

ASSIGNMENT AND ASSUMPTION AGREEMENT
WITH RESPECT TO
CONTROL AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT WITH RESPECT TO CONTROL AGREEMENT (this "Agreement") is entered into as of January 25, 2006 and effective as of January 1, 2006 by and between The Cincinnati Gas & Electric Company, an Ohio corporation ("CGE"), and The Union Light, Heat and Power Company, a Kentucky corporation ("ULHP").

WHEREAS, CGE owns an undivided 69% interest in certain real property located in Boone County, Kentucky, that is associated with Unit 2 of East Bend Generating Station ("East Bend Unit 2");

WHEREAS, CGE and Tyrone Synfuels, L.P., a Delaware limited partnership ("Tyrone"), are parties to that certain Lease Agreement, that certain Synthetic Fuel and Coal Supply Agreement, that certain Coal and Synthetic Fuel Handling Agreement, that certain Coal Consulting and Transportation Agreement and that certain Environmental Indemnity, all dated March 11, 2004 (together, the "Tyrone Agreements"), pursuant to which, subject to the terms and conditions thereof, CGE and Tyrone have agreed to perform certain services for and have undertaken certain obligations to each other regarding the lease of property, the purchase of synthetic fuel and coal, the handling of coal feedstock and synthetic fuel, the provision of certain consulting services and the provision of indemnification, all as related to East Bend Unit 2;

WHEREAS, concurrently with the execution and delivery of this Agreement, CGE and Tyrone are entering into that certain Assignment and Assumption Agreement with respect to Tyrone Synfuels, L.P. Agreements (the "Tyrone Assignment"), pursuant to which (a) CGE shall unconditionally and irrevocably assign, sell, transfer and convey to ULHP all of its right, title, interest, obligations and liabilities in, to and under the Tyrone Agreements, and (b) ULHP shall unconditionally and irrevocably accept such assignment and unconditionally and irrevocably assume and agree to pay and otherwise undertake, observe, perform and discharge in accordance with their terms all of CGE's payment, performance and other obligations and liabilities that arise under the Tyrone Agreements from and after the date of the Tyrone Assignment;

WHEREAS, CGE, Tyrone and NATIONAL CITY BANK OF PENNSYLVANIA, a national banking association (the "Bank"), are parties to that certain Control Agreement, dated as of June 11, 2004 (the "Control Agreement"), pursuant to which, subject to the terms and conditions thereof, *inter alia* (i) Tyrone, as account owner, acknowledges and agrees that CGE, as Agent for the coal suppliers under certain coal purchase agreements related to East Bend Unit 2 to which Tyrone is a party, shall control the cash collateral deposit account (the "Account") established at the Bank

and (ii) Bank acknowledges and agrees that the Account shall be under the control of CGE;

WHEREAS, concurrently with the execution and delivery of this Agreement, CGE and ULHP are entering into that certain Asset Transfer Agreement of even date herewith, pursuant to which, subject to the terms and conditions thereof, on such date CGE is transferring to ULHP and ULHP is acquiring from CGE certain assets relating to East Bend Unit 2; and

WHEREAS, in connection therewith, in addition to transferring all of its rights and obligations under the Tyrone Agreements to ULHP, CGE desires to transfer all of its rights and obligations under the Control Agreement to ULHP, and ULHP desires to succeed to all of CGE's rights and obligations thereunder, as provided herein.

NOW, THEREFORE, in consideration of the premises and the agreements and covenants herein contained, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I ASSIGNMENT AND ASSUMPTION

Section 1.1 Assignment and Assumption. Effective upon the execution and delivery hereof by the parties hereto, (a) CGE hereby unconditionally and irrevocably assigns, sells, transfers and conveys to ULHP all of its right, title, interest, obligations and liabilities in, to and under the Control Agreement, and (b) ULHP hereby unconditionally and irrevocably accepts such assignment and hereby unconditionally and irrevocably assumes and agrees to pay and otherwise undertake, observe, perform and discharge in accordance with their terms all of CGE's obligations and liabilities under the Control Agreement arising from and after the date of this Agreement.

