

Agreement Between

THE UNION LIGHT, HEAT AND POWER COMPANY  
Covington, Kentucky

and

THE CINCINNATI GAS & ELECTRIC COMPANY  
Cincinnati, Ohio

Dated December 30, 1958

Covering Transmission  
of  
Electric Power and Energy  
Through Kentucky  
Between  
Two Points on the Ohio State Line

FILED  
JAN - 5 1959 *lm*  
PUBLIC SERVICE  
COMMISSION

THE UNION LIGHT, HEAT AND POWER COMPANY  
and  
THE CINCINNATI GAS & ELECTRIC COMPANY

This agreement made and entered into this 30<sup>th</sup> day of December, 1958, by and between The Union Light, Heat and Power Company, a corporation organized under the laws of the Commonwealth of Kentucky, hereinafter referred to as "Union Company", and The Cincinnati Gas & Electric Company, a corporation organized under the laws of the State of Ohio, hereinafter referred to as "Cincinnati Company",

WITNESSETH: that,

WHEREAS, Union Company, a utility corporation engaged in the supplying and distributing of electric power and energy in the cities and unincorporated territory of Kenton, Campbell, Boone, Grant and Pendleton Counties, Kentucky, has been purchasing all of its power and energy for resale from Cincinnati Company, delivery heretofore being made at the Ohio-Kentucky state line from a single load center of Cincinnati Company's transmission network, over a number of transmission lines of limited capacity.

WHEREAS, Cincinnati Company operates an electric generating station known as Walter C. Beckjord Station located near New Richmond, Clermont County, Ohio, approximately 17 miles east and south of Cincinnati, Ohio and operates a switching station on Front Street in downtown Cincinnati which switching station is a major load center of the Cincinnati Company's system; and,

WHEREAS, it is the desire of the parties hereto to (a) augment and promote their respective services, (b) provide an alternate source of supply to Union Company, (c) provide additional capacity to Union Company and (d) provide an interconnection between the Walter C. Beckjord generating station and the Front Street switching station of Cincinnati Company; and,

WHEREAS, for the purpose of accomplishing this mutual desire Union Company has constructed a double circuit 132 Kv transmission line extending westwardly through Campbell County, Kentucky, from the Ohio-Kentucky state line near said Walter C. Beckjord generating station to its Wilder switching station at Wilder, Kentucky, a distance of approximately 12 miles, and has installed terminal and transformation equipment at said switching station for the purpose of interconnecting through its 66 Kv transmission system with Cincinnati Company's transmission system at the Ohio-Kentucky state line near Cincinnati Company's Front Street switching station, and Cincinnati Company has caused to be connected to its power network said 132 Kv and 66 Kv transmission lines of Union Company;

NOW THEREFORE, for and in consideration of the services and covenants herein contained the parties hereto agree as follows:

(1) Union Company will maintain and keep in good repair its facilities as described in Exhibit A, appended hereto as a part hereof, during the term of this agreement so that they shall be in safe and satisfactory condition at all times for the uses herein specified, and will receive at the eastern terminus of its said 132 Kv transmission line all power and energy supplied by Cincinnati Company and will deliver to Cincinnati Company at the northern termini of Union Company's 66 Kv transmission lines all such power and energy so received as is not required for the supply of service to Union Company's own customers. Union Company reserves the right to use all or any part of said facilities for serving its customers and reserves the right to use all or any part thereof for standby or emergency service in event of discontinuance of supply from other sources for whatever reason.

(2) Cincinnati Company will deliver to the eastern terminus of Union Company's 132 Kv transmission line at all times an amount of power and energy equal to at least Union Company's load requirements at its Wilder switching station and at any connections to Union Company's 132 Kv and 66 Kv transmission lines in Kentucky; except if such delivery is not possible because of emergency, or because of breakdown or maintenance of facilities of either company, Cincinnati Company will supply such requirements from its Front Street switching station over Union Company's 66 Kv transmission lines.

(3) Both parties will cooperate in maintaining a power factor as near unity as practicable at their respective points of connection.

(4) In consideration of the rights herein granted Cincinnati Company and the services to be performed by Union Company, the Cincinnati Company agrees to pay to Union Company each month during the term of this agreement, fifty (50) percent of all costs associated with the transmission lines and related facilities at Wilder switching station, as hereinafter provided, which lines and facilities as they exist at the effective date of this agreement are described in appended Exhibit A.

Metering equipment will be tested at suitable intervals and maintained within the accuracy of good operating practice; tests will be made by Cincinnati Company, the costs thereof to be borne by the respective owners of the equipment. Should the metering equipment of either party at any time fail to register, the power and energy delivered shall be determined from the best available data.

During the term of this agreement Union Company will render a bill monthly for services supplied and Cincinnati Company will pay therefor in full within 15 days. This bill will contain Cincinnati Company's allocated portion of one-twelfth of all annual costs, such costs as they pertain to the said facilities to consist of the following:

1. Operation and Maintenance Expenses

An amount equal to the total of the operation and maintenance expenses for the year as recorded on the books of Union Company.

