC (9100), Shaw Global Services, LLC (0436), Shaw Nuclear Services, Inc. (6250), Stone & Webster Asia Inc. (1348), Stone & Webster Construction Inc. (1673), Stone & Webster International Inc. (1586), Stone & Webster Services LLC (5448), Toshiba Nuclear Energy Holdings (UK) Limited (N/A), TSB Nuclear Energy Services Inc. (2348), WEC Carolina Energy Solutions, Inc. (8735), WEC Carolina Energy Solutions, LLC (2002), WEC Engineering Services Inc. (6759), WEC Equipment & Machining Solutions, LLC (3135), WEC Specialty LLC (N/A), WEC Welding and Machining, LLC (8771), WECTEC Contractors Inc. (4168), WECTEC Global Project Services Inc. (8572), WECTEC LLC (6222), WECTEC Staffing Services LLC (4135), Westinghouse Energy Systems LLC (0328), Westinghouse Industry Products International Company LLC (3909), Westinghouse International Technology LLC (N/A), and Westinghouse Technology Licensing Company LLC (5961). The Debtors’ principal offices are located at 1000 Westinghouse Drive, Cranberry Township, Pennsylvania 16066.



TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Westinghouse Electric Company LLC (“**WEC LLC**”) and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”), respectfully represent as follows in support of this motion (the “**Motion**”):

Background

1. On the date hereof (the “**Petition Date**”), each Debtor commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

2. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of the chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

3. Additional information regarding the Debtors’ business, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Lisa J. Donahue Pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York*, sworn to on the date hereof (the “**Donahue Declaration**”²), which has been filed with the Court contemporaneously herewith and is incorporated herein by reference.

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

Jurisdiction

4. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

5. By this Motion, pursuant to sections 105(a), 362(d), 363(b), and 507 of the Bankruptcy Code and Rules 4001, 6003, and 6004 of the Bankruptcy Rules, the Debtors request entry of interim and final orders: (i) authorizing, but not directing, the Debtors to pay or otherwise honor, in their sole discretion, all prepetition Compensation Obligations, Payroll Processing Obligations, Employee Bonus Obligations, Reimbursable Expenses, Withholding Obligations, Employee Benefit Obligations, Pension and Retirement Obligations, Employee Insurance Obligations, Employee Service Obligations, Temporary Worker Benefits Obligations, and Staffing Agency Fees (each as defined herein and, together with any related costs or expenses of administration, the “**Prepetition Employee Obligations**”); (ii) authorizing, but not directing, the Debtors to continue in their ordinary course of their business their prepetition practices, programs, and policies for their Employees, Temporary Workers, and Independent Contractors (each as defined herein), in effect as of the date hereof and as those practices, programs, and policies may be modified, amended, or supplemented from time to time in the ordinary course of the Debtors’ businesses (the “**Employee Programs**”), and honor any related administrative costs and obligations arising thereunder (such obligations, collectively with the Prepetition Employee Obligations, the “**Employee Obligations**”); (iii) modifying the automatic stay to the extent necessary to permit the Debtors’ Employees and Temporary Workers to proceed with any claims they may have under the Workers’ Compensation Programs (as defined herein), and (iv) authorizing Banks (as defined herein) to process and honor related transfers.

6. The various components and approximate amounts of the unpaid Prepetition Employee Obligations, each of which is discussed in further detail below, are summarized in the following chart.

Category of Prepetition Employee Obligation	Amount Seeking Authority to Pay on Interim Basis	Amount Seeking Authority to Pay on Final Basis
Compensation Obligations	\$4,500,000	\$4,500,000
Payroll Processing Obligations	\$205,000	\$205,000
Employee Bonus Obligations	\$300,000	\$300,000
Reimbursable Expenses	\$3,600,000	\$7,200,000
Withholding Obligations	\$750,000	\$750,000
Employee Benefit Obligations	\$4,520,000	\$9,020,000
Temporary Worker Benefit Obligations	\$750,000	\$750,000
Staffing Agency Fees	\$15,000,000	\$27,000,000
Total Prepetition Employee Obligations:	\$29,625,000	\$49,725,000

7. The Debtors seek the relief requested herein in all cases subject to, and in compliance with, the terms and conditions of the Debtors’ proposed debtor-in-possession financing facility (the “**DIP Facility**” and the lenders and letter of credit issuer thereunder, collectively, the “**DIP Lenders**”), the term sheet related thereto (the “**DIP Term Sheet**”), and any orders approving the DIP Facility (the “**DIP Orders**”).³

8. The Debtors further request that the Court authorize all applicable financial institutions (collectively, the “**Banks**”) to receive, process, honor, and pay all checks

³ Additional information regarding the Debtors’ proposed DIP Facility is contained in the *Motion of Debtors Pursuant to 11 U.S.C. §§ 362, 363, 364, 507, and 105 and Fed. R. Bankr. P. 2002, 4001, 6003, 6004 and 9014 for Interim and Final Orders (I) Authorizing the Debtors to Obtain Senior Secured, Superpriority, Postpetition Financing, (II) Granting Liens and Superpriority Claims, and (III) Scheduling a Final Hearing*, filed contemporaneously herewith.

presented for payment and electronic payment requests relating to the foregoing to the extent directed by the Debtors in accordance with this Motion, whether such checks were presented or electronic requests were submitted before or after the Petition Date, and that all such Banks be authorized to rely on the Debtors' designation of any particular check or electronic payment request as appropriate pursuant to this Motion, without any duty of further inquiry, and without liability for following the Debtors' instructions.

9. Proposed forms of order granting the relief requested herein on an interim basis and a final basis are annexed hereto as **Exhibit A** (the "**Proposed Interim Order**") and **Exhibit B** (the "**Proposed Final Order**"), respectively.

The Debtors' Employees

10. The Company employs approximately 9,190 Employees (as defined below), primarily in the United States (with many employed at the Debtors' global headquarters in Cranberry Township, Pennsylvania), but with a small number in Canada, Brazil, Europe, and Asia. The Debtors' Employees include approximately (i) 2,265 full-time hourly Employees, regularly scheduled to work a minimum of 40 hours per week (collectively, the "**Full-Time Hourly Employees**"), (ii) 15 part-time hourly Employees, regularly scheduled to work fewer than 40 hours per week (the "**Part-Time Hourly Employees**" and, together with the Full-Time Hourly Employees, the "**Hourly Employees**"), (iii) 6,555 full-time salaried Employees, who are employed to work a minimum of 40 hours per week (the "**Full-Time Salaried Employees**" and, together with the Full-Time Hourly Employees, the "**Full-Time Employees**"), (iv) 355 part-time salaried Employees, who are employed to work fewer than 40 hours per week (the "**Part-Time Salaried Employees**" and, together with the Part-Time Hourly Employees, the "**Part-Time Employees**," and the Part-Time Salaried Employees together with the Full-Time Salaried Employees, the "**Salaried Employees**"). The Hourly Employees and Salaried Employees are

collectively referred to herein as the “**Employees.**” For the avoidance of doubt, the Temporary Workers, and Independent Contractors are not included in the definition of “Employees.”

11. In addition to the Employees, PCI Energy Services LLC (“**PCI**”) employs approximately 904 temporary workers (the “**Temporary Workers**”) who work exclusively for the Operating Plant Business. The Debtors also engage independent contractors (the “**Independent Contractors**”) through the Staffing Agencies to work at the Debtors’ various plants and facilities, primarily for the Operating Plant Business. Although the number of Independent Contractors at any given time varies significantly, the Debtors estimate that on average they spend approximately \$15 million each month to engage Independent Contractors. For the avoidance of doubt, the Temporary Workers, and Independent Contractors are not included in the definition of “Employees.”

12. Information regarding each Debtor’s Employees is summarized in the following chart:

Debtor	Total Number of Employees	Full-Time Employees	Part-Time Employees	Salaried Employees	Hourly Employees
Fauske and Associates LLC	69	68	1	69	0
Field Services, LLC	5	5	0	5	0
PaR Nuclear, Inc.	149	149	0	119	30
PCI Energy Services LLC	9	9	0	9	0
Stone & Webster Asia Inc.	57	57	0	18	39

Debtor	Total Number of Employees	Full-Time Employees	Part-Time Employees	Salaried Employees	Hourly Employees
Stone & Webster Services LLC	1,362	1,321	41	1,054	308
WEC Carolina Energy Solutions, LLC	303	303	0	8	295
WEC Equipment & Machining Solutions, LLC	121	121	0	67	54
WEC Welding & Machining, LLC	26	26	0	17	9
WECTEC Staffing Services LLC	883	623	260	470	413
Westinghouse Electric Company LLC	6,143	6,075	68	5,011	1,132
Westinghouse Industry Products International Company LLC	53	53	0	53	0
CE Nuclear Power International, Inc.	10	10	0	10	0
Total	9,190	8,820	370	6,910	2,280

13. As described in the Donahue Declaration, the goal of these chapter 11 cases is to separate the Company's profitable Core Businesses—the Nuclear Fuel and

Component Manufacturing Business, the Operating Plant Business, the Decommissioning Business, and certain portions of the Services Business—from the unprofitable portions of the Services Business and the Construction Business. Approximately 1,946 Employees work primarily for the Nuclear Fuel Business, approximately 1,745 Employees work primarily for the Operating Plant Business, approximately 21 Employees work primarily for the Decommissioning Business, approximately 469 Employees work primarily for the Services Business, and approximately 2,311 Employees work primarily for the Construction Business. In addition, 1,206 Employees provide central corporate services to all of the Debtors’ business lines, and 1,492 Employees work primarily in the Debtors’ engineering center of excellence.

