

Firm Transportation Service Agreement
Rate Schedule FT

Wausau Papers of New Hampshire, Inc.
(#FT-1997-007)

Agreement Effective Date: November 7, 1997.

Amendment No. 1 Dated: October 24, 2002

Amendment No. 2 Effective Date: December 1, 2010

**GAS TRANSPORTATION CONTRACT
FOR FIRM TRANSPORTATION SERVICE
BETWEEN
PORTLAND NATURAL GAS TRANSMISSION SYSTEM
AND WAUSAU PAPERS OF NEW HAMPSHIRE, INC.**

This Gas Transportation Contract ("Contract") is made as of the 7th Day of NOVEMBER by and between the Portland Natural Gas Transmission System, a Maine general partnership, (herein "Transporter") and Wausau Papers of New Hampshire, Inc., a Delaware corporation, (herein "Shipper") (Transporter and/or Shipper are sometimes referred to herein as "Party" or "Parties"), pursuant to the following recitals and representations:

WHEREAS, the Federal Energy Regulatory Commission ("FERC") has on September 24, 1997, issued a Certificate of Public Convenience and Necessity ("Certificate") authorizing Transporter's proposal in Docket No. CP96-249-000, et al., to construct, own, operate, and maintain a natural gas transmission system, including any laterals and related facilities required to deliver gas at the delivery point(s) described in Schedule 2 appended hereto ("Delivery Point") for the account of Shipper (herein "System").

WHEREAS, Transporter has accepted the Certificate, Shipper acknowledges that the terms of the Certificate do not have a materially adverse effect on Shipper, and Transporter and Shipper acknowledge that the terms of this Contract are consistent with the Certificate.

WHEREAS, Shipper intends to obtain and install, or cause to be obtained and installed, all equipment necessary to enable Shipper's Groveton, New Hampshire plant facility to utilize gas transported through Transporter's System.

WHEREAS, Shipper has entered into natural gas supply arrangements for the delivery of such gas supply for the account of Shipper to the receipt point(s) described in Schedule 1 appended hereto to ("Receipt Point"), and for the receipt of such gas at the Delivery Point for utilization in its Groveton, New Hampshire plant; and

WHEREAS, Transporter intends to accept delivery of gas at the Receipt Point (s) and to transport such gas on behalf of Shipper to the Delivery Point(s), subject to the terms and conditions of this Contract and Transporter's gas tariff as approved by the FERC (the "FERC Tariff") and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein assumed, Transporter and Shipper agree as follows:

ARTICLE I - PRECONDITIONS

1. (a) Transporter has received, or shall apply for or cause to be applied for and use reasonable best efforts to obtain from any governmental and regulatory authorities having jurisdiction, such authorizations or exemptions (herein "Regulatory Approvals") as are necessary: (i) to enable Transporter to construct, own and operate and to provide transportation services on Transporter's System for the account of Shipper and others, and (ii) for the performance of the transactions herein contemplated or for any other transactions necessary for the performance of those herein contemplated. The Parties' obligations hereunder are subject to the receipt of any Regulatory Approvals to the extent such Regulatory Approvals are necessary to fulfill such obligations.

(b) Shipper and Transporter agree that each shall support, without financial obligation or commitment to incur costs to do so, the applications for necessary Regulatory Approvals filed by the other and shall make any demonstrations to such regulatory and governmental agencies which may be reasonably requested by the other Party; provided, however, that, subject to the provisions of Section 1(c), nothing herein shall restrict Shipper's right to advance in any proceedings such positions on Transporter's rates, tariffs and terms and conditions of service as Shipper deems to be in Shipper's best interest.

(c) For the period of time extending from the date of this Contract to one (1) year after the Service Commencement Date, Shipper shall: (i) not oppose the certification or construction of any facility expansion, extension or addition to Transporter's System, (ii) not oppose the phasing of certification or construction of Transporter's System and (iii) support (without financial obligation or commitment to incur costs to do so) the rolled-in rate treatment of facilities described in subparagraphs (i) and (ii) of this paragraph (c); provided however, that the certification or construction of any facility, the phasing of certification or construction of any facility, or the roll-in of the costs of any facility referenced in this Section 1(c) shall not adversely affect, in Shipper's sole judgment, the service to Shipper contemplated by this Contract, and shall not increase the rate paid or payable by Shipper to Transporter under this Contract.

