

November 26, 1973

General Services Administration
Internal Revenue Service
Brent Spence Square
Covington, Kentucky 41011

Attention: Wallace Henderson

Subject: Gas Service Contract

Gentlemen:

On August 12, 1973, the Public Service Commission of Kentucky ordered The Union Light, Heat and Power Company to submit rate schedules for charges applicable to gas usage for customers who have entered into a written interruptible gas service agreement with the Union Light, Heat and Power Company.

These rates have been filed as P.S.C.Ky. No. 2, Sheets 4 and 13. (Rate G-1 and Rate IT). The filed rates are effective for gas used on and after April 30, 1973.

In order to fully comply with the P.S.C.Ky. Order, we have made minor editorial changes in the Gas Service Contract plus an exception written into paragraph II D regarding the procedure for reducing the adjusted usage limitation in the specific case as detailed in the new sub-paragraph captioned "EXCEPTION". We are hereby submitting three copies of the revised contract for your approval. Please sign and return two copies. Upon receipt of the two signed copies we will date and sign the contract. We will return one original copy and as many conforming copies as you may require.

If you have any questions regarding the proposed contract, please contact Mr. H. A. Remke (632-3175).

Very truly yours,

M. W. Miller

M. W. Miller
Manager
Gas Commercial Department

MWM/REB/kmg

Enclosure: Revised Gas Service Contract (3 Copies)

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INTERRUPTIBLE
GAS SERVICE CONTRACT

The Union Light, Heat and Power Company

THIS AGREEMENT, made and entered into this day of 19 , by and between THE UNION LIGHT, HEAT AND POWER COMPANY, a corporation organized and existing under the laws of the Commonwealth of Kentucky, hereinafter called "Company", and the GENERAL SERVICES ADMINISTRATION an agency of the Federal Government, hereinafter called "Customer", WITNESSETH:

WHEREAS: Customer desires to use gas in its operations at 4th and Russell Streets, Covington, Kentucky, and Company is willing to supply such gas; and

WHEREAS: Customer represents to Company that Customer desires to make use of gas in its operations to the extent of approximately 350 Mcf per day and 68,701 Mcf per year, subject to normal fluctuations and to the specific limitations imposed by the Company and stated herein at Paragraph II (D):

NOW THEREFORE, Customer agrees to purchase and Company agrees to supply Customer's gas requirements under the following terms and conditions:

I. DEFINITIONS

- A. "Contract Demand" - shall mean that volume of gas which Customer may use daily, pay for under the Firm Rate as prescribed under Paragraph III (A) on page 3 hereof, and which shall not be subject to termination except as in Paragraph II (A) below. It is mutually agreed that the initial Contract Demand of Customer shall be zero Mcfd, but may be changed effective on November 1, of any year during the term hereof by mutual agreement. Any such changes must be mutually agreed upon on or before the preceding January 1.
- B. "Firm Use" - shall mean the Contract Demand, as defined above, multiplied by thirty (30).

- C. "Interruptible" and "Off-Peak Gas" - These terms may be used interchangeably and both shall mean the total number of thousand cubic feet of gas used over and above the Contract Demand and/or Firm Use of Customer, subject to limitation set forth in paragraph II (D) of this contract.
- D. "Excess Use" - The excess use shall be defined as the amount of gas used on a monthly basis in excess of the limitations set forth in paragraph II (D) of this contract and as detailed under Exhibit A.

II. TERMINATION, INTERRUPTION AND USAGE LIMITATIONS

- A. Termination - The entire amount of gas supplied hereunder or any part thereof may be terminated by Company whenever Company does so by authority of any valid law, order, rule or regulation of any regulatory authority having jurisdiction.
- B. Interruption - Company may request Customer to reduce or discontinue its use of Off-Peak gas until further notice whenever in the opinion of Company it cannot supply the Customer its full requirements in excess of Customer's Contract Demand without incurring penalties under tariffs of Company's suppliers, or without having to purchase additional volumes of gas at premium rates, or without Company operating its peak load manufacturing facilities, or whenever any of the Company's suppliers curtail their delivery and as a result the Company determines that it cannot supply the total requirements of the Customer. Customer shall reduce its usage as requested by Company within three (3) hours from the time Customer receives notification of such request. The Company reserves the right to enforce interruption requests.
- C. Failure to Interrupt - Customer agrees that the representatives of Company may enter the premise of Customer at any time for the purpose of reading meters and inspection to ascertain if Customer is complying with the request of interruption. If Customer should fail to comply with such interruption request, Company may bill the Customer and the Customer must pay for such usage in excess of the Contract Demand at a rate of \$5.00 per Mcf in addition to the net monthly billing as determined in paragraph III below. The

