

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Application of :
Duke Energy Ohio, Inc. and the University : Case No. 12-2171-GA-AEC
Of Cincinnati for Approval of a :
Reasonable Arrangement for Transporting :
Natural Gas Pursuant to Section 4905.31, :
Revised Code :

JOINT APPLICATION

Pursuant to Section 4905.31, Revised Code, Duke Energy Ohio, Inc., (“Duke Energy Ohio”) an Ohio corporation and public utility as defined by Sections 4905.02 and 4905.03, Revised Code, and the University of Cincinnati (“UC”) a university of the State of Ohio created by Section 3361.01, Revised Code jointly apply for approval of a “reasonable arrangement” as provided for pursuant to Section 4905.31, Revised Code. The reasonable arrangement would provide for a unique interruptible natural gas transportation agreement to support incremental electric generation. As an interruptible gas transportation service the Agreement would not impact the rendering of firm service by Duke Energy Ohio. Similarly, UC’s peak generation does not coincide with the traditional space heating season of December to March. A copy of the Natural Gas Transportation Agreement (“Agreement”) between Duke Energy Ohio and UC is attached (Appendix A) and incorporated as part of this Joint Application. In support of this Joint Application, Duke Energy Ohio and UC state as follows:

1. Duke Energy Ohio is an Ohio Corporation engaged in the business of supplying natural gas to approximately 420,000 customers in eight counties in southwestern Ohio.

2. UC is a state chartered and state supported institution of higher learning located in Cincinnati, Ohio. It has approximately 36,000 students, 13,000 employees and is a mercantile customer as defined by Section 4929.01(L)(1), Revised Code.

3. UC is an existing natural gas transportation customer purchasing firm transportation service pursuant to Duke Energy Ohio's tariffed rates and interruptible service pursuant to a prior reasonable arrangement entered into on or about January 19, 2004. The Agreement would supersede and replace the existing reasonable arrangement.

4. UC has requested Duke Energy Ohio to transport natural gas which UC has purchased from another source for the purpose of fueling its natural gas fired generation facility.

5. Duke Energy Ohio is willing to receive, transport and deliver such quantities of gas to the mutually agreed upon points of delivery from Duke Energy Ohio to UC, and UC is eligible and is willing to receive said natural gas all in accordance with the terms and conditions of Duke Energy Ohio's Rate IT, Interruptible Transportation Service, P.U.C.O., Gas No. 18, Sheet No. 51.14 ("Rate IT").

6. The primary term of the prior reasonable arrangement was for five years, , at which time it continued in effect on a month to month basis through May 31, 2012.

7. UC desires to increase the natural gas consumption previously experienced under the prior reasonable arrangement so as to augment the amount of generation from its 48 MW co-generation plant located at 3001 Vine Street, Cincinnati, Ohio 45221.

8. In light of UC's desire to increase its consumption of natural gas and to facilitate the increased use of its gas-fired co-generation, Duke Energy Ohio and UC have

agreed, subject to Commission approval, to a rate in excess of the current reasonable arrangement, but less than Duke Energy Ohio's standard tariff Rate IT.

9. The agreed upon rate is high enough to meet Duke Energy Ohio's estimated costs of providing natural gas service to UC over time, including a contribution to fixed costs. Similarly, the rate is low enough to allow for incremental generation above historic levels. To that end, the contract contains a minimum take provision, so that Duke Energy Ohio is assured of incremental transportation revenue.

10. To increase its natural gas consumption to minimum levels established in this Agreement and to reduce its overall carbon emissions, UC has agreed to close one of its two remaining coal-fired generation stations and replace the power provided by that coal unit with natural gas fired generation.

10. Duke Energy Ohio and UC jointly submit the attached Agreement as a reasonable arrangement pursuant to Section 4905.31, Revised Code and seek Commission approval.

11. Service under this Agreement for Firm Use Gas shall be in accordance with Duke Energy Ohio's Rate GS-L, General Service P.U.C.O Gas No. 18, Sheet 35.2 and/or Duke Energy Ohio Energy Ohio Rate FT-L, Firm Transportation Service (P.U.C.O Gas No. 18, Sheet No. 37.2, as amended from time to time (Rate FT-L).