2. Transporter expects to commence transportation service to Shipper from the Receipt Point(s) to the Delivery Point(s) on or about November 1, 1998 ("Service Commencement Date"). Transporter agrees to promptly notify Shipper, in writing, of any expected delay of one (1) month or more in its November 1, 1998 Service Commencement Date, or any later anticipated Service Commencement Date previously indicated in such a notice by Transporter, and Transporter's notice(s) will state both the reason(s) the delay is expected and the later Service Commencement Date anticipated by Transporter.

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(a) If Transporter notifies Shipper that it anticipates a delay in its November 1, 1998 Service Commencement Date of twelve (12) months or less, but that Transporter will continue to proceed to do whatever is necessary to commence transportation services to Shipper at a Service Commencement Date occurring on or before November 1, 1999, then this Contract will not be subject to termination as a result of such notice. If Transporter at any time notifies Shipper that it anticipates a delay in the Service Commencement Date beyond November 1, 1999, Shipper may terminate this Contract without further rights or obligations hereunder. In the event that any required Regulatory Approval, other than the FERC Certificate, has not been obtained and accepted by November 1, 1999, then either Party may thereafter, at its option, terminate this Contract by giving ninety (90) days written notice to the other Party of its intention to terminate. Unless all such required Regulatory Approvals are obtained during the ninety (90) day notice period, or such additional period as the Parties shall mutually agree, this Contract shall terminate effective upon the expiration of said period and shall thereafter be of no further force and effect; provided, however, that in no event shall a Party have a right to terminate this Contract if the failure to obtain such Regulatory Approval is caused by the failure of the Party seeking the required Regulatory Approval to act in a timely manner and/or to use reasonable efforts to obtain such approval.

(b) Transporter will provide notice to Shipper when each of the following milestones is met: (i) project financing has been completed; (ii) materials to construct the pipeline lateral, metering, or similar facilities, required to provide service to Shipper have been ordered; (iii) contract(s) for the construction of Transporter's System, including facilities required to provide service to Shipper have been executed and completion dates (to be disclosed in the notice to Shipper) have been set; (iv) materials to construct the pipeline lateral, metering, or similar facilities required to provide service to Shipper have been delivered on site.

(c) The start of construction on the work program that includes the lateral facilities required to provide service to Shipper shall be deemed to occur subsequent to the occurrence of milestones (i), (ii), and (iii) set forth in Section 2(b), after all permits required to construct the pipeline lateral, metering or similar facilities required to provide service to Shipper have been obtained, and as of the date construction contractors are released by Transporter to commence construction. As soon after such start of construction as possible, Transporter shall provide written notice to Shipper confirming the Service Commencement Date ("Notice of Readiness"). Within thirty (30) days of receiving the Notice of Readiness, Shipper may provide written notice to Transporter changing the Service Commencement Date to a date no earlier than the Service Commencement Date in the Notice of Readiness and no later than fourteen (14) months after the date Shipper receives the Notice of Readiness. If Shipper does not provide such notice, the Service Commencement Date shall remain as stated in the Notice of Readiness, provided, however, that if Shipper is subsequently able to commence service on a date no more than sixty (60) days prior to the Service Commencement Date determined as a result of the foregoing notice(s), Shipper shall so advise Transporter, and Transporter, if able to do so but without obligation and in Transporter's

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sole discretion, shall cooperate to accommodate Shipper's need to test and commence operation of Shipper's new equipment by providing start-up transportation service at levels below that specified in Schedule 1 hereto prior to the Service Commencement Date. If Transporter does not deliver the Notice of Readiness prior to July 1, 1999, then Shipper may terminate this Contract without further obligation.

