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**SECOND AMENDED AND RESTATED AGREEMENT
FOR RETAIL ELECTRIC SERVICE BETWEEN
KENERGY CORP. AND DOMTAR PAPER COMPANY, LLC**

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH

Brent Kirtley

EFFECTIVE

4/1/2011

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

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**SECOND AMENDED AND RESTATED AGREEMENT FOR RETAIL
ELECTRIC SERVICE TO DOMTAR PAPER COMPANY, LLC**

THIS AGREEMENT ("Agreement") dated as of the 21st day of January, 2011, by and between **KENERGY CORP.**, 6402 Old Corydon Road, P. O. Box 18, Henderson, Kentucky 42419-0018 ("Kenergy"), and **DOMTAR PAPER COMPANY, LLC**, a Delaware limited liability company with principal offices at 100 Kingsley Park Drive, Fort Mill, South Carolina 29715 ("Domtar") (separately "Party", collectively the "Parties"),

WHEREAS, Domtar is a retail member-customer of Kenergy, and presently purchases its power requirements from Kenergy pursuant to the Amended and Restated Agreement for Retail Electric Service dated as of April 4, 2001 (the "Willamette 2001 Agreement"). The Willamette 2001 Agreement replaced an agreement for electric service to the same facility dated September 16, 1991, between Green River Electric Corporation (Kenergy's predecessor in interest) and Willamette Industries, Inc., Kentucky Mills (the "Willamette 1991 Agreement"). Weyerhaeuser Company, successor by merger to Willamette Industries, Inc., was substituted for Willamette Industries, Inc. in the Willamette 2001 Agreement by amendment dated as of February 6, 2003. Domtar was substituted for Willamette Industries in the Willamette 2001 Agreement by Assumption and Consent Agreement dated as of February 9, 2007 (the "Domtar Assumption and Consent Agreement").

WHEREAS, Domtar has an on-site qualifying cogeneration facility (the "QF") that is currently being used to supply all or a portion of Domtar's electric load at Domtar's facilities in Hawesville, Kentucky.

WHEREAS, Domtar needs a supply of backup power and related transmission and other services at certain times when the QF is out of service or not producing at full capacity, in addition to a supply of firm power.

WHEREAS, in reliance on this Agreement, Kenergy is entering into, or has entered into, an Amended and Restated Wholesale Power Sales Agreement ("Wholesale Agreement") by which Kenergy will purchase and receive from Big Rivers *Brent Kirtley* tion

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("Big Rivers") supplies of firm power, backup power and other services to make available under this Agreement.

WHEREAS, on December 1, 2010, Big Rivers transferred functional control of its transmission system to Midwest Independent Transmission System Operator, Inc. ("Midwest ISO").

WHEREAS, the Willamette 2001 Agreement expires by its own terms on March 31, 2011.

WHEREAS, the Parties desire to amend and restate the Willamette 2001 Agreement to become effective concurrently with the expiration of the Willamette 2001 Agreement under terms that match many of the terms of the Willamette 2001 Agreement, while amending and adding certain other terms required by or desirable as a result of certain changes in circumstances.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, the Parties agree as follows:

1. DEFINITIONS. The following terms, when used herein with initial capitalization, shall have the following meanings for purposes of this Agreement unless a different meaning shall be stated:

a. "Agreement" means this retail power supply agreement between Kenergy and Domtar, including any schedules, appendices, and exhibits attached hereto.

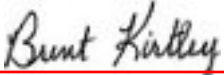
b. "Alternative Backup Power" shall mean electric power delivered by Kenergy to Domtar from alternative sources, as set forth in Section 5.c of this Agreement.

c. "Ancillary Services" shall mean those services that must be purchased by all entities using the OATT (as defined below) that are necessary to support the transmission of energy and capacity from resources to loads while maintaining reliable operation of Big Rivers Transmission System in accordance with Good Utility Practice

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- d. “Backup Power” or “Backup Power Service” shall mean electric power delivered by Kenergy to Domtar, as set forth in Section 5 of this Agreement. Backup Power Service includes delivery of Alternative Backup Power.
- e. “Big Rivers Transmission System” shall mean the electric power transmission and subtransmission facilities owned, operated, and maintained by Big Rivers, the functional control of which was transferred to Midwest ISO on December 1, 2010.
- f. “Contract Term” is defined in Section 15.b of this Agreement.
- g. “Effective Date” shall be the date upon which Kenergy shall have received the last of the acceptances and approvals listed in Section 20.
- h. “Firm Power Billing Demand” is defined in Section 3.b. of this Agreement.
- i. “Firm Power” or “Firm Power Service” is defined in Section 3 of this Agreement.
- j. “Good Utility Practice” shall mean any practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act, but rather to be a spectrum of acceptable practices, methods, or acts.
- k. “KPSC” shall mean the Public Service Commission of Kentucky, or any successor agency.
- l. “Midwest ISO” shall mean the Midwest Independent Transmission System Operator, Inc., or any successor entity.
- m. “NERC” shall mean the North American Electric Reliability Corporation, or any successor agency.
- n. “OATT” shall mean the Midwest ISO Open Access Transmission, Energy and Operating Reserve Markets Tariff, as revised from time to time.

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o. “Qualifying Facility” or “QF” shall mean the electric cogeneration unit installed and operated by Domtar at its Hawesville facility.

p. “Scheduled Outage” shall mean the period of time commencing when the power requirements of Kenergy to serve Domtar exceed Firm Power Billing Demand, by no more than 62 MW, stated in a notice provided under Section 5.b of this Agreement that has been given by Domtar to Big Rivers and Kenergy and acknowledged by Big Rivers as conforming with the provisions of the Wholesale Agreement.

q. “Special Due Date” shall have the meaning given it in Section 17.d.

r. “Start Date” shall have the meaning given it in Section 16.

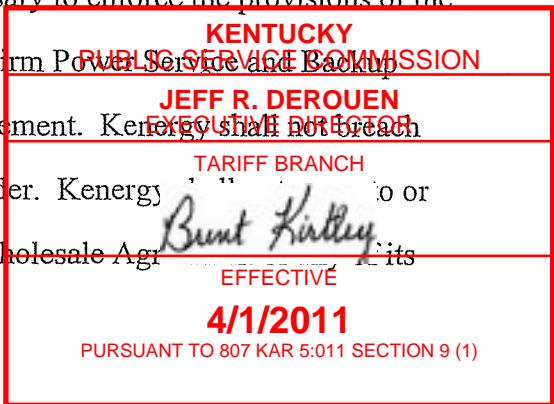
s. “Termination Date” shall have the meaning given it in Section 18.

t. “Unscheduled Power Event” shall mean the period of time commencing when the power requirements of Domtar exceed Firm Power Billing Demand by no more than 62 MW and that additional power requirement is not scheduled in accordance with the provisions of this Agreement. An Unscheduled Power Event shall terminate when the power requirements of Domtar no longer exceed the sum of Firm Power Billing Demand and any scheduled Backup Power Service.

