

THIS AGREEMENT, made and entered into this 10th day of October, 1961, by and between LOUISVILLE GAS AND ELECTRIC COMPANY, a Kentucky corporation, hereinafter referred to as "Electric Company" and LOUISVILLE WATER COMPANY, a Kentucky corporation, all of the stock of which is owned by the City of Louisville, acting by and through the agency of the Board of Water Works, hereinafter referred to as "Water Company,"

WITNESSETH

WHEREAS, Electric Company owns and operates an electric generating and distribution system in the City of Louisville and Jefferson County, Kentucky, and

WHEREAS, Water Company operates a water pumping and distribution system in the City of Louisville and Jefferson County, Kentucky, and

WHEREAS, Water Company operates two large pumping stations, known as Riverside Pumping Station and Crescent Hill Pumping Station, and under a contract dated October 14, 1947, has purchased from Electric Company the power requirements of said two stations, and

WHEREAS, Electric Company desires to construct a 69/13.8 Kv substation on Water Company property adjacent to the Crescent Hill Pumping Station (which substation will be used in part to supply the power requirements of the Crescent Hill Pumping Station and will result in more dependable service to such station), and Water Company, under authority granted in Kentucky Revised Statutes 96.260, has agreed to lease to Electric Company a tract of land as a site for such substation, provided the parties enter into a new and mutually satisfactory ten-year power contract to supersede the aforesaid contract of October 14, 1947,

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

1. Sale of Electric Power. At the rate, for the period and in accordance with the other terms and conditions herein set forth, Electric Company shall sell and deliver to Water Company, and Water Company shall take and purchase from Electric Company, all of Water Company's electric power requirements for the operation of the aforesaid two pumping stations. Provided, however, that Water Company may install and operate standby electric facilities in accordance with Section 13 hereof.
2. Form of Service. The electric power supplied hereunder shall be in the form of three-phase 60-cycle alternating current with a nominal potential of 13,800 volts.
3. Points of Delivery. Points of delivery of the electric power furnished hereunder shall be on the premises of Water Company's two aforesaid stations where the 13.8 Kv facilities of Electric Company connect with the 13.8 Kv facilities of Water Company, such points being as presently

located or as modified by mutual agreement of the parties hereto. Electric Company shall provide, operate and maintain all facilities for delivering electric power to such established points of delivery, and Water Company shall provide, operate and maintain all facilities on its side of such points of delivery.

4. Rate. Water Company shall pay to Electric Company for service furnished to each of Water Company's pumping stations the following demand and energy rates:

Demand Charge

\$1.25 per month per kilowatt of billing demand.

Energy Charge

4.1 mills per kilowatt-hour.

5. Determination of Billing Demand. The billing demand for each pumping station for any month shall be the highest average load in kilowatts occurring during any fifteen minute interval in the month between 6:00 A.M. to 10:00 P.M., Eastern Standard Time, as shown by maximum demand instruments; provided, however, that in no case shall the monthly billing demand be taken at less than 100 percent of the maximum demand similarly determined in any of the eleven months immediately proceeding that for which bill is rendered, nor less than 2500 kilowatts for Water Company's Riverside Station and 2000 kilowatts for Crescent Hill Station.

Any excess demands caused by increased pumpage between the hours of 10:00 P.M. and 6:00 A.M. Eastern Standard Time, or by increased pumpage caused by a serious fire or resulting from a break in one of Water Company's transmission mains will be disregarded in determining the maximum demand for billing purposes. In the case of break in main, Water Company will use diligence in repairing main and restoring the same back to service.

6. Fuel Clause. The monthly amount computed in accordance with the provisions set forth above shall be increased or decreased at the rate of .13 mill (.013¢) per kilowatt hour for each one cent per million Btu by which the average cost of coal delivered F.O.B. cars at Company's Louisville steam generating stations during the second preceding month is more or less respectively than 18¢ per million Btu. Such increase or decrease shall be made in direct proportion to the difference from the base price of 18¢ per million Btu, including differences of fractional parts of a cent. For fuel clause purposes the Btu content of Western Kentucky coal of the grade customarily used in Company's steam plants shall be considered as 11,300 Btu per pound, but appropriate adjustment shall be made for changes in Btu content in the event of substitution of coal of different grade or from different locality.

7. Minimum Monthly Charge. The minimum monthly charge for service furnished at each station shall be the demand charge computed on the billing demand for the month.

8. Power Factor. Water Company shall at all times take and use power in such manner that the power factor shall be as near 100 percent as possible, and to this end agrees that all pumping units installed in the two aforesaid pumping stations will be equipped with synchronous motors designed for unity power factor.