3. Subject to (i) the receipt of all Regulatory Approvals on the part of Transporter necessary to perform its obligations hereunder, and (ii) the receipt by Transporter of financing commitments necessary for construction of Transporter's System, in a form satisfactory to Transporter in its reasonable discretion, Transporter shall promptly commence the construction of Transporter's System. Transporter's construction of the facilities required to provide service to Shipper shall not be dependent upon Transporter's ability to roll-in the costs of such facilities, or upon the construction, or treatment of the costs, of any lateral facilities constructed by Transporter for any other shipper(s), and Transporter shall use reasonable best efforts to complete all facilities required to provide service to Shipper at the same time as Transporter's System. The Parties acknowledge that Transporter is not required to take any action that is inconsistent with Transporter's FERC Tariff, or which, in Transporter's determination, could adversely affect the in-service date for Transporter's System.

ARTICLE II - SCOPE OF CONTRACT

4. Subject to the terms and conditions of this Contract, Transporter hereby agrees to provide to Shipper, and Shipper hereby agrees to accept and pay for, firm natural gas transportation service on Transporter's System under Transporter's Rate Schedule FT and its FERC Tariff, as that Rate Schedule or FERC Tariff may be changed from time to time; provided, however, that nothing herein shall restrict Shipper's right to advance in any proceedings such positions on Transporter's rates, tariffs and terms and conditions of service as Shipper deems to be in Shipper's best interest.

5. Beginning on the Service Commencement Date and each Day thereafter on which Shipper and Transporter schedule Gas for transportation hereunder, Shipper shall cause the Scheduled Quantity, up to the Maximum Daily Quantity (MDQ), to be delivered to Transporter at the Receipt Point(s).

6. Beginning on the Service Commencement Date and each Day thereafter, Transporter shall make the Scheduled Quantity available to or on behalf of Shipper at the Delivery Point(s) on a firm basis.

7. Subject to the provisions of Transporter's FERC Tariff, Shipper shall be solely responsible for securing faithful performance by gas supplier(s) and/or any applicable upstream or downstream shippers and transporters in all matters which may affect Transporter's performance

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hereunder, and Transporter shall not be liable hereunder to Shipper as a result of the failure of gas supplier(s) and/or any applicable upstream or downstream shippers and transporters to so perform.

ARTICLE III - RESERVATION OF FIRM TRANSPORTATION CAPACITY

8. Shipper hereby reserves the right to cause Transporter to receive from or for the account of Shipper at each Receipt Point on any Day such quantities of Gas up to the MDQ for such Receipt Point as set forth on the currently effective Schedule 1 appended hereto and Transporter shall make available to or on behalf of Shipper at each Delivery Point on any Day such quantities of Gas up to the MDQ for such Delivery Point as set forth on the currently effective Schedule 2 appended hereto. Schedules 1 and 2 are hereby incorporated as part of this Contract.

9. Transporter shall make available to Shipper the service reserved under this Article III on the Days and for the quantities of Gas for which such service has been reserved, subject to Shipper's compliance with the terms and conditions of this Contract.

ARTICLE IV - ALLOCATION OF OFF-PEAK CAPACITY

10. On any Day during the period from April 1 through October 31 (Off-Peak Period) that System Capacity is not otherwise scheduled under any Rate Schedule, such capacity will be allocated pro rata to Rate Schedule FT shipper(s) whose Gas Transportation Contracts have initial terms of twenty (20) Years or longer and, to the extent such shipper(s) has under its contract Maximum Contract Demand during the Off-Peak Period, based on those shippers' annual reservation charges under Rate Schedule FT.

ARTICLE V - RATE

11. For each Month, Shipper agrees to pay the Recourse Rate, or a negotiated rate mutually agreed to in writing by Shipper and Transporter, multiplied by the sum of the Receipt Point Scheduled Quantity or Quantities during such Month; provided, however, that in the event that Transporter determines, in its sole discretion or as provided in Section 16 of this Contract, on a basis that is not unduly discriminatory, or otherwise pursuant to this Contract to render service on behalf of Shipper for a discounted usage rate, Transporter shall notify Shipper in writing of the amount of such discounted usage rate, the Day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each MMBtu of Scheduled Quantity to which a discounted usage rate applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable discounted usage rate.

