

Economic Load Response Program Agreement

This Economic Load Response Program Agreement ("Agreement") dated as of this 15th day of December, 2006, ("Effective Date") is between WPS Energy Services, Inc. ("WPS ESI") and Smurfit-Stone Container Enterprises, Inc. on behalf of its Coshocton, OH mill ("Customer"). The parties are sometimes referred to collectively as the "Parties", or individually as "Party".

WHEREAS, PJM Interconnection, L.L.C. ("PJM") permits end-use customers to reduce load or generate energy during times of high prices and receive payments based on those reductions or generations in accordance with the terms of its Economic Load Response Program as described in the PJM Open Access Transmission Tariff as may be amended from time to time ("PJM Tariff"); and

WHEREAS, PJM allows end-use customers to participate in the Economic Load Response Program through a Curtailment Service Provider ("CSP"); and

WHEREAS, WPS ESI is a PJM Member and an approved CSP; and

WHEREAS, Customer desires to participate in the Economic Load Response Program and appoint WPS ESI as its CSP to facilitate such participation, and WPS ESI desires to serve as CSP for Customer.

NOW THEREFORE, in consideration of these premises and of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

ARTICLE ONE: GENERAL PROGRAM REQUIREMENTS

1.1 Designation of CSP. Customer hereby designates WPS ESI its CSP in connection with Customer's participation in the Economic Load Response Program; and authorizes WPS ESI to provide the information contained in Exhibit A to PJM in connection with registering Customer for participation in the Economic Load Response Program. As CSP for Customer, WPS ESI shall complete all necessary forms and provide such information to PJM as is necessary for registration and the continued participation of Customer in the Economic Load Response Program. Customer acknowledges that WPS ESI may act as a CSP for other customers and nothing herein shall be construed to limit or restrict WPS ESI's ability to act in the capacity as a CSP for other customers.

1.2 Registration. Customer shall provide WPS ESI with all necessary information to facilitate Customer's registration in the Economic Load Response Program as well as all information, documents, and authorizations reasonably required by WPS ESI to perform WPS ESI's obligations hereunder and agrees to cooperate to provide any documents, instruments, consents, or authorizations reasonably requested by PJM.

Under the Real Time option, Customer may either reduce load or generate energy in real time and be paid for such reductions or generations based on the applicable Real Time Locational Margin Price "LMP" as determined by PJM in accordance with the applicable provisions of the PJM Tariff.

1.3 Load Reduction. WPS ESI will review Customer's usage history and work with Customer to determine an estimate of the amount of load Customer can reduce or the amount of energy Customer can generate and the appropriate price at which Customer would be willing to provide load reduction or generate energy, as stated in Exhibit A. The minimum strike price or bid for participation in the Economic Load Response Program with WPS ESI as CSP is \$ [REDACTED] per MWh. The decision to reduce load or generate energy is within Customer's sole discretion; therefore, WPS ESI shall not be responsible to Customer for any loss, including opportunity costs, resulting from Customer's decision of whether to provide load reduction or generate energy in response to a notice issued by WPS ESI in accordance with Article Three.

If Customer indicates in Exhibit A that it will only participate in the Real Time option and Customer does not elect to reduce load or generate energy in response to a notice issued by WPS ESI in accordance with Article Three, Customer will not be penalized by PJM or WPS ESI under the Real Time option.

If Customer fails to reduce load or generate energy after it has agreed to make reductions under the Real Time option, such failure may be subject to review by the PJM Market Monitoring Unit which may take such actions it deems necessary as described under the PJM Market Monitoring Plan. The above action shall not include any financial penalty to Customer.

1.4 Changes in Customer's Operations. If Customer has significant changes in operations that will increase or decrease the Customer's Baseline Load during the term of this Agreement, Customer shall promptly notify WPS ESI. A "significant change" is defined as any operational or physical change to the Customer's facilities that will adjust more than half of the hours in the Customer's Baseline Load by at least 20% for more than 20 consecutive days.

1.5 Permit Requirements. If Customer's participation in the Economic Load Response Program is based on Customer's use of on-site generator(s), then Customer shall be solely responsible for the cost of obtaining and maintaining any environmental and/or use permits required to operate its on-site generator(s) in connection with this Agreement. Accordingly, Customer certifies that it has obtained and currently has effective the necessary environmental and/or use permit authorizing the use of its distributed generator. Upon request, Customer will provide WPS ESI a copy of such environmental and/or use permits.

ARTICLE TWO: COMPENSATION

2.1 Compensation. As CSP for Customer, PJM will pay all monies and/or charges relating to Customer's participation in the Economic Load Response Program to WPS ESI.

