

**AGREEMENT**

**Dated** May 23, 2005

**Between**

**KENTUCKY UTILITIES COMPANY**

**and**

**NEWPAGE**

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
6/22/2005  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By   
Executive Director

**AGREEMENT FOR ELECTRIC SERVICE**

**THIS AGREEMENT**, made and entered into as of the 23 day of May, 2005, between Kentucky Utilities Company, a Kentucky corporation, (“Company”), and NewPage Corporation, a Delaware corporation, (“Customer”):


**WITNESSETH:**

**WHEREAS**, Customer operates a plant located on the Mississippi River approximately two miles south of Wickliffe, Kentucky, for the processing of pulp and the manufacturing of paper.

**NOW, THEREFORE**, it is mutually agreed as follows:

1. Company will supply, and Customer will take and pay for, the electric power and energy required for the operation of Customer’s plant located near Wickliffe, Kentucky, up to a maximum of 33,250 KW, in accordance with the terms and conditions of this Agreement, and of the Company’s Terms and Conditions, as they may be changed from time to time. Company agrees that Customer may install and operate a generator not to exceed 2,500 KVA capacity which may be used for emergency power or during times of power curtailment provided for under Section 7 of this Agreement. Such equipment may be operated in parallel with Company’s system, provided that Company will not be held responsible for any damage to the equipment that may result from such

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parallel operation. Customer further agrees that it will pay the installed cost of any protective equipment that may be necessary on Company's system to provide for safe operation.

Should Customer desire and Company elect to provide power in excess of the amount which the Company is obligated to make under this Agreement, such power shall be made available to Customer on terms to be agreed upon in writing by Customer and Company and filed with the Public Service Commission of Kentucky with respect to the amount of interruptible, non-interruptible, and total maximum demand.

2. The electric power and energy delivered shall be in the form of three phase alternating current at approximately 60 cycles and approximately 13,800 volts.

3. The point of delivery for power and energy to be supplied hereunder shall be at the 13,800 volt bushings of Company's transformers.

4. Company will provide and install all 69 KV facilities, including transmission tap line, a substation equipped with three 12,000 KVA, 69/13.8 KV, TCUL transformers, associated 69 KV airbreak switches and fuses and necessary relaying equipment to protect transformers. These transformers will be installed on the following basis:

(a) Customer's 15 KV indoor main breakers on Customer's switchgear will be used in lieu of the Company's outdoor breakers for differential protection of the above transformers.

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(b) Customer will install the necessary control cables from each of its 15 KV main breakers to the Company's transformer differential cabinets. Company will connect the end of Customer's cable to its differential relays, if it has not already done so.

(c) When Customer's load reaches 25,000 KW, Company will install oil cooling equipment on the transformers at no cost to the customer, if it has not already done so.

(d) Customer desires the installation of a ground resistor in Company's substation and Company will install such resistor furnished by Customer, if it has not already done so.

Customer will provide to Company rights-of-way required for construction by Company of the 69 KV transmission tap line and for the substation facilities described herein located on Customer's property. In the event service to Customer is terminated, Company agrees to remove from Customer's premises all of its facilities.

Each party will maintain and operate the facilities it provides.

5. Customer agrees to pay for the demand and energy hereunder as follows:

A. Demand Charge of: Demands are defined in Section 6 hereafter)

(1) Non-Interruptible Demand:

\$3.98 per KW per month, but not less than 19,000kw.

(2) Interruptible Demand:

\$1.95 per KW per month for all interruptible demand.

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B. Plus an energy charge of:

\$0.022 per KWH.

C. Adjustment Clauses:

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following KU PSC No. 13 tariff as they change from time to time:

Fuel Adjustment Clause	Sheet No. 70
Environmental Cost Recovery Surcharge	Sheet No. 72
Earning Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

D. Demand and energy in addition to contract capacity hereunder:

All demand measured in addition to 33,250 KW and the attendant energy shall be billed at the applicable rate (LCI-TOD) as stated in the Contract For Electric Service of the same date hereof for such additional demand and energy. The attendant energy shall be determined by application of the measured load factor.

E. Minimum Bill:

The minimum Bill shall be determined at the rate of \$47.76 per KW of maximum non-interruptible demand and \$23.40 per KW of maximum interruptible demand established during the current month and the 11 preceding months for each subsequent 12-month period, but in no event less than \$1,240,890 per said 12-month period.

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6. Kilovolt-Ampere of Demand for billing purposes shall be determined as follows:

A. Non-Interruptible Demand.

The Non-Interruptible Demand shall be the highest of either (1), (2), or (3) as listed below:

- (1) 19,000 KW;
- (2) An amount as designated by Customer in writing to Company of 19,000 KW or more, or
- (3) The demand created by customer during any period in which Customer fails to reduce the interruptible demand to that requested by Company. The demand so established shall be applicable in the billing period in which such demand occurs. The non-interruptible demand in any subsequent month shall be not less than the non-interruptible demand established during the current month and the five preceding months.


B. Interruptible Demand.

The Interruptible Demand shall be the amount by which the maximum demand established during the month exceeds the currently effective Non-Interruptible Demand.

C. Maximum Demand.

The Maximum Demand shall be the highest average KW supplied by Company to Customer during any consecutive 15 minute period during the month.

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D. Company will, at its own expense, install and maintain the necessary metering for measuring:

- (a) The maximum KW supplied by Company to Customer during a 15 consecutive minute period; and
- (b) The total energy in KWH supplied by Company to Customer.

7. Interruptible Hours.

At the request of Company, Customer agrees to interrupt or curtail its operation to limit Customer's use of service hereunder to the Non-Interruptible Demand fixed under Section 6 A hereof. Such interruptions or curtailments shall not exceed 400 hours for the duration of this contact. Periods of curtailment or interruption shall be scheduled by Company, and Customer shall be given advance notice of such periods insofar as reasonably possible, but failure to do so shall not subject Company to any liability.

8. The rates specified herein and the provisions hereof are expressly subject to change by the orders of any governmental body having jurisdiction. Any such change so ordered shall affect only that portion of this Agreement specifically ordered to be changed, all other portions remaining in full force and effect.

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9. All bills rendered under this Agreement are due upon presentation and are payable at the office of Company from which the bill is rendered. If Customer fails to pay when due any sum of money payable by it pursuant to the terms of the Agreement, Company may forthwith discontinue service to Customer and shall not be required to reinstate such service until Customer shall have paid all sums due. If such failure to pay shall continue for a period of three (3) months, Company may at its option terminate its obligations to furnish service hereunder.

10. This Agreement shall remain in effect for twelve (12) months from the date the Wickliffe Mill is transferred by MeadWestVaCo to Customer or the date of the last meter reading preceding the date this Agreement is approved by the Public Service Commission of Kentucky which ever is later. Service thereafter, if desired by Customer, will be provided under Company's standard LCI-TOD rate schedule.

11. Customer recognizes that Company cannot render service for the operation of any device that has a detrimental effect upon the service rendered to other customers and will not utilize any such device. Where Customer's use of service is intermittent or subject to violent fluctuation, Company will, upon request, cooperate with Customer in effecting a solution, but reserves the right to require Customer to furnish and operate, at its own expense, equipment suitable to reasonably limit such intermittence or fluctuation.

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12. This Agreement and the binding effect thereof are subject to the effective filing thereof with the Public Service Commission of Kentucky, and subject to the provision of Section 8 herein.

KENTUCKY UTILITIES COMPANY



David A. Vogel – Vice President

Attest:



NewPage Corporation



Signature

VP - Procurement

Title

Attest:



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