2. OBLIGATIONS OF PARTIES; FORCE MAJEURE; RELATIONSHIP TO WHOLESALE AGREEMENT.

a. Commencing on the Start Date, Kenergy agrees to provide and sell to Domtar, and Domtar agrees to take and purchase from Kenergy, Firm Power Service and Backup Power Service upon the terms, rates, charges, adjustments and such other provisions as are stated in this Agreement.

b. Kenergy shall take all actions reasonably necessary to enforce the provisions of the Wholesale Agreement and to ensure that Big Rivers supplies Firm Power Service and Backup Power Service under the terms set forth in the Wholesale Agreement. Kenergy shall not breach the Wholesale Agreement or default on its obligations thereunder. Kenergy shall not permit rescission, modification, suspension or waiver of the Wholesale Agreement.



terms, except as may be required pursuant to a lawful order of a regulatory agency or court. In the event that Kenergy is unable or unwilling to enforce any or all provisions of the Wholesale Agreement, Kenergy shall assign to Domtar the right of enforcement under the Wholesale Agreement. Kenergy and Domtar shall cooperate in any negotiation, mediation, arbitration or administrative or judicial proceeding to enforce the Wholesale Agreement.

c. In the event either Party is rendered unable, wholly or in part, by Force Majeure (as defined below in Section 2.d) to carry out its obligations, upon such Party's giving written notice and reasonably full particulars of such Force Majeure to the other Party within a reasonable time after the occurrence of the cause relied on, then the obligations, so far as and to the extent that they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall, insofar as possible, be remedied with all reasonable dispatch.

d. The term "Force Majeure" as used in this Section 2 shall mean acts of God, strikes, acts of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of government, either federal or state, civil or military, civil disturbances, explosions, breakage or accident to machinery or transmission lines, inability of either Party hereto to obtain necessary materials, supplies or permits due to existing or future rules, regulations, orders, laws or proclamations of governmental authorities (either federal or state), including both civil and military, which are not reasonably within the control of, and could not have been avoided by the exercise of due care by, the Party claiming suspension.

e. An event constituting a force majeure under Section 2 of the Wholesale Agreement or under Section 10 of the OATT shall constitute a Force Majeure. Notwithstanding any provision to the contrary under this Agreement or the Wholesale Agreement, an excused failure of Big Rivers to supply power to Kenergy shall not constitute a Force Majeure relieving either Party of its obligations under this Agreement. For purposes of the preceding sentence, "excused failure" shall mean any failure to supply power that Big Rivers is obligated to supply under the

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Wholesale Agreement that is not excused by reason of the Force Majeure provisions contained in Section 2 of the Wholesale Agreement or Section 10 of the OATT.

f. (Intentionally left blank)

g. (Intentionally left blank)

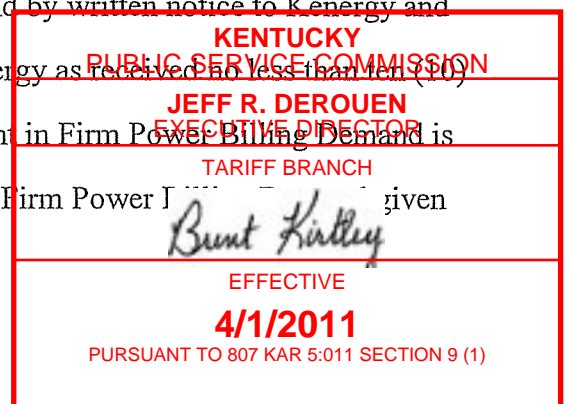
h. Kenergy promptly shall advise Domtar of any changes in the Wholesale Agreement, whether by written agreement of the parties to the Wholesale Agreement, or by final valid orders of the KPSC. No change in the Wholesale Agreement shall be incorporated into this Agreement or otherwise become the obligation of Domtar unless and until Domtar consents thereto in writing. Each Party hereto likewise recognizes that any change in the Wholesale Agreement which affects, directly or indirectly, the rights and obligations of Domtar under this Agreement may be subject to the same approvals required for this Agreement, as listed in Section 20 below.

3. FIRM POWER SERVICE AVAILABILITY.

a. Kenergy agrees to provide and sell to Domtar, and Domtar agrees to take and purchase from Kenergy each month from the Start Date through midnight on the Termination Date, firm electric power and associated energy ("Firm Power" or "Firm Power Service").

b. The billing demand in each month for Firm Power Service shall be the billing demand, in whole megawatts, established from time to time by Domtar under the terms of this Section 3 ("Firm Power Billing Demand") in an amount not less than 15 MW and not more than 35 MW. Domtar shall pay for the amount of Firm Power Billing Demand each month at the rates established in this Agreement, regardless of its actual measured demand. Firm Power Billing Demand on the Start Date shall be 23 MW, unless otherwise changed in accordance with the terms of this Agreement.

c. Domtar may adjust Firm Power Billing Demand by written notice to Kenergy and Big Rivers that is acknowledged by both Big Rivers and Kenergy as received no less than ten (10) days prior to the first day of the month in which the adjustment in Firm Power Billing Demand is to be effective. A copy of the written notice of adjustment of Firm Power Billing Demand is given



by Domtar to Kenergy, received and acknowledged by Big Rivers, shall suffice as notice under this Section 3.c., provided that such notice is in the form required by this Section 3.

d. Each written notice of adjustment of Firm Power Billing Demand given by Domtar under this Section shall state the effective date of the adjustment, which shall always be the first day of a calendar month, and the amount of the Firm Power Billing Demand on and after that effective date.

e. The rates and additional terms for Firm Power Service up to and including 35 MW shall be the rates established and additional terms for service stated in Appendix A, attached hereto and incorporated herein. If a change occurs in the rates in Big Rivers' Rate Schedule 7, the Large Industrial Customer Rate, or any amended or equivalent successor rate schedule for which Kenergy qualifies for service to Domtar, the rates in the attached Appendix A shall be automatically adjusted to incorporate that change.

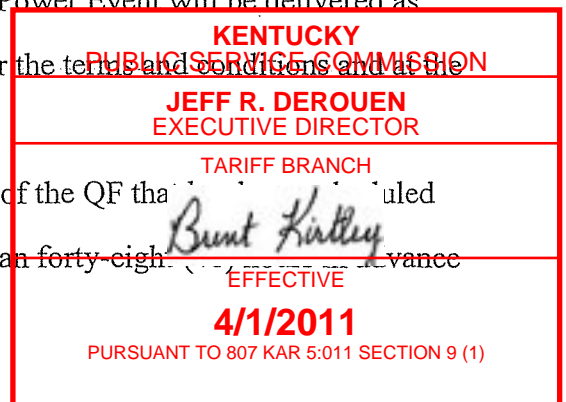
f. If Domtar requests Firm Power Service in an amount above 35 MW, Kenergy will negotiate with Domtar and Big Rivers to amend this Agreement and the Wholesale Agreement to provide that additional service on terms that are substantially similar to the terms on which Big Rivers is then selling firm wholesale power service to Kenergy for resale to large industrial retail customers in the same classification as Domtar.

4. (Intentionally left blank)

5. BACKUP POWER SERVICE AVAILABILITY. Kenergy agrees that Backup Power Service in an amount, not greater than 62 MW, in whole megawatts ("Backup Power Demand"), including associated energy, shall be available to Domtar on and after the Start Date only upon the following terms, conditions and limitations:

a. Backup Power Service during an Unscheduled Power Event will be delivered as provided in Section 6 of this Agreement, on a firm basis, under the terms and conditions and at the rates contained in Sections 5, 6 and 8 hereof.

b. Backup Power Service for a Scheduled Outage of the QF that is scheduled and accepted by Domtar and accepted by Kenergy and Big Rivers no less than forty-eight hours in advance



of the Scheduled Outage is available after notice as provided in Section 6 of this Agreement on a firm basis, at the rates contained in Section 8 hereof.

c. Big Rivers will provide to Kenergy and Kenergy will provide Domtar with Backup Power Service from Midwest ISO markets. Big Rivers will exercise Good Utility Practice to obtain Backup Power Service for Scheduled Outages from the Midwest ISO Day-Ahead Energy and Operating Reserve Market (as defined in the OATT). Domtar may request, however, that Kenergy, through Big Rivers, use reasonable efforts to attempt to provide Backup Power Service as available from alternate sources for a defined quantity and period of time designated by Domtar in a new notice consistent with the provisions of Sections 6.a. and 6.b. of this Agreement (“Alternative Backup Power”). Upon locating an alternate source and supply of Alternative Backup Power on the terms requested by Domtar, Kenergy shall notify Domtar of the time for the commencement of such service. Domtar may schedule Alternative Backup Power on a half-hourly basis, to the extent that Kenergy, through Big Rivers, can locate Alternative Backup Power on that basis. Kenergy, through Big Rivers, shall use commercially reasonable efforts to provide current pricing information for supplies of Alternative Backup Power as reasonably requested by Domtar.