2. Depreciation

An amount equal to the annual accrual for depreciation based on the depreciation rates in effect as of January 1 of each year. As of the date of this agreement the applicable depreciation rates are:

Acct. 340.3	Rights-of-Way	1.00%
Acct. 341	Clearing Land & Rights-of-Way	1.00%
Acct. 342	Structures & Improvements	2.10%
Acct. 343	Station Equipment	2.79%
Acct. 344	Towers & Fixtures	2.00%
Acct. 345	Poles & Fixtures	3.39%
Acct. 346	Overhead Conductors & Devices	2.54%

3. Return

An amount equal to six (6.0) percent per annum of Union Company's "base for return" which shall be an amount consisting of the original cost of Union Company's utility plant estimated as of June 1, 1958 (Exhibit A) and revised to actual amounts as of January 1 of each calendar year including therein land and rights-of-way and all other amounts recorded in electric plant accounts plus any costs of construction work in progress in service, less the amount of depreciation reserve applicable to the utility plant, and less contributions in aid of construction, if any. Should there be made large or costly additions or retirements during any year of the term of this agreement such additions and retirements when accounted for shall be considered in determining a revised "base for return".

The "base for return" to be used until January 1 of the year following date of this contract shall be:

Utility plant per books	\$ 536,543
Plant in service not transferred	<u>\$1,433,927</u>
Sub-total	<u>\$1,970,470</u>
Less depreciation	\$ 65,028
Less contributions in aid of construction	<u>\$ 1,561</u>
Total	<u>\$1,903,881</u>

4. Taxes

An amount equal to all taxes, fees or assessments lawfully imposed upon Union Company by any authority, which are the result of or directly attributable to the ownership, operation, maintenance or earnings of the facilities subject to this agreement.

(5) Costs incurred by Union Company in the defense or adjustment of all actions or proceedings brought or all claims and demands made and all court costs, counsel fees and expenses arising out of the operation or maintenance of said facilities will be allocated to Cincinnati Company on the basis of the factor as above described, such amount to be billed separately and paid by Cincinnati Company within 15 days of receipt of such billing.

(6) Cincinnati Company and Union Company will operate their respective systems consistent with commonly accepted standards and neither company will be held responsible to the other for interruptions or failures in service on its system due to accidents, commitments of others or acts of God.

(7) This agreement shall become effective as of July 1, 1958 upon its acceptance or approval by the governmental regulatory agencies having jurisdiction, shall remain in full force and effect until December 31, 1963, and thereafter shall be automatically renewed from year to year unless and until terminated by either party upon written notice given to the other party at least 6 months prior to the expiration of the original term or any such one year renewal term, and shall be binding upon and inure to the benefit of the parties thereto and successors and assigns.

In witness thereof, the parties hereto have caused this to be duly executed on the 30<sup>th</sup> day of December, 1958.

ATTEST:

THE UNION LIGHT, HEAT AND POWER COMPANY

Richard H. Rhein  
Asst. Secretary

By W. A. Spinning  
Vice President

ATTEST:

THE CINCINNATI GAS & ELECTRIC COMPANY

Ingblow  
Secretary

By E. J. ...  
President

EXHIBIT "A" TO  
 AGREEMENT DATED DECEMBER 30, 1958  
 BETWEEN  
 THE UNION LIGHT, HEAT AND POWER COMPANY  
 AND  
 THE CINCINNATI GAS & ELECTRIC COMPANY

The transmission facilities referred to in this agreement as existing on June 1, 1958 are as follows, based upon inventory as of May 31, 1958:

1. A double circuit 132 Kv transmission line extending westwardly through Campbell County, Kentucky, from the Ohio-Kentucky state line near the Cincinnati Company's Walter C. Beckjord generating station to the Wilder substation at Wilder, Kentucky, consisting of:

<u>Acct. No.</u>	<u>Units</u>	<u>Description</u>	<u>Original Cost</u>
340.1		Land	\$ 3,977.85
340.3		Rights-of-Way	145,268.70
341		Clearing	17,008.50
344	62	Steel Double Circuit Towers	415,300.00
346	12.52Mi	6-477 MCM ACSR Conductors )	202,400.00
	12.52Mi	2-159 MCM ACSR Static Cond.)	
			<u>\$783,955.05</u>

2. Certain equipment at the Wilder substation located in the City of Wilder, Campbell County, Kentucky, consisting of:

<u>Acct. No.</u>	<u>Units</u>	<u>Description</u>	<u>Original Cost</u>
340.1	6.09Acres	Land	\$ 17,173.30
342.0		Structures & Improvements	83,653.07
343.0	2	132 Kv Bus Structure, 100,000 Kva Banks with switches, arresters and appurtenances, Protecting and Metering equip.	522,586.73
		66 Kv Bus Structure, switches, arresters and appurtenances. Protecting and Metering equip.	<u>300,817.73</u>
			<u>\$924,230.83</u>

3. Two 66 Kv wood pole transmission lines extending northward through Kenton County, Kentucky, from Wilder Substation at Wilder, Kentucky, to the Ohio-Kentucky state line near Cincinnati Company's Front Street Substation, consisting of:

<u>Acct. No.</u>	<u>Units</u>	<u>Description</u>	<u>Original Cost</u>
340.1		Land	\$ 906.00
340.3		Rights-of-Way	8,180.00
341.0		Clearing	3,254.00
344.0	5	Steel Towers	42,694.56
345.0	295	Wood Poles	79,999.17
346.0	8.42Mi	3 conductor, statics and switches	\$ 127,250.57
			\$ 262,284.30
Total all facilities			\$1,970,470.18