14. As of the Petition Date, approximately 713 of the Debtors’ Employees are represented by a union (the “**Union Employees**”). Approximately 904 of PCI’s Temporary Workers are also members of various national unions. However, none of the Debtors is a party to any collective bargaining agreement with the Temporary Workers or Independent Contractors.

15. The Debtors are party to three collective bargaining agreements (each, a “**CBA**”): (i) the Association of Westinghouse Salaried Employees (“**AWSE**”) CBA, (ii) the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers (“**NWB**”) CBA, and (iii) the International Brotherhood of Electrical Workers (“**IBEW**”) CBA (collectively, the “**CBAs**,” and AWSE, NWB, and IBEW, collectively, the “**Unions**”). Approximately 386 of the Debtors’ Salaried employees at the Cranberry Township headquarters are party to the AWSE CBA, which expires in July 2017.⁴ Approximately 172 of the Debtors’ Employees at the Newington, Connecticut component manufacturing facility are party to the

⁴ For the avoidance of doubt, nothing in this Motion, the Proposed Interim Order, or the Proposed Final Order shall be construed as an assumption or rejection of any CBA.

NWB CBA, which expires in April 2017. Approximately 155 of the Debtors' Employees are party to the IBEW CBA, which expires in July 2017.

16. Information regarding the business lines and union membership of each Debtor's Employees is summarized in the following chart:

Debtor	Business Line	Employee Count	Number of Union Employees	Name of Union
Westinghouse Electric Company LLC	Corporate Center	1,166	96	AWSE
PaR Nuclear, Inc.	Corporate Center	4	0	N/A
WEC Welding and Machining, LLC	Corporate Center	23	0	N/A
Fauske and Associates, LLC	Corporate Center	1	0	N/A
CE Nuclear Power International, Inc.	Corporate Center	4	0	N/A
Westinghouse International Products International Company	Corporate Center	8	0	0
Westinghouse Electric Company LLC	Decommissioning Business	21	0	N/A
Fauske and Associates, LLC	Engineering Center of Excellence	68	0	N/A
Westinghouse Electric Company LLC	Engineering Center of Excellence	1,394	111	AWSE

Debtor	Business Line	Employee Count	Number of Union Employees	Name of Union
PaR Nuclear, Inc.	Engineering Center of Excellence	30	0	N/A
Westinghouse Electric Company LLC	Construction Business	418	16	AWSE
CE Nuclear Power International, Inc.	Construction Business	6	0	N/A
Westinghouse International Products International Company	Construction Business	45	0	N/A
PaR Nuclear, Inc.	Nuclear Fuel and Components Manufacturing	76	0	N/A
Westinghouse Electric Company LLC	Nuclear Fuel and Components Manufacturing	1,870	405	IBEW, AWSE, NWB
WEC Welding and Machining, LLC	Operating Plant Business	3	0	N/A
PaR Nuclear, Inc.	Operating Plant Business	39	0	N/A
PCI Energy Services LLC	Operating Plant Business	9	0	N/A
WEC Equipment & Machining Solutions, LLC	Operating Plant Business	121	0	N/A

Debtor	Business Line	Employee Count	Number of Union Employees	Name of Union
Westinghouse Electric Company LLC	Operating Plant Business	1,270	84	AWSE
WEC Carolina Energy Solutions, LLC	Operating Plant Business	303	0	N/A
Westinghouse Electric Company LLC	Services Business	4	0	N/A
Stone & Webster Services LLC	Services Business	1,362	0	N/A
Stone & Webster Asia Inc.	Services Business	57	0	N/A
WECTEC Staffing Services LLC	Services Business	883	1	AWSE
Field Services, LLC	Services Business	5	0	N/A

17. The Employees, Temporary Workers, and Independent Contractors perform a variety of critical functions for the Debtors, including tasks pertaining to engineering, construction, product manufacturing, facility and machine maintenance, testing, decommissioning and decontaminating, quality assurance, management, purchasing and sales administration, finance and accounting, human resources, customer service, safety, security, and other areas crucial to the Debtors' businesses. Due to the highly technical and specialized nature of the nuclear power industry, the skill and expertise of the Employees, Temporary Workers, and Independent Contractors are fundamental to the success of the Debtors' businesses and

operations and, as a result, critical to these chapter 11 cases. Further, there is a limited supply of workers with the specialization, training, certificates, and licenses that the Debtors require of their Employees. For these reasons, it would be difficult and expensive—if not impossible—to replace Employees who might quit or seek other employment if prepetition amounts are not paid. A shortage of employees at this critical time would severely damage the Debtors’ ability to meet the needs of customers to their Core Businesses, maintain the requisite safety standards, and continue to innovate in a highly competitive industry, thus jeopardizing the entire reorganization.

Prepetition Employee Obligations

18. The Debtors estimate that, as of the Petition Date, the aggregate amount of their unpaid Prepetition Employee Obligations is approximately \$49,725,000, an estimated \$29,625,000 of which will come due in the period before the Final Hearing (the “**Interim Period**”). The various components of the Employee Obligations are described in further detail below.

A. Compensation Obligations

19. The Debtors pay their Employees and Temporary Workers salaries, wages, and other compensation (including overtime pay) in exchange for the services they provide (the “**Compensation Obligations**”). The Debtors’ Salaried Employees typically receive salary payments in arrears on a monthly basis on the last day of each month, with an option to receive a mid-month advance on the business day nearest the 15th of the month. Most of the Debtors’ Hourly Employees receive bi-weekly payments for wages two weeks in arrears every other Friday; however, certain of the Debtors’ Hourly Employees receive wages on a weekly basis one week in arrears every Thursday. All Employees are paid in U.S. dollars. Most Employees are paid via direct deposit, although some Employees are paid via checks, which are printed by third-party payroll management company ADP, LLC (“**ADP**”) and draw on ADP

accounts. On average, the Debtors pay approximately \$90 million each month on account of Compensation Obligations. As of the Petition Date, the Debtors estimate that the aggregate amount of unpaid Compensation Obligations accrued prepetition totals approximately \$4.5 million, all of which the Debtors seek authority to pay during the Interim Period. By this Motion, the Debtors are not seeking authority to pay to any individual any amount in prepetition Compensation Obligations that would exceed the \$12,850 priority cap imposed by section 507(a)(4) of the Bankruptcy Code during the Interim Period.

B. Payroll Processing Obligations

20. The Debtors use ADP to administer payroll for their Employees and Temporary Workers and provide related payroll processing, payroll tax reporting, time entry systems, payment preparation, payroll transfer administration, and other reporting and administrative services. In addition, the Debtors employ Bitta Group Inc. (“**Bitta**”), which provides time entry systems and related services for Employees of WECTEC Staffing Services, LLC (“**StaffCo**”). WEC LLC, on behalf of the Debtors, generally pre-funds payroll to ADP two days prior to each payroll date, and ADP remits payments to Employees in accordance with the payroll schedule described above. In addition, WEC LLC transfers funds to ADP as true-ups throughout the month to the extent the amounts funded by WEC LLC for Compensation Obligations do not equal the amounts remitted by ADP to the Employees. The Debtors typically pay ADP approximately \$125,000 each month and Bitta approximately \$80,000 per month (such administration costs, collectively, the “**Payroll Processing Obligations**”). As of the Petition Date, the Debtors estimate that they owe approximately \$205,000 in Payroll Processing Obligations relating to the prepetition period to ADP and Bitta, all of which will come due during the Interim Period.

C. Employee Bonus Obligations

21. The Debtors have historically maintained certain bonus programs as an additional component of the Employees' compensation structure. The Employee Bonus Obligations are designed to compensate certain employees for achieving certain performance goals and hiring and retaining the most effective employees for the Company. By this Motion, the Debtors are seeking authorization to pay modest prepetition amounts to non-insider Employees under the two bonus programs described below.