9. Payment of Bill. Electric Company shall render to Water Company separate bills covering electric power delivered to Water Company's pumping stations during the previous month. Water Company shall pay such bills within ten days after they are rendered. Should Water Company fail to pay any bill before expiration of the above-mentioned time limit, Electric Company shall have the right to discontinue the supply of electric power after first giving Water Company fifteen days written notice of such intention and may refuse the resumption of electric power delivery so long as any part due account remains unpaid, but such discontinuance shall not relieve Water Company of any of the other obligations imposed on it by this agreement.

10. Metering. Electric Company shall, at its own expense install and maintain suitable standard metering equipment of a type acceptable to both parties for determining the amount of power delivered to Water Company at the points of delivery of both pumping plants. Water Company shall have the right to install and maintain at its own expense additional metering equipment at the points of delivery for the purpose of checking the readings of Electric Company's meters.

Electric Company shall maintain its metering equipment within a reasonable degree of accuracy. Electric Company shall, at its own expense, and in the presence of representatives of Water Company, upon reasonable notice given to Water Company, make regular tests of its metering equipment at periodic intervals of not to exceed six months. Electric Company shall make additional tests of its metering equipment upon request of Water Company in the presence of Water Company representatives. If, as the result of any such regular or requested tests, the metering equipment is found to be inaccurate, it shall promptly be restored to a condition of accuracy. If any such test shows the meters to be in excess of two (2%) percent fast or slow appropriate adjustment shall be made in Water Company's bill in accordance therewith over a period not exceeding thirty (30) days prior to the date of such test.

The cost of all regular tests shall be borne by Electric Company. In the event that any additional test requested by Water Company shows metering equipment to be accurate, within two percent fast or slow, the cost of making such additional requested test shall be paid by Water Company.

Should Electric Company's meters at any time fail to register, the amount of power supplied during the period of failure shall be determined from Water Company's check meter, if any, or by other mutually satisfactory means such as estimates based on the amount of power previously delivered under substantially similar conditions.

Meters will be read as near a calendar month apart as practicable.

11. Voltage Fluctuations Caused by Water Company. Water Company agrees to use electric service in such manner as not to cause undue voltage fluctuations or disturbances to Electric Company's electric system and Electric Company may require Water Company, at Water Company's own expense, to install suitable apparatus to reasonably limit such fluctuations.

12. Continuity of Service. Electric company will use reasonable care and diligence in an endeavor to supply service continuously and without interruption, and to this end will make service available to each of Water Company's two stations over two feeder circuits, each of which shall be of adequate capacity to supply the power needs of such station. Electric Company, however, does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service not caused by the wilful negligence of Electric Company, or resulting from any cause or circumstance beyond the reasonable control of Electric Company.

13. Standby or Emergency Facilities. It is understood that Water company will undertake to maintain at both of the aforesaid stations standby facilities for use in the event of impairment or failure of Electric Company's service due to emergency or circumstances over which Electric Company has no control. Such standby facilities may consist of steam driven pumping units or electric generating facilities or whatever standby equipment Water Company chooses to install and operate. Provided, however, that any standby electric generating facilities installed by Water Company shall be used only during periods of impairment of Electric Company's service, and shall not be used to displace any part of Electric Company's service made available to Water Company hereunder.

14. Term. This agreement shall become effective on January 1, 1962, and shall continue in effect for an initial period of ten years from such date, and thereafter for successive additional periods of one year each until cancelled at the expiration of the initial period or of any successive one-year period by not less than twenty-four months written notice by either party to the other.

15. Regulatory Jurisdiction. It is mutually understood that the rates, terms and conditions contained in this agreement are at all times subject to the regulatory jurisdiction of the Public Service Commission of Kentucky. Provided, however, that Electric Company agrees that it will not seek to place into effect a greater percentage increase in the rates incorporated herein than it might seek to place into effect with respect to its Large Power Rate LP.

16. Supersedure of Previous Agreement. Upon the effective date hereof this agreement shall supersede the aforesaid agreement between the parties hereto dated October 14, 1947, and said agreement of October 14, 1947, shall be deemed cancelled and terminated.

17. Successors and Assigns. This agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

SEAL

LOUISVILLE GAS AND ELECTRIC COMPANY

Attest:

/s/ W. J. Glover
Secretary

By /s/ G. R. Armstrong
President FWR

SEAL

LOUISVILLE WATER COMPANY

/s/ Chester E. Vaughn
Secretary

By /s/ Neil Dalton
President

BOARD OF WATER WORKS
APPROVED
OCTOBER 10, 1961
CHESTER E. VAUGHN
Secretary