d. If during the term of this Agreement Domtar wishes to increase the Backup Power Demand, Kenergy agrees to enter into good faith negotiations with Big Rivers and Domtar to agree upon terms for the supply of such additional Backup Power under this Agreement. Any resulting contract amendment will be subject to such creditor and regulatory approvals as may be required at that time.

e. The Parties acknowledge and agree that a material assumption of this Agreement is that Big Rivers, under the Wholesale Agreement, may access throughout the term of this Agreement as a member of Midwest ISO the services required to provide Backup Power Service. If for any reason Big Rivers’ membership in Midwest ISO is terminated and the services required to provide Backup Power Service are no longer available to Big Rivers through the Wholesale Agreement as contemplated under the Wholesale Agreement, the Parties agree that they v

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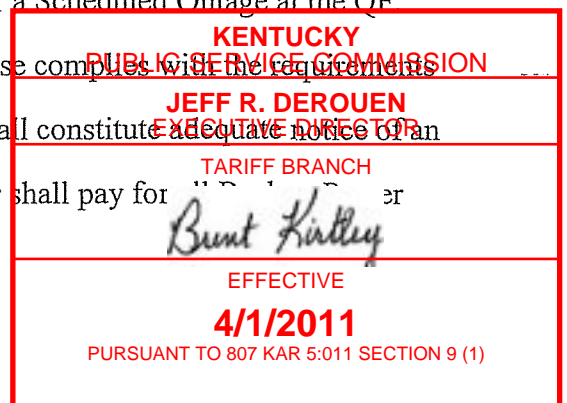
faith to amend this Agreement to provide for an alternate means of covering that power supply gap. If Kenergy and Domtar are unable to agree upon those issues, either Party may request dispute resolution as set forth in Section 23 of this Agreement.

6. NOTICE OBLIGATIONS AND PRICING RULES FOR BACKUP POWER SERVICE.

a. Notice Requirements. Electric power delivered to Domtar as Backup Power Service under this Agreement shall be furnished and priced as provided in this Section 6 upon compliance by Domtar with the applicable subsections of Section 5, above, and upon receipt and acknowledgment by Kenergy and Big Rivers of notice from Domtar that meets the following requirements, or if it does not meet such requirements, if it is expressly accepted by Kenergy or Big Rivers, at their sole discretion. The notice shall include a statement of the quantity (in whole megawatts) and the duration (including the beginning date and time and the ending date and time, with the ending time to be at the top of the hour, subject to Domtar's right to schedule Alternative Backup Power on a half-hourly basis, where permitted by the source of that Alternative Backup Power).

b. Form of Notices. All notices and acknowledgments under this Section shall be given either (i) in writing, or (ii) verbally and then confirmed in writing delivered to the other Party within one (1) hour. A writing may be delivered by facsimile or by electronic mail. Prior to the Start Date, the Parties agree to develop detailed procedures and forms that will result in Kenergy and Big Rivers receiving as much advance notice and good faith information regarding the nature and duration of both Scheduled Outages and unscheduled outages for the QF as is commercially reasonable to provide.

c. Prompt Notice of Unscheduled and Scheduled Outages. Domtar agrees to notify Big Rivers and Kenergy promptly of an unscheduled outage or a Scheduled Outage at the QF. Notice provided by Domtar directly to Big Rivers that otherwise complies with the requirements of this Section 6, with written follow-up notice to Kenergy, shall constitute adequate notice of an unscheduled outage or a Scheduled Outage at the QF. Domtar shall pay for



Service used by Domtar, whether or not Domtar has given the notice required by this Subsection 6.c, or Big Rivers or Kenergy has provided the acknowledgment contemplated by Subsection 6.d.

d. Effect of Notice Acknowledgment by Big Rivers or Kenergy. Acknowledgment by Big Rivers or Kenergy of a notice from Domtar requesting Backup Power Service shall obligate Domtar to accept and pay for all Backup Power Service obtained by Kenergy to respond to that notice, whether or not actually used by Domtar; provided, however, that Kenergy and Big Rivers shall exercise commercially reasonable efforts to modify any schedule upon request by Domtar, and reflect in Domtar's charges and credits all adjustments contemplated by Sections 5.c and 8.a.

e. Recording. Each Party consents to the recording of its representatives' telephone conversations in connection with notices given regarding Backup Power Service under this Agreement without further notice or consent. All recordings may be introduced into evidence and used to prove the terms of a transaction between the Parties, and objections based on principles of statute of frauds, the parol evidence rule, or similar evidentiary rules, are waived. In addition, all objections by a Party to the authority (actual or apparent) of its representatives to enter into a transaction are waived.

f. Notice Procedures. Kenergy agrees to cooperate with Domtar and Big Rivers to establish procedures to ensure that all notices under this Section 6 are immediately and accurately provided directly to Big Rivers or its supplier. Notice provided by Domtar directly to Big Rivers, which fulfills the Notice requirements of the Wholesale Agreement, followed by notice to Kenergy, shall constitute adequate notice under this Agreement.

7. (Intentionally left blank)

8. BACKUP POWER SERVICE RATES AND CHARGES. Kenergy shall provide Backup Power Service to Domtar at the following rates and charges:

a. Backup Power Service Charges. Domtar shall be responsible for, and shall reimburse Kenergy for, all net costs imposed upon Big Rivers or Kenergy t arising out of or relating to the performance of Kenergy's obligations to sup

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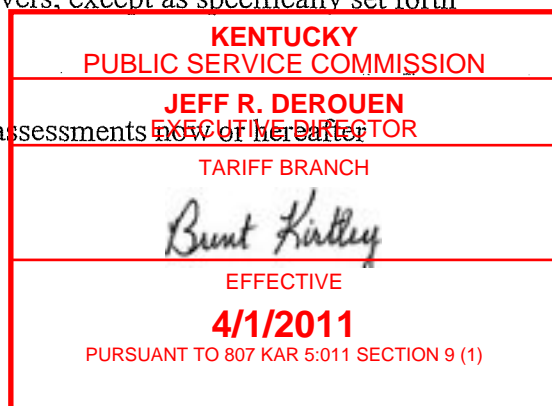
Service under this Agreement or the performance of Big Rivers' obligations to supply Backup Power Service to Kenergy under the Wholesale Agreement. Such net costs shall include, but not be limited to, any charges and credits assessed against or awarded to Domtar, Kenergy or Big Rivers by the Midwest ISO, either directly or indirectly, for energy supplied through the Real-Time Energy and Operating Reserve Market or the Day-Ahead Energy and Operating Reserve Market (as both such terms are defined in the OATT) and all costs, charges or credits imposed on or associated with the delivery of Backup Power Service to the Delivery Point, including charges and credits assessed by the Midwest ISO for transmission, losses, revenue sufficiency guarantee charges, congestion and ancillary services, provided further however, that Domtar shall not be responsible for any of the foregoing costs or credits to the extent that they arise out of the breach by Kenergy of a material obligation of Kenergy set forth in this Agreement or the Wholesale Agreement or a breach by Big Rivers of a material obligation of Big Rivers set forth in the Wholesale Agreement.

b. (Intentionally left blank)

c. Charges for Alternative Backup Power. Alternative Backup Power shall be priced at Big Rivers' net out-of-pocket costs (including, without limitation, any charges for demand, energy, transmission, losses and Ancillary Services). Domtar shall pay Kenergy for all Alternative Backup Power costs that Kenergy is required to pay under this Section 8.c.

d. Additional Charges. Domtar shall pay an additional charge of \$1.00 per MWh for all Backup Power Service billed to Domtar under this Agreement. Kenergy and Big Rivers acknowledge that Backup Power Service is not subject to any existing fuel adjustment charge, environmental surcharge, purchase power adjustment or any other existing regulated service charge associated with power generated or provided by Big Rivers, except as specifically set forth in this Agreement.

e. Taxes. Domtar shall pay all taxes, charges, or assessments now or hereafter applicable to its electric service hereunder.