22. The PowerUp Plan. In the ordinary course of business, the Debtors maintain an employee recognition award bonus program in which all non-insider Employees may participate (the "**PowerUp Plan**," and the payments thereunder, the "**PowerUp Bonuses**"). The PowerUp Program is for rank-and-file Employees and excludes officers and directors. Under the PowerUp Plan, senior Employees nominate rank-and-file Employees to earn reward points based on an Employee's outstanding contribution or attitude at work. The awards under the PowerUp Plan are granted daily and are paid in the form of points redeemable for merchandise or gift cards. In addition, the Debtors pay a monthly administration fee to the PowerUp Plan administrator, Globoforce Limited. The Debtors pay approximately \$167,000 per month under the PowerUp Plan and estimate that they owe approximately \$100,000 in prepetition amounts thereunder, all of which they seek to pay during the Interim Period.

23. The Retention Agreement Program. In the ordinary course of business, the Debtors maintain an incentive compensation program based on performance in which approximately 140 non-insider Employees participate (the "**Retention Agreement Program**," and the payments thereunder, the "**RAP Bonuses**" and, together with the PowerUp Bonuses, the "**Employee Bonus Obligations**"). RAP Bonuses are paid annually to Employees who generally have performed well. Receipt of a RAP Bonus is not guaranteed and is subject to a participating

Employee's performance and continued employment at the Company. For fiscal year 2017, the Debtors committed up to \$3 million dollars for the Retention Agreement Program and pay approximately \$200,000 per month under the Retention Agreement Program. The Debtors estimate that approximately \$200,000 will come due under the Retention Agreement Plan during the Interim Period, and the Debtors request to pay such amounts and continue the program postpetition to motivate and recognize Employees for their contributions to the Debtors.

D. Reimbursable Expenses

24. In the ordinary course of their businesses, the Debtors reimburse certain of their Employees, Independent Contractors, Temporary Workers, and independent directors for reasonable and customary expenses incurred in the scope of their services to the Debtors, including those expenses related to, among other things, business travel, communications (*e.g.*, cell phone expenses), and office supplies (collectively, and including amounts due in respect of the Employee Credit Card Programs (as defined below), the "**Reimbursable Expenses**"). Employees must submit all expenditures in accordance with the Debtors' travel and expense policy in order to qualify for reimbursement, and each request for reimbursement is reviewed by a manager to ensure compliance. Reimbursable Expenses typically take between one and two weeks to process once the expense request is submitted.

25. In connection with this practice, the Debtors provide certain Employees with Citibank credit cards (collectively, the "**Employee Credit Cards**") pursuant to three separate credit card programs for business expenses related to (i) individual travel (the "**Individual Travel Card Program**"), (ii) purchasing and meetings (the "**P-Card Program**"), and (iii) temporary labor (the "**CTA Card Program**" and, collectively with the Individual Travel Card Program and the P-Card Program, the "**Employee Credit Card Programs**"). Under the Individual Travel Card Program, the Debtors are ultimately liable for all expenses

charged to the credit cards, however, Employees are personally responsible for paying their Citibank credit card bill. The Debtors are billed directly under the P-Card Program and the CTA Card Program. There are 4,709 active accounts in the Individual Travel Card Program, 475 active accounts in the P-Card Program, and 8 active accounts under the CTA Card Program, collectively totaling 5,192 active Employee Credit Cards. It would cause a significant disruption to the Debtors' operations and their Employee relations if they were not able to maintain access to the Employee Credit Card Programs.

26. Because the Reimbursable Expenses are reimbursed to Employees, Temporary Workers, Independent Contractors, and independent directors on an irregular basis, it is difficult to determine how much is owed by the Debtors at any given time. The Debtors estimate that they incur liabilities of approximately \$1.2 million per week on account of Reimbursable Expenses. By this Motion, the Debtors seek authorization to (i) satisfy all unpaid prepetition Reimbursable Expense obligations, including all amounts due in respect of the Employee Credit Card Programs, \$3.6 million of which the Debtors request to pay during the Interim Period as and when they arise, and (ii) continue the Employee Credit Card Programs in the ordinary course of business, including, without limitation, paying all postpetition amounts due in respect of the Employee Credit Card Programs and opening and closing new credit card accounts.

E. Withholding Obligations

27. As employers, the Debtors are required by law to withhold from certain Employees' salaries, wages, and other compensation amounts related to federal, state, and local income taxes, as well as Social Security and Medicare taxes (collectively, the "**Withholding Taxes**") and to remit them to the appropriate taxing authorities (collectively, the "**Taxing Authorities**"). The Debtors are also required to make payments from their own funds on

account of Social Security and Medicare taxes and to pay, based on a percentage of gross payroll (and subject to state-imposed limits), additional amounts to the Taxing Authorities for, among other things, state and federal unemployment insurance (collectively, the “**Employer Payroll Taxes**” and, together with the Withholding Taxes, the “**Payroll Tax Obligations**”). In the aggregate, the Debtors’ monthly Withholding Taxes and Employer Payroll Taxes total approximately \$25 million and \$7 million, respectively. As of the Petition Date, the Debtors estimate that they owe approximately \$1.5 million in Payroll Tax Obligations relating to the prepetition period, all of which will come due during the Interim Period.

28. In the ordinary course of processing payroll for the Employees, the Debtors may also be required by law, in certain circumstances, to withhold from certain Employees’ wages amounts for various garnishments, such as tax levies, child support, and other court-ordered garnishments (collectively, the “**Garnishments**”). Each pay cycle, the Debtors withhold such amounts from applicable Employees’ paychecks and remit them to the appropriate authorities or entities. On average, the Debtors withhold approximately \$200,000 in Garnishments per month from Employees’ wages and salaries. In addition, the Debtors withhold from Union Employees’ paychecks and remit dues each month to ASWE, NWB, and IBEW in the aggregate amounts of approximately \$11,200, \$8,400, and \$5,100, respectively⁵ (such dues, collectively with the Payroll Tax Obligations and the Garnishments, the “**Withholding Obligations**”).

29. As of the Petition Date, the Debtors estimate that they owe approximately \$1.6 million in Withholding Obligations relating to the prepetition period, all of which will come

⁵ Although the Debtors are not a party to a collective bargaining agreement with the Temporary Workers, the Debtors also withhold and remit union dues and amounts for other union benefits from the Temporary Workers’ paychecks totaling approximately \$82,500 per month.

due during the Interim Period. By this Motion, the Debtors seek authority to continue remitting the Withholding Obligations to the appropriate authorities and entities in the ordinary course of business.

F. Employee Benefits

30. In addition to the aforementioned payment-related obligations, the Debtors maintain various employment benefit plans and policies for their Employees, including: (i) medical and dental plans; (ii) flexible spending and health savings accounts; (iii) retirement plans and benefits; (iv) employee insurance; and (v) employee service programs (collectively, the “**Employee Benefit Programs**”). By this Motion, the Debtors are seeking authorization to pay prepetition amounts with respect to the Employee Benefit Programs described below.

(i) Health Care Obligations

31. Employees are eligible to receive medical, prescription drug, vision, dental, and other health care benefits (collectively, the “**Health Care Benefits**,” and the obligations relating thereto, the “**Health Care Obligations**”). Except as otherwise provided herein, Foreign Employees and Part-Time Employees who work fewer than 24 hours per week are not entitled to the Health Care Benefits. Described below are the Health Care Benefits giving rise to prepetition Health Care Obligations for which the Debtors are hereby seeking authorization to pay.

32. Medical Insurance. The Debtors maintain two medical insurance programs, the “**WEC Medical Program**” and the “**StaffCo Medical Program**” (together, the “**Medical Programs**”) for which Aetna Inc. (“**Aetna**”) provides administrative services. The WEC Medical Program, which covers approximately 6,925 Employees, is self-insured by the Debtors, with a stop-loss policy that covers approximately 15% of participating Employees. As part of the WEC Medical Program, the Debtors offer Employees prescription drug coverage

through CVS Caremark. In addition to payments made by the Debtors, Employees contribute to the WEC Medical Program via payroll deductions. The Debtors make weekly payments of approximately \$1.2 million under the WEC Medical Program, which payments operate on a lag of four to six weeks, and the Debtors also receive quarterly rebates for prescription drugs, two quarters in arrears, totaling approximately \$3.2 million annually. The Debtors estimate that they owe approximately \$7.2 million in prepetition amounts on account of the WEC Medical Program, \$3.6 million of which will come due during the Interim Period.

33. The StaffCo Medical Program, which covers approximately 300 StaffCo Employees who work at least 30 hours per week (the “**StaffCo Benefits Employees**”), is fully insured by Aetna. The Debtors subsidize \$250 per month per Employee on account of StaffCo Medical Program premiums, and the remainder of the insurance premium amount is purchased by the Employee. The Debtors estimate that they owe approximately \$71,000 in prepetition amounts on account of the StaffCo Medical Program, all of which will come due during the Interim Period.

34. The Debtors estimate that they remit additional monthly payments to Aetna totaling approximately \$900,000 on account of medical and stop-loss insurance and administrative fees for the Medical Programs (the “**Aetna Medical Obligations**”), all of which is paid net of Employee contributions. As of the Petition Date, the Debtors estimate that they owe approximately \$9 million in Aetna Medical Obligations relating to the prepetition period, \$4.5 million of which will come due during the Interim Period.