Customer shall receive 90% of any monies WPS ESI receives from PJM related to Customer's verified load reductions or verified generation of energy in connection with the Economic Load Response Program less any charges associated with a failure to reduce load or generate in connection with Customer's participation in the Day Ahead option, if applicable.

2.2 Required Verification by PJM. WPS ESI shall perform all calculations and submit the necessary supporting documentation to PJM in order for PJM to verify Customer's load reductions or generation of energy in connection with the Economic Load Response Program. Customer shall only be paid for actual load reductions or generation of energy as verified by PJM. WPS ESI shall submit all the necessary documentation to PJM within sixty (60) days after Customer reduces load in connection with the Economic Load Response Program.

2.3 Payment. WPS ESI will pay Customer's compensation or issue an invoice to Customer for charges, as described in Section 2.1 above, within ten (10) calendar days after WPS ESI receives payment or charges from PJM for Customer's verified load reduction or generation of energy in connection with the Economic Load Response Program.

In the event that WPS ESI shall provide Customer an invoice for charges from PJM relating to Customer's participation in the Economic Load Response Program, Customer shall pay such invoice within fifteen (15) days after receipt of such invoice.

In the event that PJM does not provide sufficient information in a timely manner so that WPS ESI can perform its verifications and reconciliations regarding Customer's compensation, then WPS ESI shall have the right to use good faith estimates to determine Customer's compensation, subject to true-up when the necessary information is provided by PJM to WPS ESI.

ARTICLE THREE: NOTIFICATION

3.1 Notification. If Customer indicates in Exhibit A that it will participate under the Real Time option only, WPS ESI will use reasonable efforts to project those times when the applicable Real Time LMP will exceed Customer's strike price, as stated in Exhibit A. WPS ESI shall provide Customer notice by 12:00 p.m. Eastern Prevailing Time ("EPT"), on the day immediately preceding the day on which load reduction or generation of energy is recommended.
[WPS ESI accepts.][WPS ESI accepts.]

3.2 Method of Communication and Deemed Receipt. WPS ESI will contact Customer using the contacts and priority as provided in Exhibit A. WPS ESI may use any one or more of a variety of methods to communicate a notification to Customer, including, but not limited to, e-mail, facsimile, and telephone communications. After WPS ESI makes such communication, Customer shall be deemed to have received notice from WPS ESI regardless of whether WPS ESI receives confirmation of receipt from Customer.

3.3 Customer Response to Notice. Under the Real Time option, Customer shall provide notice to WPS ESI at least two (2) hours prior to any load reduction or generation of energy. Such notice shall provide (i) the hour that Customer will begin to reduce load or generate energy, (ii) the hour that Customer will stop reducing load or generating energy, (iii) and the amount (in MW) of load reduction or energy generation that Customer will provide during such timeframe. If Customer does not provide notice to WPS ESI as required by this Section 3.3, then WPS ESI will not provide notice to PJM that Customer will reduce load or generate energy under the Real Time option for the day in question; therefore, Customer will not be eligible to receive payments under the Economic Load Response Program for any load reduction or energy generated on the day in question. After providing notice via telephone communications, Customer shall use reasonable

efforts to promptly provide a follow-up written notice via e-mail to WPS ESI using the contact information provided in Exhibit A. Such written notice shall confirm the information provided by Customer in the previous telephonic notice. However, if Customer fails to provide such follow-up notice, such failure shall not invalidate the effectiveness of the original telephonic notice.

All notices to WPS ESI shall be provided using the contact information provided in Exhibit A. WPS ESI shall promptly notify Customer of any changes to (i) the contact information as provided in Exhibit A or (ii) the notification procedures to be utilized by Customer in regards to participation under the Real Time option. Customer agrees that it will not contest the validity or enforceability of any notice provided to WPS ESI based on any lack of authority of any employee or other representative of Customer to provide such notice.

[WPS ESI accepts]

3.4 Customer Contact Information. Customer agrees to have a connection to the internet and a dependable contact person available to receive the notices described in Section 3.2 above. Customer shall promptly notify WPS ESI of any changes to the contact information as provided in Exhibit A.

3.5 Recordings. Each Party acknowledges that notices to WPS ESI shall be via recorded telephone conversations and further consents to the recording of its representatives' telephone conversations without further notice. Such recording and the information described therein shall be controlling evidence of the information provided to WPS ESI by Customer; provided however, that if Customer provides a written follow-up notice by e-mail, such written notice shall be controlling evidence of the information provided to WPS ESI by Customer.

