

AGREEMENT made February 24, 1981, between GREEN RIVER ELECTRIC CORPORATION (hereinafter called the "Seller"), and WILLAMETTE INDUSTRIES, INC. Kentucky Mills (hereinafter called the "Consumer"),

a corporation formed under the laws of the State of Oregon, with principal offices at 3800 First National Bank Tower, Portland, Oregon. (corporation, partnership or individual)

The Seller shall sell and deliver to the Consumer, and the Consumer shall purchase all of the electric power and energy which the Consumer may need at the location described in Exhibit A, attached hereto and by this reference made part hereof, up to the maximum demand specified in Addendum 1, upon the following terms:

1. Service Characteristics.

a. Service hereunder shall be alternating current, three phase, four wire, sixty Hertz, 13,800 volts.

b. The Consumer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of power and shall not sell electric power and energy purchased hereunder.

2. Payment.

a. The Consumer shall pay the Seller for service hereunder at the rates and upon the terms and conditions set forth in the addenda attached to and made a part of this Agreement. Demand for billing purposes hereunder shall be not less than ... per month for service hereunder.

b. The initial billing period under this agreement shall start on the effective date hereof as provided in Addendum 5.04.

c. Bills for service hereunder shall be paid at the office of the Seller in Owensboro State of Kentucky.

Such payments shall be due on the 15th day of each month for service furnished during the preceding monthly billing period.

If the Consumer shall fail to make any such payment within fifteen days after such payment is due, the Seller may discontinue service to the Consumer in accordance with Addendum 6, provided, however, that such discontinuance of service shall not relieve the Consumer of any of its obligations under this Agreement.

d. The Consumer agrees that if, at any time, the rate under which the Seller purchases electric service at wholesale is modified, the Seller may make a corresponding modification in the rate for service hereunder.

ADDENDA TO REA FORM 320

ADDENDUM 1

1.01 Maximum Demand. Maximum instantaneous demand of consumer during the primary term of this agreement or any extension hereof shall not exceed 24,000 kilowatts except that maximum instantaneous demand will increase as follows:

<u>Effective Date</u>	<u>Maximum Demand</u>
December 1, 1981	35,000 kilowatts
January 1, 1984	40,000 kilowatts

Seller shall not be obligated to supply capacity in excess of the maximum instantaneous demand specified in this paragraph.

1.02 Point of Delivery. The point of delivery of the power and energy supplied hereunder shall be at the connective point of consumer's bus with seller's stepdown transformers located within each substation.

1.03 Facilities Provided by Consumer.

A. Consumer shall provide or cause to be provided, without cost to seller, suitable permanent easements and substation sites in fee, rough-graded to seller's requirements, upon and across its property as required by seller, its wholesale power supplier, or both, for the construction and erection of such new 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 seller shall be subject to the approval of consumer.

B. Consumer shall provide or cause to be provided all required 13,800 volt substation equipment, including buses or cables to connect to transformers owned by seller, its wholesale power supplier, or both, excluding, however, the 13,800 volt transformer lightning arresters, revenue metering equipment, and station service equipment for seller's portion of the substation.

C. Consumer shall provide suitable facilities for the metering equipment of seller, its wholesale power supplier, or both.

1.04 Facilities to be Provided by Seller. Seller shall furnish and install, or cause to be furnished and installed, all facilities required for the delivery of the electric power and energy hereunder to the point of delivery, other than the facilities required to be provided by consumer.

1.05 Operation and Maintenance of Facilities. Seller 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. Consumer shall furnish, install, maintain and operate such facilities and equipment as may be necessary to enable it to receive and use electric power and energy purchased hereunder, and as may be necessary in the opinion of seller to afford reasonable protection to the facilities of seller, its wholesale power supplier, or both. Plans for equipment to be installed for the protection of the facilities of consumer, seller or its wholesale power supplier, or any combination thereof, shall be submitted to seller for prior approval.

1.06 Construction Standards. Seller and consumer 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 Kentucky Energy Regulatory Commission, and other applicable laws, codes and regulations, provided, however, seller shall have no duty to inspect consumer's facilities for conformance therewith. Nothing in this agreement shall be construed to render seller 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 consumer's electric system.

1.07 Electric Disturbances and Phase Balancing. Consumer shall not use the energy delivered under this agreement in such a manner as to cause damage to or interference with seller's system, the system belonging to seller's wholesale power supplier, or other system connected with seller's system, or facilities or other property in proximity to seller's system, or which prevents seller from serving other consumers satisfactorily.