12. For each Month Shipper agrees to pay the Recourse Rate, or a negotiated rate mutually agreed to in writing by Shipper and Transporter, multiplied by the Shipper's Maximum

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Contract Demand, as specified in this Contract; provided, however, that in the event that Transporter determines, in its sole discretion or as provided in Section 16 of this Contract, to render service on behalf of Shipper for a discounted reservation rate, Transporter shall notify Shipper in writing of the amount of such discounted reservation rate, the Day(s) on which such rate shall be in effect and the quantities of which such rate applies. For each MMBtu of the Maximum Contract Demand to which a discounted reservation rate applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable discounted reservation rate.

13. Shipper agrees to pay and shall pay all applicable charges, including in-kind gas as necessary to accommodate Measurement Variance Quantities, specified in Rate Schedule FT; provided, however, that nothing herein shall restrict Shipper's right to advance in any proceedings such positions on Transporter's rates, tariffs and terms and conditions of service as Shipper deems to be in Shipper's best interest.

14. The Transporter shall not place into effect Recourse Rates under Rate Schedule FT above those Recourse Rates identified as Case No. 1 in Transporter's November 1, 1996 Amendment filing at FERC, for a period of three years from the date service first begins on Transporter's System.

15. For all capacity allocated to Shipper under Article IV herein, Shipper shall not pay reservation charges but Shipper shall pay transportation usage charges, surcharges, fees, and other charges allocated to such capacity or the quantities transported.

ARTICLE VI - DISCOUNTING

*Amended
No. 1*

16. ~~If Transporter discounts any transportation services, Shipper will be entitled to a discount, as set forth below, on a per MMBtu basis for all quantities contracted by Shipper under this Contract for the same period of time. If Transporter so discounts service under any rate schedule during the months of November through March, Shipper will be offered an equivalent unit rate discount during the same period of time for the receipt and delivery points designated by Shipper. If Transporter so discounts service during the off peak months of April through October, Shipper will be entitled to a discount equal to Shipper's Imputed Off Peak Rate minus the unit rate provided to the other Shipper, during the same period of time for the Receipt and Delivery points designated by Shipper. For purposes of this paragraph, the Imputed Off Peak Rate (IOR) shall be computed as follows:~~

$$\text{IOR} = \frac{(\text{AR} \times 365) - (\text{WR} \times 151)}{214}$$

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where AR is the Recourse Rate in effect for FT Service and WR is $1.9 \times AR$. The discount provision in this paragraph shall apply as long as the same formulary discount described herein applies to any other firm shipper.

ARTICLE VII- RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

*Amend
no. 2*

17. ~~This Contract and all provisions contained or incorporated herein are subject to the provisions of Rate Schedules FT and of the General Terms and Conditions of Transporter's FERC Tariff, as such may be revised or superseded from time to time, all of which by this reference are made a part hereof. The General Terms and Conditions and the applicable Rate Schedule shall control in the event of a conflict between the General Terms and Conditions or the applicable Rate Schedule, and this Contract, with the exception of Contract Sections 2, 4, 5, 6, 7, 8, 9, 11, 12, 13, 16, 19, 20, 22, and 29, in which cases this Contract shall control. With the exception of the Contract Sections referenced in the preceding sentence, all the terms defined in the Transporter's FERC Tariff shall have the same meaning wherever used in this Contract.~~

ARTICLE VIII - TERM

18. Notwithstanding the definition in the FERC Tariff, the Service Commencement Date under this Contract shall mean the Service Commencement Date as set forth in Section 2 hereof.

19. This Contract shall be effective as of the date first herein above written, and shall continue in force and effect for an initial term of twenty (20) Years from the Service Commencement Date; provided, however, that Transporter shall be under no obligation to receive or to deliver any quantities of Gas hereunder, and Shipper shall be under no obligation to pay for transportation, prior to the Service Commencement Date.

