

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

Quebecor World (USA) Inc., et al.,

Debtors.

Chapter 11

Case No. 08-10152 (JMP)

Jointly Administered

**STIPULATION AND CONSENT ORDER RESOLVING OBJECTION OF
INTEGRYS ENERGY SERVICES OF CANADA CORP. AND INTEGRYS ENERGY
SERVICES, INC. TO DEBTORS' MOTION FOR AN ORDER DETERMINING
ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES**

The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) and Integrys Energy Services of Canada Corp. (“Integrys Canada”) and Integrys Energy Services, Inc. (Integrys US, and together with Integrys Canada, “Integrys”) by and through their respective counsel, do hereby stipulate and agree as follows:

RECITALS

A. On January 21, 2008 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

B. On January 22, 2008, the Debtors filed the Motion of the Debtors for Interim Order Determining Adequate Assurance of Payment for Future Utility Services (the “Motion”).¹

C. On January 23, 2008, the Court entered the Interim Order Under 11 U.S.C. §§ 105(a) and 366 Determining Adequate Assurance of Payment for Future Utility Services (the “Interim Order”).

D. On February 12, 2008, Integrys filed an objection to the Motion (the “Objection”).

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

E. Pursuant to paragraphs 9 and 14 of the Interim Order, the Debtors have the authority to resolve the Objection by mutual agreement with Integrys.

F. After good faith negotiations, the Debtors and Integrys have agreed to resolve the issues raised in the Objection on the terms below and as agreed to in that certain letter agreement dated February 20, 2008 (the "Letter Agreement").

STIPULATION AND AGREEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between the Debtors and Integrys as follows:

1. The Debtors agree not to assert in their chapter 11 cases that Integrys is a "utility" within the meaning and subject to the application of section 366 of the Bankruptcy Code.

Debtors further agree that Integrys is not subject to the Motion, the Interim Order or any final order entered with respect to the Motion (the "Final Order"). Accordingly, the terms of the Interim Order and the Final Order (collectively, the "Utility Orders") shall not apply to Integrys and Integrys shall not be listed on the schedule of utilities attached to the Final Order.

2. Integrys hereby withdraws with prejudice, and will not seek Bankruptcy Court consideration of, the Objection.

3. Integrys US is authorized to apply the pre-petition deposit in its possession to the net, outstanding pre-petition balances owed to Integrys US.

4. Nothing herein or in the Utility Orders shall limit, enlarge, modify or otherwise affect the rights of the Debtors or Integrys with respect to the contract between Integrys US and certain of the Debtors, including (a) the rights of Integrys US, if any, under Section 556 of the

Bankruptcy Code with respect to the Contracts; or (b) the rights and remedies of the Debtors and Integrys, if any, with respect to the Contracts, under Section 365 of the Bankruptcy Code or to enforce the Contracts in accordance with their terms and applicable law. The Debtors and Integrys reserve all of their respective rights with respect to these matters.

5. Nothing in this Stipulation will have any impact on the Utility Orders or the relief granted therein with respect to any non-Debtor party other than Integrys.

6. This Stipulation and Order may be executed in any number of counterparts, each of which shall be deemed an original and together constitute one and the same instrument. Except as provided in the Letter Agreement, this Stipulation and Order constitutes the entire agreement between the Debtors and Integrys with respect to the matters addressed herein and may not be modified, except in a written instrument signed by authorized representatives of the Debtors and Integrys.

7. This Stipulation and Order shall be (a) immediately effective and enforceable upon its approval by the Court and (b) binding on and inure to the benefit of the Debtors and Integrys and their respective successors, heirs, and assigns.

8. The Court retains jurisdiction with respect to all matters arising from or related to implementation of this Stipulation and Order.

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IT IS SO ORDERED.

Dated: New York, New York
February 26, 2008

s/ James M. Peck
United States Bankruptcy Judge