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PUBLIC SERVICE  
COMMISSION

SECOND AMENDED AND RESTATED WHOLESALE POWER AGREEMENT

THIS WHOLESALE POWER AGREEMENT dated as of the 21st day of January, 2011, by and between BIG RIVERS ELECTRIC CORPORATION, P. O. Box 24, 201 Third Street, Henderson, Kentucky 42420 ("Big Rivers"), First Party, and KENERGY CORP., 6402 Old Corydon Road, P. O. Box 18, Henderson, Kentucky 42419-0018 ("Kenergy"), Second Party (collectively the "Parties"), both Parties being cooperative corporations organized and operating under KRS Chapter 279 and related chapters and sections of the Kentucky Revised Statutes.

WHEREAS, Kenergy provides retail electric service to Domtar Paper Company, LLC, a retail member-customer of Kenergy, pursuant to the Amended and Restated Agreement for Retail Electric Service dated as of April 4, 2001, which terminates by its own terms on March 31, 2011 (the "2001 Retail Agreement");

WHEREAS, Kenergy currently purchases its wholesale power requirements to serve Domtar from Big Rivers under an Amendment to Wholesale Power Agreement dated as of April 4, 2001, which terminates by its own terms on March 31, 2011 (the "2001 Wholesale Agreement"); and

WHEREAS, Kenergy and Domtar have entered into a Second Amended and Restated Agreement for Retail Electric Service dated as of January 21, 2011 (the "Domtar Retail Agreement");

WHEREAS, Kenergy and Big Rivers desire to amend the 2001 Wholesale Agreement to provide for a continuous supply of wholesale power to Kenergy to meet its requirements under the Domtar Retail Agreement, including the requirements of Kenergy to

KENTUCKY PUBLIC SERVICE COMMISSION
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TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 4/1/2011 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

provide Domtar Backup Power Service under the Domtar Retail Agreement as required by Domtar attendant to its ownership and operation of an on-site qualifying cogeneration facility (the "QF") that is used to supply a portion of Domtar's electric load at Domtar's facilities in Hawesville, Kentucky.

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 Second Amended and Restated wholesale power supply agreement between Kenergy and Big Rivers, and the wholesale power agreement dated June 11, 1962, between Big Rivers and Green River Rural Electric Cooperative Corporation, predecessor in interest to Kenergy, as amended (the "1962 Agreement"). Any inconsistency between the terms of this wholesale power agreement and the terms of the 1962 Agreement shall be resolved in favor of this wholesale power agreement.

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 (as defined below) OATT 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.

d. "Backup Power" or "Backup Power Service" shall mean electric power delivered



by Big Rivers to Kenergy, for resale 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 Big Rivers 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.

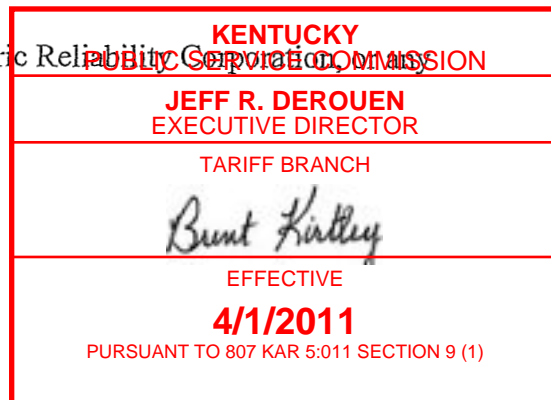
i. "Firm Power" or "Firm Power Service" is defined in Section 3 of this Agreement.

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.



successor agency.

n. "OATT" shall mean the Midwest ISO Open Access Transmission Energy and Operating Reserve Markets Tariff, as revised from time to time.

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 by Kenergy in a notice 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 this Agreement.

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

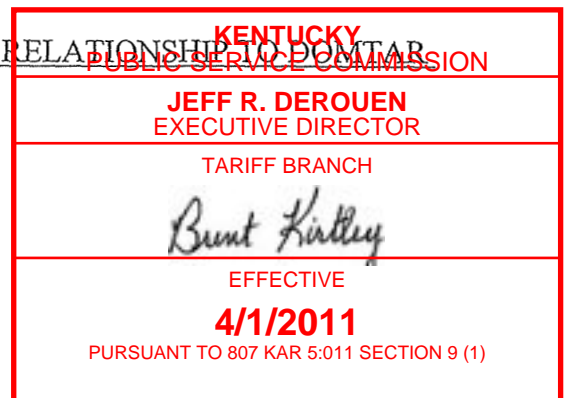
r. "Start Date" shall have the meaning given it in Section 16.

