

## Reserve Capacity Agreement

This Reserve Capacity Agreement ("Agreement") is made and entered into as of the 20 th day of June, 2002 ("Agreement Date") between **The Union Light, Heat and Power Company ("ULH&P or Company")**, a corporation organized and existing under the laws of the Commonwealth of Kentucky, herein referred to as "Company", and Fidelity Corporate Real Estate, Inc., a Massachusetts corporation, herein referred to as "Customer," (together "the Parties").

WHEREAS, the Customer desires that Company furnish it with 12,470Y/7200 voltage Reserve Capacity Service at 100 Crosby Parkway, Covington, Kentucky.

WHEREAS, Company is willing to provide such limited Reserve Capacity Service to Customer, subject to the terms and conditions of this Agreement.

NOW THEREFORE, the Parties agree as follows:

1. This Agreement contains the entire agreement between the Parties relating to the subject matter hereof.
2. Company will provide Customer 12,470Y/7200 voltage Reserve Capacity of 2,000 ("kW") subject to the terms and conditions described herein.
3. The Customer will pay a one-time charge of \$ 0.00 for future costs associated with the provision of Reserve Capacity Service under this Agreement.
4. During the term of the agreement, Customer agrees to pay a monthly fee of \$6,500 (\$3.25 per kW) applied to the monthly electric utility bill to be prorated based on start and stop date. Should customer require additional kW of reserve capacity during the term of this Agreement beyond the level specified in this Agreement and if ULH&P has adequate additional reserve capacity available, this Agreement will be terminated and the parties shall enter into a new Agreement which will reflect the increased level of reserve capacity as well as any additional facilities, if any, necessary to provide such additional reserve capacity. The new Agreement shall be at \$3.25 per kW for the total amount of reserve capacity needed plus the cost of additional facilities necessary to provide such additional reserve capacity.
5. Company will construct, own, operate, and maintain the Reserve Capacity Facilities shown on Company's drawing attached hereto as Exhibit A. (attached ~~electronically~~ <sup>electronically</sup> single line diagram of facility)

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BY Stanford Bell  
SECRETARY OF THE COMMISSION

6. The purpose of the Reserve Capacity Facilities is to provide an alternate source of electric service to Customer's service transformer(s) in the event of the failure of the Company's preferred source of supply to said transformer(s).
7. Company will make reasonable provisions to supply satisfactory and continuous electric service, but does not guarantee a constant or uninterrupted supply of electricity from the preferred or alternate sources. Moreover, Company shall not be liable for any damage or claim of damage attributable to any interruption or reversal of service caused by accident or casualty, extraordinary action of the elements, action of any governmental authority, or by any other cause which Company could not have reasonably foreseen and made provisions against, unless due to the gross negligence or intentional misconduct of Company.
8. If Customer's alternate source demand exceeds 2,000 kW, Company cannot assure that the Reserve Capacity will be available beyond the 2,000 kW level. In this case, Customer shall immediately implement a curtailment plan to reduce its peak electric demand by curtailing non-essential load or by utilizing some other means to obtain an imposed loading of 2,000 kW or less.
9. The Company shall not be held responsible by the Customer for any interruption or damages attributed to the time required by the Company to perform switching or the Customer's failure to conform to the 2,000 kW demand limit. Moreover, the Customer shall be held responsible for damages to Company property in the event Customer fails to conform to the 2,000 kW limit. Further, Customer shall hold Company harmless and shall indemnify Company from and against any and all damage to adjacent customers' property supplied from the same facilities as Customer, to the extent such damage results from Customer's failure to conform to the 2,000 kW demand limit. In the event Company finds that Customer is not complying with the terms of this Agreement, Company reserves the right to disable the Reserve Capacity Service and/or remove the Reserve Capacity Facilities. Company will send written warning twenty-four (24) hours prior to such action being taken.
10. If during the term of this Agreement, Customer requests Company to temporarily or permanently relocate, rearrange, or alter any or all of the facilities required to provide Reserve Capacity Service, and Company agrees to do so, which agreement shall not be unreasonably withheld, Customer shall reimburse Company for all reasonable, necessary

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and documented costs associated therewith, except switching on feeders needed to provided reserve capacity will be provided at no cost to Customer.

11. This Agreement shall remain in force starting no sooner than June 1, 2002 and no later than June 30, 2002 with a 5 business day notice from Customer to commence, and ending August 31, 2002. This Agreement can be terminated by either Party by giving the other Party thirty (30) days written notice of its intent to terminate this Agreement unless earlier terminated. Upon termination of this Agreement, the Company may remove any affected facilities.
12. Company shall continue a reasonable preventive maintenance and testing program to ensure that all related equipment remains in operating condition.
13. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.
14. ULH&P will provide service to Customer per the applicable ULH&P tariffs approved by the KYPSC, except as noted in this Agreement.
15. This Agreement is subject to KYPSC jurisdiction and approval. Any petitions and filings shall be the responsibility of the Company. Company will notify the Customer of the results.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their respective officers, thereunto duly authorized.