9. METERING AND BILLING CHARGE. In addition to all other charges for service under this Agreement, beginning on the first anniversary of the Wholesale Agreement, Domtar shall pay Kenergy the monthly charge for metering and billing that Kenergy must pay to Big Rivers pursuant to Section 9 of the Wholesale Agreement. Domtar shall have the right to require Kenergy to invoke its right under Sections 9 and 23 of the Wholesale Agreement to have the KPSC establish the metering and billing charge. Kenergy agrees to permit Domtar to review all information and explanations provided by Big Rivers to justify such charge, and Kenergy agrees to cooperate with any reasonable request of Domtar to (i) obtain additional information regarding cost justifications for such charge, (ii) challenge the accuracy and reasonableness of any cost component claimed by Big Rivers in establishing such charge, and (iii) to seek reasonable adjustments to the claimed costs of metering and billing in establishing such charge.

10. IMPACT OF REGULATORY CHANGES.

a. Domtar understands and acknowledges that under Section 10 of the Wholesale Agreement either Big Rivers or Kenergy may propose renegotiation of the Wholesale Agreement under certain circumstances defined therein. Kenergy agrees to invoke its right under Section 10 of the Wholesale Agreement to seek renegotiation of the Wholesale Agreement upon Domtar's request. Kenergy shall not invoke its right to seek renegotiation of the Wholesale Agreement under this Section 10 absent Domtar's written consent, which consent shall not unreasonably be withheld. In any renegotiation pursuant to Section 10 of the Wholesale Agreement, Kenergy agrees to cooperate fully with any reasonable request of Domtar, including a request to participate in the renegotiation process with Big Rivers, subject to Big Rivers' consent. Kenergy shall apprise Domtar of all details of any renegotiation. Kenergy shall not agree to reform the Wholesale Agreement under Section 10 of the Wholesale Agreement without the advance written

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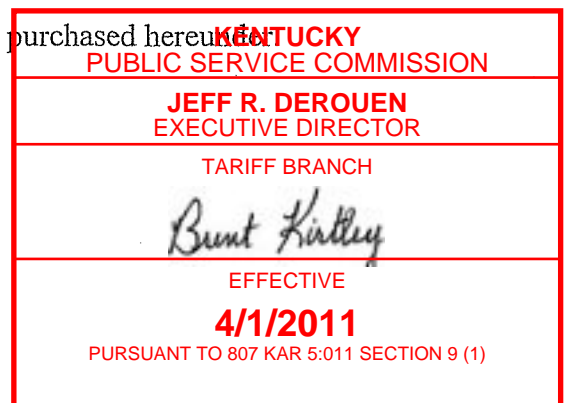
consent of Domtar. If Kenergy agrees to reform the Wholesale Agreement pursuant to Section 10 of the Wholesale Agreement, such reform shall be incorporated into this Agreement. For purposes of this Section 10, any dispute resolution proceedings conducted under the Wholesale Agreement shall be considered part of the renegotiation process to which this Section 10 applies.

b. Kenergy or Domtar may propose renegotiation of this Agreement if that Party believes that a change in prevailing federal or state public utility regulatory standards, or utility industry self-regulation (such as through NERC) standards, materially and adversely affects that Party's performance hereunder. Upon a proposed renegotiation, the Parties agree to negotiate in good faith to reform this Agreement to be consistent with the Parties' original obligations and economic understandings; provided, however, that a mere change in the economics underlying the business deal contained herein shall not be cause to trigger renegotiation under the terms of this paragraph unless that change is directly caused by changes in prevailing federal or state public utility regulatory standards, or utility industry self-regulation standards. If Kenergy and Domtar are unable to agree upon an appropriate reform of this Agreement, either Party may seek dispute resolution pursuant to Section 23. Notwithstanding the above, this Agreement may be subject to regulation by the KPSC, or some other future state utility regulatory agency.

11. SERVICE CHARACTERISTICS AND DELIVERY POINT. The service characteristics and delivery point shall be as follows:

a. Service hereunder shall be alternating current, three-phase, four-wire, sixty Hertz, 12,470 volts.

b. Domtar shall not sell electric power and energy purchased hereunder



c. The point of delivery of the electric power and energy supplied hereunder shall be at the point of connection between Domtar's bus with Big Rivers' step-down transformers' low-side bushings.

12. POWER FACTOR.

a. Power Factor for Load other than Backup Power Service. Domtar shall maintain a power factor at the point of delivery as nearly as practicable to unity for load other than Backup Power Service. Power factor during normal operation may range from unity to ninety percent (90%). Should Domtar's power factor fall below 90% at time of maximum load, Big Rivers has reserved in the Wholesale Agreement the right to either: (i) install at Kenergy's expense suitable equipment to maintain a power factor of 90% or higher if, after reasonable notice to Kenergy, Kenergy fails to install suitable equipment to maintain a power factor of 90% or higher; or (ii) adjust the maximum metered demand for billing purposes in accordance with the following formula:

$$\frac{\text{Maximum Actual Measured kW X 90\%}}{\text{Power Factor (\%)}}$$

If Kenergy receives notice of a power factor deficiency under Section 12.a.(i), above, it shall give Domtar a reasonable opportunity to install, at its own expense, suitable equipment to maintain a power factor of 90% or higher. If said equipment is installed at Kenergy's expense, Domtar shall forthwith pay Kenergy a like amount. If the maximum metered demand is adjusted, same will automatically be incorporated herein and will become a part of this Agreement.

b. Power Factor for Backup Power Service. Domtar shall maintain a power factor at the point of delivery of 100% for Backup Power Service. Should Domtar's power factor fall below 100% Big Rivers has reserved in the Wholesale Agreement the right to either: (i) install at Kenergy's expense suitable equipment to correct the power factor to 100%,

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notice to Kenergy, Kenergy fails to install suitable equipment to maintain a power factor of 100%, or (ii) provide the required vars to correct power factor to 100% at a price of \$1.72 per kvar per year (\$0.143 per kvar per month). If Kenergy receives notice of a power factor deficiency under Section 12.b. (i.), above, it shall give Domtar a reasonable opportunity to install, at its own expense, suitable equipment to maintain a power factor of 100%. The price of vars shall change with any increase in the price of capacitors. The determination of the number of vars needed to achieve the 100% power factor shall reflect, as an offset, the extent to which Domtar's power factor for Firm Power exceeds 90%. If said equipment is installed at Kenergy's expense under Section 12.b of the Wholesale Agreement, Domtar shall forthwith pay Kenergy a like amount, provided that Kenergy shall not install any such equipment without Domtar's consent, which shall not unreasonably be withheld or delayed. If vars are provided, the cost of same shall automatically be incorporated herein and become a part hereof, and shall be paid by Domtar to Kenergy.

13. FACILITIES TO BE PROVIDED BY PARTIES.

a. Facilities Provided by Big Rivers. The Parties understand and acknowledge that, except as provided in 13.c., below, Big Rivers, at its expense, shall furnish, install, maintain and replace, or cause to be furnished, installed, maintained and replaced, all facilities, other than the facilities Domtar is obligated to provide under this Agreement, required for the delivery of the electric power and energy hereunder to the point of delivery, including the three (3) 24/32/40 MVA transformers presently located in the Big Rivers Skillman substation. Kenergy agrees to permit Domtar reasonable access to the Big Rivers Skillman substation to operate and maintain the facilities owned by Domtar located in that substation.