1.08 Power Factor. Consumer shall maintain a power factor at the point of delivery as nearly as practicable to unity. If the power factor falls below 85%, seller shall have the right to install corrective equipment, at consumer's expense, if consumer does not take adequate corrective action within ninety (90) days after written notification from seller.

1.09 Metering. Seller shall install, maintain and operate the metering equipment located in the stepdown substations at consumer'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 the seller, and may be simultaneously read by a representative of the consumer if consumer so elects. Seller 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. Seller will make additional tests of meters at the request and expense of consumer and in the presence of consumer's representative. In all other respects meters shall be installed, operated, maintained and tested in accordance with the rules and regulations of the Kentucky Energy Regulatory Commission.

1.10 Right of Removal. 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 consumer shall not recover any easements or sites conveyed to seller. The party effecting removal under this provision shall pay any damages to the premises or property of the other party caused by such removal.

ADDENDUM 2

2.01 Rates. Consumer shall pay seller for all electric power and energy furnished hereunder at the rates and upon the additional terms and conditions set forth in Exhibit B to this agreement, subject, however, to such changes as may be authorized or ordered into effect from time to time by the Energy Regulatory Commission of Kentucky. In this respect, consumer hereby acknowledges notice of a proposed adjustment in the rates of both seller and its wholesale power supplier as are presently pending before the Energy Regulatory Commission of Kentucky.

No provision of this agreement shall be construed or operate to deny consumer the right to appear before any administrative or legal tribunal to protest any rate adjustment proposed by seller's wholesale power supplier.

2.02 Billing Demand. The billing demand shall be the greater of the average demand or the minimum billing demand. Average demand shall be defined as the average number of kilowatts supplied during the thirty-minute period of maximum use during the month as determined by meters which shall record on tape at the end of each thirty-minute period the kilowatts delivered during the preceding thirty minutes. The minimum billing demand shall be 16,000 kilowatts commencing with the effective date of this agreement and shall increase to 25,000 kilowatts, effective December 1, 1981.

Should consumer elect to close its plants or cease operations for repairs and maintenance during any two-week period between April 1st and October 31st, and upon prior written notification to seller, the monthly demand charge shall be prorated for such two-week period. Only one such shut-down for each plant for this purpose shall be considered during each year.

ADDENDUM 3

Term of Agreement. This agreement shall remain in full force and effect until February 1, 1991, and shall on that date and annually thereafter automatically renew for successive one-year terms upon the same terms and conditions stated herein or any amendment hereto until terminated by either party giving the other party at least twelve (12) months written notice prior to the effective date of any termination.

ADDENDUM 4

Force Majeure. In the event of either party being rendered unable, wholly or in part, by force majeure or uncontrollable forces to carry out its obligations, upon such party's giving notice and reasonably full particulars of such force majeure or uncontrollable forces, in writing or by telegraph, 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 or uncontrollable forces, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

The term "force majeure" as used herein 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 the party claiming suspension.

This agreement shall not subject either party to consequential damages or damages for loss of anticipated profits.

ADDENDUM 5

5.01 Remedies of the Parties. Except as specifically provided herein, 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 equity, for the breach of any of the provisions of this agreement.

Waiver at any time by either party of rights with respect to a default or any other matter arising in connection with this agreement shall not be deemed to be a waiver of any subsequent default or matter.

5.02 Notices. Any written notice, demand or request required or authorized under this agreement shall be deemed properly given when mailed to or served upon it at:

To the Seller:

Green River Electric Corporation
3111 Fairview Drive, P.O. Box 1389,
Owensboro, Kentucky 42301

To the Consumer:

Willamette Industries, Inc.
Kentucky Mills
P.O. Box 159
Hawesville, Kentucky 42348.

5.03 Reports and Information. Each party hereto shall furnish to the other such reports and information concerning its operations as the other party may reasonably request from time to time.

5.04 Effective Date. The effective date of this agreement shall be February 1, 1981, except that such effective date shall be postponed and

this agreement shall not become effective unless and until:

A. It is approved in writing by the Administrator of the Rural Electrification Administration and the Louisville Bank for Cooperatives.

B. It is approved or accepted by the Energy Regulatory Commission of Kentucky and such other state or federal regulatory agency having jurisdiction by law to confirm and approve the rates and other conditions of this agreement.

ADDENDUM 6

Discontinuance of Service. Seller shall have the right to discontinue service to consumer in accordance with any prevailing regulation adopted by the Energy Regulatory Commission of Kentucky.