ULH&P

By: *Ronald Whitaker*

Title: *Area Mgr., ULH&P*

Fidelity Corporate Real Estate, Inc.

By: *David H. C.*  
PUBLIC SERVICE COMMISSION  
OF KENTUCKY

Title: *Executive Vice President*

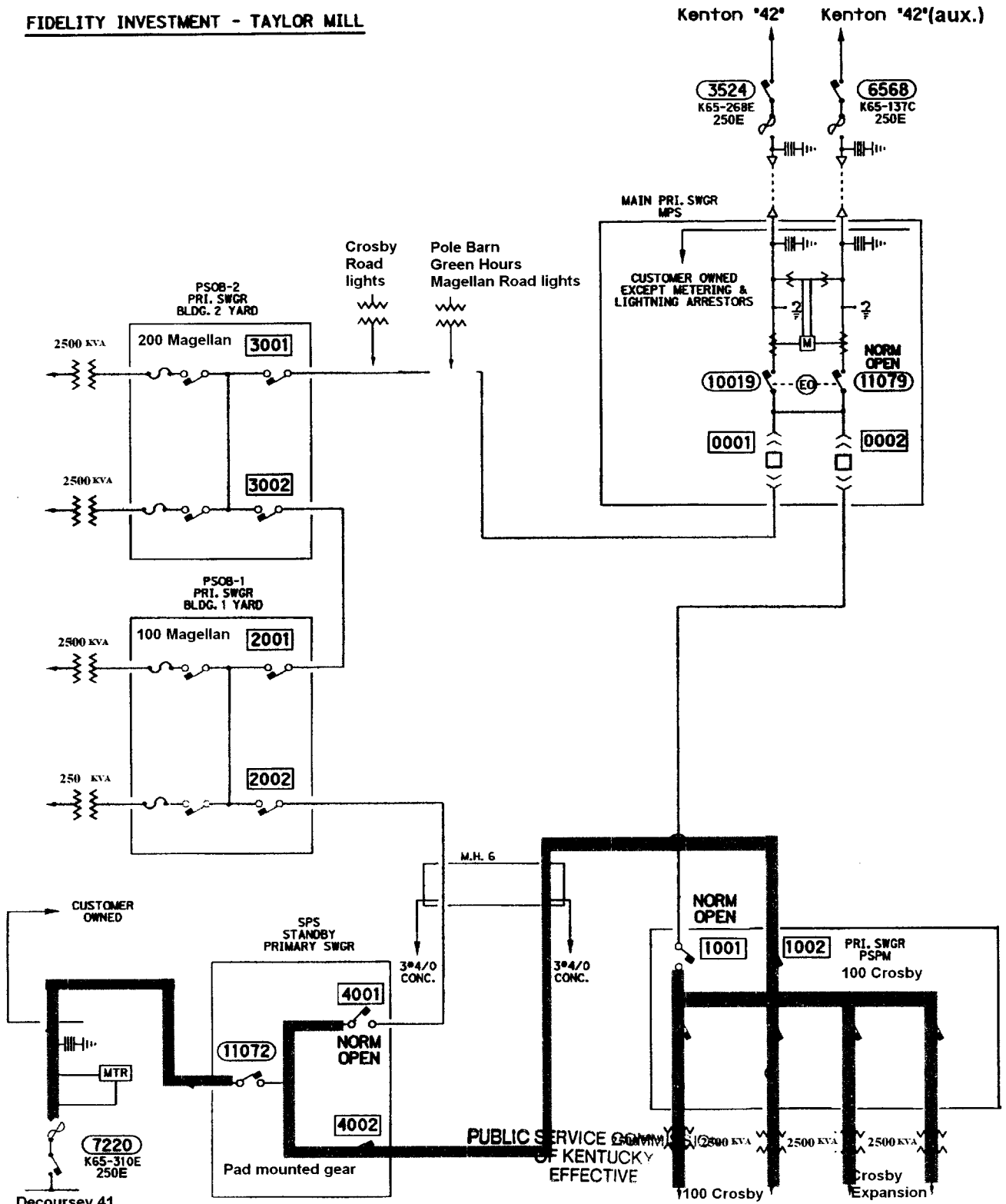
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SECTION 9 (1)

BY *Stephen Bell*  
SECRETARY OF THE COMMISSION

# Electrical Distribution Exhibit "A"

FIDELITY INVESTMENT - TAYLOR MILL



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SECTION 9.011

BY Stephen Bell  
SECRETARY OF THE COMMISSION