

**GAS AND PROPANE SERVICES AGREEMENT  
WITH RESPECT TO  
WOODSDALE GENERATING STATION  
BY AND BETWEEN  
THE CINCINNATI GAS & ELECTRIC COMPANY  
AND  
THE UNION LIGHT, HEAT AND POWER COMPANY**

THIS GAS AND PROPANE SERVICES AGREEMENT (“Agreement”), is made and entered into this 25th day of January, 2006 and effective as of January 1, 2006, (“Effective Date”) by and between The Cincinnati & Electric Company (“CG&E”) and The Union Light, Heat and Power Company (“ULH&P”) (each of CG&E and ULH&P being a “Party” and collectively, the “Parties”).

RECITALS:

WHEREAS, immediately prior to the Effective Date, CG&E was the sole owner of all right, title and interest in, under and to Woodsdale Generating Station, a dual-fuel (natural gas and propane), single cycle electric generating station located in Butler County, Ohio in the city of Trenton (“Woodsdale Station”);

WHEREAS, in accordance with the provisions of that certain Asset Transfer Agreement by and between CG&E and ULH&P, dated as of the date hereof (the “Asset Transfer Agreement”), on the Effective Date, CG&E transferred, assigned, conveyed and delivered to ULH&P all of CG&E’s right, title and interest in, under and to Woodsdale Station and all real and personal property, tangible and intangible, constituting, or used in connection with or ancillary to the ownership and operation of, Woodsdale Station (other than certain assets associated therewith but excluded therefrom, including generation step-up transformers and other assets subject to the jurisdiction of the Federal Energy Regulatory Commission);

WHEREAS, ULH&P desires that CG&E provide certain operation and maintenance services to ULH&P related to the natural gas facilities and the propane facilities related to Woodsdale Station and CG&E desires to provide such services.

NOW THEREFORE, in consideration of the mutual agreements herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**ARTICLE I**

**SERVICES**

- A) Engagement. Subject to the terms, conditions, provisions and limitations of this Agreement, ULH&P hereby engages CG&E, and CG&E agrees to accept such engagement, to provide the Natural Gas O&M Services and Propane O&M Services, both as defined below (and together referred to as the “Services”).
  
- B) Natural Gas O&M Services.
  - 1. CG&E will provide the Natural Gas O&M Services with respect to certain of ULH&P’s natural gas facilities serving Woodsdale Station that are described on Schedule 1(B),

attached hereto and made a part hereof (the “Natural Gas Facilities”), from the interconnect at Liberty Station through the outlet side of Station # 563 at Woodsdale.

2. The operation and maintenance of natural gas facilities owned by ULH&P contemplated by this Agreement (the “Natural Gas O&M Services”) to be performed by CG&E hereunder shall include the following:

- a. Perform leak survey and line patrol of Line C210
- b. Perform corrosion survey of Line C210
- c. Conduct regular inspections
- d. Read interference bonds
- e. Maintain grounds upkeep at Liberty Station
- f. Calibrate and maintain meter and transducer
- g. Perform RTU calibration
- h. Check odorant equipment
- i. Perform DOT Integrity Management
- j. Perform any other regulatory compliance requirements
- k. Supply odorant to odorizers
- l. Monitor pressures, flows and odorization rates
- m. Handle miscellaneous trouble calls.

C) Natural Gas Service. ULH&P will be responsible for arranging for natural gas supplies for use at Woodsdale Station through the marketer or supplier of its choice and shall arrange for the transportation and delivery of those natural gas supplies on the Texas Gas Transmission system into Liberty Station.

D) Propane O&M Services.

1. CG&E will provide the Propane O&M Services with respect to certain of ULH&P’s propane facilities serving Woodsdale Station that are described on Schedule 1(D), attached hereto and a part hereof (the “Propane Facilities”), from tap on the LP-6 line owned by CG&E and Ohio River Valley Propane (“ORVP”) through the LP-7 line to the inlet flange of the first stage regulator to Woodsdale Station.

2. CG&E and ULH&P, along with ORVP, shall share the use of Line LP-6.

3. The operation and maintenance of propane facilities owned by ULH&P contemplated by this Agreement (the “Propane O&M Services”) to be performed by CG&E hereunder shall include the following:

- a. Operate Todhunter control for Liquid Propane delivery to Woodsdale Station
- b. Odorize liquid propane to Woodsdale Station
- c. Maintain current odorizer system i.e. pump, controls, RTU
- d. Maintain current odorizer and micro-motion at Woodsdale
- e. Order odorant
- f. Monitor system
- g. Leak survey and line patrol of Line LP-7
- h. Perform corrosion survey of Line LP-7
- i. Conduct regulator inspections
- j. Read interference bonds

- k. Check water separator at Todhunter
- l. Operate cavern pumps when supplying propane to Woodsdale Station from CG&E's Todhunter Cavern
- m. Handle miscellaneous trouble calls

## **ARTICLE II**

### **TERM**

A) The term of this Agreement shall commence on the Effective Date and shall continue in effect until the second anniversary of the Effective Date (the "Original Term"), unless sooner terminated in accordance with the terms of this Agreement.

