

ASSUMPTION AND CONSENT AGREEMENT

THIS AGREEMENT ("Agreement") made as of the 9th day of February, 2007, by and among DOMTAR PAPER COMPANY, LLC ("Domtar Paper") BIG RIVERS ELECTRIC CORPORATION, a Kentucky corporation ("Big Rivers"), and KENERGY CORP., a Kentucky cooperative corporation ("Kenergy"). Domtar Paper, Big Rivers and Kenergy are collectively referred to herein as "Parties."

Recitals

A. Kenergy and Willamette Industries, Inc. ("Willamette"), an Oregon corporation, entered into an Amended and Restated Agreement for Retail Electric Service dated April 4, 2001, which agreement was amended by Amendment dated February 6, 2003, to substitute Weyerhaeuser Company ("Weyerhaeuser"), the successor by merger to Willamette, as a party to the 2001 agreement (the April 4, 2001 agreement and the February 6, 2003 amendment together, the "Retail Agreement"), pursuant to which Kenergy agreed to provide retail electric service to the Willamette Hawesville facility.

B. Big Rivers and Kenergy entered into an Amendment to Wholesale Power Contract dated April 4, 2001 (the "Wholesale Contract"), pursuant to which Big Rivers agreed to provide the wholesale power support required for Kenergy to perform the Retail Agreement, and acquired certain rights of consent regarding any approval by Kenergy of assignment by Willamette of the Retail Agreement.

C. Big Rivers and Weyerhaeuser entered into an agreement dated August 22, 2005, which provides for "green power" purchases by Big Rivers from Weyerhaeuser (the "Green Power Contract"), the last of the currently scheduled purchases under to the Green Power Contract having expired on October 31, 2006.

D. Big Rivers, Kenergy, Willamette, WKE Station Two Inc., LG&E Station Two Inc., and Western Kentucky Energy Corp. entered into a System Disturbance Agreement dated April __, 2001 ("System Disturbance Agreement," the Retail Agreement, the Green Power Contract and the System Disturbance Agreement being hereinafter referred to collectively as the "Kentucky Contracts").

E. Weyerhaeuser is proposing to transfer certain assets and liabilities to Domtar Paper, including the Kentucky Contracts.

F. Kenergy and Big Rivers have agreed to consent to the foregoing transfers, assignments and transactions, and to release Weyerhaeuser from any further obligations under the Kentucky Contracts.

G. In connection with and as consideration for the consents herein granted by Big Rivers and Kenergy, Domtar Paper desires to expressly assume all the rights, benefits and obligations of Weyerhaeuser Company under the Kentucky Contracts.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

3/5/2007

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein set forth, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Domtar Paper hereby assumes all the rights, benefits and obligations of Weyerhaeuser Company under the Kentucky Contracts, and agrees to perform those agreements in accordance with their respective terms and conditions.

2. Big Rivers hereby consents (i) to the assignment by Weyerhaeuser to Domtar Paper of the Retail Agreement and the System Disturbance Agreement, (ii) to the assignment by Weyerhaeuser to Domtar Paper of the Green Power Contract, (iii) to the granting by Domtar Paper of security interests in the Kentucky Contracts, and (iv) to the extent that the Kentucky Contracts or any terms or provisions thereof are subject to confidentiality obligations on the part of Weyerhaeuser, to the release of such confidential information by Weyerhaeuser to Domtar Paper, Domtar Corporation, and Domtar Inc. Big Rivers further releases Weyerhaeuser, as the assigning party to Domtar Paper, from any liability under the aforesaid agreements.

3. Kenergy hereby consents (i) to the assignment by Weyerhaeuser to Domtar Paper of the Retail Agreement and the System Disturbance Agreement, (ii) to the granting by Domtar Paper of security interests in the Retail Agreement and the System Disturbance Agreement, and (iii) and to the extent that the Kentucky Contracts or any terms or provisions thereof are subject to confidentiality obligations on the part of Weyerhaeuser, to the release of such confidential information by Weyerhaeuser to Domtar Paper, Domtar Corporation, and Domtar Inc. Kenergy further releases Weyerhaeuser, as the assigning party to Domtar Paper, from any liability under the aforesaid agreements.

4. The effective date of this Agreement shall be the effective date of the assignment by Weyerhaeuser to Domtar Paper of the Kentucky Contracts, provided however, that the effective date shall be postponed until this Agreement has been filed with and approved or accepted by the Kentucky Public Service Commission. This Agreement shall not be assignable without the consent of each of the Parties.

5. This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, each of the Parties hereto and their respective successors and permitted assigns.

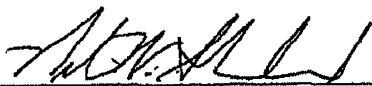
6. The construction, interpretation and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, THE Parties have executed this Agreement as of the day and year first written above.

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DOMTAR PAPER COMPANY, LLC

By: 

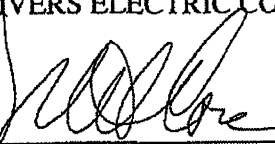
Title: VP Procurement & Logistics

KENERGY CORP.

By: 

Title: President & CEO

BIG RIVERS ELECTRIC CORPORATION

By: 

Title: President/CEO

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