ARTICLE FOUR: METERING REQUIREMENTS

4.1 Meter Requirements. PJM requires participants in the Economic Load Response Program to have metering equipment that provides integrated hourly kilowatt hour (kWh) values that either meets the applicable local distribution utility's requirements for accuracy or has a maximum error rate of two percent (2%) over the full range of the meter. [WPS ESI accepts]

4.2 Access to Metering Equipment and Usage Information. Customer hereby grants WPS ESI unfettered right of access to Customer's usage information. WPS ESI will keep such usage information confidential, except to the extent necessary for disclosure to PJM in connection with participation in the Economic Load Response Program. Customer agrees to assist WPS ESI in gaining access to Customer's usage information for use in connection with this Agreement including, but not limited, to providing authorization to third parties that grant WPS ESI access to such information.

ARTICLE FIVE: TERM

5.1 Initial Term of Agreement. The obligations under this Agreement shall become effective on the first calendar day after WPS ESI receives notice from PJM that Customer is eligible to participate in the Economic Load Response Program and continue for a period of one (1) year. However, if PJM notifies WPS ESI that Customer is not eligible to participate in the Economic

Load Response Program, WPS ESI will provide Customer notice of the same and this Agreement shall become null and void, unless the deficiency is cured within a mutually agreeable timeframe.[WPS ESI accepts as modified]

5.2 Renewal of Agreement. After the initial term described in Section 5.1 above, this Agreement shall continue month to month thereafter. However, after the initial term of the Agreement, either Party may terminate this Agreement by providing the other party written at least thirty (30) days prior notice.

ARTICLE SIX: MISCELLANEOUS PROVISIONS

6.1 Amendment. This Agreement constitutes the entire Agreement between the Parties regarding the subject matter relating hereto. No amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by both Parties.

6.2 Assignment. Neither Party may assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except that WPS ESI may assign this Agreement to its parent, or an affiliate of WPS ESI provided that such other party is an approved CSP and agrees to be bound by all terms and conditions of this Agreement.

6.3 Representations and Warranties.

(a) Customer represents and warrants that it has the ability to either reduce load or generate energy during times of high prices, and otherwise meets the requirements to participate in the Economic Load Response Program.

(b) WPS ESI represents and warrants that it meets the requirements to participate in the Economic Load Response Program as a CSP.

(c) Each Party represents and warrants to the other as follows:

- (i) It is duly organized and validly existing under the laws of the State of its incorporation or organization, is qualified to do business and is in good standing in the state of its organization, and has all requisite power and authority, corporate or otherwise, to enter into this Agreement and perform its obligations hereunder;
- (ii) The execution, delivery, and performance of this Agreement have been duly authorized in accordance with all of its organizational instruments, it has full power to execute, deliver, and perform its obligations under this Agreement, and this Agreement has been duly executed and delivered;
- (iii) The execution, delivery, and performance of this Agreement will not (i) result in a breach of, or constitute a default under, any agreement, lease or instrument to which it is a party or by which it or its properties may be bound or affected, or (ii) violate any applicable law, rule, regulation, statute, ordinance, writ, order or determination of an arbitrator or a court or other governmental authority;
- (iv) That no litigation, investigation, or other legal, administrative, or arbitration proceeding is pending or, to the best of its knowledge, threatened against it or any of its properties or

- revenues, existing or future, which if adversely determined could have a material adverse effect on its ability to perform hereunder; and
- (v) That this Agreement constitutes a legal, valid and binding obligation against it, enforceable in accordance with its terms, except to the extent that enforcement may be limited by applicable bankruptcy, insolvency, reorganization, or other similar laws affecting creditors' rights generally and principles of equity.

6.4 Limitation of Liability. IN NO EVENT WILL EITHER PARTY BE LIABLE UNDER THIS AGREEMENT, WHETHER IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR OTHERWISE, FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES.

6.5 Confidentiality. The Parties shall keep the terms of this Agreement confidential except to the extent necessary to meet the requirements of a governmental body with jurisdiction over the matter for which the information is sought.

6.6 Governing Law. To the extent not otherwise subject to jurisdiction of the Federal Energy Regulatory Commission, this Agreement and the rights and duties of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of Ohio without regard to such state's principles of conflicts of law.

6.7 Definitions. Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the PJM Tariff.

6.8 Changes in Rules. Participation in the Economic Load Response Program as is governed by the rules set forth in the PJM Tariff, which may be amended from time to time. If PJM makes any changes to the Tariff that materially impact upon the terms of this Agreement, the Parties shall negotiate in good faith to reform this Agreement so as to achieve the original intent of both Parties to the extent practicable. If the Parties are unable to reach agreement for such reformation within 30 days then either Party may terminate this Agreement with no further obligation.