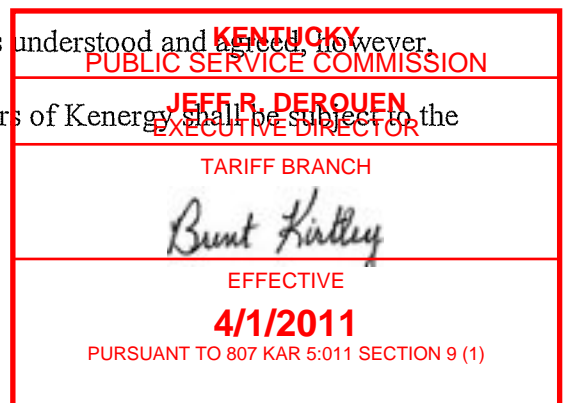
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b. Metering: The Parties further understand and acknowledge that Big Rivers, at its expense, shall install, maintain, and operate the metering equipment located in Big Rivers' Skillman substation, which will consist of energy and demand metering integrated over thirty (30) minute intervals.

c. The expenses associated with the obligations of Big Rivers under section 13.a., above, shall become the responsibility of Domtar, if, and to the extent that, the expenses associated with those obligations are not included in Big Rivers' approved transmission rates. In that event, Domtar shall have the option to require Kenergy to exercise its right under the Wholesale Agreement to acquire the facilities associated with those expenses from Big Rivers at Big Rivers' net depreciated book value and to resell the same facilities to Domtar at Kenergy's acquisition cost. If Domtar exercises its option to purchase such facilities, Domtar shall, upon request of Kenergy, sell to Kenergy an undivided interest in such facilities sufficient to permit Kenergy to serve other customers from such facilities if and to the extent that surplus capacity of such facilities is available, and Kenergy shall be solely responsible for the incremental cost of any upgrade or facility expansion necessary to serve customers other than Domtar.

d. Facilities Provided by Domtar.

i. Domtar shall provide or cause to be provided, without cost to Kenergy, suitable permanent easements for facilities and substation sites, rough-graded to Kenergy's requirements, upon and across its property as reasonably required by Kenergy and its wholesale power supplier for the construction and maintenance of such facilities, alterations to existing facilities, or both, as may from time to time be necessary. It is understood and agreed, however, that the location of any lines used for service to other customers of Kenergy shall be subject to the approval of Domtar.

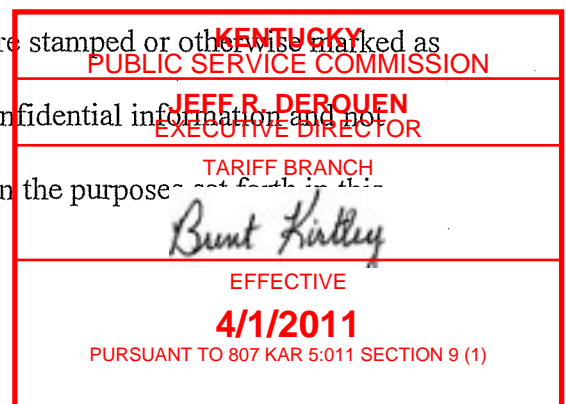


ii. Domtar shall provide or cause to be provided, without cost to Kenergy; all required 12,470 volt substation equipment, including buses or cables to connect to transformers owned by Kenergy, its wholesale power supplier, or both, excluding, however, the 12,470 volt transformer, lightning arresters, revenue metering equipment, and station service equipment for Big Rivers' portion of the substation.

iii. Domtar shall provide or cause to be provided, without cost to Kenergy metering and telemetry equipment required by Kenergy to monitor and to meter all power to be provided by Kenergy hereunder except Firm Power.

14. RELATIONSHIP TO DOMTAR QUALIFYING FACILITY. The Parties to this Agreement expressly understand and acknowledge that Backup Power Service under this Agreement is intended to support the Domtar QF, and that the Domtar QF has been operating in Kenergy's certified service area and the Big Rivers control area for approximately ten years. In recognition of these facts, the Parties agree as follows:

a. Information About QF. Domtar shall supply to Kenergy and Big Rivers such information and documents as Kenergy and Big Rivers may require, in their sole judgment, to properly evaluate and understand the QF equipment for which Backup Power Service is being provided. The plans for such facility presented to Kenergy and Big Rivers must be in sufficient detail so as to provide them with an understanding regarding the reasonably expected need for Backup Power Service from such facilities, including the maintenance plans for the proposed unit (duration, timing, notice, etc.). All information contained in documents provided to Kenergy and Big Rivers under this Section 14.a., and which are stamped or otherwise marked as confidential, shall be treated by Kenergy and Big Rivers as confidential information and not disclosed to any other party, or used for any purpose other than the purpose



Section 14.a., except as lawfully ordered by a regulatory body or a court having proper jurisdiction, or their respective procedural rules or regulations and only for so long as the information is not otherwise publicly available other than as a result of disclosure by Kenergy or Big Rivers.

b. System Disturbance Agreement. In addition to the above requirements, Domtar, as owner of the QF, has entered into and hereby reaffirms the System Disturbance Agreement with Big Rivers and Kenergy dated as of April, 2001, as amended by the Domtar Assumption and Consent Agreement, and the Release Agreement dated as of July 16, 2009, between Domtar and Western Kentucky Energy Corp., which was consented to by Kenergy and Big Rivers.

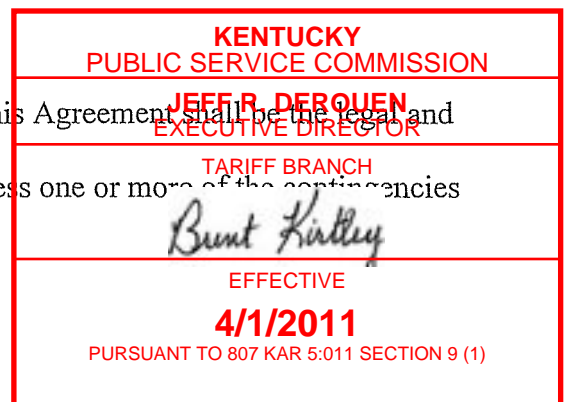
c. Material Requirements. The requirements of paragraphs 14.a., 14.b. and 14.e. are fundamental, material parts of this Agreement and the underlying Wholesale Agreement, and complete performance of those requirements by Domtar are essential prerequisites to the wholesale power supply obligations of Big Rivers under the Wholesale Agreement and the retail power supply obligations of Kenergy hereunder on and after the Effective Date.

d. (Intentionally left blank)

e. Operating Standards and Procedures. If Big Rivers requests because of system reliability or externally-imposed requirements, Domtar shall mutually develop with Kenergy and Big Rivers an agreement establishing operating standards and procedures acceptable to Kenergy and Big Rivers that will avoid materially adverse effects from the QF on Domtar's load and on Big Rivers' transmission system.

15. TERM.

a. Immediately upon execution by both Parties, this Agreement shall be the legal and binding obligation of the Parties and shall remain in force unless one or more of the contingencies



and approvals required in Section 20 is not received or obtained. If the Parties are unable to secure one or more approvals or satisfy one or more of the contingencies set forth in Section 20, the Parties agree immediately to negotiate in good faith to agree to such modifications as are necessary to secure each such approval or satisfy each such contingency. If after good faith negotiations, the Parties are unable to reach agreement on such approvals, this Agreement shall automatically terminate. In the absence of an agreement of the Parties that an agreement on such modifications cannot be reached, the failure of such negotiations shall be presumed upon the lapse of thirty (30) days after written notice to that effect by one Party to the other. The term of this Agreement shall expire on the Termination Date, as defined under Section 18 of this Agreement.

b. This Agreement shall have a primary term of three (3) years, provided that (i) the term of this Agreement shall automatically be extended for successive one-year terms following the primary term unless one Party has given the other Party written notice of non-renewal at least one (1) year prior to the end of the primary term or any automatic extension of the term, and (ii) Domtar may terminate this Agreement as of a date not less than one year from the date it provides written notice to Kenergy and Big Rivers from an officer of Domtar that it has made a business judgment in good faith to terminate and cease all operations at the Hawesville mill, and has no current intention of recommencing operations at the Hawesville mill. The “Contract Term” shall be the period from April 1, 2011, until the latter of midnight on March 31, 2014, and midnight on the last day of the last automatic extension of the term, provided, however, that the Contract Term is subject to earlier termination of this Agreement in accordance with Section 18.

c. If Domtar decides to sell all or part of the output of its QF rather than use the output of its QF to reduce its requirements for electric service from Kenergy, Domtar may terminate this Agreement before its primary term of three (3) years upon one year's prior written

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notice to Kenergy and Big Rivers. The Parties agree that they will meet to negotiate the terms of an agreement by which Kenergy and Big Rivers will provide service for Domtar's revised load requirements.