s. (Intentionally left blank)

t. "Termination Date" shall have the meaning given it in Section 18.

u. "Unscheduled Power Event" 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, 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 Kenergy to serve 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 DOMTAR



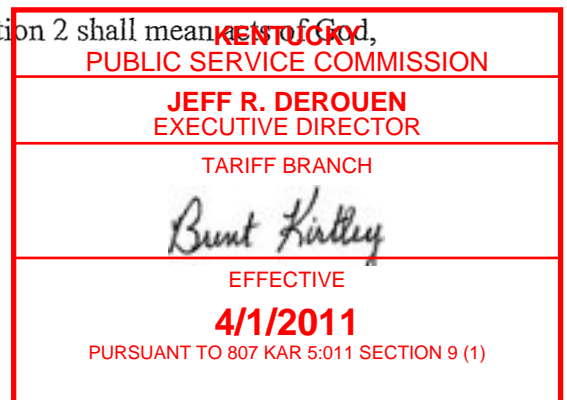
RETAIL AGREEMENT.

a. Commencing on the Start Date, Big Rivers agrees to provide and sell to Kenergy, and Kenergy agrees to take and purchase from Big Rivers, all Firm Power Service and Backup Power Service required for Kenergy's performance of the Domtar Retail Agreement, upon the terms, rates, charges, adjustments, and such other provisions as are stated in this Agreement.

b. Big Rivers will perform each and every covenant for and on behalf of Kenergy that Kenergy is required to perform in the Domtar Retail Agreement, except for the obligations contained in Sections 2.b., 2.h., 6.f., 9, 10. and 23 of the Domtar Retail Agreement, and except as modified by this Agreement, Big Rivers shall be entitled to the benefit of each covenant undertaken by Domtar in the Domtar Retail Agreement. Big Rivers may enforce any such covenant by action in its own name or may require Kenergy to enforce such covenant for and in behalf of Big Rivers. If Big Rivers requires Kenergy to enforce such covenant for and in behalf of Big Rivers, Big Rivers will reimburse Kenergy its reasonable expenses, including attorneys' fees, incurred in performing that duty.

c. In the event either Party is rendered unable, wholly or in part, by Force Majeure (as in Section 2.d., below) 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 ~~of God,~~



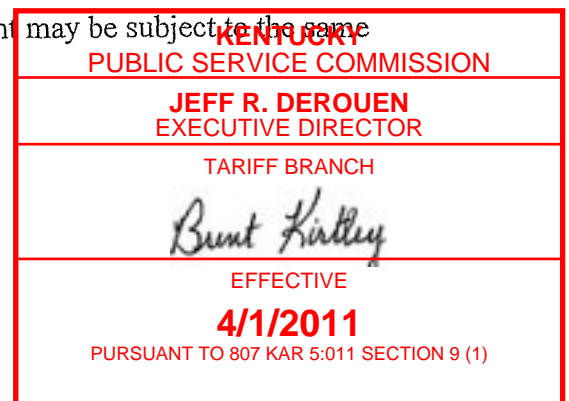
strikes, acts of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of government, either federal or state, civil or military, civil disturbances, explosions, breakage or accident to machinery or 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 Paragraph Section 10 of the OATT shall constitute a Force Majeure under this Agreement.

f. An event constituting force majeure under Section 2 of the Domtar Retail Agreement shall constitute a Force Majeure under this Agreement.

g. Big Rivers has or will supply, install, and maintain the facilities which Kenergy is obligated to supply, install, and maintain under the Domtar Retail Agreement, subject to the provisions of Section 13 of this Agreement, which facilities shall remain Big Rivers' property. Big Rivers shall have the right of removal thereof as provided in the Domtar Retail Agreement.

h. Kenergy promptly shall advise Big Rivers of any changes in the Domtar Retail Agreement, whether by agreement of the parties to the Domtar Retail Agreement, or by final valid orders of the KPSC. No change in the Domtar Retail Agreement shall be binding on Big Rivers unless and until Big Rivers consents thereto in writing. Each Party hereto likewise recognizes that any change in the Domtar Retail Agreement which affects, directly or indirectly, the rights and obligations of Big Rivers under this Agreement may be subject to the same



approvals required for this Agreement, as listed in Section 20, below.