ARTICLE II MISCELLANEOUS

Section 2.1 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered (including by facsimile) to the other party hereto.

Section 2.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, exclusive of any conflict of laws provisions thereof that would refer jurisdiction to the laws of another state.

Section 2.3 Entire Agreement; Parties in Interest. (a) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject

matter hereof, and there are no agreements, understandings, representations or warranties between the parties other than those set forth or referred to herein.

(b) This Agreement is not intended to confer upon any party not a party hereto (and their successors and assigns) any rights or remedies hereunder.

Section 2.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 2.5 Headings; Interpretation. The article and section headings contained in this Agreement are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement. All references to Articles or Sections contained herein mean Articles or Sections of this Agreement, unless otherwise stated. All capitalized terms defined herein are equally applicable to both the singular and plural forms of such terms. The terms “hereof,” “herein,” “hereunder,” “hereby” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all the exhibits hereto) and not to any particular provision of this Agreement. The words “including” and words of similar import when used in this Agreement shall mean “including without limitation” unless the context otherwise requires or unless otherwise specified.

Section 2.6 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought. Any party hereto may, only by an instrument in writing, waive compliance by the other party hereto with any term or provision of this Agreement on the part of such other party to be performed or complied with. The waiver by any party hereto of a breach of any term of this Agreement shall not be construed as a waiver of any subsequent breach.

Section 2.7 Further Assurances. Subject to the terms and conditions of this Agreement, at any time or from time to time after the execution and delivery hereof, at either party’s request and without further consideration, the other party hereto shall execute and deliver to such requesting party such other instruments of sale, transfer, conveyance, assignment and confirmation, provide such materials and information and take such other actions as such requesting party may reasonably request in order to effectuate more fully the purposes of this Agreement.

Section 2.8 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given (a) on the day when delivered personally or by facsimile transmission (with confirmation), (b) on the next business day when delivered by a nationally recognized overnight delivery service, or (c) five (5) business days after deposited as registered or certified mail (return receipt requested), in each case, postage prepaid, addressed to the recipient party at its address set forth below (or to such other addresses and facsimile numbers for a party as shall be specified by like notice; provided, however, that any notice of a change of address or facsimile number shall be effective only upon receipt thereof):

(i) If to CGE, to:

The Cincinnati Gas & Electric Company
139 East Fourth Street
Cincinnati, OH 45202
Attention: President
Facsimile No.: 513-287-1592

(ii) If to ULHP, to:

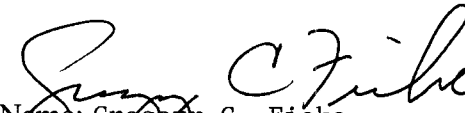
The Union Light, Heat and Power Company
139 East Fourth Street
Cincinnati, OH 45202
Attention: President
Facsimile No.: 513-287-4370

IN WITNESS WHEREOF, each of the parties hereto has caused this Assignment and Assumption Agreement with respect to Control Agreement to be executed on its behalf by its respective officer thereunto duly authorized, all as of the day and year first above written.

THE CINCINNATI GAS & ELECTRIC COMPANY

By: 
Name: Michael J. Cyrus
Title: Executive Vice President

THE UNION LIGHT, HEAT AND POWER COMPANY

By: 
Name: Gregory C. Ficke
Title: President

CONSENT
to
Assignment and Assumption Agreement
with respect to
Control Agreement

This CONSENT to Assignment and Assumption Agreement with respect to Control Agreement (this "Consent") is executed and delivered by Tyrone Synfuels, L.P., a Delaware limited partnership ("Tyrone"), and by National City Bank of Pennsylvania, a national banking association (the "Bank") as of 12:00 p.m., [Eastern Standard Time], 2005 (the "Effective Date").