35. Vision Service Plan. The Debtors offer certain Employees access to vision coverage administered by Vision Service Plan (the “**Vision Program**”). The Vision Program is fully insured and costs the Debtors approximately \$1.2 million per year. The Debtors

generally split the cost of the Vision Service Plan with participating Employees. However, the Debtors do not pay any amounts under the Vision Program for StaffCo Benefits Employees. As of the Petition Date, the Debtors estimate that they owe approximately \$5,000 under the Vision Program relating to the prepetition period, all of which will come due during the Interim Period.

36. Dental Plan. The Debtors provide certain Employees with dental insurance (the “**Dental Program**”) through Metropolitan Life Insurance Co. (“**MetLife**”). Approximately half of the cost of the Dental Program is withheld from participating Employees’ paychecks, and the other half is funded by the Debtors. The Debtors make monthly payments totaling approximately \$420,000 on account of the Dental Program. As of the Petition Date, the Debtors estimate that they owe approximately \$20,000 under the Dental Program relating to the prepetition period, all of which will come due during the Interim Period.

37. Expatriate Medical Coverage. Through third-party vendor Cigna Corp. (“**Cigna**”), the Debtors provide approximately 200 of their non-StaffCo Employees who are on long-term expat assignments outside the United States with medical, prescription drug, and dental coverage (the “**Expatriate Medical Program**”) consistent with the coverage provided to domestic Employees. On average, the Debtors pay Cigna approximately \$250,000 per month for the Expatriate Medical Program. As of the Petition Date, the Debtors estimate that they owe Cigna approximately \$250,000 under the Expatriate Medical Program, all of which will come due during the Interim Period.

38. Employee Assistance Program. The Debtors provide their Employees with counseling services (the “**EAP**”) through Beacon Health Options (“**Beacon**”). Employees are eligible for up to five counseling sessions per issue per year. The Debtors pay Beacon approximately \$13,000 per month, one month in arrears, in connection with the EAP. As of the

Petition Date, the Debtors estimate that they owe Beacon approximately \$13,000 on account of the EAP, all of which will come due during the Interim Period.

(ii) *Flexible Spending Accounts & Health Savings Account*

39. In addition to offering the medical benefits described above, the Debtors offer certain Employees the option to enroll in the following flexible spending accounts (each, an “FSA,” and the obligations related thereto, the “FSA Obligations”) and/or a health savings account (each, an “HSA,” and the obligations related thereto, the “HSA Obligations”):⁶ (i) the “Healthcare FSA,” for which third party Hewitt Associates LLC (together with certain of its affiliates, “Aon Hewitt”) provides administrative services, which provides certain Employees with pre-tax reimbursement for qualified health care expenses not covered by insurance; (ii) the “Limited Purpose FSA,” for which Aon Hewitt provides administrative services, which provides enrollees with pre-tax reimbursement for dental and vision expenses not covered by insurance; (iii) the “Dependent Care FSA,” for which Aon Hewitt provides administrative services, which provides pre-tax reimbursement for a participating Employees’ eligible dependents’ day care needs; and (iv) the “Employee HSA,” for which PayFlex Systems USA, Inc. (“PayFlex”) provides administrative services, which provides enrollees in a consumer-driven health plan with a tax-advantaged medical savings account from which to pay eligible health care expenses not covered by insurance.

40. Under the terms of the FSAs and HSA, during the annual enrollment period, eligible Employees may choose to designate an amount of their pre-tax wages or salary towards the FSAs and/or HSA, which can then be used for eligible health care expenses. A participating Employee will either submit receipts for such eligible expenses to the administrator

⁶ StaffCo Employees have the option to enroll in FSAs but not HSAs.

of the FSA or HSA, which then reimburses such Employee from his or her FSA or HSA, or use special-purpose FSA or HSA debit cards. Currently, approximately 2,300 Employees are enrolled in an FSA and approximately 2,300 Employees are enrolled in an HSA. The Debtors estimate that they remit payments totaling approximately \$10,000 per month to Aon Hewitt for FSA administration fees and approximately \$10,000 per month to PayFlex for HSA administration fees. As of the Petition Date, the Debtors estimate that they owe Aon Hewitt approximately \$10,000 for unpaid FSA Obligations, all of which will come due during the Interim Period, and PayFlex approximately \$10,000 for unpaid HSA Obligations relating to the prepetition period, all of which will come due during the Interim Period.

(iii) Retirement Benefits

41. The Debtors maintain several plans for Employees' retirement savings and pensions. Described below are the retirement plans giving rise to prepetition obligations that the Debtors are hereby seeking authorization to pay.

42. The 401(k) Plans. The Debtors maintain three qualified defined contribution savings plans meeting the requirements of section 401(a) and 401(k) of the Internal Revenue Code: (i) the Westinghouse Electric Company Savings Plan (the "**Westinghouse 401(k) Plan**"), for which Aon Hewitt provides administrative services; (ii) the WECTEC 401(k) Savings Plan (the "**WECTEC 401(k) Plan**"), for which Merrill Lynch provides administrative services; and (iii) the WECTEC Staffing Services 401(k) Savings Plan (the "**StaffCo 401(k) Plan**") and, collectively with the Westinghouse 401(k) Plan and the WECTEC 401(k) Plan, the "**401(k) Plans**," and the obligations thereunder, the "**401(k) Plan Obligations**"), for which Empower Retirement provides administrative services.⁷ There are approximately 8,804 active

⁷ All administration fees under the 401(k) Plans are deducted directly from Employee accounts on a quarterly basis.

Employees enrolled in the Westinghouse 401(k) Plan, 2,162 active Employees enrolled in the WECTEC 401(k) Plan, and 500 active Employees enrolled in the StaffCo 401(k) Plan. There are 1,683 and 789 terminated vested former employees in the WEC 401(k) Plan and WECTEC 401(k) Plan, respectively.

43. The estimated weekly amount withheld from such Employees' paychecks for contributions under the 401(k) Plans is approximately \$1.8 million in the aggregate. With respect to the Westinghouse 401(k) Plan, the Debtors match Employee contributions 50 cents on the dollar up to a maximum of 6% of pay and Debtors contribute 3% of certain participating Employees' pay to a retirement contribution account (the "RCA"). With respect to the WECTEC 401(k) Plan, the Debtors match dollar-for-dollar up to 3% of pay and 50 cents per dollar on the next 2% of pay, for a maximum total match of 4% of pay. StaffCo does not match contributions under the StaffCo 401(k) Plan. The Debtors estimate that they match approximately \$469,000 under the 401(k) Plans each week. As of the Petition Date, the Debtors owe approximately \$125,000 in unpaid matching contributions to Employees under the 401(k) Plans, all of which will come due during the Interim Period. For the avoidance of doubt, the Debtors are only seeking authority to pay due and unpaid Employee contributions in the ordinary course of business, and not any termination, withdrawal, underfunding, or other amounts payable in connection with the Debtors' pension plans.

44. NWB Pension Plan. The Westinghouse Pension Plan for Newington Boilermakers (the "NWB Pension Plan" and, together with the 401(k) Plans, the "Retirement Plans," and the obligations thereunder, collectively, the "Pension and Retirement Obligations"), for which Aon Hewitt provides administrative services, is a flat dollar plan with 181 active Union Employees, 51 terminated vested former employees, and 77 retirees. The

Debtors are required to meet minimum funding requirements totaling \$1.2 million during fiscal year 2017, with approximately \$140,000 due each quarter and an additional \$600,000 due on September 15, 2017. The Debtors' next contribution to the NWB Pension Plan is due on April 14, 2017. The Debtors also pay an annual fee of approximately \$732,000 to the Pension Benefit Guaranty Corporation. As of the Petition Date, the Debtors owe approximately \$140,000 on account of the NWB Pension Plan, all of which will come due during the Interim Period.

(iv) Employee Insurance Programs

45. The Debtors also provide certain insurance coverage to Employees and offer other additional insurance options (collectively, the "**Employee Insurance Programs**," and the obligations related thereto, the "**Employee Insurance Obligations**"). Described below are the Employee Insurance Programs giving rise to prepetition Employee Insurance Obligations that the Debtors are hereby seeking authorization to pay.

46. Salary Continuance and FMLA. The Debtors offer short-term disability coverage to eligible Salaried Employees (the "**Salary Continuance Program**"). The Debtor-insured, Aetna-administered Salary Continuance Program is intended to provide a benefit to eligible Employees who cannot work as a result of a short-term injury or illness. The benefit pays eligible Employees a six-month salary continuation of either 60% or 100% of base salary, depending on the Employee's seniority. Pursuant to U.S. federal law in accordance with the Family & Medical Leave Act ("**FMLA**"), eligible Employees are also entitled to unpaid leave under certain circumstances. The Debtors pay approximately \$20,000 in administration fees per month to Aetna on account of the Salary Continuance Program and the FMLA Program. As of the Petition Date, the Debtors owe approximately \$300,000 in prepetition amounts pursuant to the Salary Continuance Program, \$220,000 of which will come due during the Interim Period.