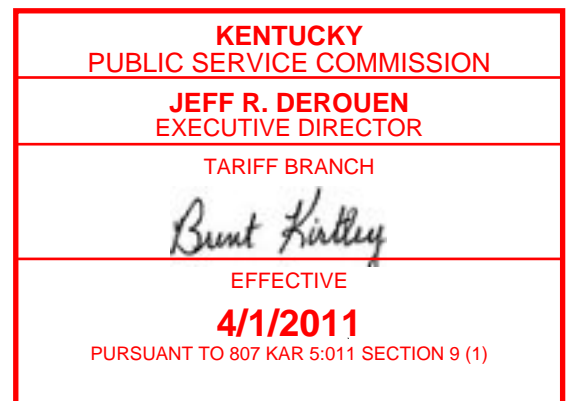
3. FIRM POWER SERVICE AVAILABILITY.

a. Big Rivers agrees to provide and sell to Kenergy, and Kenergy agrees to take and purchase from Big Rivers 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 Kenergy 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. Kenergy 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. Kenergy may adjust Firm Power Billing Demand by written notice that is acknowledged by Big Rivers 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 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 Kenergy 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 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.

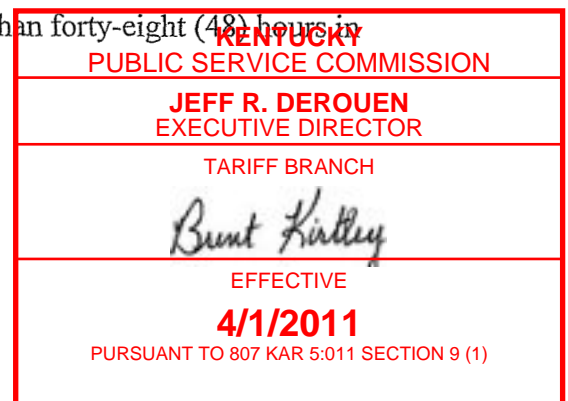
f. If Kenergy requests Firm Power Service in an amount above 35 MW, Big Rivers will negotiate with Kenergy to amend this Agreement to provide that additional service on terms that are substantially similar to the terms on which Big Rivers is then selling firm wholesale power service to Kenergy for resale to large industrial retail customers in the same classification as Domtar. The Parties agree that, for purposes of the Big Rivers Rate Schedule 10, Domtar's Base Year peak demand is deemed to be 40 MW.

4. (Intentionally left blank)

5. BACKUP POWER SERVICE AVAILABILITY. Big Rivers 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 Kenergy on and after the Start Date for resale to Domtar 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 has been scheduled by Domtar and Kenergy and accepted by Big Rivers no less than forty-eight (48) hours in



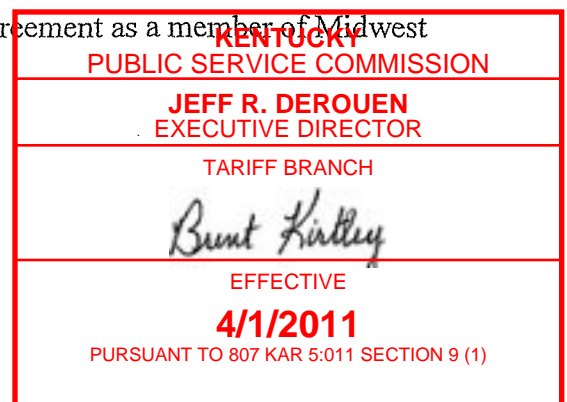


advance of the Scheduled Outage is available after notice as provided in Section 6 of this Agreement on a firm basis, at the rates contained in Section 8 hereof.

c. Big Rivers will provide to Kenergy 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). Kenergy may request, however, that 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 Kenergy 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 Kenergy, Big Rivers shall notify Kenergy of the time for the commencement of such service. Kenergy may schedule Alternative Backup Power on a half-hourly basis, to the extent that Big Rivers can locate Alternative Backup Power on that basis. Big Rivers shall use commercially reasonable efforts to provide current pricing information for supplies of Alternative Backup Power as reasonably requested by Kenergy.

d. If during the term of this Agreement Domtar wishes to increase the Backup Power Demand, Big Rivers agrees to enter into good faith negotiations with Kenergy 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 may access throughout the term of this Agreement as a member of Midwest