12. Service under this Agreement for Interruptible Transportation Gas shall be in accordance with Duke Energy Ohio Energy Ohio's Interruptible Transportation Service, P.U.C.O. Gas No. 18, Sheet 51.14 (Rate IT), as amended from time to time.

13. UC and Duke Energy Ohio agree that the gas delivered by Duke Energy Ohio to UC pursuant to this Agreement is for UC's sole use and that redelivery or resale by UC

is prohibited. The Agreement also provides that upon approval by the Commission, UC will withdraw its opposition to Duke Energy Ohio's Application in Case No. 12-331-GA-ATA. The application in Case No. 12-331-GA-ATA requests the Commission's approval to terminate the existing Spark Spread Interruptible Tariff (SSIT) a previously approved but unused tariff provision designed to provide gas transportation for incremental electric generation. The Agreement addresses the need for suitably priced interruptible gas transportation for incremental electric generation, which was the expressed purpose of the SSIT tariff.

14. The Agreement states that Duke Energy Ohio shall receive UC's natural gas supplies at the designated city gate receipt points, and deliver such supplies of gas to UC through the designated meters at the charges set forth herein, which the parties estimate to be no greater than the costs projected now for building, operating and maintaining a private pipeline.

15. The primary term of this Agreement shall be five years. Thereafter, the Agreement will renew automatically on a year to year basis unless either party notifies the other of its intention to terminate at least 180 days prior to the expiration of the existing term.

16. UC's obligation to pay for services and Duke Energy Ohio's obligation to provide services beyond the current biennium budget are conditioned on subsequent appropriate funding by the State of Ohio.

17. The parties acknowledge that the Agreement is subject to Commission approval and respectfully request that the Commission approve the Agreement.

WHEREFORE, Duke Energy Ohio, Inc. and the University of Cincinnati respectfully request that the Commission approve the attached Agreement as a reasonable arrangement pursuant to Section 4905.31, Revised Code.

Respectfully submitted,

Elizabeth H. Watts, as per email authorization
M. H. Petricoff

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Assistant General Counsel
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Attorney for the University of Cincinnati

**NATURAL GAS TRANSPORTATION AGREEMENT
BETWEEN DUKE ENERGY OHIO, INC.
AND
THE UNIVERSITY OF CINCINNATI**

This reasonable arrangement for natural gas transportation (Agreement), entered into as of the ____ day of June, 2012 between Duke Energy Ohio, Inc., a natural gas company as defined by Section 4905.03 Revised Code with its principal office located at 139 East Fourth Street, Cincinnati, Ohio 45202 (Duke Energy Ohio), and the University of Cincinnati, a state chartered institution of higher learning and an instrumentality of the State of Ohio with facilities located at 3000 Glendora Ave, Cincinnati, Ohio 45219 (UC) (each a "Party" and collectively the "Parties").

WITNESSETH

WHEREAS, UC requests Duke Energy Ohio to transport natural gas which UC has purchased from another source for the purpose of fueling its natural gas fired generation facility; and

WHEREAS, Duke Energy Ohio is willing to receive, transport and deliver such quantities of gas to the mutually agreed upon points of delivery from Duke Energy Ohio to UC, and UC is eligible and is willing to receive said natural gas all in accordance with the terms and conditions of Duke Energy Ohio's Rate IT, Interruptible Transportation Service P.U.C.O. Gas No. 18 Sheet No 51.14 (Rate IT) as may be amended from time to time, and as such terms and condition are modified as set forth herein; and

WHEREAS, UC is an existing natural gas transportation customer purchasing firm transportation service pursuant to Duke Energy Ohio's tariffed rates and interruptible service pursuant to a prior reasonable arrangement entered into on or about January 19th, 2004; and

WHEREAS, the primary term of the Reasonable Arrangement was for five years and expired on or about May 1, 2009. The Reasonable Arrangement continued under its terms on an annual basis until a Party exercised its right to terminate upon one hundred and eighty days prior notice; and