amount of gas used in excess of the Contract Demand shall be deemed to be the total usage during the twenty-four (24) hour period immediately following the three (3) hour period after notification and for any succeeding twenty-four (24) hour period while the same interruption is in effect. If a request for partial interruption of Off-Peak gas is made, the \$5.00 per Mcf rate shall not apply to the amount of Off-Peak gas which Customer is permitted to use.

- D. Monthly and Annual Usage Limitations - The Customer's maximum usage of gas, the sum of the firm and interruptible, monthly and annually shall be limited to the Customer's use as established in the twelve (12) month period preceding the final meter reading date prior to September 30, 1971, but adjusted to include estimated amounts of gas which customer did not use during periods of requests for interruption during the above period. If additional amounts of gas are available during the contract period, the monthly limitations may be increased by the Company by written amendment to this agreement. A tabulation of the Customer's adjusted usage limitation shall be attached hereto and made a part hereof as "Exhibit A". The adjusted monthly limitation shall be reduced by the total amount of gas usage which the Company requests the Customer to interrupt during the current monthly billing period. Should Customer exceed these monthly usage limitations, the Company may bill the Customer and the Customer must pay for such excess monthly usage at the same penalty rate as stated in the Columbia Gas Transmission Corporation's FPC Gas Tariff filed with the Federal Power Commission or any lower rate deemed reasonable by Company in addition to the net monthly billing as computed under the rate provisions of Paragraph III below.

EXCEPTION: If during any particular billing period, the Customer has used a volume of gas equal to but not more than his "Adjusted Usage Limitation" as shown in Exhibit A or any readjusted usage limitation resulting from previous interruption requests during that billing period, the usage limitation will not be reduced below the then existing usage limitation should requests for interruption be made during balance of the billing period, provided the Customer does not use any gas for the balance of that billing period. However, the usage limitation will be reduced in the following billing period for any volume of gas not deducted from the adjusted usage limitation for the situation detailed above.

III. NET MONTHLY BILL: The Customer's net monthly bill shall be computed in accordance with provisions of sub-paragraphs A, B, C, and D of the paragraph III, plus charges for any excess gas usage as computed under provisions of paragraphs II C and II D.

A. Firm Rate

The rate applicable to Customer's firm use is the rate for gas service currently in force and effect and contained in Schedule "Rate G-1", P.S.C.Ky. No. 2 Sheet No. 4 and "Gas Cost Adjustment" Sheet No. 9 as filed with the Public Service Commission of Kentucky, copies of which are attached hereto and made a part hereof as "Appendix A".

B. Interruptible Rate

The rate applicable to customers use over and above the Firm Use is the rate for gas service currently in force and effect and contained in Schedule "Rate IT", P.S.C.Ky. No. 2 Sheet No. 13 as filed with the Public Service Commission of Kentucky, a copy of which is attached hereto and made a part hereof as "Appendix B", plus or minus the "Gas Cost Adjustment" as stated in sub-paragraph III C below.

C. Gas Cost Adjustment for Interruptible Use

Whenever a change occurs after August 13, 1973 in tariff rates put into effect by a supplier, the Company, as soon as practical, shall determine the change in the commodity cost of gas per Mcf of Company wide gas sales as follows:

- (1) The effect per Mcf sales of a change in the cost of gas shall be determined by:
 - (a) the application of the currently effective tariffs to the average monthly volume of gas purchased, applicable to each such respective tariff, by the Company during the most recently available 12 month period.
 - (b) reduce the total average monthly commodity cost as determined in (a) above by the average monthly commodity cost of gas sold to The Cincinnati Gas & Electric Company under The Union Light, Heat and Power Company's Tariff X-5.