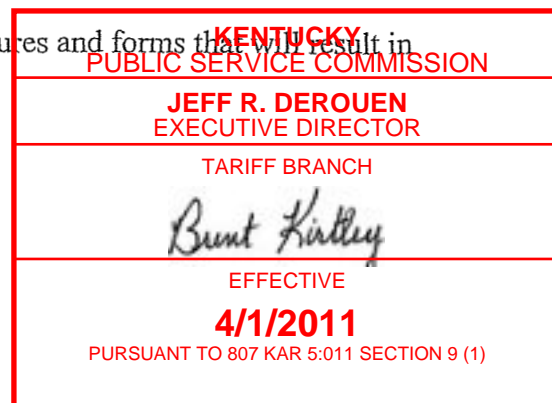
ISO the services required to provide Backup Power Service. If for any reason Big Rivers' membership in Midwest ISO is terminated and the services required to provide Backup Power Service are no longer available to Big Rivers through Midwest ISO as contemplated under this Agreement, the Parties agree that they will negotiate in good faith to amend this Agreement to provide for an alternate means of covering that power supply gap. If Big Rivers and Kenergy 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.

a. Notice Requirements. Electric power delivered to Kenergy as Backup Power Service under this Agreement shall be furnished and priced as provided in this Section 6 upon compliance by Kenergy with the applicable subsections of Section 5, above, and upon receipt and acknowledgment by Big Rivers of notice from Kenergy or its duly authorized representative that meets the following requirements, or if it does not meet such requirements, if it is expressly accepted by Big Rivers, at its 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 Kenergy'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

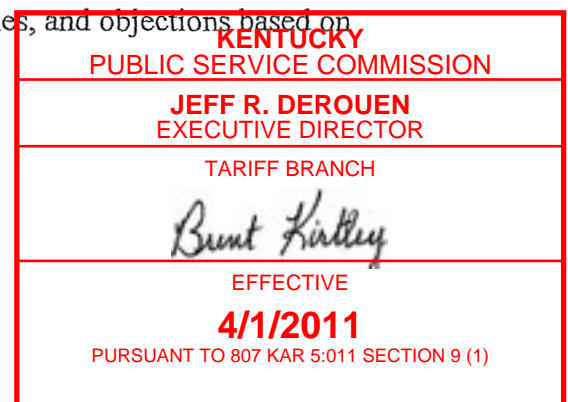


Big Rivers receiving as much advance notice and good faith information regarding the nature and duration of both Scheduled Outages and unscheduled outages for the QF as is commercially reasonable to provide.

c. Prompt Notice of Unscheduled and Scheduled Outages. Kenergy agrees to notify Big Rivers promptly of any notice it receives from Domtar of the occurrence 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 Big Rivers, shall constitute adequate notice of an unscheduled outage or a Scheduled Outage at the QF. Kenergy shall pay for all Backup Power Service used by Kenergy, whether or not Big Rivers has been given the notice required by this Subsection 6.c, or Big Rivers has provided the acknowledgment contemplated by Subsection 6.d.

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

e. Recording. Each Party consents to the recording of its representative's 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.

7. (Intentionally left blank)

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

a. Backup Power Service Charges. Kenergy shall be responsible for, and shall reimburse Big Rivers for, all net costs imposed upon Big Rivers by the Midwest ISO arising out of or relating to the performance of Big Rivers' obligations to supply Backup Power Service under this Agreement. Such net costs shall include, but not be limited to, any charges and credits assessed against or awarded to 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 Kenergy shall not be responsible for any of the foregoing costs to the extent that they arise out of the breach by Big Rivers of a material obligation of Big Rivers set forth in this 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).

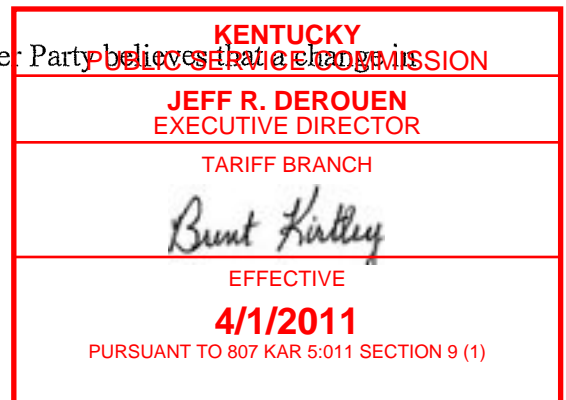
d. Additional Charges. Domtar shall pay an additional charge of \$1.00 per MWh for all Backup Power Service billed to Domtar under this Agreement. Kenergy and Big Rivers acknowledge that Backup Power Service is not subject to any existing fuel adjustment charge, environmental surcharge, purchase power 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. Kenergy shall pay all taxes, charges, or assessments now or hereafter applicable to electric service to Domtar hereunder.