20. After expiration of the initial term, this Contract shall continue in force and effect Year to Year thereafter unless terminated by either Party upon twelve (12) Months prior written notice to the other; provided, however, that if the FERC authorizes Transporter to abandon service to Shipper on an earlier date, this Contract shall terminate as of such earlier date.

21. The termination of this Contract by expiration of fixed Contract term or by termination notice provided by Shipper triggers pregranted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination.

22. Any provision of this Contract necessary to correct or cash-out imbalances or to make payment under this Contract as required by the Tariff will survive the other parts of this Contract until such time as such balancing or payment has been accomplished.

ARTICLE IX - NOTICES

23. Any written statement, notice and/or request provided for in this contract or any notice which either Party may desire to give to the other shall be in writing and mailed by registered or certified mail or sent by a nationally recognized overnight courier service to the post office address of the Party intended to receive the same, as the case may be, as follows:

Portland Natural Gas Transmission System
30 Monument Square
Concord, Massachusetts 01742
Phone: (508) 371-5656
Fax: (508) 371-9999

Notices to Shipper shall be addressed to:

Wausau Papers of New Hampshire, Inc.
Purchasing Manager
3 Mechanic Street
Groveton, New Hampshire 03582
Phone: (603) 636-1154
Fax: (603) 636-6501

Either Party may change its address under this Article by written notice to the other Party.

ARTICLE X - TRANSFER AND ASSIGNMENT OF CONTRACT

24. Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Contract. Either Party may, without relieving itself of its obligations under this Contract, assign any of its rights hereunder to an entity with which it is affiliated, but otherwise no assignment of this Contract or of any of the rights or obligations hereunder shall be made by Shipper unless there first shall have been obtained the written consent thereto of Transporter, which consent shall not be withheld if the party to which Shipper proposes to assign this Contract (i) assumes in writing all of Shipper's obligations hereunder and (ii) has a credit rating of BBB (investment grade), or better. Any restrictions on assignment contained in this Article X shall not in any way prevent either Party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness, or from assigning this Contract in connection with a financing.

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25. Shipper acknowledges that Transporter intends to make a collateral assignment of this Contract to financial institutions (collectively, the "Lenders") in connection with a Financing Agreement and agrees that if the Lenders succeed to the interest of Transporter by foreclosure or otherwise Shipper shall accord the Lenders the same rights as Transporter hereunder.

26. In order to facilitate obtaining financing or refinancing for the System, Shipper shall execute such consents, agreements or similar documents with respect to a collateral assignment hereof to the Lenders, and any credit support documents, and shall deliver an opinion of counsel on behalf of Shipper and any provider of credit support, as Lenders may reasonably request in connection with the documentation of the financing or refinancing for the System, which consent and opinion shall, among other things warrant or opine the enforceability of this Contract and of any credit support documents under the applicable governing law(s) and the compliance thereof with all applicable law.

ARTICLE XI - NONRECOURSE OBLIGATION OF PARTNERSHIP AND OPERATOR

27. Shipper acknowledges and agrees that: (a) Transporter is a Maine general partnership; (b) Shipper shall have no recourse against any partner in Transporter with respect to Transporter's obligations under this Contract and that Shipper's sole recourse shall be against the partnership assets, irrespective of any failure to comply with applicable law or any provision of this Contract; (c) no claim shall be made against any partner under or in connection with this Contract; (d) Shipper shall have no right of subrogation to any claim of Transporter for any capital contributions from any partner to Transporter; (e) no claims shall be made against the Operator, its officers, employees, and agents, under or in connection with this Contract and the performance of Operator's duties as Operator (provided that this shall not bar claims resulting from the gross negligence or willful misconduct of Operator, its officers, employees or agents) and Shipper shall provide Operator with a waiver of subrogation of Shipper's insurance company for all such claims; and (f) this representation is made expressly for the benefit of the partners in Transporter and Operator.