- (c) dividing the average monthly commodity cost of gas calculated in (a) and (b) above by the average monthly volume of gas sales during the 12 month period, exclusive of gas sold to The Cincinnati Gas & Electric Company under The Union Light, Heat and Power Company's Tariff X-5. The resulting quotient shall represent the average commodity cost per Mcf of Interruptible sales.
 - (d) comparing the quotient calculated in (c) above to the pro-forma average commodity cost per Mcf of sales as of August 13, 1973 and the difference so derived to the nearest 0.1¢ shall represent the effect of change(s) in gas cost per Mcf of interruptible sales. The pro-forma average commodity cost of sales as of August 13, 1973 calculated in accordance with (a), (b) and (c) herein has been determined to be 33.93¢ per Mcf.
- (2) The interruptible rates as stated in "Appendix B" shall be decreased or increased, effective with gas delivered to customers on and after the effective date of a change in tariffs by application of a Gas Cost Adjustment for the combined decrease or increase as determined in (1) above. When meter readings are not available the Gas Cost Adjustment for the meter reading period will be prorated by the number of days in the period.

D. Refunds

When accumulated refunds, applicable to the contract period or any preceding contract period, received by the Company from its gas suppliers are sufficient to indicate that a change in Refunding Rate per Mcf will occur, the Company will:

- (1) Calculate the firm use refund in accordance with the procedure applicable to the rate schedule as designated in sub-paragraph III A above.
- (2) Summarize the demand, commodity and interest received portions of the refund amounts. Should a refund amount be received by the Company with undesignated dollars, the principal amount of the refund shall be treated as a commodity portion.
- (3) Allocate the interest as between commodity and demand on the basis of the demand and/or commodity portion of dollars received.

- (4) Calculate the Interruptible Refunding Rate per Mcf as follows:
 - (a) Divide the commodity portion (including allocated interest received) by the total Mcf of gas sales for the prior 12 month period. The resulting quotient, rounded to the nearest 0.1¢, shall represent the Interruptible Refunding Rate per Mcf.
 - (b) Calculate total refund for individual Interruptible customers by multiplying the Interruptible Refunding Rate per Mcf times the individual customer's prior 12 month period Mcf Interruptible sales.
- (5) Refund amounts applicable to Interruptible use shall be made to individual Customers by credit on a succeeding bill.

IV. REGULATORY AUTHORITY

- A. This Agreement is made in all respects subject to the terms and provisions of the Public Service Commission Act of the Commonwealth of Kentucky and acts amendatory thereto, to the jurisdiction and authority of The Public Service Commission of Kentucky and any other regulatory body having jurisdiction, and to the general service rules and regulations of Company currently in effect from time to time. Nothing herein contained shall be construed as divesting or attempting to divest any regulatory body of any of its rights, jurisdiction, powers or authority conferred by law.
- B. If, during the life of this contract, the regulatory body having jurisdiction shall authorize changes in any of the rates as specified under Paragraph III, the Customer hereby agrees to pay for gas service at the higher or lower rates from and after the date when such superseding rates are made effective.

V. QUALITY OF GAS

The gas to be delivered hereunder shall be natural gas or its equivalent of the quality and characteristics as received by Company from the gas transmission companies from which it receives its supply for delivery to its customers in this territory, subject to addition of such odorants as Company may deem necessary for the protection of its customers and provided, however, that said natural gas may be augmented and mixed with "Liquified Petroleum" gas or other substitute gases, as purchased or as produced in Company's plant or plants.

VI. DELIVERY PRESSURE AND EQUIPMENT

Company will use reasonable effort to deliver gas at the Point of Delivery at a gauge pressure of ~~five~~ **(5)** pound(s) per square inch. It is mutually agreed that in times of emergency, high demand delivery, or during periods of construction and maintenance, the delivery pressure may fall below the pressure mentioned above; therefore, nothing herein shall be construed as implying a warranty by Company as to gas pressure. The measurement of gas delivered at pressures other than Company's standard pressure of 14.73 pounds per square inch absolute requires volumetric corrections to standard conditions, and, it is agreed that the Company will correct the volume either mechanically or mathematically using correction factors in accordance with standard tables and where the installation of recording instruments is provided, the arithmetic average of the recorded data shall be used in computing the gas volumes.