WHEREAS, on or about November 14, 2011, Duke Energy Ohio provided UC with written notice of its intent to terminate the Reasonable Arrangement; and

WHEREAS, UC desires to increase the natural gas consumption and for Duke Energy Ohio to augment the supply of natural gas to fuel its 48 MW co-generation plant located at 3001 Vine Street, Cincinnati Ohio 45221; and

WHEREAS, Duke Energy Ohio, in light of UC's desire to increase its consumption of natural gas and to facilitate the increased use of its gas-fired co-generation, has agreed to apply a rate that is estimated to represent no greater cost than that projected now for building, operating and maintaining a private pipeline; and

WHEREAS, to increase its natural gas consumption to levels contemplated under this arrangement and to improve its carbon footprint, UC has agreed to shut down at least one of its coal fired generation stations and replace/ repower using natural gas as a fuel source; and

WHEREAS, the Parties have agreed to enter into this Agreement to provide for the transportation of natural gas to the Plant; and

NOW THEREFORE, in consideration of the promises and mutual covenants and agreements contained herein, the Parties agree as follows:

Article I. Definitions

1.01 Billing Year shall mean the twelve monthly Billing Cycles beginning with the first billing cycle following approval by the Commission.

1.02 Billing Cycle shall mean length of time between normal monthly invoices that Duke Energy Ohio uses to meter and collect for natural gas transportation service.

1.03 Campus shall mean those UC facilities served gas through account number 20002093-01.

1.04 Contract Demand shall mean the maximum volume of gas that UC may use daily and pay for as Firm Use Gas as prescribed under Article VI of this Agreement. It is mutually agreed that the Contract Demand of UC shall be 2 Mcf per day, but may be changed by mutual agreement of the Parties once a year during the term of this Agreement. In the event of an interruption of service, as described in Article V of this Agreement, Duke Energy Ohio may increase UC's contract Demand if UC cannot demonstrate that its daily gas usage will not exceed the Contract Demand stated herein.

1.05 Firm Use Gas shall mean the Contract Demand, as defined above, multiplied by the number of days in the month.

1.06 Interruptible Transportation Gas shall mean those quantities of gas in excess of the Contract Demand, as defined above, which UC purchases from a supplier and arranges to have delivered by displacement to the mutually agreed upon point of delivery that interconnect with Duke Energy Ohio's gas transportation system.

Article II. Terms of Service

2.01 Service under this Agreement for Firm Use Gas shall be in accordance with Duke Energy Ohio's Rate GS-L, General Service P.U.C.O Gas No. 18, Sheet No. 35.2 and/or Duke Energy Ohio Rate FT-L, Firm Transportation Service, P.U.C.O. Gas No. 18, Sheet No. 37.2, as amended from time to time (Rate FT-L). Service under this Agreement for Interruptible Transportation Gas shall be in accordance with Duke Energy Ohio's Interruptible Transportation Service, P.U.C.O. Gas No. 18, Sheet 51.14 (Rate IT), as amended from time to time and attached hereto as Appendix A, and the terms, conditions, and other provisions thereof shall control all aspects of this Agreement with respect to Interruptible Transportation Gas except as provided otherwise herein. UC is aware of and specifically acknowledges that the terms and conditions of Rate GS-L, Rate FT-L and Rate IT may be changed from time to time by valid order of the Commission or other regulatory body having jurisdiction over such service. UC is free to participate in and to oppose any such subsequent requests for change at the Commission.

2.02 UC further agrees that all gas delivered by Duke Energy Ohio to UC pursuant to this Agreement is for UC's sole use, and that redelivery or resale by UC to any

other person or entity is strictly prohibited. UC agrees not to expand or construct distribution facilities to use the generation powered by the natural gas delivered under this Agreement to provide a retail distribution source of electricity, steam or natural gas for any other person or entity. This provision is not intended to prohibit wholesale transactions in PJM markets nor is it intended to impact UC's current service levels to existing hospital facilities that are connected to UC's existing internal grid as of the date of this Agreement. If Duke Energy Ohio determines that UC has acted in contravention of the foregoing prohibitions, Duke Energy Ohio may immediately terminate this Agreement.