16. START DATE.

a. The Start Date shall be April 1, 2011. The Start Date cannot be changed without the written consent of both Parties and of Big Rivers.

b. Beginning at 12:01 a.m., prevailing time, on the Start Date, this Agreement shall govern the rights and obligations of the Parties with respect to the retail power supply for Domtar, in lieu of the Willamette 2001 Agreement. As of the Start Date, the Willamette 2001 Agreement shall be deemed terminated as to any agreements between Kenergy and Domtar.

17. BILLING AND PAYMENT TERMS.

a. Order of Deliveries. For billing purposes, all power delivered to Domtar under this Agreement shall be deemed to be delivered in the following order:

- i. Backup Power Service, scheduled as set forth in Section 5.b, and Alternative Backup Power shall be deemed first through the meter;
- ii. Firm Power shall be deemed second through the meter;
- iii. All Backup Power, except Backup Power scheduled as set forth in Section 5.b, shall be deemed third through the meter and shall be determined after accounting for all other power deliveries.

b. Billing and Payment. Kenergy shall bill Domtar no later than the first working day after the 13th of the month for the previous month's service hereunder. Domtar shall pay Kenergy in immediately available funds by 1:00 P.M., Central Time (prevailing) on the first working day after the 24th of the month (the "Due Date"). If Domtar shall fail to pay such

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bill within such prescribed period, Kenergy may discontinue delivery of electric power and energy hereunder upon five (5) days' written notice to Domtar of its intention to do so. Such discontinuance for non-payment shall be in addition to any other remedy which may be available to Kenergy and shall not lessen in any way the obligation of Domtar to pay to Kenergy any and all sums owing to Kenergy.

c. Interest on Unpaid Balances. Interest on any unpaid amounts shall be simple interest equal to the prime lending rate as published in the "Money Rates" column of the Wall Street Journal on the Due Date or Special Due Date (as defined in Section 17.d. below), or on the first business day after the Due Date or Special Due Date if the Due Date or Special Due Date falls on a weekend day or a day when such rate is not published, plus one percent (1%). Interest on delinquent amounts shall be calculated from the Due Date or Special Due Date of the bill to the date of the payment, with interest calculated and prorated for that portion of the month in which amounts are outstanding. The applicable interest rate shall be recalculated each month using the new prime lending rate as published in the "Money Rates" column of the Wall Street Journal, on the Due Date or Special Due Date in that month, or on the first business day after the Due Date or Special Due Date in that month if the Due Date falls on a weekend day or a day when such rate is not published, plus one percent (1%).

d. Special Billing and Payment Provisions. Domtar understands and acknowledges that under Section 17.d. of the Wholesale Agreement, anytime Big Rivers' accrued obligations to its wholesale power and transmission providers for power and services purchased to supply Kenergy Backup Power Service exceeds \$500,000, Big Rivers has the right to bill Kenergy for all amounts owed and payment is due on the first working day no later than five (5) business days after receipt of the bill (the "Special Due Date"). A copy of any bill to Kenergy under Section

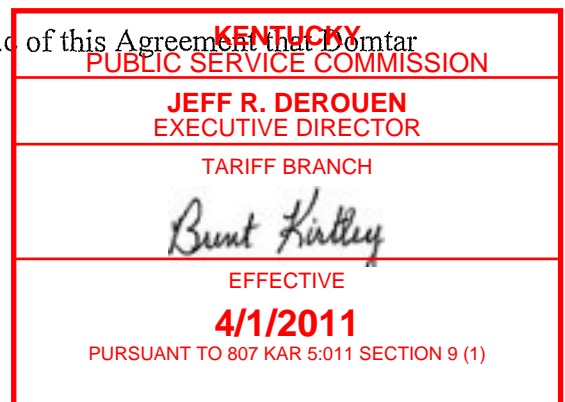
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17.d. of the Wholesale Agreement will also be sent simultaneously to Domtar. Notwithstanding any other provisions in this Section 17, Domtar shall pay Kenergy that bill in immediately available funds by 1:00 o'clock P.M., Central Time (prevailing), on the first working day no later than five (5) business days after receipt of that bill. If Domtar shall fail to pay any such bill within the prescribed period, Kenergy may discontinue delivery of electric power and energy hereunder upon five (5) business days' written notice to Domtar of its intention to do so (a copy of Big Rivers' notice to Kenergy shall suffice for the aforementioned notice). Such discontinuance for non-payment shall be in addition to any other remedy which may be available to Kenergy and shall not lessen in any way the obligation of Domtar to pay to Kenergy any and all sums owing to Kenergy.

e. Midwest ISO Billing Adjustments. If, subsequent to the issuance of any bills pursuant to Section 17.b, the Midwest ISO bills or credits Big Rivers for any costs, charges or credits that result from or are related to service provided to Domtar under this Agreement, or adjusts an earlier bill to modify any such costs, charges or credits, Kenergy shall include any resulting charges or credits in the next bill issued to Domtar under Section 17.c.

18. TERMINATION DATE. The "Termination Date" of this Agreement (subject in some instances to the election of the affected Party, as stated below) shall be the earliest to occur of the following:

- a. Expiration of the Contract Term.
- b. Midnight on a date one year after receipt by Kenergy and Big Rivers from Domtar of written notice pursuant to Section 15.b or 15.c of this Agreement that Domtar elects to terminate this Agreement.
- c. (Intentionally left blank).



d. Upon default by a Party in the performance of this Agreement as provided in Section 19 of this Agreement, at the election of the affected Party.

e. Failure of the Parties to agree to modifications to this Agreement necessary to secure regulatory approvals or to satisfy contingencies required pursuant to Section 20.

f. Termination of the Wholesale Agreement, other than as a result of breach by Kenergy or a voluntary agreement between Kenergy and Big Rivers.

19. BREACH; DEFAULT; REMEDIES.

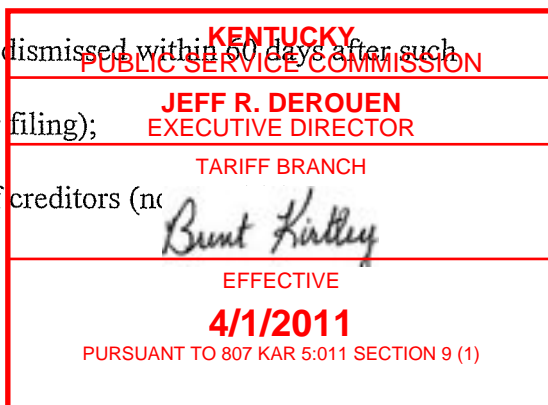
a. The occurrence of any of the following events, unless otherwise excused pursuant to the terms of this Agreement, constitutes a breach by the relevant Party under this Agreement and, if not curable or not cured within the applicable cure period (indicated in parentheses) shall constitute a default:

i. Failure by Domtar to make any payment as and when due hereunder in accordance with the terms of Section 17.b. (curable in accordance with the terms of Section 17, prior to disconnect);

ii. Failure of a Party to perform any material duty imposed on it by this Agreement that is otherwise not expressly addressed in this Section 19.a. (curable within 30 days following notice of breach from the non-breaching Party to the breaching Party);

iii. Any filing of a petition in bankruptcy or insolvency, or for reorganization or arrangement under any bankruptcy or insolvency laws, or voluntarily taking advantage of any such laws by answer or otherwise or the commencement of involuntary proceedings under any such laws by a Party if such proceedings are not withdrawn or dismissed within 50 days after such institution (in which case a default occurs on the 61st day after filing);

iv. Assignment by a Party for the benefit of creditors (not



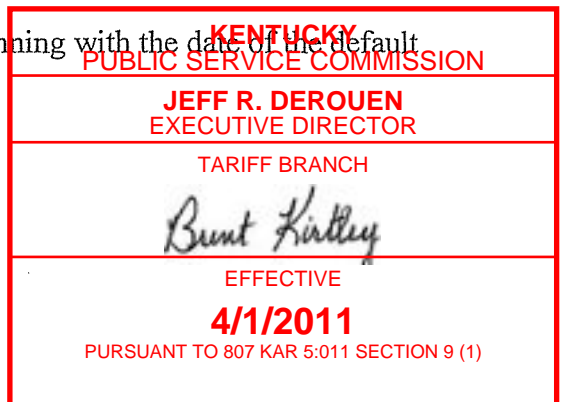
v. Allowance by a Party of the appointment of a receiver or trustee of all or a material part of its property if such receiver or trustee is not discharged within 60 days after appointment (in which case a default occurs on the 61st day after appointment);

vi. Any attempt by a Party to transfer an interest in this Agreement other than as permitted pursuant to Section 21 of this Agreement (not curable); or

vii. Failure, inability, or refusal of Kenergy to cure a breach or default by Kenergy under the Wholesale Agreement which gives rise to a termination of the Wholesale Agreement, or any termination by Kenergy of the Wholesale Agreement in breach or default thereof (not curable).