VII. MEASURING EQUIPMENT

- A. Point of Delivery - The point of delivery of the gas to be served shall be at the outlet of the metering and regulating device in Company's metering location at the end of the ~~four~~ **four** inch gas service off of ~~the~~ **4th & Russell Streets, Covington, Kenton County, Kentucky.**
- Meter and regulating equipment shall be owned and installed by Company at the above location.
- B. Access to Meters - Both Company and Customer shall have the right of access to meters and measuring equipment at any time.
- C. Calibration and Test of Meters - The accuracy of Company's equipment shall be verified by Company at reasonable intervals and, if requested, in the presence of representatives of Customer, but Company shall not be required to verify the accuracy of such equipment more frequently than twice each year. Should Customer desire tests more frequently than twice per year, tests will be made at Customer's expense if the gas meters prove accurate within 2%.
- D. Correction of Metering Errors - If, upon any test, any measuring equipment is found to be in error not more than 2%, previous recordings of such equipment shall be considered accurate in computing deliveries hereunder; but such equipment shall be adjusted at once to record accurately. If, upon any test, measuring equipment shall be found to be inaccurate by any amount exceeding

2%, at a flow rate corresponding to the average hourly rate of gas flow for the period since the last previous test, recordings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for the current billing period only.

- E. Failure of Measuring Equipment - In the event of any measuring equipment is out of service, and the volume delivered cannot be determined by meter readings, deliveries through such equipment shall be estimated from such data as may be available, including Customer's records.

VIII. BILLING AND PAYMENT

Company shall render a bill to Customer each month in accordance with normal meter reading schedules and billing dates showing the total amount of gas delivered during said month and amount due. Payment shall be made within fourteen (14) days after the rendition of above bill. If any bill is not paid within fourteen (14) days following the date of rendition, three per cent (3%) will be added to the charges; provided, further, should said bill remain unpaid for a period of thirty (30) days after notice from Company, Company may at its option and without liability therefore suspend service to Customer after having given notice in writing of its intention so to do, but such suspension of supply of gas for such cause shall not discharge or acquit Customer from its obligation or any obligation under this Agreement, nor shall such suspension exclude the right of Company from any remedy which it may have at law or in equity to enforce any of the provisions of this Agreement.

IX. FORCE MAJEURE

Neither Company nor Customer shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rules and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which by the exercise of due diligence

such party is unable to prevent or overcome. Such causes or contingencies affecting the performance under this Agreement by either Company or Customer, however, shall not relieve them or either of them of the use of due diligence to remedy the situation and remove the cause in an adequate manner with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Customer from its obligation to make payments of amounts then due hereunder in respect of gas heretofore delivered.

X. TERM OF SERVICE AGREEMENT

This Agreement shall be for the period from and after April 30, 1973, terminating September 30, 1974; it shall be self-renewing from year to year thereafter for one year periods, unless terminated by either party by giving written notice to the other party not less than thirty (30) days prior to the expiration date of this agreement or not less than thirty (30) days prior to the expiration of any renewal period; but the term of this agreement shall not exceed ten (10) years.

XI. NOTICE

Any notice required by this Agreement, including notice of interruption, shall be deemed to have been given if given to any officer of the other party. However, specific individuals other than officers may, from time to time, be designated as authorized to receive notices. Notice of interruption may be given orally, either in person or by telephone.

XII. This Agreement shall be binding on, and inure to, the successors and assigns of the parties hereto, and shall supersede and cancel all previous gas service agreements, except for obligations incurred by Customer to make payment of amounts due in respect to gas heretofore delivered.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

THE UNION LIGHT, HEAT
AND POWER COMPANY

GENERAL SERVICES ADMINISTRATION

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Date October 1, 1973CUSTOMER General Services AdministrationACCOUNT NO. 20/2500

GAS SERVICE CONTRACT

EXHIBIT A

MONTHLY AND ANNUAL USAGE LIMITATION

<u>Billing Month</u>	<u>Contract Limitation</u>	<u>Estimated Interruption</u> *	<u>Other Adjustments</u> *	<u>Adjusted Usage Limitation</u>
October	2,945.0	0.0	0.0	2,945.0
November	3,102.0	0.0	430.0	3,532.0
December	4,031.0	0.0	430.0	4,461.0
January	4,208.0	1,150.0*	430.0	4,638.0
February	4,134.0	1,000.0*	430.0	4,564.0
March	4,302.0	0.0	430.0	4,732.0
April	4,165.0	0.0	0.0	4,165.0
May	4,787.0	0.0	0.0	4,787.0
June	10,249.0	0.0	0.0	10,249.0
July	10,666.0	0.0	0.0	10,666.0
August	8,318.0	0.0	0.0	8,318.0
September	7,794.0	0.0	0.0	7,794.0
Total	68,701.0	2,150.0*	2,150.0*	70,851.0

