

THE CINCINNATI GAS & ELECTRIC COMPANY and THE UNION LIGHT, HEAT & POWER COMPANY - - - COLUMBIA-WEST END 66 KV OVERHEAD TRANSMISSION LINE AGREEMENT

THIS AGREEMENT made and entered into this the 23d day of MAY 1938, by and between The Union Light, Heat and Power Company, a corporation organized under the laws of the State of Kentucky, party of the first part, hereinafter referred to as "Union Company," and The Cincinnati Gas & Electric Company, a corporation organized under the laws of the State of Ohio, party of the second part, hereinafter referred to as "Cincinnati Company," WITNESSETH; that,

WHEREAS, The Union Light, Heat and Power Company is a utility corporation engaged in the furnishing and distributing of electric energy in the cities, villages, and rural sections of Kenton, Campbell, and part of Boone Counties and purchases energy from The Cincinnati Gas & Electric Company at present over five (5) 13,200-volt lines which cross the Ohio River at Cincinnati, Ohio, connecting with the West End - Cincinnati Plant of The Cincinnati Gas & Electric Company, all of said energy being furnished directly from the West End Plant; and,

WHEREAS, The Cincinnati Gas & Electric Company operates and maintains an electric generating station known as the West End Station, located at Front and Rose Streets in the City of Cincinnati and also operates and maintains a second generating station located at Columbia Park, Ohio, on the Ohio River approximately twenty (20) miles west of Cincinnati, Ohio; and,

WHEREAS, it is the desire of the parties hereto for the purpose of augmenting and building up the service of both of said companies and enabling the Cincinnati Company to form a connecting line between its West End Plant and its Columbia Plant, so as to at all times maintain

continuous service through either or both of said plants and to supply electric energy to the Union Company therefrom; and,

WHEREAS, for the purpose of forming the said connecting line between the said two stations of the Cincinnati Company, the Union Company has constructed a transmission line through a part of Kenton and Boone Counties from a terminus point at the low water mark on the north side of the Ohio River near Columbia Park, Ohio, to a terminus point at the low water mark on the north side of the Ohio River near the West End Plant at Cincinnati, Ohio, which said line was placed into operation on November 29, 1937; said Union Company to be the owner and holder of all rights, title, and interest of said transmission line;

NOW THEREFORE, for and in consideration of the covenants herein contained and the agreements to be performed on behalf of the respective parties hereto, and for the purpose of maintaining more efficient service in the distribution of electric energy as hereinbefore set forth, the Union Company hereby agrees with the Cincinnati Company that it will receive for transmission and transmit all electric energy delivered to it by the Cincinnati Company at the terminus of the line hereinabove mentioned located near the generating station known as Columbia Station to the terminus of the Cincinnati Company's lines located near the generating station known as West End Station, or vice versa.

In consideration of the services herein to be performed by the Union Company and for the purpose of apportioning the benefits to be derived from the use of said transmission line, the Cincinnati Company

agrees to pay to the Union Company annually for said services a sum of money equal to two-thirds of the total sum of money arrived at upon the following basis:

1. - An amount equal to seven per cent (7%) per annum on the property and plant value of said transmission line of the Union Company extending from its physical connections with the line of the Cincinnati Company located opposite the City of Covington as hereinabove set forth to the terminus of said transmission line located opposite Boone County, Kentucky, near the generating station, known as Columbia Power Station as set forth above, which said plant value as of the date of the execution of this agreement cannot be established definitely, but is estimated as of the date when said line was placed in service, in the amount of \$459,050.00 and said amount shall be taken as the plant value in the computation of payments hereunder until January 1, 1938. From and after January 1, 1938, the plant value upon which said amount is computed shall for each current year of the term of this contract be the plant value as appears upon the books of said Union Company as of January 1st of each and every such year during the term of this contract provided, however, that should large or costly additions or retirements be made during the course of any given year of the term of this contract such additions or retirements shall be added to or deducted from said plant value and from the date of such additions or reductions the plant value as then constituted shall be the revised plant value upon which said payment shall be computed.