47. Workers' Compensation. In the ordinary course of business, the Debtors maintain workers' compensation insurance coverage (the "**Workers' Compensation Programs**")⁸ for claims arising from or related to employment by the Debtors (the "**Workers' Compensation Claims**"). In many instances, applicable law in the states in which the Debtors operate requires that the Debtors maintain the Workers' Compensation Programs. The Workers' Compensation Programs cover, among other things, workers' compensation and employer liability for accidents, death, or disease sustained by employees in the course of their employment with the Debtors.

48. The Debtors self-insure the Workers' Compensation Programs up to \$500,000, and liabilities exceeding \$500,000 are covered under a stop-loss policy provided by Mitsui Sumitomo Insurance Group. In addition to out-of-pocket expenses and premiums for the Workers' Compensation Programs, the Debtors pay a yearly brokerage fee of approximately \$850,000 per year to Marsh USA, Inc. for insurance procurement services and monthly fees of approximately \$7,000 in the aggregate to Broadspire Services Inc. and Crawford & Co. for administration of claims under the Workers' Compensation Programs. For the coverage period ending on March 31, 2017, the Debtors' annual premium for the Workers' Compensation Program was approximately \$868,000, which has been paid in full. As of March 28, 2017, the Debtors have approximately 75 open workers' compensation claims. Historically, the Debtors have spent approximately \$119,000 per month on account of claims under the Workers' Compensation Programs. As of the Petition Date, the Debtors estimate that they owe approximately \$100,000 in prepetition amounts with respect to the Workers' Compensation Programs, all of which will come due during the Interim Period.

⁸ The Workers' Compensation Programs are listed in further detail on Exhibit C.

(v) ***Employee Service Programs***

49. Described below are certain other employee programs giving rise to prepetition obligations that the Debtors are hereby seeking authorization to pay.

50. Benefits Advisory Services. Aon Hewitt maintains a call center to assist Employees with any questions regarding the Employee Benefit Programs, maintains the Debtors' benefits website and enrollment, and provides other related services as needed by the Debtors (such services, collectively, the "**Benefits Advisory Services**"). The Debtors pay Aon Hewitt approximately \$100,000 per month, two months in arrears, for the Benefits Advisory Services. As of the Petition Date, the Debtors estimate that they owe Aon Hewitt approximately \$200,000 on account of Benefits Advisory Services, \$100,000 of which will come due during the Interim Period.

51. Employee Relocation Program. The Debtors routinely pay both domestic and international relocation expenses for their Full-Time Employees (the "**Employee Relocation Program**"). The Debtors primarily use Cartus Corp. and Parks Moving Companies for relocation services, with some supplemental work by smaller local vendors. The Debtors spend approximately \$2.5 million annually in domestic relocation expenses and approximately \$7.0 million annually in international relocation expenses. These amounts are generally paid two weeks in arrears. As of the Petition Date, the Debtors estimate that they owe approximately \$1.2 million in prepetition amounts in connection with the Employee Relocation Program, \$800,000 of which will come due during the Interim Period.

G. Temporary Worker Union Benefits

52. The Debtors' Temporary Workers are members of various unions (the "**Temporary Worker Unions**") in the United States. In accordance with the benefit plans of these Temporary Worker Unions, the Debtors make contributions of approximately \$667,500 to

the Temporary Worker Unions for their Temporary Workers (such contributions, the “**Temporary Worker Benefit Obligations**”). These amounts are paid to the Temporary Worker Unions along with union dues withheld from Temporary Workers’ paychecks. As of the Petition Date, the Debtors owe approximately \$750,000 in prepetition Temporary Worker Benefit Obligations, all of which will become due during the Interim Period.

H. Staffing Agency Fees

53. The Debtors utilize approximately 50 staffing agencies (the “**Staffing Agencies**”) to fulfill temporary worker needs at their facilities through the Independent Contractors. Although the number of Independent Contractors varies by season, the Debtors typically utilize approximately 500 Independent Workers and pay an aggregate amount of approximately \$15 million to the Staffing Agencies each month (the “**Staffing Agency Fees**”) for the services of the Independent Contractors. The services of the Staffing Agencies and Independent Contractors are vital to the Debtors because there is a limited pool of Independent Contractors with the requisite clearance for nuclear plant access and special training for work in the nuclear industry. Training and clearance for Independent Contractors provided by the Staffing Agencies typically takes at least six months and may take up to five years in some instances. The Independent Contractors are necessary for the Debtors to provide services during scheduled outages of nuclear plants as well as round-the-clock emergency support to operating nuclear plants that have unplanned shutdowns and require immediate support to safely shut down for necessary repairs. Any interruption—even a temporary one—in the provision of services by the Staffing Agencies and Independent Contractors would jeopardize the Debtors’ value, public safety, and the continuous provision of power to the public. As of the Petition Date, the Debtors estimate that they owe approximately \$27 million in Staffing Agency Fees, \$15 million of which will come due during the Interim Period.

Relief Requested Should Be Granted

A. The Debtors Should Be Permitted to Pay the Prepetition Employee Obligations and Continue the Employee Programs in the Ordinary Course.

54. Under section 507(a)(4)(A) of the Bankruptcy Code, claims of employees against a debtor for “wages, salaries, or commissions, including vacation, severance, and sick leave pay,” that are “earned within 180 days before” the date on which a debtor’s chapter 11 case is commenced are afforded priority unsecured status up to \$12,850 per individual (the **“Prepetition Compensation Cap”**). Similarly, section 507(a)(5) of the Bankruptcy Code provides that employees’ claims for contributions to certain employee benefit plans are also afforded priority unsecured status to the extent of \$12,850 per employee covered by such plans, less any amount paid pursuant to section 507(a)(4) of the Bankruptcy Code.

55. The Debtors believe that they not will make payments to any Employee, Temporary Worker, or Independent Contractor in excess of the Prepetition Compensation Cap on account of the prepetition Compensation Obligations and payments under the Employee Benefit Programs that the Debtors are hereby asking the Court to authorize. As priority claims, such Prepetition Employee Obligations must be paid in full before any general unsecured obligation of the Debtors may be satisfied. Accordingly, the relief requested herein likely will affect only the timing of the payment of a substantial portion of the Prepetition Employee Obligations and should not prejudice the rights of general unsecured creditors.

56. The Court may also grant the relief requested herein pursuant to section 363 of the Bankruptcy Code. Section 363(b) of the Bankruptcy Code provides, in relevant part, that “[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Under section 363 of the Bankruptcy Code, a court may authorize a debtor to pay certain prepetition claims where a sound

business purposes exists for doing so. *See In re Ionosphere Clubs, Inc.*, 98 B.R. 174 (Bankr. S.D.N.Y. 1989) (finding that there must be a sound business justification to justify payment of prepetition wages); *Armstrong World Indus., Inc. v. James A. Phillips, Inc. (In re James A. Phillips, Inc.)*, 29 B.R. 391, 397 (S.D.N.Y. 1983) (relying on section 363 of the Bankruptcy Code to allow contractor to pay prepetition claims for suppliers).

57. In addition, the Court has the authority, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, to authorize the relief requested herein, because such relief is necessary for the Debtors to carry out their fiduciary duties under section 1107(a) of the Bankruptcy Code. Section 1107(a) of the Bankruptcy Code “contains an implied duty of the debtor-in-possession” to act as a fiduciary to “protect and preserve the estate, including an operating business’ going-concern value,” on behalf of the debtor’s creditors and other parties in interest. *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)); *see also Unofficial Comm. of Equity Holders v. McManigle (In re Penick Pharm., Inc.)*, 227 B.R. 229, 232-33 (Bankr. S.D.N.Y. 1998) (“[U]pon filing its petition, the Debtor became debtor in possession and, through its management . . . was burdened with the duties and responsibilities of a bankruptcy trustee.”). Section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of” the Bankruptcy Code. 11 U.S.C. § 105(a); *see Ionosphere Clubs*, 98 B.R. at 175 (applying section 105(a) to justify an order authorizing the payment of certain pre-petition wages, salaries, medical benefits, and business expense claims to debtor’s employees); *In re Just for Feet, Inc.*, 242 B.R. 821, 824–25 (D. Del. 1999) (holding that section 105(a) of the Bankruptcy Code provides a statutory basis for the payment of prepetition claims).