ADDENDUM 7

7.01 Future Energy Requirements.

If in the future consumer requires additional quantities of electric energy beyond those specified in this agreement, it shall negotiate first with seller as to any such future load requirements before negotiating with any other supplier of electric energy. Should consumer at any time notify seller that it desires to negotiate as to such future load requirements, seller shall expeditiously do so and will exercise its best efforts to agree upon reasonable terms as to rates and conditions of service.

Should seller be unable to provide for consumer's future additional load requirements, consumer may negotiate for the purchase of such additional load requirements from another source, provided, however, that the minimum and maximum demands and load factors as herein specified are not altered or reduced thereby, that such additional power is metered separately by consumer, and that neither seller nor its wholesale power supplier shall have any obligation to deliver or facilitate delivery of

the power of any foreign supplier over their transmission and distribution lines and facilities.

7.02 Consumer-Generated Power. Seller recognizes that consumer's operations offer the potential for utilization of self-generated power at and upon its plant facilities specified herein, and in such event, acknowledges consumer's right at any future date to negotiate with seller for an amendment of this agreement with regard to such self-generated power and energy; provided, however, that in no event will the demand and power factor provisions as specified in this agreement be altered or affected thereby.

ADDENDUM 8

This agreement supersedes all previous agreements by and between the parties for retail electric service.

ADDENDUM 9

In the event of a conflict between the terms in these addenda and REA Form 320, the language of REA Form 320 shall govern.

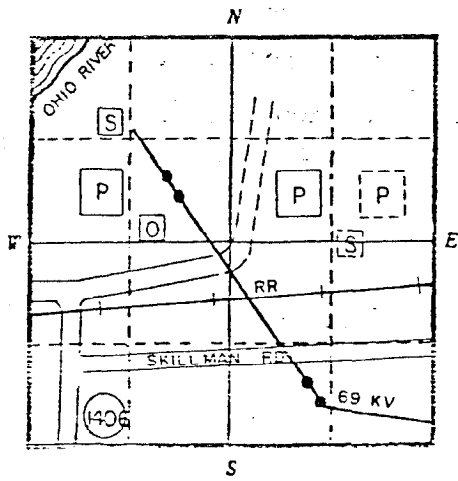
ADDENDUM 10

Invalidity of any portion of this agreement shall not affect the validity of the remainder thereof.

END OF ADDENDA

DESCRIPTION AND LOCATION OF SERVICE			
TYPE OF OPERATION Paper Mill		USE OF SERVICE Expansion of Existing Facilities	
SERVICE WILL BE MADE AVAILABLE ON OR BEFORE (date) December 1, 1981		SIZE OF LARGEST MOTOR	
NUMBER OF ACRES	SECTION	TOWNSHIP	RANGE
		Hancock County	
APPROX. MILES	(Direction)	FROM (Town)	(Name of road)
2.5	East	Hawesville, Kentucky	Kentucky 1406
OWNER Willamette Industries, Inc.			
OWNER'S ADDRESS 3800 First National Bank Tower Portland, Oregon 97201			
MAIL BILLS AND NOTICES TO Willamette Industries, Inc. Kentucky Mills P.O. Box 13 Hawesville, Kentucky 42348			

(Show the location of the points of service in section tract below. Also show existing electric lines, roads, irrigation ditches, etc. that may be related to this service.)



- P EXISTING PLANT
- P PROPOSED PLANT
- S EXISTING SUBSTATION
- S PROPOSED SUBSTATION
- O OFFICES

GREEN RIVER ELECTRIC CORPORATION
SCHEDULE OF RATES AND CHARGES

APPLICABLE TO

WILLAMETTE INDUSTRIES, INC.

The rates applicable to Willamette Industries, Inc. shall be as follows:

The monthly delivery point rate shall be:

- (a) A demand charge of \$^{6.25}~~4.10~~ per kilowatt of billing demand,
- (b) Plus an energy charge of ^{15.841}~~13.697~~ mills per KWH consumed.

The monthly fuel adjustment charge shall be:

The energy charge in any month under the above schedule shall be increased or decreased by a fuel adjustment charge according to the following formula:

$$\frac{F^1}{P} = \text{Rate applicable to each KWH sold}$$

Where F^1 is the aggregate charge from the Corporation's wholesale power supplier for fuel adjustment, purchased power adjustment, in the Corporation's wholesale power contract; where P is the total KWH purchased. The rate resulting from this formula shall be applied to each kilowatt hour sold in the current month.