WHEREAS, CGE owns an undivided 69% interest in certain real property located in Boone County, Kentucky, that is associated with Unit 2 of East Bend Generating Station ("East Bend Unit 2");

WHEREAS, CGE, Tyrone and the Bank, are parties to that certain Control Agreement, dated as of June 11, 2004 (the "Control Agreement"), pursuant to which, subject to the terms and conditions thereof, *inter alia* (i) Tyrone, as account owner, acknowledges and agrees that CGE, as Agent for the coal suppliers under certain coal purchase agreements related to East Bend Unit 2 to which Tyrone is a party, shall control the cash collateral deposit account (the "Account") established at the Bank and (ii) Bank acknowledges and agrees that the Account shall be under the control of CGE;

WHEREAS, concurrently with the execution and delivery of this Agreement, CGE and ULHP are entering into that certain Asset Transfer Agreement of even date herewith (the "Asset Transfer Agreement"), pursuant to which, subject to the terms and conditions thereof, on such date CGE is transferring to ULHP and ULHP is acquiring from CGE certain assets relating to East Bend Unit 2, including, without limitation, the Real Property;

WHEREAS, in connection with the transfer contemplated by the Asset Transfer Agreement, CGE desires to transfer all of its rights and obligations under the Control Agreement to ULHP, and ULHP desires to succeed to all of CGE's rights and obligations thereunder, as provided herein;

WHEREAS, in connection with such transfer, on the date thereof, CGE and ULHP are executing and delivering that certain Assignment and Assumption Agreement with respect to Control Agreement (the "Assignment and Assumption Agreement"), under which CGE is assigning to ULHP, and ULHP is accepting and assuming, all of CGE's rights and obligations under the Control Agreement (collectively, the "Proposed Assignment");

WHEREAS, the Proposed Assignment requires the consent of Tyrone and of the Bank;

WHEREAS, CGE desires to be discharged and released from its obligations and liabilities from and after the Proposed Assignment; and

WHEREAS, Tyrone and the Bank have determined to execute and deliver this Consent to recognize the Proposed Assignment and to effect such discharge and release.

NOW, THEREFORE, by its signature below, in consideration of the transactions contemplated by the Assignment and Assumption Agreement, including without limitation the assumption by ULHP of the obligations of CGE under the Control Agreement in accordance with its terms, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of Tyrone and the Bank hereby:

1. grants its complete, unconditional and irrevocable consent to the terms and provisions of the Assignment and Assumption Agreement, including without limitation the Proposed Assignment, and further agrees that from and after Effective Date, it shall recognize and treat ULHP as "CG&E" for all purposes under the Control Agreement;
2. releases CGE from all duties and liabilities that arise under the Control Agreement from and after the Effective Date; and
3. agrees that, to its knowledge as of the date hereof, CGE is in full compliance with, and not in violation or breach of or default (including with respect to any event that with notice or lapse of time or both would constitute a violation or breach or default) under any provision of the Control Agreement.

Notwithstanding the foregoing, however, neither this Consent nor the Assignment and Assumption Agreement shall constitute a waiver of any claim against or the release of any liability of CGE arising under the Control Agreement prior to the Effective Date by either Tyrone or the Bank.

This Consent shall inure to the benefit of CGE and ULHP and their respective successors and assigns and is binding upon Tyrone and the Bank and their respective successors and assigns.

No amendment or waiver of any provision hereof shall be effective unless in writing and signed by each of CGE, ULHP, Tyrone and the Bank.

This Consent shall be governed by Ohio law, excluding its conflicts of law provisions.

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IN WITNESS WHEREOF, the undersigned entity has caused this Consent to Assignment and Assumption Agreement with respect to Control Agreement to be executed on its behalf by its officer thereunto duly authorized, all as of the day and year first above written.

TYRONE SYNFUELS, L.P.

By: *Clark D. Harrison*
Name: Clark D. Harrison
Title: President & CEO
CQ Inc., General Partner

NATIONAL CITY BANK OF PENNSYLVANIA

By: *Andrew J. McEneaney*
Name: Andrew J. McEneaney
Title: *VP*