2.03 UC agrees that upon approval of this Agreement by the Commission, it shall withdraw its opposition to Duke Energy Ohio's application filed in Case Number 12-0331-GA-ATA, to cancel Duke Energy Ohio's Spark Spread Interruptible Transportation Rate (Rate SSIT).

Article III. Description Of The Service

3.01 For the term of this Agreement, UC agrees that it shall not build or assist others in the building of a private pipeline to supply its Uptown Campus located in the Clifton Neighborhood of Cincinnati, and shall utilize instead Duke Energy Ohio's distribution pipeline system. Duke Energy Ohio agrees that it shall receive UC's natural gas supplies at the designated receipt points, and deliver such supplies of gas to UC's customer meters at the charges set forth herein, which the Parties estimate to be no greater than the cost projected now for building, operating and maintaining a private pipeline. The goal of this Agreement is to maintain the UC load for the Duke Energy Ohio system, while not charging UC more than the perceived or anticipated cost of self-serving.

3.02 Any conflict between this Agreement and Rate IT and other tariff provisions, including the general terms and conditions, shall be resolved in favor of the words and the expressed goal of this Agreement.

Article IV. Term

4.01 This Agreement shall become effective upon execution and billing provisions shall be implemented with the first monthly billing cycle after this Agreement has been approved by the Commission (Effective Date). The Certification Letter when issued shall be incorporated as an exhibit to this Agreement. The primary term of this Agreement shall be five (5) years commencing on the Effective Date and continuing for 59 additional Billing Cycles thereafter. The Agreement shall renew automatically under the same terms and conditions, including but not limited to annual pricing escalations, for additional term of 12 Billing Months, unless and until either Party serves timely notice to terminate on the other. Timely notice shall be in writing and be served no less than one hundred and eighty (180) days prior to the expiration of the then existing term.

4.02 Both Parties acknowledge that UC's obligation to pay for services and the Company's obligation to provide services under this Agreement beyond the current biennium budget are conditioned on subsequent appropriate funding by the State. UC warrants that it has secured appropriate funding for the current biennium budget period, and that it shall for the full term of this Agreement use its best efforts to obtain passage of appropriations that will be sufficient in amount to cover the estimated cost of natural gas distribution provided for in this Agreement. If future State budgets prohibit or otherwise ceases or reduces the funding which permits the purchase of the natural gas distribution services under this Agreement, then UC may terminate the Agreement without further

obligation, save for the payment of monies due the Company under this Agreement through the date of termination.

Article V. Interruption of Service

5.01 Duke Energy Ohio's delivery of Interruptible Transportation Gas under this Agreement shall be provided on a "best efforts" basis, as that term is defined in Rate IT, and shall otherwise be subject to interruption in accordance with the provisions of Rate IT. Upon notification by Duke Energy Ohio of the need for interruption of service under this Agreement, which may be accomplished either verbally, electronically, or in writing at Duke Energy Ohio's option, UC shall, within three (3) hours, cease taking Interruptible Transportation Gas. After said three (3) hour period, deliveries of Interruptible Transportation Gas to UC shall cease, and UC shall refrain from using Interruptible Transportation Gas until notified by Duke Energy Ohio that such service has been restored. If UC should fail to comply with such interruption request, Duke Energy Ohio shall bill UC for such unauthorized deliveries of Interruptible Transportation Gas in accordance with the applicable provisions of Rate IT. The amount of such unauthorized deliveries shall be deemed to be the total metered usage during the curtailment period, less the Contract Demand and upon review the usage during the curtailment may set the next Contract Demand. UC agrees that the representatives of Duke Energy Ohio may enter the premises of UC at any time for the purpose of reading meters and inspection to ascertain if UC is complying with the interruption notification.