58. In a long line of well-established cases, courts consistently have permitted payment of prepetition obligations where necessary to preserve or enhance the value of a debtor's estate for the benefit of all creditors. *See, e.g., Miltenberger v. Logansport, C&S W.R. Co.*, 106 U.S. 286, 312 (1882) (payment of pre-receivership claim prior to reorganization permitted to prevent "stoppage of the continuance of [crucial] business relations"); *Dudley v. Mealey*, 147 F.2d 268, 271 (2d Cir.) (extending doctrine for payment of prepetition claims beyond railroad reorganization cases), *cert. denied* 325 U.S. 873 (1945); *Mich. Bureau of Workers' Disability Comp. v. Chateaugay Corp. (In re Chateaugay Corp.)*, 80 B.R. 279, 285-86 (S.D.N.Y. 1987) (approving lower court order authorizing payment of prepetition wages, salaries, expenses, and benefits).

59. This "doctrine of necessity" functions in a chapter 11 reorganization as a mechanism by which the Court can exercise its equitable power to allow payment of critical prepetition claims not explicitly authorized by the Bankruptcy Code. *See In re Boston & Me. Corp.*, 634 F.2d 1359, 1382 (1st Cir. 1980) (recognizing "existence of a judicial power to authorize trustees . . . to pay claims . . . [for] goods or services indispensably necessary" to debtors' continued operation); *In re Structurlite Plastics Corp.*, 86 B.R. 922, 932 (Bankr. S.D. Ohio 1988) ("[A] *per se* rule proscribing the payment of pre-petition indebtedness may well be too inflexible to permit the effectuation of the rehabilitative purposes of the Code."). The rationale for the doctrine of necessity is consistent with the paramount goal of chapter 11—"facilitating the continued operation and rehabilitation of the debtor." *Ionosphere Clubs*, 98 B.R. at 176.

60. Payment of the Prepetition Employee Obligations and continuation of the Employee Programs are warranted and justified by the facts and circumstances of these chapter

11 cases. The Employees are vital to the continued operation of the Debtors' businesses and necessary for the success of these chapter 11 cases. Any delay in paying Prepetition Employee Obligations or cessation of Employee Programs will adversely impact the Debtors' relationship with their Employees as it could irreparably harm the Employees' morale, dedication, confidence, and cooperation. Because many of the Employees interact with the Debtors' customers and suppliers—on whose continued support and loyalty the Debtors rely—and perform safety functions, the Employees' support for the Debtors' reorganization efforts is key to the Debtors' ongoing operations.

61. Additionally, as set forth above, the importance of maintaining stability among the Debtors' Employees is heightened here because there is a limited supply of workers with the skills and knowledge, training, certificates, and licenses that the Debtors require. Therefore, it would be difficult and expensive, if not impossible, to replace Employees who might quit if prepetition amounts are not paid or Employee Programs were not continued. Furthermore, a shortage of Employees could hamper the Debtors' ability to perform under customer contracts and maintain the requisite safety standards. Instability among the Debtors' Employees and the resultant harm to production would reduce the value of the Debtors' businesses and lower creditor recoveries. Moreover, absent an order granting the relief requested, many Employees will suffer undue hardship and, in many instances, serious financial difficulties. Thus, without the relief requested, the success of these chapter 11 cases may be undermined by the possibility that otherwise loyal Employees will seek other employment alternatives.

62. Payment of the Reimbursable Expenses is also necessary because any other treatment of Employees would be highly inequitable. Employees who have incurred

Reimbursable Expenses should not be forced personally to bear the cost of such expenses, especially because the Employees incurred these expenses for the Debtors' benefit, in the course of their employment by the Debtors, and with the understanding that they would be reimbursed for doing so.

63. Authorization to pay the Withholding Obligations is also warranted because such Withholding Obligations generally give rise to priority claims under section 507(a)(8) of the Bankruptcy Code and, therefore, general unsecured creditors will not be prejudiced by such payment.

64. Further, Withholding Taxes that the Debtors withhold are held in trust for the Taxing Authorities and are not property of the Debtors' estates under section 541 of the Bankruptcy Code. *See Begier v. IRS*, 496 U.S. 53, 66–67 (1990) (concluding that withholding taxes are property held by a debtor in trust for another and are therefore not property of the debtor's estate).

65. The Debtors also believe that it is necessary to pay the administrative costs owed to third-party vendors who provide compensation and other benefit-related services and products. Absent the relief requested, the Debtors will be unable to maintain their compensation and benefit programs in an efficient and cost-effective manner.

66. In addition, it is essential that the Debtors be permitted to pay amounts owed under the Workers' Compensation Programs. Applicable state law mandates that the Debtors maintain workers' compensation coverage for their Employees. The Debtors' failure to pay their obligations under the Workers' Compensation Program could jeopardize their coverage and expose the Debtors to significant liability in fines by state workers' compensation boards. Furthermore, the risk that eligible workers' compensation claimants would not receive timely

payments for prepetition employment-related injuries could negatively impact the financial well-being and morale of not just those claimants but also the Debtors' active Employees. This could result in Employee departures, causing a significant disruption in the Debtors' business with a materially adverse impact on the Debtors' operations, the value of their estates, and the interests of all parties in these chapter 11 cases.

67. Finally, it is critical that the Debtors pay the fees to the Staffing Agencies for work by the Independent Contractors. As described above, the Debtors rely on the Independent Contractors to provide both scheduled and emergency services to nuclear plants. Any interruption in the services of these Independent Contractors could be catastrophic to the Debtors and harmful to the public.

B. The Automatic Stay Should Be Modified for Workers' Compensation Claims.

68. Section 362(d)(1) of the Bankruptcy Code operates to stay:

the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title

11 U.S.C. § 362(a)(1). Section 362(d)(1), however, permits a debtor or other party in interest to request a modification or termination of the automatic stay for "cause." 11 U.S.C. § 362(d)(1).

69. To the extent the Debtors' Employees hold valid claims under the Workers' Compensation Programs, the Debtors seek authority, but not direction, under section 362(d) of the Bankruptcy Code to permit, in the Debtors' discretion, those Employees to proceed with their workers' compensation claims, each in the appropriate judicial or administrative forum. There is cause to modify the automatic stay because staying the workers' compensation claims could cause employee departures or otherwise harm employee morale, which could

severely disrupt the Debtors' business and prevent a successful reorganization. Accordingly, the Debtors respectfully request that the Court (i) modify the automatic stay as it relates to valid workers' compensation claims to allow any such claims to proceed to resolution (subject to providing counsel to the DIP Lenders with monthly summaries of such claims), and (ii) waive corresponding notice requirements under Bankruptcy Rule 4001(d). The Debtors also seek authority, to the extent required by law or under the Workers' Compensation Programs, to pay all or part of a claim related thereto directly to an Employee, any of his or her medical providers, or any of his or her heirs or legal representatives, as set forth in the applicable law or policy.

70. Courts in this district have granted similar requests for relief. *See, e.g., In re Answers Holdings, Inc.*, Ch. 11 Case No. 17-10496 (SMB) (Bankr. S.D.N.Y. Mar. 9, 2017) (Docket No. 46); *In re BCBG Max Azria Glob. Holdings, LLC*, Ch. 11 Case No. 17-10466 (SCC) (Bankr. S.D.N.Y. Mar. 3, 2017) (Docket No. 72); *In re Ultrapetrol (Bahamas) Ltd.*, Ch. 11 Case No. 17-22168 (RDD) (Bankr. S.D.N.Y. Feb. 10, 2017) (Docket No. 48); *In re Avaya Inc.*, Ch. 11 Case No. 17-10089 (Bankr. S.D.N.Y. Jan. 24, 2017) (Docket No. 66).

C. Cause Exists to Authorize Debtors' Banks to Honor Checks and Electronic Fund Transfers.

71. The Debtors have sufficient funds to pay the amounts described herein in the ordinary course of business by virtue of expected cash flows from ongoing business operations and proceeds of their postpetition financing. Moreover, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the obligations discussed herein. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently, that the Court should authorize the Banks, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer

requests in respect of the relief requested herein, and that Banks should be able to rely on the representations of the Debtors without any duty of further inquiry and without liability for following the Debtors' instructions.

Reservation of Rights

72. Nothing contained herein is intended or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) 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; (iii) a waiver of any claims or causes of action which may exist against any creditor or interest holder; or (iv) 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. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

Debtors Have Satisfied Bankruptcy Rule 6003(b)

73. Bankruptcy Rule 6003(b) provides that, to the extent relief is necessary to avoid immediate and irreparable harm, a bankruptcy court may issue an order granting "a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition" before 21 days after filing of the petition. As described above, the Debtors' Employees are vital to the Debtors' operations. Failure to satisfy obligations with respect to these persons in the ordinary course of business during the first 21 days of these chapter 11 cases will jeopardize their loyalty and trust, which may cause such individuals to leave the Debtors' employ or service at a time when they are needed most. The disruption to the Debtors' businesses and operations by Employee unrest

would be severe and potentially irreparable. Moreover, the Debtors' Employees rely on the Debtors' compensation, benefits, and reimbursement of expenses to pay their living expenses and the effect could be financially ruinous if the Debtors cannot immediately pay them in the ordinary course of business. Accordingly, the Debtors submit that the relief requested herein is necessary to avoid immediate and irreparable harm, and, therefore, Bankruptcy Rule 6003 is satisfied.