9. METERING AND BILLING CHARGE. In addition to all other charges for service under this Agreement, beginning on the first anniversary of this Agreement, Kenergy shall pay monthly to Big Rivers as an additional charge for metering and billing equal to one-twelfth (1/12) of the estimated annual administrative and general costs to be incurred by Big Rivers during the term of this Agreement, which amount shall be agreed upon by Big Rivers and Kenergy in good faith negotiations. If Big Rivers and Kenergy are unable to agree upon the amount of the charge for metering and billing, either Party may invoke the dispute resolution provisions of Section 23 of this Agreement.

10. IMPACT OF REGULATORY CHANGES. The Parties recognize and acknowledge that, during the term of this Agreement, changes may occur to prevailing federal or state public utility regulatory standards, utility industry self-regulation standards (such as through NERC), or utility industry operating practices relative to transmission scheduling procedures, reserve sharing,

Ancillary Services, and like matters. To the extent that either Party believes that a change in



such standards or practices materially and adversely affects either Party's performance of its obligations hereunder, that Party may propose that the Agreement be renegotiated properly to account for the impact of that change. 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 in economics is directly caused by such change in regulation or prevailing industry practices. The obligation to negotiate such changes is for the sole purpose of re-establishing the original bargain between the parties to the extent such bargain may be materially altered by changes in such regulation or industry practices. If Big Rivers and Kenergy are unable to agree upon an appropriate reform of this Agreement under these circumstances, either Party may invoke the dispute resolution provisions of Section 23 of this Agreement. Notwithstanding the above, this Agreement may be subject to regulation by the Federal Energy Regulatory Commission ("FERC"), the KPSC, or some other future utility regulatory agency at either the state or federal level.

11. SERVICE CHARACTERISTICS AND DELIVERY POINT. The service characteristics and delivery point for all electric power supplied by Big Rivers to Kenergy under this Agreement shall be the same service characteristics and delivery specified in the Domtar Retail Agreement.

12. POWER FACTOR.

a. Power Factor for Load other than Backup Power Service. Kenergy 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~~ <sup>KENTUCKY</sup> ~~to~~ <sup>percent</sup>

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TARIFF BRANCH

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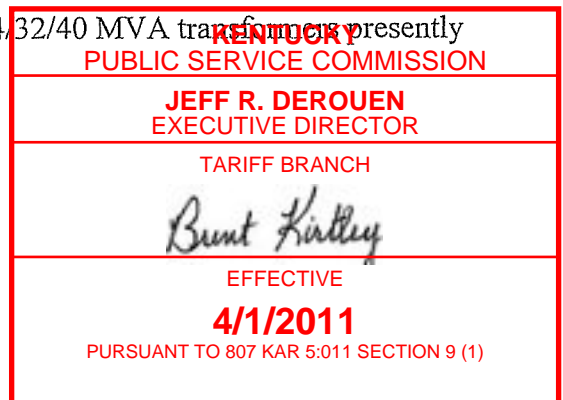
~~(90%)~~ Should Kenergy's power factor fall below 90% at time of maximum load, Big Rivers reserves the right to either: (i) install at Kenergy's expense suitable equipment to maintain a power factor of 90% or higher if, after reasonable notice to Kenergy, Kenergy fails to install suitable equipment 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:

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

b. Power Factor for Backup Power Service. Kenergy shall maintain a power factor at the point of delivery of 100% for Backup Power Service. Should Kenergy's power factor fall below 100% Big Rivers reserves the right to either: (i) install at Kenergy's expense suitable equipment to correct the power factor to 100% if, after reasonable notice to Kenergy, Kenergy fails to install suitable equipment to maintain a power factor of 100% or higher; 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). 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 Kenergy's power factor for Firm Power exceeds 90%.

13. FACILITIES TO BE PROVIDED BY PARTIES.

a. Facilities Provided by Big Rivers. 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 the Domtar Retail 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



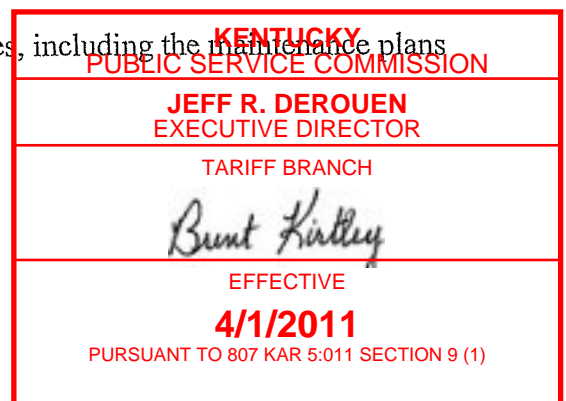
located in the Big Rivers Skillman substation. Big Rivers agrees with Kenergy that Big Rivers will give Domtar reasonable access to the Big Rivers Skillman substation to operate and maintain the facilities owned by Domtar located in that substation.

b. Metering. 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. Change in Responsibility. The expenses associated with the obligations of Big Rivers under 13.a., above, shall become the responsibility of Kenergy if, and to the extent that, the expenses associated with those obligations are not included in Big Rivers' approved transmission rates. In that event, Kenergy will have the option to acquire the facilities associated with those expenses at Big Rivers' net depreciated book value for resale to Domtar.