b. In the event of a default by either Party, the non-defaulting Party may, in its own discretion, elect to terminate this Agreement upon written notice to the other Party, or to seek enforcement of its terms at law or in equity.

c. The remedies provided in this Agreement are cumulative unless specifically designated to be an exclusive remedy. Nothing contained in this Agreement shall be construed to abridge, limit, or deprive either Party of any means of enforcing any remedy either at law or in equity for the default of any of the provisions herein, provided that neither Party is entitled to recover from the other Party any consequential, incidental or special damages including, without limitation, lost profits. The Parties agree that upon early termination of this Agreement as a result of default by Domtar or in accordance with Sections 18. b., or d., Kenergy shall be entitled to recover from Domtar as partial damages for breach any amounts Kenergy is obligated to pay Big Rivers under the Wholesale Agreement during the period beginning with the date of the default by Domtar.



20. APPROVALS.

a. The Effective Date of this Agreement shall be the Start Date, subject (a) to the approval or acceptance of this Agreement, as appropriate, in writing by each of the following: (a) KPSC and Big Rivers, (b) to the approval or acceptance of the Wholesale Agreement by the Rural Utilities Service, (c) to the approval by Domtar of the Wholesale Agreement, and (d) to the final approval and effectiveness of the Wholesale Agreement. Kenergy shall give Domtar written notice of the date on which the last of such approvals is received, or the last of any approvals not received is waived by Kenergy.

b. (Intentionally left blank)

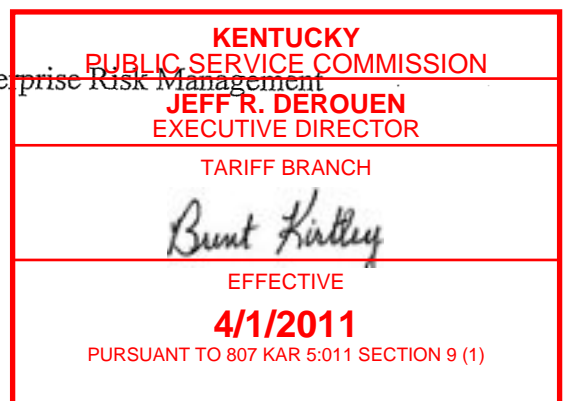
21. NOTICES. Except as provided in Section 6, all notices and other communications to Big Rivers, Kenergy and Domtar under this Agreement must be in writing, and shall be addressed, respectively, as follows:

To Big Rivers:

Big Rivers Electric Corporation
201 Third Street, P.O. Box 24
Henderson, KY 42419
Telephone No. (270) 827-2561
Telecopy No. (270) 827-2101
Attn: Senior Vice President, Financial and Energy Services

and to

Big Rivers Electric Corporation
201 Third Street, P.O. Box 24
Henderson, KY 42419
Telephone No. (270) 827-2561
Telecopy No. (270) 827-2101
Attn: Vice President, Governmental Relations and Enterprise Risk Management



To Kenergy:

Kenergy Corp.
6402 Old Corydon Road, Post Office Box 18
Henderson, KY 42419
Telephone No. (270) 689-6104
Telecopy No. (270) 689-6204
Attn: President

and to

Kenergy Corp.
3111 Fairview Drive, Post Office Box 1389
Owensboro, KY 42302-1389
Telephone No. (270) 689-6155
Telecopy No. (270) 689-6255
Attn: Member Services Director

To Domtar:

Domtar Paper Company, LLC
Highway 1406, PO Box 130
Hawesville, KY 42348
Telephone: (270) 927-7213
Fax: (270) 927-7232
Attention: Plant Manager

and to

Domtar Paper Company, LLC
395 de Maisonneuve Blvd. West
Montreal, Quebec
Canada H3A 1L6
Telephone : (514) 848-5555
Facsimile : (514) 848-6850
Attention : Legal Services

and to

Domtar Paper Company, LLC
100 Kingsley Park Drive
Fort Mill, SC 29715
Telephone: (803) 802-7500
Attention: Energy Manager

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Kenergy and Domtar may change their addresses under this section by notice given to each other in the manner set forth above. If Kenergy is informed of a change of address for Big Rivers, such information shall immediately be provided to Domtar. Unless otherwise expressly required in this Agreement, all notices shall be effective (i) if sent by messenger or courier service, when delivered, (ii) if sent by mail, three days after posting, postage prepaid, and (iii) if sent by facsimile, when sent (provided that a duplicate copy thereof is promptly sent by mail); provided that if a provision hereof specifies that a period shall be measured by a fixed number of days after receipt of a notice, notice shall be effective when received, irrespective of the means of delivery.

22. SUCCESSION, SURVIVAL AND ASSIGNMENT. This Agreement shall be binding upon the Parties hereto and their respective successors and assigns. The provisions of this Agreement that provide for, relate to or concern billings, billing adjustments, and enforcement of liability and indemnification obligations arising from acts or events that occur during the term of this Agreement shall survive the termination of this Agreement. The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions of this Agreement. This Agreement shall be assignable by either Party only if (a) the assigning Party agrees in writing to guarantee all of its obligations hereunder, or (b) the assigning Party obtains the prior written consent of the other Party, which consent will not be unreasonably withheld, delayed or conditioned. The consenting Party may withhold approval of a proposed assignment until, among other things, the consenting Party has been provided with all information it may reasonably require regarding the proposed assignee, including the ability of the proposed assignee to fulfill its obligations hereunder. Nothing herein contained shall prevent either Party from subjecting rights

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hereunder to mortgages, pledges, security agreements, or other liens or rights considered by a Party as necessary for the financing of its operations.

23. DISPUTE RESOLUTION

a. Kenergy and Domtar shall attempt to resolve any dispute referred to this Section 23 under the terms of Sections 5.e, 9, and 10, by negotiation between representatives of each who will have the authority to resolve the dispute. Either Party may give the other written notice of any dispute not resolved in the ordinary course of business, and request a meeting within thirty (30) days after delivery of such notice at a mutually acceptable time and place to resolve the dispute. Upon the request of either Party, the Parties agree to select a mutually acceptable person to act as a facilitator of the negotiations between the Parties to settle the dispute. If that request is made, the Parties agree to select as the facilitator a person who has not previously been employed by either Party, is qualified by education or experience to participate in a discussion of the matters relating to the questions in dispute, and does not have a direct or indirect interest in either Party or the subject matter of the negotiation. The Parties agree to attempt in good faith to select a facilitator within ten (10) days after written notice from the Party requesting the participation of a facilitator in the negotiations. All negotiations held pursuant to this Section 23.a shall be confidential, and evidence thereof shall not be admissible in any subsequent proceeding.

b. If the Parties are unable to resolve by negotiation a dispute governed by the procedures of this Section 23, or are unable to agree upon the appointment of a facilitator after either Party has requested appointment of a facilitator, either Party may submit the question in dispute to the KPSC for resolution, and the decision of the KPSC shall be final, except that either Party may pursue any available appeal of the decision of the KPSC.

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24. GOVERNING LAW. This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky.

25. WAIVER. The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach of any provision hereof shall not constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any provision or exercise any right.