5.02 Duke Energy Ohio shall not be precluded from physically disconnecting service to UC if UC refuses to interrupt service when properly notified by Duke Energy Ohio. Further, Duke Energy Ohio may terminate this Agreement if UC repeatedly refuses

to interrupt service when properly notified. If Duke Energy Ohio elects to provide notice of interruption orally, it shall follow up such notice in writing as soon as practicable.

Article VI. Billing

6.01 UC's net monthly bill shall consist of both Firm Transportation Service and Interruptible Transportation Service and be computed in accordance with the following charges:

A. Firm Use Gas – Billing for UC's Firm Use gas shall be in accordance with Duke Energy Ohio's prevailing standard rate for gas service, currently identified as Rate GS-L and all associated riders and surcharges, and/or Rate FT-L and all associated riders and surcharges, as applicable and as amended from time to time by valid order of the appropriate regulatory authorities having jurisdiction over such service.

B. Interruptible Transportation Gas –Billing for Interruptible Transportation Gas provided under this Agreement shall be as follows:

- 1) UC shall pay a base rate of \$0.4423 per Mcf for all Mcf of Interruptible Transportation Gas delivered, subject to an annual escalation of three percent (3%) beginning with the commencement of the second Billing Year, and continuing with the commencement of each Billing Year thereafter.
- 2) With the exception of Rider AMRP as set forth below, UC agrees to pay 100% of all riders and taxes applicable under Rate IT, as may be amended from time to time.
- 3) UC agrees to purchase a minimum volume of 1,600,000 Mcf of Interruptible Transportation Gas per Billing Year. At the end of each Billing Year, Duke Energy Ohio shall sum the total volume of Interruptible Transportation Gas delivered to UC during the Billing Year and subtract that from 1,600,000 Mcf. If the difference is

positive, Duke Energy Ohio shall assess a charge of \$0.4423 per Mcf , plus any applicable annual escalation(s), riders and taxes as described in paragraph 6.01(B)(1) and (2) for such difference.

4) In addition UC shall pay the monthly administrative charge and balancing fee (Rate IMBS) as set forth under Rate IT as may be amended from time to time,

5) For so long as Duke Energy Ohio's Accelerated Main Replacement Program (AMRP) is in effect, UC shall pay a fixed AMRP charge of \$500 a month.

6) There shall be no assessments for PIPP due to the Interruptible nature of the service.

7) UC shall reimburse Duke Energy Ohio for any transportation penalty or service charges incurred by Duke Energy Ohio from pipelines or other local distribution companies for improper deliveries made on behalf of UC pursuant to UC's direction. Duke Energy Ohio shall upon request provide documentation supporting the assessment of any such penalty charges or other fees for improper deliveries by UC.

6.02 Measurement of Transportation Volumes – Transportation volumes shall be metered at UC's plant location, and such meter readings shall be used to determine the volume delivered, or in the event of equipment malfunction, transportation volumes may be calculated based on usage records for that location.

Article VII. Warranty Of Title

7.01 UC, either on its own or acting through its designated supplier, warrants that it shall have good title to all natural gas delivered to Duke Energy Ohio for transportation under this Agreement, and that such gas shall be free and clear of all liens, encumbrances and claims whatsoever.

Article VIII. Suppliers/Pool Operators

8.01 Should UC elect to use a supplier/pool operator to perform any or all of its obligations under this Agreement, it shall provide Duke Energy Ohio with a UC/Supplier Pooling Agreement authorizing said Supplier/Pool Operator to act on UC's behalf.

UC's authorized Supplier/Pool Operator shall be expected to perform in the same manner as UC, and to abide by all applicable Duke Energy Ohio policies whether enumerated in this Agreement, Rate FT-L, Rate IT, Duke Energy Ohio's pooling and balancing tariffs, associated riders, or Duke Energy Ohio's service Rules and Regulations.

8.02 Duke Energy Ohio shall not be liable for under-deliveries, over-deliveries, imbalances, or other conditions caused by UC's Supplier/Pool Operator which results in UC having to purchase higher priced gas and other increased incremental costs. UC shall be subject to such balancing requirements, thermal conversion adjustments and unaccounted for allowance requirements as defined under Rate FT-L and Rate IT, associated balancing rates and riders, and shall have available to it such supply management/pooling options as are available to Rate IT customers.