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. Kenergy shall supply to Big Rivers, or cause Domtar to supply to Big Rivers, such information and documents as Big Rivers may require, in its 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 Big Rivers must be in sufficient detail so as to provide Big Rivers with an understanding regarding the reasonably expected need for Backup Power service from such facilities, including the maintenance plans





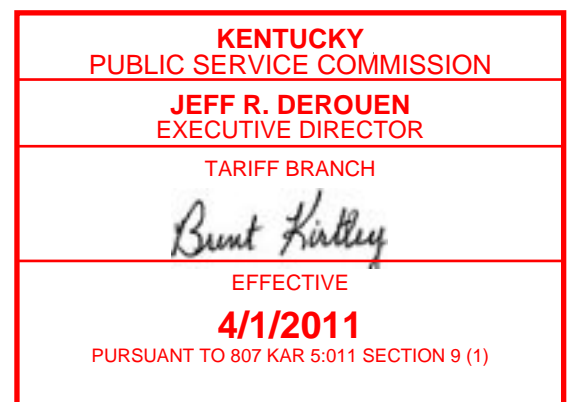
for the proposed unit (duration, timing, notice, etc.). All information contained in documents provided to Big Rivers under this Section 14.a., and which are stamped or otherwise marked as confidential, shall be treated by Big Rivers as confidential information and not disclosed to any other party, or used for any purpose other than the purposes set forth in this 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 Big Rivers.

b. System Disturbance Agreement. In addition to the above requirements, Kenergy shall require that Domtar, as owner of the QF, reaffirm 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 complete performance of those requirements by Kenergy are essential prerequisites to the wholesale power supply obligations of Big Rivers under this Agreement on and after the Effective Date.

d. (Intentionally left blank)

e. Operating Standards and Procedures. Kenergy agrees that if Big Rivers requests because of system reliability or externally-imposed requirements, it will require Domtar to mutually develop with Big Rivers an agreement establishing operating standards and procedures acceptable to Big Rivers that will avoid 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) this Agreement may be terminated as of a date not less than one year from the date Domtar provides Big Rivers and Kenergy written notice 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 **KENTUCKY** 2014, and

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<b>JEFF R. DEROUEN EXECUTIVE DIRECTOR</b>
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE <b>4/1/2011</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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, this Agreement may be terminated before its primary term of three (3) years upon one year's prior written notice from Domtar 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.

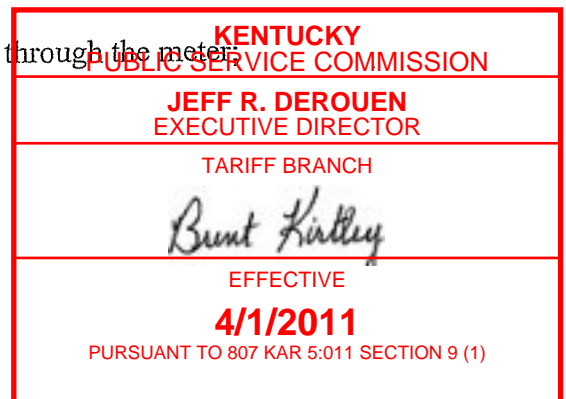
b. Beginning at 12:01 a.m., prevailing time, on the Start Date, this Agreement shall govern the rights and obligations of the Parties with respect to the wholesale power supply for the Domtar Retail Agreement, in lieu of the 2001 Wholesale Agreement, and any and all other resolutions, indemnities, guaranties, agreements, or contracts of whatsoever nature between the parties hereto with respect to the 2001 Retail Agreement and the performance thereof.