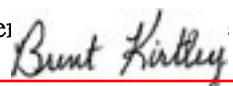
26. ENTIRE AGREEMENT. This Agreement, including all attached exhibits, together with each tariff and other agreement referred to in this Agreement, contains the entire and final understanding of the Parties and supersedes all prior agreements and understandings between the Parties related to the subject matter of those agreements. This Agreement may be signed in counterparts.

* * * * *

(The following provisions are taken from the Willamette 1991 Agreement.)

27. GENERAL OBLIGATIONS. (part of Section 1) Domtar shall remain a member of Kenergy, shall pay the membership fee and be bound by such rules and regulations as may from time to time be adopted by Kenergy, including those related to allocation of capital credits to Domtar.

28. OPERATION AND MAINTENANCE OF FACILITIES. (Section 5) Kenergy shall operate and maintain, or cause to be operated and maintained, all of the transmission lines and substation facilities owned by it, its wholesale power supplier, or both. Domtar shall furnish, install, maintain and operate such facilities and equipment as may be necessary to enable Domtar to receive and use electric power and energy purchased hereunder, and as may be necessary in the opinion of Kenergy to afford reasonable protection to the facilities of Kenergy.

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power supplier, or both. Plans for equipment to be installed for the protection of the facilities of Domtar, Kenergy or its wholesale power supplier, or any combination thereof, shall be submitted to Kenergy for prior approval.

29. CONSTRUCTION STANDARDS. (Section 6) Kenergy and Domtar shall construct and maintain the facilities to be provided by each under this agreement in accordance with applicable provisions of the National Electric Safety Code of the American National Standards Institute, the rules and regulations of the KPSC, and other applicable laws, codes and regulations, provided, however, Kenergy shall have no duty to inspect Domtar's facilities for conformance therewith. Nothing in this agreement shall be construed to render Kenergy liable for any claim, demand, cost, loss, cause of action, damage or liability of whatsoever kind or nature arising out of or resulting from the construction or operation and maintenance of Domtar's electric system.

30. METERING. (Section 9) Kenergy shall cause to be installed, maintained and operated the metering equipment located in the step down substations at Domtar's plants. Each meter shall be read on or about the first day of each month (or such other date as may be mutually agreed upon) by a representative of Kenergy, and may be simultaneously read by a representative of Domtar if consumer so elects. Kenergy shall make such tests and inspections of the meters as may be necessary to maintain them at the highest practical commercial standard of accuracy. If periodic tests show that a meter used for billing is accurate within one percent (1%) slow or fast, no correction shall be made in the billing. If any such tests show that such meter is inaccurate by more than one percent (1%) slow or fast, correction shall be made in the billing to the proper Party for the period during which the parties agree that the inaccuracy existed. Kenergy will make additional tests of meters at the request and expense of Domtar and in the presence of

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Domtar's representative. In all other respects meters shall be installed, operated, maintained and tested in accordance with the rules and regulations of the KPSC.

31. RIGHT OF REMOVAL. (Section 10) Any and all equipment, apparatus, devices or facilities placed or installed, or caused to be placed or installed by either of the Parties hereto on or in the premises of the other Party shall be and remain the property of the Party owning and installing same, regardless of mode or manner of annexation or attachment to real property of the other, and upon termination of this agreement the owner thereof shall have the right to enter upon the premises of the other Party and shall within a reasonable time remove such equipment, apparatus, devices or facilities, except that Domtar shall not recover any easements or sites conveyed to Kenergy. The Party effecting removal under this provision shall pay any damages to the premises or property of the other Party caused by such removal.

32. RIGHT OF ACCESS. (Section 11) Duly authorized representatives of Kenergy shall be permitted to enter Domtar's premises at all reasonable times and with reasonable advance notice in order to carry out the provisions of this Agreement.

33. RATES AND PAYMENT. (Section 12.06) Domtar agrees that if, at any time, the rate under which Kenergy purchases electric service at wholesale is modified, Kenergy may make the corresponding modification in the rate for service hereunder.

34. RATES AND PAYMENT. (Section 12.07) No provision of this Agreement shall be construed or operate to deny Domtar the right to appear before any administrative or legal tribunal to protest any rate adjustment proposed by Kenergy or its wholesale power supplier.

Kenergy and Big Rivers shall grant to Domtar reasonable access to all information necessary to verify and audit any cost, charge or credit under this Agreement.

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35. LIMITATION ON DAMAGES: (Section 17.03) This Agreement shall not subject either Party to consequential damages or damages for loss of anticipated profits.

(Provisions for security deposit, distribution fee and construction of agreement)

36. SECURITY DEPOSIT.

(a) As security for payment of its monthly billing obligations Domtar shall provide Kenergy a cash deposit or an irrevocable bank letter of credit representing two (2) months' estimated billing, being the total amount of \$1,270,053.00 on the date of this Agreement, and Kenergy hereby acknowledges receipt of same. Annually the Parties shall adjust the deposit or bank letter of credit to reflect changes in the amount of the obligation of Domtar secured by the deposit or bank letter of credit.

(b) Letters of credit must be approved by Kenergy. Any cash deposit will earn interest in accordance with law, and interest earned will be paid annually to Domtar.

37. DISTRIBUTION FEE. Throughout the term of this Agreement, Domtar shall pay to Kenergy a fee ("Distribution Fee") as established in Kenergy's tariff. The Distribution Fee shall be paid coincidental with Domtar's monthly payments for service hereunder, and the provisions of Section 17 shall apply in the event of Domtar's failure to pay. Each Party shall have the right, during the term of this Agreement, to petition the KPSC for adjustments to the Distribution Fee or otherwise to participate in proceedings to investigate and, if necessary, modify the

Distribution Fee. Nothing in this Agreement shall preclude Domtar from asserting that the Distribution Fee is excessive in relation to Kenergy's actual cost of service.

38. CONSTRUCTION OF AGREEMENT. It is the intention of the Parties that for each financial obligation of Kenergy to Big Rivers under the Wholesale Agreement

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corresponding financial obligation from Domtar to Kenergy hereunder. The Parties agree that the terms and provisions of this Agreement shall be so construed, except as expressly provided to the contrary under this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized representatives on this the day and date first above written.

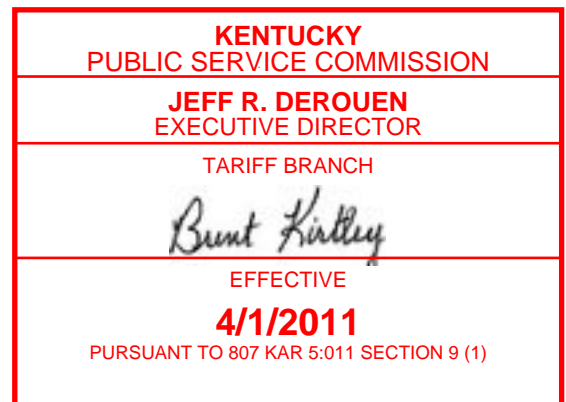
KENERGY CORP.

By: Sanford Novick
Sanford Novick
Its: President and CEO

DOMTAR PAPER COMPANY, LLC,

By: Mike Edwards
Mike Edwards

Its: Vice President Fine Paper Manufacturing

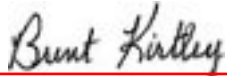


Rates and Additional Terms for Firm Power Service
Appendix A

- I. The general tariff of Big Rivers applies except where inconsistent with the Agreement to which this Appendix A is attached.
- II. The rates in this Appendix A shall take effect at 12:01 a.m. prevailing time on the Start Date.
- III. The monthly delivery point rate for Firm Power Service is as stated in Kenergy Corp.'s tariff Rate Schedule 32.

As provided in the Agreement to which this Appendix A is attached, no separate transmission or ancillary services charges are applicable to Firm Power Service priced under this Appendix A.

In addition to the foregoing rates and charges, Domtar agrees to pay the Distribution Fee set forth in Kenergy Corp.'s tariff Rate Schedule 32, and referred to in Section 37 of the Agreement to which this Appendix A is attached.

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