8.03 Notice of changes in Duke Energy Ohio's tariffs or service Rules and Regulations shall be directed to UC. Duke Energy Ohio shall also attempt to inform UC's Supplier/Pool Operator of such changes but shall be under no obligation to do so.

8.04 UC shall be liable for any penalty or loss incurred by Duke Energy Ohio as a result of the actions of its Supplier/Pool Operator. UC acknowledges this liability.

Article IX. Force Majeure

9.01 Neither of the Parties hereto shall be liable in damages to the other for any act, omission, or circumstance occasioned by or in consequence of any acts of God, strikes,

lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, civil disturbances, explosions, breakage, or accident to machinery, electric curtailment, the binding order of any court or governmental authority which has been in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the Party claiming suspension.

9.02 Such causes or contingencies affecting the performance hereunder by either Party hereto, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve UC from its obligations to make payments of amounts due prior to the claim of Force Majeure hereunder. In the event of force majeure eliminating Duke Energy Ohio's ability to satisfy UC's contractual requirements for natural gas, UC shall be permitted to do whatever is necessary to secure substitute supplies until the force majeure condition is fully rectified.

9.03 The force majeure shall commence when the Party declaring a force majeure notifies the other Party of the force majeure conditions. As soon as practicable after the declaration, the Party declaring a force majeure shall provide the other Party with a full written explanation of the conditions and events which led to the declaration of force majeure and a projection of how long the force majeure will last.

Article X. Quality of Gas

10.01 The gas to be delivered pursuant to this Agreement shall be natural gas, or its equivalent of the quality and characteristic as received by Duke Energy Ohio from the interstate or intrastate pipeline companies from which it receives its supply for delivery to its Customers with such odorants added as Duke Energy Ohio may deem necessary, provided, however, that the natural gas may be augmented with propane-air mixtures or other mixtures as purchased or as produced in Duke Energy Ohio's plants.

Article XI. Delivery Pressure And Equipment

11.01 Duke Energy Ohio shall use good industry practice to deliver gas at pressure needed by UC at the points of delivery specified in this Agreement. It is mutually understood that in times of emergency, high demand delivery, or during periods of construction and maintenance, the delivery pressure may fall below the UC's desired pressure; therefore, nothing herein shall be construed as implying a warranty by Duke Energy Ohio as to gas pressure that is greater or different than what is offered to all Duke Energy Ohio transportation customers pursuant to Duke Energy Ohio's general terms and conditions.

Article XII. Points Of Receipt & Delivery

12.01 The receipt points shall be those currently being used by UC for its load, which may be changed from time to time subject to Duke Energy Ohio's system operation and standard procedures for the use and allocation of receipt points.

12.02 The point(s) of delivery shall be at the outlet of the metering and regulating devices in Duke Energy Ohio's metering location(s) at the end of the gas service(s) currently serving UC as documented in the current billing statements. Meter(s) and

regulating equipment shall be owned and installed by Duke Energy Ohio in the above location(s). Duke Energy Ohio shall have the right to access all meters and measuring equipment at all times.

Article XIII. Metering

13.01 Duke Energy Ohio reserves the right to change its metering from time to time for maintenance purposes and also to add remote meter reading devices or other equipment as it may desire for monitoring and measuring UC's gas deliveries at UC's expense.

13.02 UC agrees to maintain existing telephone service at UC's sole cost and effort at a location not nearer than five (5) feet not greater than fifteen (15) feet from the location of Duke Energy Ohio's gas meter(s) for this purpose. Any new telephone lines shall be located not closer than twenty (20) feet from the location of Duke Energy Ohio's gas meter(s). All telephone lines installed by UC under this Agreement must be suitable for use with Duke Energy Ohio's Automatic Meter Reading (AMR) equipment. UC must maintain and install adequate protection for the telephone service so that Duke Energy Ohio can receive continuous and dependable information on such metering equipment.