Request for Bankruptcy Rule 6004(a) and (h) Waivers

74. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14 day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h). As explained above and in the Donahue Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors. Accordingly, ample cause exists to justify the waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14 day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

Notice

75. Notice of this Motion will be provided to (i) the Office of the U.S. Trustee for Region 2; (ii) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; (v) the United States Attorney's Office for the Southern District of New York; (vi) proposed counsel to Debtor Toshiba Nuclear Energy Holdings (UK) Limited, Togut, Segal & Segal LLP, One Penn Plaza, Suite 3335, New York, NY 10119 (Attn: Albert Togut, Esq.); (vii) counsel to Toshiba Corporation, Skadden, Arps, Slate, Meagher & Flom LLP, 300 South Grand Avenue, Suite 3400, Los Angeles, CA 90071 (Attn: Van C. Durrer II, Esq. and Annie Z. Li, Esq.); (viii) counsel to the Debtors' prepetition agent under that certain Second Amended and

Restated Credit Agreement, dated as of October 7, 2009 (as amended), Latham & Watkins LLP, 330 North Wabash Avenue, Suite 2800, Chicago, IL 60611 (Attn: Zulfiqar Bokhari, Esq.); (ix) counsel to the lenders under the Debtors' proposed DIP Facility, (a) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019-6064 (Attn: Jeffrey D. Saferstein, Esq.) and (b) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 2001 K Street, NW, Washington, DC 20006-1047 (Attn: Claudia R. Tobler, Esq.); (x) counsel to the agents and letter of credit issuer under the Debtors' proposed DIP Facility, Shearman & Sterling LLP, 599 Lexington Avenue, New York, NY 10022 (Attn: Fredric Sosnick, Esq. and Ned S. Schodek, Esq.); (viii) the Banks; and (iv) the Unions and their counsel (if any) (the "**Notice Parties**"). The Debtors submit that, in view of the facts and circumstances, such notice is sufficient and no other or further notice need be provided

76. No previous request for the relief sought herein has been made by the Debtors to this Court or any other court.

WHEREFORE the Debtors respectfully request entry of the Proposed Interim Order and the Proposed Final Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: March 29, 2017
New York, New York

/s/ Robert J. Lemons

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*Proposed Attorneys for Debtors
and Debtors in Possession*

Exhibit A

Proposed Interim Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
 : **Chapter 11**
WESTINGHOUSE ELECTRIC :
COMPANY LLC, et al., : **Case No. 17-_____ (___)**
 :
Debtors.¹ : **(Joint Administration Pending)**
-----X

**INTERIM ORDER PURSUANT TO 11
U.S.C. §§ 105(a), 362(d), 363(b), AND 507 AND FED. R. BANKR.
P. 4001, 6003, AND 6004 AUTHORIZING (I) DEBTORS TO PAY
PREPETITION WAGES, SALARIES, AND OTHER COMPENSATION
AND BENEFITS, (II) DEBTORS TO MAINTAIN EMPLOYEE BENEFIT
PROGRAMS AND PAY RELATED ADMINISTRATIVE OBLIGATIONS, AND
(III) BANKS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS**

Upon the motion (the “**Motion**”),² dated March 29, 2017, of Westinghouse Electric Company, LLC and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), pursuant to sections 105(a), 363(b), 362(d), and 507 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 4001, 6003, and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for an interim (the “**Interim Order**”) (i) authorizing the Debtors pay or otherwise

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: Westinghouse Electric Company LLC (0933), CE Nuclear Power International, Inc. (8833), Fauske and Associates LLC (8538), Field Services, LLC (2550), Nuclear Technology Solutions LLC (1921), PaR Nuclear Holding Co., Inc. (7944), PaR Nuclear, Inc. (6586), PCI Energy Services LLC (9100), Shaw Global Services, LLC (0436), Shaw Nuclear Services, Inc. (6250), Stone & Webster Asia Inc. (1348), Stone & Webster Construction Inc. (1673), Stone & Webster International Inc. (1586), Stone & Webster Services LLC (5448), Toshiba Nuclear Energy Holdings (UK) Limited (N/A), TSB Nuclear Energy Services Inc. (2348), WEC Carolina Energy Solutions, Inc. (8735), WEC Carolina Energy Solutions, LLC (2002), WEC Engineering Services Inc. (6759), WEC Equipment & Machining Solutions, LLC (3135), WEC Specialty LLC (N/A), WEC Welding and Machining, LLC (8771), WECTEC Contractors Inc. (4168), WECTEC Global Project Services Inc. (8572), WECTEC LLC (6222), WECTEC Staffing Services LLC (4135), Westinghouse Energy Systems LLC (0328), Westinghouse Industry Products International Company LLC (3909), Westinghouse International Technology LLC (N/A), and Westinghouse Technology Licensing Company LLC (5961). The Debtors’ principal offices are located at 1000 Westinghouse Drive, Cranberry Township, Pennsylvania 16066.

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

honor, in their sole discretion, all Prepetition Employee Obligations, (ii) authorizing, but not directing, the Debtors to continue the Employee Programs, and honor any related Employee Obligations; (iii) modifying the automatic stay to the extent necessary to permit the Debtors' Employees and Temporary Workers to proceed with any claims they may have under the Workers' Compensation Programs, and (iv) authorizing Banks to process and honor related transfers, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); 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 Donahue 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

ORDERED that the Motion is granted on an interim basis to the extent set forth herein; and it is further

ORDERED that the Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 507 of the Bankruptcy Code, to pay or otherwise honor all Employee Obligations, that are due and payable and relate to the period prior to the Petition Date or come due during the Interim Period, without further order of this Court, in accordance with the Debtors' ordinary course of conduct and consistent with the Debtors' prepetition practices; *provided*, that pursuant to this Interim Order, (i) the aggregate amount of payments made with respect to Prepetition Employee Obligations shall not exceed \$29,625,000 during the Interim Period and (ii) the Debtors shall not pay any individual Employee an amount greater than the Prepetition Compensation Cap on account of outstanding Compensation Obligations; and it is further

ORDERED that the Debtors are further authorized, but not directed, pursuant to sections 105(a), 363(b), and 507 of the Bankruptcy Code, to maintain and continue to honor and pay, in their sole discretion, all amounts owed in connection with the Debtors' business practices, programs, and policies for their Employees, Temporary Workers, and Independent Contractors (including, without limitation, the Employee Benefit Programs) as such were in effect as of the commencement of these chapter 11 cases and as such may be modified or supplemented from time to time in the ordinary course of business; and it is further

ORDERED that notwithstanding anything to the contrary, nothing in this Interim Order shall permit the payment of any Employee Bonus Obligations to officers or directors of the Debtors, including vice presidents and more senior executives; and it is further

ORDERED that the Debtors are authorized to pay and otherwise honor all Reimbursable Expenses (including amounts due in respect of the Employee Credit Card Programs) in the ordinary course, as and when due; and it is further

ORDERED that pursuant to section 362(d) of the Bankruptcy Code, the automatic stay is modified to the extent necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Programs; and it is further

ORDERED that in accordance with this Interim Order (or other order of the Court), each of the Banks at which the Debtors maintain their accounts relating to the payment of the obligations described in the Motion are authorized to (i) receive, process, honor, and pay all checks presented for payment and to honor all fund transfer requests made by the Debtors related thereto, and (ii) accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of the Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise; and it is further

ORDERED that the Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, on account of prepetition obligations and claims as set forth herein, and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases; and it is further

ORDERED that nothing in the Motion or this Interim Order shall be deemed to authorize the Debtors to accelerate any payments not otherwise due prior to the date of the hearing to consider entry of an order granting the relief requested in the Motion on a final basis (the "**Final Hearing**"); and it is further

ORDERED that 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 (i) an admission as to the validity of any claim against the Debtors, (ii) 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, (iii) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (iv) 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, including, without limitation, any CBA; and it is further

ORDERED that 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; and it is further

ORDERED that notwithstanding anything to the contrary contained herein, any relief or authorization granted hereunder shall comply with, and be subject to, the requirements imposed on the Debtors under the terms of the DIP Financing. To the extent that there may be any inconsistency between the terms of this Interim Order, the terms of the DIP Facility, the DIP Term Sheet (including the Intercompany Facility and the Liquidity Facility) or any interim or final orders approving the DIP Financing (a "**DIP Order**"), the terms of the DIP Facility, the DIP Term Sheet (including the Intercompany Facility and the Liquidity Facility) or the DIP Order, as applicable, govern; and it is further

ORDERED that notwithstanding anything to the contrary contained herein, any payment to be made or authorization contained hereunder is subject to the requirements imposed on the Debtors under the terms of the DIP Financing and any DIP Order and the budget approved thereunder (the "**Budget**"). To the extent there is any conflict between this Interim Order and any

DIP Order or a Budget, the terms of the DIP Order or Budget, as applicable, govern; and it is further

ORDERED that the requirements of Bankruptcy Rule 6003(b) have been satisfied; and it is further

ORDERED that under the circumstances of these chapter 11 cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a); and it is further

ORDERED that notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the Debtors are authorized to take all action necessary to the relief granted in this Interim Order; and it is further

ORDERED that 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; and it is further

ORDERED that the Debtors shall serve this Interim Order within 48 hours of its entry via first class U.S. mail on the Notice Parties; and it is further

ORDERED that the Final Hearing to consider the relief requested in the Motion shall be held on _____, 2017 at _____ (**Prevailing Eastern Time**) and any objections or responses to the Motion shall be in writing, filed with the Court, and served upon (i) proposed counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Gary T. Holtzer, Esq., Robert J. Lemons, Esq., and Garrett A. Fail, Esq.); and (ii) the Notice Parties, in each case, so as to be actually received on or prior to **4:00 p.m. (Prevailing Eastern Time)** on _____, 2017.

