

KENTUCKY UTILITIES COMPANY

SPECIAL CONTRACT FOR ELECTRIC SERVICE TO WEST VIRGINIA PULP & PAPER CO.

Rate Effective for Service Rendered On and After July 1, 2004

DEMAND CHARGE

Non-Interruptible Demand: \$3.98 per KW
Interruptible Demand: \$1.95 per KW

Non-Interruptible Demand = Firm Demand, not less than 19,000 KW, nor more than 33,250 KW. Maximum KW Demand during curtailment period if customer does not curtail to amount requested by Company (ratcheted for 6 months).

Interruptible Demand = Maximum KW Demand during month less currently effective Non-Interruptible Demand.

Maximum Demand = Highest average KW supplied by Company to Customer during any consecutive 15-minute period during the month. Not more than 33,250 KW on this contract.

Power Factor Correction = The charges specified above were converted from the previous KVA charges based on an assumed power factor of 95%. Therefore, when the Maximum Demand Power Factor is below 95%, the Non-Interruptible Demand and Interruptible Demand will be adjusted to reflect 95% power factor.

ENERGY CHARGE

All Energy 2.200 Cents per KWH

CONTRACTUAL LIMITS

All demand measured in addition to 33,250 KW and the attendant energy shall be billed at the LCI-TOD rate, per contract of same date hereof. The attendant energy shall be determined by application of a load factor of 88% for the first 12 months of billing. Thereafter the load factor as measured will be applied.

FUEL CLAUSE

An additional charge or credit will be made on the kilowatt-hours purchased by the Customer in accordance with the fuel clause set forth on Sheet No. 24 of the Company's Tariff.


ANNUAL MINIMUM

\$47.76 per KW of Maximum Non-Interruptible Demand
\$23.40 per KW of Maximum Interruptible Demand, but not less than \$1,166,410 per 12 month period (current and 11 preceding months).

COMBINED MINIMUM

The minimum bill for Westvaco will be the sum of the applicable minimum bills for the special contract and the LCI-TOD contract. Appropriate purchases by the mill as provided for in the rate schedules would be applied in satisfying the minimum as stated.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
07/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director