13.03 Except as otherwise set forth in this Article XIII, Duke Energy Ohio's metering of UC's gas consumption shall be in accordance with Duke Energy Ohio's filed gas tariff, P.U.C.O. Gas No. 18, Sheet 23.6, as this may be amended from time to time.

Article XIV. Regulatory Authority

14.01 This Agreement is made in all respects subject to the terms and provisions of Title 49 of the Ohio Revised Code, and acts amendatory thereto, and to the jurisdiction and authority of the Commission and any other regulatory body having jurisdiction and to

the general service rules and regulations of Duke Energy Ohio currently in effect from time to time. Nothing herein contained shall be construed as divesting, or attempting to divest, any regulatory body of any of its rights, jurisdiction, powers or authority conferred by law.

14.02 Except as specifically provided herein, nothing in this Agreement shall be construed so as to alter, modify or change conditions of normal gas deliveries pursuant to other tariffs, contracts or curtailment priorities as is from time to time imposed upon Duke Energy Ohio customers pursuant to regulatory orders, laws, requirements or sanctions. All service provided hereunder shall be subject to Duke Energy Ohio's current Rules and Regulations for Gas Service as on file with the Commission, and also subject to the Rules, Orders and Regulations of other governmental authorities having jurisdiction.

14.03 This Agreement shall be expressly contingent upon the receipt of such regulatory approvals or authorizations as may be required. The Parties agree to cooperate to obtain all required approvals or authorization.

Article XV. Successors And Assigns

15.01 This Agreement shall be binding on, and inure to, the successors and assigns of Duke Energy Ohio and UC, and shall supersede and cancel all previous gas service agreements, except for obligations incurred by UC to pay amounts due in respect to gas heretofore delivered thereunder.

Article XVI. Obligation For Taxes

16.01 UC and Duke Energy Ohio shall each be obligated to pay to the appropriate taxing authority all taxes of every kind as respectively assessed to or levied on each, without right of contribution by the other.

16.02 Neither the price to be paid nor any provision of this Agreement shall be affected by an increase or decrease in the rate or amount or the repeal of an existing tax imposed on either Party hereto, by the enactment of a new tax, or by the subsequent application hereto of any existing tax.

Article XVII. Notice

17.01 Any notice required by the Agreement shall be deemed to have been given when provided to and received by the Party to whom it is directed as designated below. Notice of interruption may be given orally, either in person or by telephone, pursuant to Duke Energy Ohio's Gas Curtailment Plan, as such plan may be amended from time to time.

Notice sent to Duke Energy Ohio:

Vice President
Gas Operations
139 East Fourth Street
Cincinnati, OH 45202
Phone: (513) 287-2535
Fax: (513) 287-2018

Notice sent to UC:

Director of Utilities
University of Cincinnati
3000 Glendora Ave
Cincinnati, OH 45219
Phone: (513) 558-4635
Fax: (513) 558-1739

Article XVIII. Applicable Law

18.01 This Agreement shall be governed by the laws of the State of Ohio regardless of choice of law principles in Ohio or any other state, and is subject to and contingent upon approval by the Commission pursuant to Section 4905.31 Ohio Revised Code.

Article XIX. Entire Agreement

19.01 The terms of this Agreement, along with other materials specifically incorporated by reference, constitute the entire agreement between the Parties with respect to the matters contained within the Agreement. All prior oral or written agreements with

respect to the same subject matter are superseded by this Agreement and the Parties represent that they are not relying on any oral or written representations or warranties except as specifically set forth within this Agreement.

IN WITNESS WHEREOF, the Parties agree and accept each and every Term and Condition set forth in this Agreement and acknowledge their understanding and agreement by signing this Agreement below:

WITNESS

John M. Thompson

DUKE ENERGY OHIO

By:

James E. McKinley

Its:

VP, Gas Operations

WITNESS

Juan M. Jung

UNIVERSITY OF CINCINNATI

By:

C. Francis Barnett

Its:

Chairman of the Board

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Case No(s). 12-2171-GA-AEC

Summary: Application electronically filed by M HOWARD PETRICOFF on behalf of University of Cincinnati