NOTE: Adjusted Usage Limitation will be reduced each billing month by the total amount of gas usage which the Company requests the customer to interrupt during any current billing period. The customer's estimated normal daily usage will be established by meter readings taken daily during the month of November each year (by Customer and/or Company representative). If these daily meter readings are not taken, the estimated daily usage as noted in the third paragraph on Page 1 of the Gas Service Contract may be used to reduce the monthly Adjusted Usage Limitation, when requests for interruptions are made.

*Estimated interruption for January and February, 1971, has been averaged and added to the limitation for the five (5) winter months instead of the months of January and February only at customer's request.

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

P.S.C. Ky. No. 2
Twenty-fifth Revised Sheet No. 4
Cancelling and Superseding
Twenty-fourth Revised Sheet No. 4

RATE G-1

AVAILABILITY

Available in communities indicated on Sheet 2 of this schedule where distribution mains are adjacent to the premise to be served.

APPLICABILITY

Applicable to gas service required for any purpose by an individual customer on one premise when supplied at one point of delivery.

NET MONTHLY BILL

Computed in accordance with the following charges:

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
(I) First 1,000 cubic feet	at 19.50¢	minus	0.767¢	equals	18.733¢ per 100 cubic feet
Next 9,000 cubic feet	at 11.18¢	minus	0.767¢	equals	10.413¢ per 100 cubic feet
Next 40,000 cubic feet	at 10.66¢	minus	0.767¢	equals	9.893¢ per 100 cubic feet
Additional cubic feet	at 9.96¢	minus	0.767¢	equals	9.193¢ per 100 cubic feet

Plus or minus an adjustment per Mcf determined in accordance with "Gas Cost Adjustment" set forth on Sheet No. 9 of this tariff.

Minimum: \$1.95 per meter.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

PAYMENT

The Net Monthly Bill is payable within fourteen (14) days from date. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 3%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on ten days written notice by either customer or Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Service Commission of Kentucky, and to Company's Service Regulations currently in effect, as filed with the Public Service Commission of Kentucky, as provided by law.

Issued pursuant to an Order of the Public Service Commission of Kentucky, dated September 14, 1973 in Case No. 5759-A.

The Union Light, Heat and Power Company
 107 Brent Spence Square
 Covington, Kentucky 41011

P.S.C. Ky. No. 2
 Original Sheet No. 13

RATE IT

Interruptible Gas

AVAILABILITY

Available in the Company's entire service area where distribution mains are adjacent to the premise to be served.

APPLICABILITY

This rate schedule is applicable for the Interruptible Gas Use portion of the monthly use of any customer who enters into a written Interruptible Service Agreement with the Company which Interruptible Service Agreement shall specify, among other rules and regulations, the customer's Firm Use; i.e. the Contract Demand multiplied by thirty (30).

NET MONTHLY BILL

Computed in accordance with the following charges:

- (1) Firm Use shall be billed in accordance with Rate F, Special Contract-Firm Use;
- (2) Interruptible Gas (i.e. Gas in excess of Firm Use) shall be billed in accordance with the following:

Winter Rate - applicable to customer's use in any of the five (5) billing months following the initial meter reading on or after November 1 - 61.70 cents per MCF.

Summer Rate - applicable to customer's use in any of the seven (7) billing months following the initial meter reading on or after April 1 - 56.20 cents per MCF.

Plus or minus an adjustment per MCF determined in accordance with the "Escalator Provisions" set forth in the Service Agreement.

Minimum: Twenty-five (25) percent of the cost of the customer's firm use of gas as defined in the Service Agreement, or \$1,500 whichever is larger, for seven (7) months following the initial meter reading taken on or after April 1, of any year.

PAYMENT

The Net Monthly Bill is payable within fourteen (14) days from date. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 3%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on thirty (30) days written notice by either customer or Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Public Service Commission of Kentucky, and to Company's Service Regulations currently in effect, as filed with the Public Service Commission of Kentucky, as provided by law.

Issued pursuant to an Order of the Public Service Commission of Kentucky dated August 13, 1973, in Case No. 5759.