17. BILLING AND PAYMENT TERMS.

a. Order of Deliveries. For billing purposes, all power delivered to Kenergy 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. Big Rivers shall bill Kenergy no later than the first working day after the 13th of the month for the previous month's service hereunder. Kenergy shall pay Big Rivers in immediately available funds on the first working day after the 24th of the month (the "Due Date"). If Kenergy shall fail to pay any such bill within such prescribed period, Big Rivers may discontinue delivery of electric power and energy hereunder upon five (5) days' written notice to Kenergy of its intention to do so. Such discontinuance for non-payment shall be in addition to any other remedy which may be available to Big Rivers and shall not lessen in any way the obligation of Kenergy to pay to Big Rivers any and all sums owing to Big Rivers. Kenergy shall pay Big Rivers its portion of any demand charge for Firm Power Service collected by Kenergy under the terms of the Domtar Retail Agreement. However, Kenergy is not a guarantor of that demand charge obligation above the charges for power actually used, and shall not owe Big Rivers any amounts on any demand charge obligation above the charges for power actually used until that demand charge is collected by 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 or Special 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. Notwithstanding any other provisions in this Section 17, any time that the amount of 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, (i) Big Rivers may promptly bill Kenergy for all such amounts, (ii) and Kenergy shall pay Big Rivers that bill in immediately available funds no later than five (5) business days after receipt of that bill (the "Special Due Date"). If Kenergy shall fail to pay any such bill within the prescribed period, Big Rivers may discontinue delivery of electric power and energy hereunder upon five (5) days' written notice to Kenergy of its intention to do so. Such discontinuance for non-payment shall be in addition to any other remedy which may be available to Big Rivers and shall not lessen in any way the obligation of Kenergy to pay to Big Rivers any and all sums owing to Big Rivers. Big Rivers agrees that a copy of any bill or notice sent to Kenergy under this Section 17.d. will be simultaneously sent to Domtar.

18. TERMINATION. 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

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
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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.

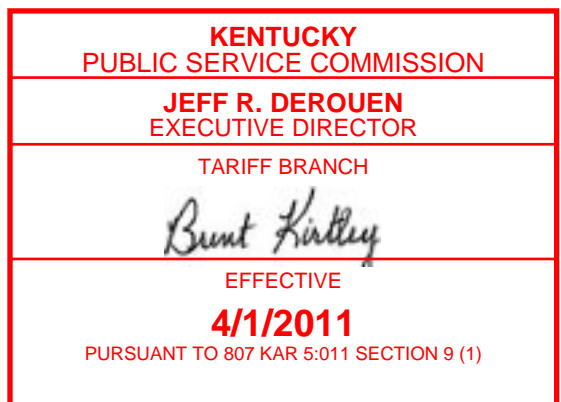
e. Failure of the Parties to agree to modifications to this Agreement necessary to secure regulatory approvals or to satisfy contingencies required pursuant to Section 20.

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 Kenergy 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 60 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 curable);

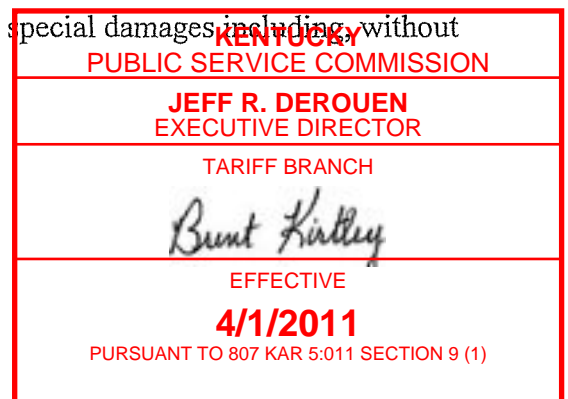
v. Allowance by a Party of the appointment of a receiver or trustee of all or a material part of its property if such receiver or trustee is not discharged within 60 days after appointment (in which case a default occurs on the 61st day after appointment);

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 or by Domtar under the Domtar Retail Agreement which gives rise to a termination of the Domtar Retail Agreement (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.

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: KPSC and RUS, (b) to the approval by Big Rivers of the Domtar Retail Agreement, and (c) to the final approval and effectiveness of the Domtar Retail Agreement. Big Rivers shall give Kenergy 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 Big Rivers.

b. (Intentionally left blank)

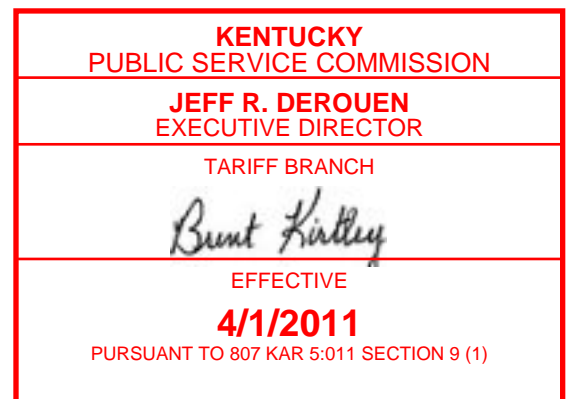
21. NOTICES. Except as provided in Section 6 of this Agreement, all notices and other communications to Big Rivers, Kenergy and Domtar under this Agreement must be in writing, and shall be addressed, respectively, as follows:

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, P. O. 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

Big Rivers may change its address under this section, and Kenergy may change the address for it and for Domtar under this section, by notice given to each other in the manner set forth above. Unless otherwise expressly required in this Agreement, all notices shall be effective

(i) if sent by messenger or courier service, when delivered, (i) if sent by mail, ~~KENTUCKY~~ after

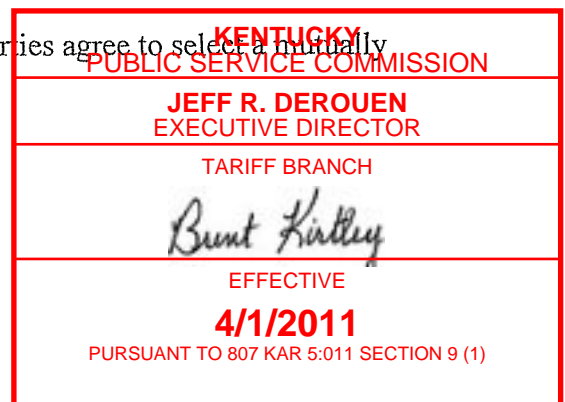
<b>KENTUCKY</b> <b>PUBLIC SERVICE COMMISSION</b>
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posting, postage prepaid, and (iii) if sent by facsimile, when sent (provided that a duplicate copy thereof is promptly sent by mail); provided that if a provision hereof specifies that a period shall 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. Neither Party hereto shall assign this contract or any of the rights thereto without the written consent of the other, except that nothing herein contained shall prevent either Party from subjecting rights hereunder to mortgages, pledges, security agreements, or other liens or rights considered by a Party as necessary for the financing of its operations. Consent to an assignment shall not unreasonably be withheld.

23. DISPUTE RESOLUTION

a. Big Rivers and Kenergy 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

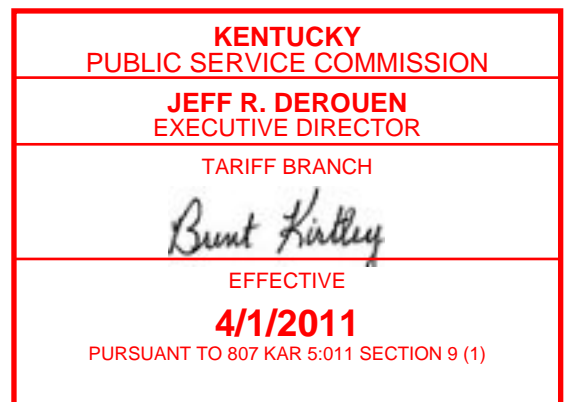


acceptable person to act as a facilitator of the negotiations between the Parties to settle the dispute. If that request is made, the Parties agree to select as the facilitator a person who has not previously been employed by either Party, is qualified by education or experience to participate in a discussion 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 will 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. The Parties agree that Domtar may be included as a party in any negotiations under this section in which the issue being negotiated relates, in some manner, to the performance of Kenergy or Domtar under the Domtar Retail Agreement.

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, subject to appeal.

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

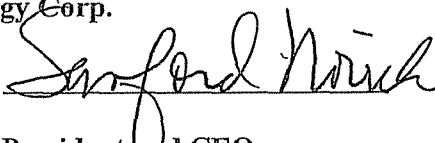
25. WAIVER. The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach of any provision hereof shall not constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any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



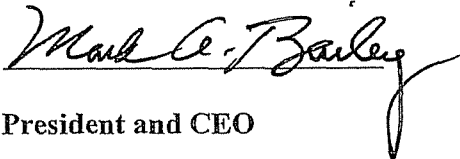
26. ENTIRE AGREEMENT. This Agreement, together with each tariff and other agreement referred to in this Agreement, contains the entire and final understanding of the Parties and supersedes all prior agreements and understandings between the Parties related to the subject matter of those agreements.

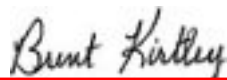
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized representatives on this the day and date first above written.

**Kenergy Corp.**

By:   
Its: **President and CEO**

**Big Rivers Electric Corporation**

By:   
Its: **President and CEO**

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