ARTICLE XII- LAW OF CONTRACT

28. Notwithstanding conflict-of-laws rules, the interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Maine.

ARTICLE XIII - CHANGE IN TARIFF PROVISIONS

29. Shipper agrees that Transporter shall have the unilateral right to file with the Federal Energy Regulatory Commission or any successor regulatory authority any changes in any of the provisions of its Tariff, including of any of its Rate Schedules, or the General Terms and Conditions, as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law; provided, however, that nothing herein shall restrict Shipper's right to advance in any proceedings such positions on Transporter's rates, tariffs and terms and conditions of service as Shipper deems to be in Shipper's best interest. Subject to the provisions of the preceding sentence, no modification of this Contract shall be made except by both Parties pursuant to a written agreement.

ARTICLE XIV - DEFAULT AND REMEDIES

30. If either Party defaults under this Contract, the other Party shall have available all remedies under the law.

ARTICLE XV - MISCELLANEOUS

31. This Contract reflects the whole and entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings among the Parties with respect to the subject matter hereof.

32. Upon execution of this Contract, the Precedent Agreement between the Parties dated July 31, 1996 is terminated and of no further force or effect.

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IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed in several counterparts by their proper officers thereunto duly authorized, as of the date first herein above written.

ATTEST:

PORTLAND NATURAL GAS TRANSMISSION SYSTEM

Dan B. Morgan

By

Michael A. Spivak

ATTEST:

WAUSAU PAPERS OF NEW HAMPSHIRE, INC.

Theresa J. Seliger

By

Thomas J. Howard

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For Firm Transportation Service**

SCHEDULE 1

Receipt Point:	Pittsburg, New Hampshire
Maximum Daily Quantity:	4,600 MMBtu/day
Minimum Delivery Pressure:	
Maximum Contract Demand:	4,600 MMBtu/day

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SCHEDULE 2

Delivery Point:	Groveton, New Hampshire, on property of Shipper's Groveton, New Hampshire plant facility (the precise location on such property to be subsequently mutually agreed upon.)
Maximum Daily Quantity:	4,600 MMBtu/day
Minimum Delivery Pressure:	300 psig
Maximum Contract Demand:	4,600 MMBtu/day

**AMENDMENT NO. 1 TO GAS TRANSPORTATION CONTRACT
FOR FIRM TRANSPORTATION SERVICE
BETWEEN
PORTLAND NATURAL GAS TRANSMISSION SYSTEM
AND WAUSAU PAPERS OF NEW HAMPSHIRE, INC.**

This Amendment No. 1 is hereby made to the Gas Transportation Contract for Firm Transportation Service ("FT Service Contract") between Portland Natural Gas Transmission System ("Transporter") and Wausau Papers of New Hampshire, Inc. ("Shipper") dated the 7th Day of November 1997 pursuant to the following recitals and representations:

WHEREAS, on October 1, 2001 Transporter filed with the Federal Energy Regulatory Commission ("FERC"), in Docket No. RP02-13-000, revised rates pursuant to Section 4 of the Natural Gas Act, proposing to increase Transporter's rates for, among other things, service under Shipper's FT Service Contract; and

WHEREAS, Article VI of Shipper's FT Service Contract contains a Most Favored Nations provision which provides that if Transporter discounts any transportation services, Shipper will be entitled to a discount, as set forth in the FT Service Contract, on a per MMBtu or per Dth basis for all quantities contracted by Shipper under the FT Service Contract for the same period of time ("Discount Clause"); and

WHEREAS, Transporter's other FT shippers have similar Discount Clauses in their FT Service Contracts with Transporter; and

WHEREAS, Transporter, Shipper, and the other parties to Docket No. RP02-13-000 have agreed to certain principles of settlement ("Principles") to resolve all issues in Docket No. RP02-13-000, and those Principles will be memorialized in a formal Stipulation and Settlement Agreement ("Settlement"), which will be filed with the FERC for approval; and

WHEREAS, the Principles provide that Transporter's FT shippers will each execute a permanent amendment to their FT Service Contracts to reflect modifications to the Discount Clause of such contracts which will limit the applicability of such clauses, as set forth herein;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein assumed, Transporter and Shipper agree as follows:

1. **Preconditions for Effectiveness.** This Amendment No. 1 will be effective only if and after: (1) it and like amendments have been executed by all shippers that are parties to FT Service Contracts with Discount Clauses as of the date the Settlement is filed with the FERC; and (2) the Settlement becomes effective either (a) as the result of a FERC order which approves the Settlement without modification and which has become final, or (b)

in the event the order approving the Settlement modifies the Settlement or does not become final, as the result of the ratification of the Settlement by Shipper, Transporter and all other shippers that are parties to FT Service Contracts with Discount Clauses.