6.9 Counterparts. This Agreement may be executed and delivered in counterparts (including facsimile transmission), each of which will be deemed an original and all of which together will constitute one and the same instrument; provided, however, that this Agreement will not be effective unless both Parties have executed a counterpart.

6.10 Notices. Except with respect to notices provided pursuant to Article Three, all notices, demands and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to be made or given (a) if personally delivered, upon delivery, (b) if delivered by facsimile, upon receipt of confirmation from the receiving Party's facsimile machine, (c) if delivered by registered or certified United States mail, postage prepaid, return receipt requested, upon receipt or refusal of receipt, or (d) if delivered by a recognized courier guaranteeing overnight delivery, one business day after being sent, to the Parties at the following respective addresses, or at such other address as a respective Party may designate from time to time pursuant to a notice duly given hereunder to the other Party:

If to Customer:

Smurfit Stone Container Enterprises, Inc.
Attn: Thomas W. Dickinson, Director, Energy Procurement
150 N. Michigan Avenue
Chicago, IL 60605
312-649-4294

Smurfit-Stone Container Enterprises, Inc.

Attn: Bob Smith
500 North Fourth Street
Coshocton, OH 43812
740-623-3885

If to WPS ESI:


WPS Energy Services, Inc.
Attn: Ted Daroski
Street Address: 6797 N. High Street
City/State/Zip: Worthington, OH
Fax: 614-844-4305

6.11 Headings. The headings throughout this Agreement are inserted for reference purposes only, and are not to be construed or taken into account in interpreting the terms and provisions of any section, and are not to be deemed in any way to qualify, modify or explain the effects of any such term or provision.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Signatures of Authorized Representatives:

WPS ENERGY SERVICES, INC.

By: 
Name: Dave W. Venbanac
Title: chief operating officer

Smurfit-Stone Container Enterprises, Inc.

By: 
Name: H. Dan Truett
Title: General Manager

EXHIBIT A – CUSTOMER WORKBOOK

1. Customer Information:

Legal Name of Customer: Smurfit-Stone Container Enterprises, Inc.
 Address 1: 500 North Fourth Street
 Address 2: _____
 City/State/Zip: Coshocton, OH 43812

2. Economic Load Response Program Participation: Real Time Day Ahead Both

3. Local Distribution Utility (Electric Distribution Utility or “EDC”): AEP (Ohio Power)

4. Retail Electric Provider (if different than EDC): Same

5. Contract type for Electricity Supply Cost: Day Ahead LMP Real Time LMP
 Flat Fixed On/Off Peak Other

6. Electric Supply Cost (\$/kWh): 

7. Do you participate in the Emergency Load Response Program? Yes No


8. Do you participate in the Active Load Management (“ALM”) Program? Yes No

9. Method of Participation: Load Reduction Generation of Energy Both

10. Meter Reading Method: Read by Customer Read by EDC Read by PJM

11. Real Time Option Strike Price and Estimated Load Reduction or Generation of Energy (If applicable):

A. Summer Period (May 1 to October 31):

Account Number	Strike Price (\$/MWh)	Estimated Load Reduction or Generation of Energy	Minimum Duration	Peak Hour Load
		MW	hour(s)	MW
		MW	hour(s)	MW
		MW	hour(s)	MW
		MW	hour(s)	MW
		MW	hour(s)	MW

B. Winter Period (November 1 to April 30):

Account Number	Strike Price (\$/MWh)	Estimated Load Reduction or	Minimum Duration	Peak Hour Load

		Generation of Energy		
		MW	hour(s)	MW
		MW	hour(s)	MW
		MW	hour(s)	MW
		MW	hour(s)	MW
		MW	hour(s)	MW

13. Contact Information for WPS ESI:

Contact: Energy Desk (24 Hour Desk)
Phone: 920-617-6111
E-mail: energydesk@wpsenergy.com

14. Contact Information for Customer:

Primary

Name: David Harter
Phone: (740) 552-2245 Cell: _____
Fax: (740) 623-3885
Email: dharter@smurfit.com

Secondary

Name: Randy Hothem
Phone: (740) 552-2274 Cell: _____
Fax: (740) 623-3885
Email: rhothem@smurfit.com

15. Weather-Sensitive Adjustment: N/A Summer Period Winter Period Both

16. If Customer will utilize on-site generation to participate in connection with this Agreement, the following information must be provided:

- A. Type of on-site generation: Extraction/Backpressure Steam Turbine Generator
B. Fuel type for on-site generation: Biomass + natural gas