B) Automatic Renewal Terms. This Agreement shall automatically renew for additional two year terms ("Automatic Renewal Term") unless terminated by either Party upon two (2) months' notice prior to the end of the Original Term or an applicable Automatic Renewal Term.

## **ARTICLE III**

### **TITLE; ACCESS**

A) Station. ULH&P shall retain all right, title, ownership of and exclusive rights to Woodsdale Station.

B) Fuel. ULH&P shall retain title to, shall have care, custody, control and ownership of all natural gas and propane with respect to which CG&E is providing the services contemplated hereunder.

C) Access to Woodsdale Station. ULH&P hereby grants CG&E a non-exclusive license during the term of this Agreement to access any Natural Gas Facilities and/or Propane Facilities in order to perform the Services in accordance with the terms set forth herein.

## **ARTICLE IV**

### **FEES; PAYMENT**

A) Fees. As full compensation and consideration for the performance of all of the Services under this Agreement, ULH&P shall pay to CG&E each month CG&E's fully-allocated cost for performing the Services for the immediately preceding month.

## **ARTICLE V**

### **TERMINATION OF AGREEMENT**

A) Conditions for Termination. This Agreement shall terminate and neither Party shall have any remaining rights or obligations hereunder, with the exception of payment by ULH&P to CG&E of any amounts due for services performed as of the date of termination, upon the occurrence of any of the following:

(1) the natural expiration of the Original Term or Automatic Renewal Terms and either Party's election not to renew pursuant to Article II;

(2) the occurrence of any event beyond the reasonable control of the affected Party which results in the failure or delay by the affected Party of some performance under this Agreement, in full or part, including the following: (i) failure of the Natural Gas Facilities or Propane Facilities not caused by failure to maintain, (ii) failure of Woodsdale Station due to drought, flood, earthquake, storm, fire, lightning, epidemic, war, terrorism, riot, civil disturbance, sabotage or other act of God, (iii) strike or labor difficulty, (iv) accident or curtailment of natural gas or propane supply, (v) total casualty to equipment and (vi) restraint, order or decree by a governmental authority;

(3) damage or destruction to Woodsdale Station that is reasonably determined by ULH&P's insurance provider to constitute a total loss to the station;

(4) the sale of Woodsdale Station by ULH&P to a third party; or

(5) failure by ULH&P, in the case of termination by CG&E, or failure by CG&E, in the case of termination by ULH&P, to comply with any material covenant, obligation or agreement made by it and contained in this Agreement.

## ARTICLE VI

### MISCELLANEOUS

A) No Third Party Beneficiary; No Dedication. This Agreement is intended to be solely for the benefit of CG&E and ULH&P and their successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to, and this Agreement shall not, confer any rights, remedies, or benefits on any person not a signatory hereto.

B) Entire Agreement. This Agreement and any Exhibit or Schedule attached hereto integrate the entire agreement of the Parties with respect to the subject matter hereof, and supersede all oral negotiations and prior writings in respect to the subject matter hereof.

C) Amendments. This Agreement may be amended or modified only by an instrument in writing signed by an authorized officer of each of the Parties making specific reference to the provision or provisions to be amended or modified.


D) Headings. The table of contents and headings of the various Articles and Sections of this Agreement are for convenience of reference only and shall not modify, define, or limit any of the terms or provisions hereof.

E) Counterparts. This Agreement may be executed and delivered in multiple originals or using counterpart signature pages and may be delivered by facsimile transmission. All such multiple originals shall constitute but one and the same document.

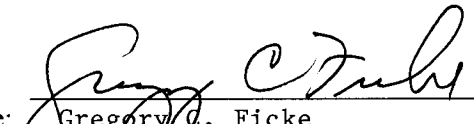
*[The remainder of this page is intentionally left blank. Signature pages to follow.]*

IN WITNESS WHEREOF, the Parties have by their respective duly authorized officers caused this Agreement to be executed and delivered by their duly authorized officers 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

**Schedule 1 (B)**

Station #562 – Liberty Station

Station #563 – Woodsdale Station

Feeder Line C210

SCADA Equipment

Meter Runs at Woodsdale Station

## Schedule 1 (D)

### At TEPPCO's Todhunter Cavern's #2, 5, & 6:

- 1 submersible pump at Cavern #5
- 1 submersible pump at Cavern #6

### At CG&E's Todhunter Cavern #1:

- 2 submersible cavern pumps
  - Motor control center
- 2 water separators
- 6 surface pumps
  - Metering, regulating equipment
  - SCADA equipment

Feeder Line LP-7 connecting Todhunter Cavern #1 to Woodsdale Station.

Metering, regulating, and storage facilities at Woodsdale Station.