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ADVANCE AND REFUND AGREEMENT  
TO PROVIDE FOR  
EXTENSION OF SERVICE

PUBLIC SERVICE  
COMMISSION

This Advance and Refund Agreement to provide for Extension of Service made and entered into this 26th day of February, 1999 by and between KENTUCKY POWER COMPANY d/b/a AMERICAN ELECTRIC POWER, hereinafter called "Company" and NORTHEAST KENTUCKY REGIONAL INDUSTRIAL PARK AUTHORITY d/b/a EASTPARK, hereinafter called "Customer".

Whereas an extension of Company's electric service facilities is necessary before service can be rendered to Customer's industrial park located on the north side of Interstate 64 at mile marker 179 in Boyd, Carter and Greenup counties and the duration and degree of operation of existing or potential loads are uncertain hence the estimated and minimum guaranteed revenues to be received by Company are problematical, and the cost of the necessary facilities to supply such service requires that Company request Customer for an advance and refund of revenue in accordance with provisions in Company's Terms and Conditions of Service as provided in the paragraph entitled "Extension of Service".

Now, therefore, the parties hereto, each in consideration of the promises and undertakings of the other hereinafter set forth, agree as follows:

SECTION I.

Customer shall:

- (a) Execute Company's standard agreement, embodying its Terms and Conditions of Service except as modified herein, together with the applicable tariff, which agreement and any renewal or substitution thereof, providing for supply of service at the same point of delivery at voltages not to exceed 34,500 Kv, will hereinafter be referred to as "Power Contract".
- (b) Upon execution of this agreement and Power Contract pay Company the sum of ~~\$421,500~~ <sup>842,150</sup> Such prepayment of revenue will hereinafter be referred to as "Revenue Advance".
- (c) Agree that title to the facilities in the extension shall be vested in and remain with the Company.

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SECTION II.

Subject to the provisions of Sections I and III hereof, Company shall:

- (a) Upon execution of this agreement and Power Contract and receipt of Revenue Advance, take the necessary steps and make every reasonable effort to install the necessary facilities up to the point of delivery as provided in Power Contract so as to render service as quickly as reasonably possible.
- (b) Compute the monthly bills for electric service for customers locating within the industrial park. In consideration of the Revenue Advance, Customer shall be entitled, for a period of one hundred and twenty (120) months after commencement of service date (as defined in Section III (a) below) under the Power Contract, to receive a refund equal to the monthly revenues realized from the customers located within EastPark.
- (c) The monthly refund shall cease at the earlier of: (1) the conclusion of the one hundred and twentieth (120) month after commencement of service date (as defined in Section III (a) below) or (2) when the sum of the monthly refunds is equal to the amount set forth in Section I (b) above.

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)  
BY: Stephen O. Bell  
SECRETARY OF THE COMMISSION

SECTION III.

- (a) This agreement shall become effective on the day first above written and shall terminate ten years after the day on which facilities referred to in Section II (a) above are first energized and made available for use by the Customer (which date shall be the Commencement of Service date referred to in Section II (b) above).
- (b) At the conclusion of this agreement the Customer shall have no further claim to the amount, if any, remaining of Revenue Advance which has not been refunded previously to the Customer.
- (c) In no case shall the total amount of refund by Company exceed the Revenue Advance paid by Customer under this agreement.
- (d) Revenue Advance will not draw interest.
- (e) This agreement shall not be assigned by Customer or any subsequent assignee, without Customer, or such assignee having first obtained Company's consent in writing thereto.
- (f) This agreement shall be subject to and not become effective until final approval by the Kentucky Public Service Commission (including any appeal).

IN WITNESS WHEREOF: The parties hereto have caused this agreement to be duly executed on the day and year first above written.

KENTUCKY POWER COMPANY d/b/a  
AMERICAN ELECTRIC POWER

By *E. K. Wagner*

Title *asst Secretary*

NORTHEAST KENTUCKY REGIONAL INDUSTRIAL  
PARK AUTHORITY d/b/a EASTPARK

By *P. W. Stevens*

Title *Vice Chairman*

Attest: *Angeline Dvorak*

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SECTION 9(1)

BY: *Stephan O. Bess*  
SECRETARY OF THE COMMISSION