2. - An amount equal to three per cent (3%) depreciation on said property based on the book value of The Union Light, Heat and Power Company on the property, plant, and equipment covered under this agreement, exclusive of the amount charged to rights of way and land. Said book value as of the date of the execution of this agreement cannot be definitely established, but, as of the date when said line was placed in service, the total book value is estimated in the amount of \$459,050.00 and the book value of rights of way and land is estimated in the amount of \$147,500.00 and said amounts shall be taken as the book values in the computation of payments hereunder until January 1, 1938. From and after January 1, 1938, the book value upon which said depreciation is to be based during each current year of this contract shall be the book value as appears on the books of The Union Light, Heat and Power Company as of January 1st of each and every such year during the term of this agreement provided, however, that should during any year of this contract any large or costly additions or retirements be made during the course of such given year whereby the book value of the property, plant, and equipment covered by this agreement is increased or reduced to any appreciable degree, the book value upon which said amount is computed shall from and after the date of said additions or retirements resulting thereby be the book value as appears on the books of the Company on the first of the month next succeeding said additions or retirements.

3. - An amount equal to all increase in taxes, license fees charged upon or on account of the capital stock or earnings of The Union

Light, Heat and Power Company, and all other increase in taxes, rates, duties, impositions, assessments, and charges of every kind and character, general or special, ordinary or extra-ordinary that may be lawfully imposed upon The Union Light, Heat and Power Company at any time during this agreement for or on account of its property, capital stock, earnings, dividends, rights, privileges, franchises, business, income, or otherwise, whether imposed by the United States, State, Municipal, or any other lawful authority whatsoever, which are the result of or are directly attributable to the ownership, maintenance, or operation of the transmission line which is the subject of this agreement.

4. - An amount equal to all expenses incurred in maintaining and keeping in good repair said transmission line during the term of this agreement so that said transmission line shall at all times be in safe and satisfactory condition for the purpose of transmitting electrical energy as herein specified, including all expenses incurred in making all necessary and proper replacements, repairs, or renewals required during the term of this agreement.

5. - An amount equal to all costs and expenses incurred by the Union Company in the defense or adjustment of all actions or proceedings brought or all claims and demands made or judgments and decrees rendered and all court costs, counsel fees and expenses incurred by the Union Company arising out of the maintenance and operation of said transmission line in the carrying out of this agreement.

The annual amount payable under paragraphs 1 and 2 hereof, computed as above set forth, shall be in twelve (12) monthly installments payable on the 15th day of each and every month.

All other payments provided hereunder shall be due and payable within thirty (30) days after statements are rendered by the Union Company to the Cincinnati Company of the amounts so due as therein provided.

This agreement shall be in full force and effect for a period of thirty (30) years from and after the date that said transmission line was placed in service and shall continue in force and effect thereafter until terminated by either party giving to the other written notice of at least two (2) years prior to the date said contract is to be terminated.

No waiver by either party of any breach or default of the other shall extend to or affect any subsequent breach or default or impair the rights of either party arising thereunder.

This agreement is executed for the purpose of carrying into effect the oral agreement entered into between the parties hereto in the year 1936 prior to the commencement of the construction work and at which time definite data were not available for the execution of formal agreement.

This agreement and all the conditions, terms, and obligations thereof shall inure to the benefit of and be binding upon the respective parties and assigns.

IN WITNESS WHEREOF, The Union Light, Heat and Power Company and The Cincinnati Gas & Electric Company, by their respective presidents or vice-presidents and secretaries, hereunto duly authorized have hereunto and to a duplicate hereof set their corporate names and seals the day and year as above written.

ATTEST:

THE UNION LIGHT, HEAT AND POWER COMPANY

Benj. Pugh
Asst. Secretary

By Polk Laffoon
Vice-President

THE CINCINNATI GAS & ELECTRIC COMPANY

A. F. Flocken
Asst. Secretary

By H. C. Blackwell
President