Dated: _____, 2017
New York, New York

UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Proposed Final Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
: **Chapter 11**
WESTINGHOUSE ELECTRIC :
COMPANY LLC, et al., : **Case No. 17-_____ (___)**
: **(Joint Administration Pending)**
Debtors.¹ :
-----X

**FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 362(d), 363(b),
AND 507 AND FED. R. BANKR. P. 4001, 6003, AND 6004 AUTHORIZING
(I) DEBTORS TO PAY PREPETITION WAGES, SALARIES, AND OTHER
COMPENSATION AND BENEFITS, (II) MAINTAIN EMPLOYEE BENEFIT
PROGRAMS AND PAY RELATED ADMINISTRATIVE OBLIGATIONS, AND
(III) BANKS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS**

Upon the motion (the “**Motion**”),² dated March 29, 2017, of Westinghouse Electric Company LLC and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), pursuant to sections 105(a), 362(d), 363(b), and 507 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 4001, 6003, and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for a final order (the “**Final Order**”) to (i) authorizing the Debtors pay or otherwise honor all Prepetition Employee Obligations, (ii) authorizing, but not directing, the Debtors to

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: Westinghouse Electric Company LLC (0933), CE Nuclear Power International, Inc. (8833), Fauske and Associates LLC (8538), Field Services, LLC (2550), Nuclear Technology Solutions LLC (1921), PaR Nuclear Holding Co., Inc. (7944), PaR Nuclear, Inc. (6586), PCI Energy Services LLC (9100), Shaw Global Services, LLC (0436), Shaw Nuclear Services, Inc. (6250), Stone & Webster Asia Inc. (1348), Stone & Webster Construction Inc. (1673), Stone & Webster International Inc. (1586), Stone & Webster Services LLC (5448), Toshiba Nuclear Energy Holdings (UK) Limited (N/A), TSB Nuclear Energy Services Inc. (2348), WEC Carolina Energy Solutions, Inc. (8735), WEC Carolina Energy Solutions, LLC (2002), WEC Engineering Services Inc. (6759), WEC Equipment & Machining Solutions, LLC (3135), WEC Specialty LLC (N/A), WEC Welding and Machining, LLC (8771), WECTEC Contractors Inc. (4168), WECTEC Global Project Services Inc. (8572), WECTEC LLC (6222), WECTEC Staffing Services LLC (4135), Westinghouse Energy Systems LLC (0328), Westinghouse Industry Products International Company LLC (3909), Westinghouse International Technology LLC (N/A), and Westinghouse Technology Licensing Company LLC (5961). The Debtors’ principal offices are located at 1000 Westinghouse Drive, Cranberry Township, Pennsylvania 16066.

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

continue the Employee Programs, and honor any related Employee Obligations; (iii) modifying the automatic stay to the extent necessary to permit the Debtors' Employees and Temporary Workers to proceed with any claims they may have under the Workers' Compensation Programs, and (iv) authorizing Banks to process and honor related transfers, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); 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 and the Interim Order (as defined herein) having been provided to the Notice Parties as set forth in the affidavits of service filed at Docket Nos. [] and [], respectively; 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 on [] [], 2017 to consider the relief requested in the Motion on an interim basis (the "**Interim Hearing**"); and the Court having entered an order granting the relief requested in the Motion on an interim basis (Docket No. []) (the "**Interim Order**") and scheduling a final hearing on the Motion for [] [], 2017 (the "**Final Hearing**"); and the Final Hearing having been held, if necessary, to consider the relief requested in the Motion on a final basis; and upon the Donahue Declaration, filed contemporaneously with the Motion, and the record of the Interim Hearing and the Final 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 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

ORDERED that the Motion is granted as set forth herein; and it is further

ORDERED that the Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 507 of the Bankruptcy Code, to pay or otherwise honor all Employee Obligations, that are due and payable and relate to the period prior to the Petition Date or come due during the Interim Period, without further order of this Court, in accordance with the Debtors' ordinary course of conduct and consistent with the Debtors' prepetition practices; and it is further

ORDERED that the Debtors are further authorized, but not directed, pursuant to sections 105(a), 363(b), and 507 of the Bankruptcy Code, to maintain and continue to honor and pay, in their sole discretion, all amounts owed in connection with the Debtors' business practices, programs, and policies for their Employees, Temporary Workers, and Independent Contractors (including, without limitation, the Employee Benefit Programs) as such were in effect as of the commencement of these chapter 11 cases and as such may be modified or supplemented from time to time in the ordinary course of business; *provided* that any material modification or supplement shall require the prior written consent of the DIP Lenders; and it is further

ORDERED that the Debtors are authorized to pay and otherwise honor all Reimbursable Expenses (including amounts due in respect of the Employee Credit Card Programs) in the ordinary course, as and when due; and it is further

ORDERED that notwithstanding anything to the contrary, nothing in this Final Order shall permit the payment of any Employee Bonus Obligations to officers or directors of the Debtors, including vice presidents and more senior executives; and it is further

ORDERED that pursuant to section 362(d) of the Bankruptcy Code, the automatic stay is modified to the extent necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Programs; *provided, however*, that the Debtors shall provide counsel to the DIP Lenders with monthly summaries, on the first day of each month, of such claims, including the alleged claim amounts and likely liability under the Debtors' self-retained policy; and it is further

ORDERED that in accordance with this Final Order (or other order of the Court), each of the Banks at which the Debtors maintain their accounts relating to the payment of the obligations described in the Motion are authorized to (i) receive, process, honor, and pay all checks presented for payment and to honor all fund transfer requests made by the Debtors related thereto, and (ii) accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of the Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise; and it is further

ORDERED that the Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, on account of prepetition obligations and claims as set forth herein, and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases; and it is further

ORDERED that nothing contained in the Motion or this Final Order, nor any payment made pursuant to the authority granted by this Final Order is intended to be or shall be construed as (i) an admission as to the validity of any claim or lien against the Debtors, (ii) 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, (iii) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (iv) 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, including, without limitation, any CBA; and it is further

ORDERED that notwithstanding entry of this Final 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; and it is further

ORDERED that notwithstanding anything to the contrary contained herein, any relief or authorization granted hereunder shall comply with, and be subject to, the requirements imposed on the Debtors under the terms of the DIP Financing. To the extent that there may be any inconsistency between the terms of this Final Order, the terms of the DIP Facility, the DIP Term Sheet (including the Intercompany Facility and the Liquidity Facility) or any interim or final orders approving the DIP Financing (a "**DIP Order**"), the terms of the DIP Facility, the DIP Term Sheet (including the Intercompany Facility and the Liquidity Facility) or the DIP Order, as applicable, govern; and it is further

ORDERED that notwithstanding anything to the contrary contained herein, any payment to be made or authorization contained hereunder is subject to the requirements imposed on the Debtors under the terms of the DIP Financing and any DIP Order and the budget approved

thereunder (the “**Budget**”). To the extent there is any conflict between this Final Order and any DIP Order or a Budget, the terms of the DIP Order or Budget, as applicable, govern; and it is further

ORDERED that under the circumstances of these chapter 11 cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a); and it is further

ORDERED that notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the Debtors are authorized to take all action necessary to the relief granted in this Final Order; and it is further

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

Dated: _____, 2017
New York, New York

UNITED STATES BANKRUPTCY JUDGE

Exhibit C

Workers' Compensation Policies

Workers' Compensation Policies

Policy Number	Policy Expiration Date	Coverage	Deductibles	Annual Premium
WCP9109453 (All States Except WI)	4/1/17	Statutory/Unlimited	\$500,000	\$867,196
WCP9109454 (WI Only)	4/1/17	Statutory/Unlimited	Guaranteed Cost	\$621