2. **Modification to Discount Clause.** Transporter and Shipper agree that, upon the effectiveness of this Amendment No. 1, the Discount Clause contained in Article VI, paragraph 16, of the FT Service Contract between Shipper and Transporter is amended and restated in its entirety, for the remaining term of the FT Service Contract, as follows:

"If Transporter discounts the applicable Recourse Rate under Rate Schedule FT for service provided to a third party pursuant to an FT Service Contract with a primary term greater than 24 consecutive months, then Shipper will be entitled to a discount, as set forth below, on a per Dth basis for all quantities contracted by Shipper under this Contract for the same period of time. Provided, however, that such third-party transportation services which entitle Shipper to a discount hereunder shall not include any firm off-peak seasonal service, or any backhaul service north of Westbrook (defined as any service for which the Primary Receipt Point designated in the transportation contract is located (a) south of the Primary Delivery Point designated in the transportation contract and (b) at, or north of, the Westbrook, Maine interconnection). If Transporter so discounts during the months of November through March, Shipper will be offered an equivalent unit-rate discount during the same period of time for the receipt and delivery points designated by Shipper. If Transporter so discounts during the off-peak months of April through October, Shipper will be entitled to a discount equal to Shipper's Imputed Off-Peak Rate minus the unit rate provided to said third party, during the same period of time for the receipt and delivery points designated by Shipper. For purposes of this paragraph, the Imputed Off-Peak Rate (IOR) shall be computed as follows:

$$\text{IOR} = \frac{(\text{AR} \times 365) - (\text{WR} \times 151)}{214}$$

where AR is the 100 percent load factor Recourse Rate in effect for FT Service and WR is $1.9 \times \text{AR}$. The discount provision in this paragraph shall apply during the term of this Contract."

3. **Relationship to FT Service Contract.** Except as specified in this Amendment No. 1, all terms and provisions of Shipper's FT Service Contract will remain in effect without limitation or modification.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to be
duly executed in several counterparts by their proper officers thereunto duly authorized, as of
this 24th day of ~~September~~ October, 2002. RHC

ATTEST:

WAUSAU PAPERS OF NEW HAMPSHIRE, INC.

Shirley Seliger

By

Shirley Hanatt

ATTEST:

PORTLAND NATURAL GAS TRANSMISSION SYSTEM

E.J. Martore

By

Richard A. Fisher

**SECOND AMENDMENT
TO GAS TRANSPORTATION CONTRACT
FOR FIRM TRANSPORTATION SERVICE
BETWEEN
PORTLAND NATURAL GAS TRANSMISSION SYSTEM
AND WAUSAU PAPERS OF NEW HAMPSHIRE, INC.**

This Second Amendment ("Second Amendment") is hereby made this ___ day of January, 2011 by and between Portland Natural Gas Transmission System, a Maine general partnership ("Transporter") and Wausau Papers of New Hampshire, Inc., a Delaware corporation ("Shipper") pursuant to the following recitals and representations:

WHEREAS, the Parties entered into a certain "Gas Transportation Contract for Firm Transportation Service Between Portland Natural Gas Transmission System and Wausau Papers of New Hampshire, Inc." on November 7, 1997 (the "Agreement") relating to transportation service on Transporter's system; and

WHEREAS, in order to comply with a Federal Energy Regulatory Commission ("FERC") Order in Docket No. RP10-758-000, issued on October 21, 2010, the Parties agree to amend Article VI, Paragraph 16 in Shipper's Long Term Firm Transportation FT-1997-007 contract and insert language from Transporter's *pro forma* Form of Service Agreements; and

WHEREAS, in order to comply with the aforementioned FERC order, the Parties further agree to replace Article VII, Paragraph 17 in its entirety.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein assumed, Transporter and Shipper agree as follows:

1. Transporter and Shipper agree that, effective December 1, 2010, Article VI, Paragraph 16 shall be subdivided into subparagraphs (a) and (b). The current discounting provision shall heretofore be noted as Subparagraph (a). The following language will be inserted at the end of Paragraph 16 of Article VI as Subparagraph (b):

16 (b)(i) Transporter will provide a notice to Shipper after all the following conditions are satisfied: (1) Transporter on a pro forma basis is projected to receive during the next 12 month period revenues at least equal to its annualized Cost of Service (as hereinafter defined), (2) Transporter has executed an agreement with a new or existing replacement shipper for firm capacity which, together with all other transportation agreements (including the Firm Transportation Contracts), will provide revenues in excess of Transporter's Cost of Service, and (3) the replacement shipper has a creditworthiness rating of BBB (investment grade) or better. Within sixty (60) days after giving such notice,

Shipper will be permitted to request a reduction in the Maximum Contract Demand in its Firm Transportation Contracts.

16 (b)(ii) Shipper will be permitted to reduce the Maximum Contract Demand and the associated term in an amount equivalent to the quantity and term covered in the Firm Transportation Contract with the replacement shipper; provided, however, that any such reduction in quantity and term, after conversion of the units of quantity, term and rates to revenues, shall be permitted only to the extent it does not reduce the recovery of revenues equal to Transporter's Cost of Service. Maximum Contract Demand will be reduced among all shippers entitled to and requesting reductions in Firm Transportation Contracts, pro rata, based on annual revenue contributions. For purposes of this subparagraph, the Cost of Service shall be the cost of service to be collected by Transporter calculated on the basis of the principles established in its Certificate of Public Convenience and Necessity, or any amendments thereto, issued by the FERC, or the cost of service in effect pursuant to Transporter's general rate filing under Section 4 of the Natural Gas Act. In the event the replacement shipper causes an increase in the cost of service, the Cost of Service shall be increased by an equivalent amount.

16 (b)(iii) If Shipper does not timely request a reduction in its Maximum Contract Demand as provided in subparagraph 16 (b) (i), the amount by which Shipper would have been entitled to reduce its Maximum Contract Demand shall be deemed Ineligible Capacity. With respect to such Ineligible Capacity, Shipper permanently relinquishes the rights (1) to any discount under paragraph 16 (a) on a quantity equivalent to the Ineligible Capacity, and (2) to reduce its Maximum Contract Demand under paragraph 16 (b) in a quantity equivalent to the Ineligible Capacity. The right relinquished under subparagraph (1) of this paragraph 16 (b)(iii) shall take effect upon the commencement of service to the replacement shipper. The right relinquished under subparagraph (2) of this paragraph 16 (b)(iii) shall take effect concurrently with the relinquishment.

2. Transporter and Shipper further agree that effective December 1, 2010, Paragraph 17 shall be replaced in its entirety with the following:

This contract and all provisions contained or incorporated herein are subject to the provisions of Rate Schedule FT and of the General Terms and Conditions of Transporter's Tariff, as such may be revised or superseded from time to time, all of which by this reference are made part hereof. The General Terms and Conditions and Rate Schedule FT shall control in the event of a conflict between the General Terms and Conditions or Rate Schedule FT, and this Contract, with the exception of Contract Paragraphs 4, 13, 16(a), 20, and 29, in which cases this Contract shall control. With the exception of the Contract Paragraphs referenced in the preceding sentence, all the terms defined in Transporter's FERC Tariff shall have the same meaning wherever used in this Contract.

3. All other terms of the Agreement not modified by this Second Amendment shall remain in full force and effect.

4. Capitalized terms not defined herein shall have the meaning given to them in the Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Second Amendment to be duly executed on the day and year first written above.

Thomas Whaven VICE PRESIDENT
WAUSAU PAPERS OF NEW HAMPSHIRE, INC.



PORTLAND NATURAL GAS TRANSMISSION SYSTEM

ROBERT PIRT
President